

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

England & Wales · Charity number 210066

Details

Other names MIDDLE EAST NAVIGATION AIDS SERVICE

Status Registered

Legal form Charitable company

Company number [00477145](#)

Registered 1963-02-22

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: 3. THE OBJECTS OF THE COMPANY ARE THE PROMOTION OF SAFETY AT SEA AND THE PROTECTION OF THE MARINE ENVIRONMENT IN THE MIDDLE EAST AND WORLDWIDE BY ALL CHARITABLE MEANS INCLUDING DIRECTLY OR INDIRECTLY:3.1 PROVIDING AND MAINTAINING NAVIGATION AIDS, SAFETY SYSTEMS AND SAFETY INFORMATION;3.2 PROMOTING THE USE OF MODERN NAVIGATION TECHNIQUES AND PROCEDURES AND OTHER ESSENTIAL MARITIME SKILLS; AND3.3 PROTECTING AND IMPROVING ALL ASPECTS OF THE MARINE ENVIRONMENT ("THE OBJECTS")

Activities: Our object is to promote safety at sea and to protect the marine environment

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Services, Acts As An Umbrella Or Resource Body
- **What:** The Advancement Of Health Or Saving Of Lives, Environment/conservation/heritage
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** THE MIDDLE EAST
- Bahrain
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£5,787,542	£5,244,476	£53,901,988	16
2023-12-31	£7,304,400	£8,263,255	£51,156,119	16
2022-12-31	£7,756,275	£9,242,193	£49,592,093	14
2021-12-31	£7,813,428	£7,233,830	£52,763,980	14
2020-12-31	£7,339,677	£7,987,591	£52,827,102	14

Trustees

Name	Role	Appointed
Roderick Guy MASON	Chair	2022-03-03
Andreas Nordseth		2025-05-27
Aslak Ross		2022-03-03
Captain Iain Scally		2021-11-25
David Hill		2023-03-02
Douglas Summerhill		2020-11-26
John Clink		2025-09-18
Louise margaret Evans		2020-06-04
Peter Stanley		2019-09-05
YOUSUF ALSAGER		2011-10-10

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

England & Wales - Charity number 210066

Accounts

REGISTERED COMPANY NUMBER: 00477145 (England and Wales)
REGISTERED CHARITY NUMBER: 210066

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

FOR

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

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FOR THE YEAR ENDED 31 DECEMBER 2024**

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INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Directors of International Foundation for Aids to Navigation (“the Company”) are the Company’s charity trustees under charity law and the directors of the charitable company. The members of the Board who served in office as Directors during the year and subsequently are detailed below:

KEY MANAGEMENT PERSONNEL:

DIRECTORS

R. G Mason ‡ - Chairman
Captain Y. Y. Al Saqer
L. M. Evans ‡
Captain D. Hill
A. R. W. Marsh MBE FICS
A. Ross ‡
Captain I. Scally
P. Stanley
D. Summerhill
A Nordseth

‡ Member of Audit Committee

CHIEF EXECUTIVE

C. M. Mulvihill

REGISTERED OFFICE

4th Floor
8-9 Lovat Lane
London
EC3R 8DW

CHARITY STATUS

Company Limited by Guarantee not having a share capital
Registered in England and Wales No. 00477145
Registered Charity No. 210066
The word Limited is omitted by licence of the Board of Trade, London

BANKERS

HSBC, London and Bahrain

INDEPENDENT AUDITORS

Azets Audit Services,
2nd Floor, Regis House, 45 King William Street, London EC4R 9AN

SOLICITORS:

Farrer & Co, London
66 Lincoln’s Inn Fields, London, WC2A 3LH

Campbell Johnston Clark Solicitors
59 Mansell Street, London, E1 8AN

INVESTMENT MANAGERS

Cazenove Capital
1 London Wall Place, London, EC2Y 5AU

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024****DIRECTORS****Guy Mason (Chairman)**

Mr. Mason was appointed Chairman in November 2022. He joined the Board in March 2022 having retired from BP at the end of 2020 as Senior VP and Global Head of BP Shipping. Whilst in BP Shipping, he served on supervisory boards at UK Chamber of Shipping, P&I Clubs, ITOPIF and Oil Spill Response Limited. Prior to his time in shipping, he worked in BP's Alternative Energy business building new global low-carbon energy businesses. He currently serves as an Independent Director on the Board of AB KN Energies. He has first class degree in Engineering Science and Technology from Loughborough University and is a chartered engineer and a Fellow of the Institute of Mechanical Engineers.

Captain Yousef Al Saqer

Captain Al Saqer was appointed as a Director in November 2010. He is presently Deputy CEO Fleet Operations KOTC, formerly Manager Fleet newbuilding projects and prior to that, Manager fleet marine operations where he was accountable for the day-to-day operations, safety & security of KOTC Fleet. He started his career as Navigation Officer, leading to Master on board KOTC's VLCC, LPG and Product tankers. He served in numerous roles on shore in Fleet operations, Marine Affairs and risk assessment. He holds a BSc in Maritime Transport Technology and is a Master Mariner.

Louise Evans

Ms. Evans was appointed to the Board in June 2020. She is currently non-executive director and audit committee chair of AB Dynamics plc and World Rugby and senior independent director and audit committee chair of Gooch & Housego PLC. Ms. Evans previously held Group Finance Director roles at Braemar Shipping Services plc and Williams Grand Prix Holdings plc. She has also held senior positions at RPS Group plc and Reynard Motorsport. She qualified as a chartered accountant whilst working with Ernst & Young. Ms. Evans graduated from the University of Wales with a first class degree in Management Science and is a Fellow of the Institute of Chartered Accountants in England & Wales.

Captain David Hill

Captain Hill was appointed a Director in March 2023. He is presently serving as Fleet Manager with Shell International Trading & Shipping Company. Captain Hill served within the Shell Fleet for more than 17 years, rising to the rank of Captain before transferring ashore where he was appointed Operations Superintendent, later also holding roles of Company Security Officer and Deputy Designated Person Ashore. Following a period working as a Ship Management Consultant as Director of Great Bear Marine, he returned to Shell in November 2018 as Operations Superintendent before becoming Fleet Manager in 2021. Captain Hill is an Associate Fellow of both the Nautical Institute and Royal Institute of Navigation, as well as a Freeman of The Honourable Company of Master Mariners.

Alan Marsh

Mr. Marsh was appointed to the Board in August 2018 and stepped down as Chairman after three years in the post. He is Vice President of The Marine Society and Sea Cadets (MSSC), and Vice President of the RNLI. He sits on the development board of WetWheels UK and is an Associate Member of the Stelios Philanthropic Foundation, a UK Charity. He is a Fellow of the Institute of Chartered Shipbrokers for whom he is a former President. He is also a Younger Brother of Trinity House, Past Prime Warden of the Worshipful Company of Shipwrights and formerly CEO of Braemar Shipping Group PLC as well as a Director of ITIC.

Aslak Ross

Mr. Ross was appointed as a director in March 2022. He is currently Head of Safety and Resilience at APM Terminals (part of A.P. Moller-Maersk Group) responsible for HSSE and Business Resilience for APM Terminals. Prior to that he was Head of Marine Standards and Designated Person Ashore in Maersk A/S with responsibility for all Health, Safety, Security, Environmental and Quality matters for the Maersk managed container fleet, including navigational safety. Mr. Ross started his career in Maersk in 1994 as an engineer apprentice and has a degree in marine engineering has also completed a master mariner degree. Aslak has been the Chairman of Container Ship Safety Forum and is currently chairman of TEKNIKA – Copenhagen College of Technology Management and Marine Engineering.

Captain Iain Scally

Captain Scally was appointed a Director in November 2021. He is presently serving as Marine Advisor to NYK's Global Tanker Quality Group in Tokyo. Formerly with ExxonMobil for 28 years serving as Master and then a variety of shore-based positions including HSQE, Marine Operations and Shipping Manager within LNG operations. Captain Scally commenced his seagoing career with Shell in 1970. He is founding member and Fellow of the Nautical Institute and serves on technical committees within Intertanko and SIGTTO.

Peter Stanley

Mr. Stanley was appointed as a Director in September 2019. He was previously the IFAN CEO from July 2019 to October 2023. Formerly with BP for 30 years working in BP Shipping, HSE, Refining Manufacturing and Supply, Chemicals and finally as Head of Control of BP's Corporate segment. He graduated from Newcastle University obtaining a first-class honours degree in Marine Engineering and has

an MBA from the Judge Business School, Cambridge University. He is a Chartered Engineer and Fellow of the Institute of Marine Engineering, Science and Technology.

Doug Summerhill

Mr. Summerhill was appointed a Director in November 2020. He is presently Vice President of Chartering for BP Shipping Limited, accountable for the global chartering activity and monetisation of BP's oil and gas fleet. He is a supply, shipping and trading specialist, having worked in this sector for over 20 years and holds a Bachelor of Business degree from RMIT University, Australia.

Andreas Nordseth

Mr. Nordseth was appointed to the Board in May 2025. He served as Director General of the Danish Maritime Authority from 2009 to 2024 and was Chairman of the EMSA Administrative Board and the Consultative Shipping Group. He holds a Shipmaster's Diploma and has studied Engineering and Naval Architecture at the Technical University of Denmark as well as Public Policy at Roskilde University. He now works independently as a strategic advisor and board member within maritime governance and sustainability.

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

2024 saw continued market turbulence, volatile energy markets and heightened geopolitical unrest which have impacted global shipping operations. Against this backdrop, the charity maintained a sound and sustainable financial position.

In 2024, IFAN's charitable objects have driven a continued focus on our two core activities: the management of our funds and their distribution to projects which enhance safety at sea and protect the environment and the reliable operation of navigational aids and associated communication systems in the Gulf.

Management of funds and distributions to projects

We continue to be active in the management of our invested funds aiming for improved income. Our Investment Committee monitors the performance of our fund managers against our investment objects. Following best practice, the Board instructed the Investment Committee to appoint Independent Investment Reviews to operate a tender process for fund managers to manage IFAN's portfolio. At the conclusion of this process, the Investment Committee recommended to the Board that Cazenove be appointed as IFAN's Investment Managers. This appointment was made on 1 June 2024.

During 2024, we donated \$0.83m to projects which seek to improve safety at sea and protect the marine environment; some of these projects are planned to continue through 2025.

We have our own guidelines to determine which projects we will support having regard to legal imperatives, our resources, and our ability to monitor projects appropriately. We continue to find ways to integrate IFAN into marine regulatory organisations to both better understand the requirements for aids to navigation globally and contribute to the decision-making and guidelines for enhancing safety at sea and protecting the environment. In 2024 we considered potential environmental development projects in their own right, and continue to have regular conversations with competent authorities to explore opportunities to provide aids to navigation for Particularly Sensitive Sea Areas (PSSA).

Since early 2012, we have supported the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) in developing its Worldwide Academy (WWA) with contributions amounting to an average of \$706k equivalent each year. The WWA provides training packages designed to spread knowledge amongst government representatives. Instruction is given both in respect of a Coastal State's obligations under international law and the benefits to commerce of having effective aids to navigation. The IALA programme is a rolling programme, progressively expanding the knowledge of aids to navigation throughout the world. Over time, continually improving services will become available to better assist navigators to safely operate their vessels. At IFAN's Board meeting in November 2024, the Directors agreed to continue support for IALA WWA for a further 3 years. C Mulvihill has been appointed to the WWA board with effect from 26 June 2024 representing major sponsors of the WWA.

We have previously helped The Marine Society and Sea Cadets (MSSC) develop and commission teaching modules to improve mathematical, English language and marine vocational skills amongst mariners, committing a final project payment of \$12k in 2023. We did not receive any further requests for funding in 2024 but continue discussing future potential opportunities. We have also funded a significant outreach programme that The Nautical Institute (NI) promoted to improve navigators' technical skills, committing \$443k equivalent since 2014. At the meeting in September 2024, the Board agreed to continue the funding of the production of the NI magazine "Navigator" in the sum of \$128k per annum

Since 2016, we have jointly funded a project to improve the aids to navigation and technical capability present in the Pacific Ocean for The South Pacific Community (SPC), the pan-government agency responsible for marine matters in that region. An initial survey was a pre-requisite to the project to improve positioning infrastructure in a region heavily dependent upon marine transport but poorly supplied with aids to navigation. A second phase was completed in 2021, albeit reduced in scope due to the pandemic. We agreed to fund a third phase of the project, which sought to establish a sustainable funding model for the provision of navigational aids in the 13 target island communities. In previous years, \$2.78m has been donated with a further \$400k paid in 2023. A balance of \$196k was paid in July 2024 which represented the final work of Phase 3. Phase 4 is currently under development by the SPC and will be considered by IFAN when brought forward.

IFAN has provided funding to support the Aids to Navigation Fund (ANF) linked to the Straits of Malacca and Singapore (SOMS). The ANF provides funding to support maintenance of the existing Aids to Navigation within the SOMS. We monitor

the ongoing programme of maintenance and improvement through our participation at the ANF meetings.

OTHER PROJECTS IN 2024

In 2024 our office in Bahrain was successful in securing a new contract to provide refurbishment and installation of AtoNs in Bahraini waters for the Ports and Maritime Affairs division of the Ministry of Transportation and Telecommunications (PMA). The work will commence in 2025.

Beyond our existing projects, we continue to seek new opportunities aligned to our charitable objects and examine funding requests to determine appropriate levels of support to improve the safe passage of ships using global sea routes.

Navigation Aids and communication systems in the Gulf

The navigational services provided by MENAS in the Gulf depend on the collection of Navigation Dues from ship owners. These charges, which had not changed since 2006, fund the costs of providing navigational aids, essential for safety and continued trade in the Gulf. As announced in last year's report, Navigation Dues charges to shippers were increased with effect from 1st October 2023; the increased charges more accurately reflect the overall cost of providing MENAS services to shippers in the Gulf, thereby underpinning the sustainable provision of these services into the future.

We continually seek to ensure awareness of our activities in the Gulf with ship owners through the use of media campaigns and targeted communications.

We also provide regular updates and support to the agents who are collecting the Navigation Dues on our behalf and have closely involved them in the development of the new IT system development.

In our 2022 annual report, we advised that some elements of our Differential Global Positioning System (DGPS) service in the Gulf were reaching the end of their serviceable life. Having looked at different ways to provide accurate positioning systems in the Gulf we concluded that DGPS remains the best solution. A new DGPS site at Ras Al Khaimah (RAK) has been built and went into operation in May 2024.

In 2021, MENAS successfully achieved the designation of Accredited Training Organisation (ATO). We are now offering technical skills and educational courses in the field of Marine Aids to Navigation (AtoN) for service providers and stakeholders, such as Port Authorities in the Middle East region. Our goal is to help them develop their own resources over time, ultimately improving the safety of navigation throughout the region. The first IALA Level 3 course (AtoN Foundation Course) took place on November 8th and 9th, 2023, at the MENAS Training Centre in Manama. This event was attended by senior representatives from the authorities in the Gulf Cooperation Council (GCC), and it was the first of its kind in this region. We are also planning to deliver the first IALA Level 2 course by mid 2025, which will focus on training Technicians and Engineers responsible for ATON maintenance, such as buoys, lighthouses, and light beacons."

In 2023 I welcomed Catherine Mulvihill as IFAN's CEO. Catherine has worked closely with the Board during 2024 bringing new ideas and insights including new charitable funding opportunities for IFAN to consider. We look forward to continuing the next phase of IFAN's development.

R. G. Mason
Chair

Date: 18 September 2025.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Directors of International Foundation for Aids to Navigation (“the Company”) present their Annual Report together with the audited financial statements for the year ended 31 December 2024 which comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 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).

REFERENCE AND ADMINISTRATIVE INFORMATION

The Company is constituted as a company limited by guarantee with two wholly owned operating subsidiary undertakings, Menas Marine Services Limited and Oman Marine Services Limited. The charitable objectives of The International Foundation for Aids to Navigation (“IFAN”), as stated in the Articles of Association, are 1. The promotion of safety at sea and the protection of the marine environment in the Middle East and worldwide by all charitable means including directly or indirectly providing and maintaining navigation aids, safety systems and safety information; 2 Promoting the use of modern navigation techniques and procedures and other essential maritime skills; and 3. Protecting and improving all aspects of the marine environment

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Company is governed by its Articles of Association.

Governing Body

The Directors are appointed in accordance with the Articles of Association by the Members and are mostly drawn from the shipping, maritime and oil industries.

Recruitment and training of Directors

New Directors are briefed on their legal obligations under charity and company law, the content of the Articles of Association and the workings of the Board of Directors and the decision making process.

Organisational management

The Board of Directors, as the charity trustees, are legally responsible for the overall management and control of the Company. The Board of Directors meets at least four times a year.

The Audit Committee is responsible for ensuring that the financial performance of the Company is properly reported that adequate internal control systems are maintained and managing the relationship with the external auditors.

Day to day administration is carried out by the Chief Executive Officer. The operation of the Bahrain facility is undertaken by a senior manager reporting to the CEO in London.

The remuneration of key management personnel is set by the Board and the appropriateness and relevance of the remuneration policy is reviewed annually by the Remuneration Committee.

Group structure and relationships

The Company has two wholly owned non-charitable subsidiaries: Menas Marine Services Limited, which operated a commercial vessel until September 2023, and Oman Marine Services Limited (OMSL), which has a branch in Ras Al Khaimah Freeport Zone for the purposes of renting land for a new DGPS.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024**

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The Company's Objectives, as set out in the Articles of Association, are the promotion of safety at sea and the protection of the marine environment in the Middle East and worldwide by all charitable means, including providing and maintaining navigation aids, safety systems and safety information; promoting the use of modern navigation techniques and procedures and other essential maritime skills; and protecting and improving all aspects of the marine environment.

The objectives are variously achieved for the public benefit through the provision, under the name MENAS, of an aids to navigation service in the Gulf and by assisting other organisations undertaking projects which meet the Company's charitable objectives of the promotion of safety at sea and the protection of the marine environment in the Middle East and worldwide by all charitable means including directly or indirectly 1. Providing and maintaining navigation aids, safety systems and safety information; 2 Promoting the use of modern navigation techniques and procedures and other essential maritime skills; and 3. Protecting and improving all aspects of the marine environment of promoting safety at sea and protection of the marine environment. We are actively seeking additional organization to support and are in dialogue concerning a number of potential opportunities. We welcome the opportunity to discuss new projects.

The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Board has monitored closely the guidance on public benefit produced by the Charity Commission.

Principal Activities

The Company provides and maintains shore and sea based visible aids as well as radio-based aids for the Gulf region, utilising its equipment and facilities in Bahrain. It continues to review technological advances in marine navigation and environmental protection and to rationalise and modernise its facilities and systems to enable it to provide the service to navigators and the marine industry in the Gulf region effectively and efficiently.

Apart from operating the network of aids to navigation and the Navtex warning system, the charity also continues to operate its DGPS's throughout the Gulf. The Company has deployed Automatic Identification System (AIS) equipment to both enhance the service to mariners and improve performance monitoring of aids to navigation to help improve safety at sea and the protection of the environment. The Company has begun upgrading the DGPS system following more than twenty years in operation.

The Company has and does make grants to organisations concerned with the promotion and/or provision of safety at sea, including:

- The International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA), to assist with its setting up and running its worldwide training organisation The Worldwide Academy (WWA) to improve knowledge and skills required to identify needs, install and maintain aids to navigation services around the world;
- The Nautical Institute (NI), to expand the circulation of its publication The Navigator, improving knowledge and professionalism in the field of marine navigation;
- The Company supports a project being conducted by the South Pacific Community (SPC), in respect of enabling the Pacific Ocean to access its needs in respect of aids to navigation services and infrastructure;
- UNESCO to include an Ocean Literacy module in Aids to Navigation training.

Previously, we have supported:

- The Straits of Malacca and Singapore Aids to Navigation Fund set up by the three littoral States to maintain and improve the traffic separation system for the Malacca and Singapore Straits.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024**

STRATEGIC REPORT

The charity regularly reviews its strategy. Over time and consistent with prevailing general economic conditions and operational needs, the strategy has been to build up reserves to a point that the navigational aids service in the Gulf can be self-sustained and protecting capital to ensure the continued existence of the IFAN Group.

Currently the strategy has several points of focus:

The first priority is to continue the provision of the existing Gulf Aids to Navigations (AtoN) service to international standards. In the absence of the littoral states seeking to take up our offer of assistance to assume responsibility for Gulf AtoN's we remain obligated to continue our AtoN provision. We believe that national services would be the simplest to be created and we would expect our existing technical operations to have a role either as active participants or contractors in some form. Consistent with the aim of ensuring the navigational aids service in the Gulf can be self-sustained, we continue to raise the profile of the services we provide with ship-owners and encourage them to contribute to the costs of their upkeep through raising navigations dues. We have also increased the level and scope of the Nav Dues with effect from 1st October 2023. This is the first increase that has been made and has been made to ensure we continue to have sufficient funds to provide the Aids to Navigation service.

The second aspect of our strategy is concerned with our investments. We have a financial investment portfolio which has been managed to maintain capital with moderate risk. At the Board meeting on 22nd November 2023, it was agreed that, after a tender process, the managers of the investment portfolio would be changed from Evelyn and Partners to Cazenove. This was implemented with effect from 1st June 2024. The continued strategy is to increase active management to improve returns.

ACHIEVEMENTS AND PERFORMANCE

Navigation Dues income for the year was \$4.7m (2023: \$3.4m). The price charged per NT was increased with effect from 1st October 2023. Costs of charitable activities which include all direct costs in relation to buoy maintenance projects and administration costs other than those relating to ship charter income and including all IFAN owned aids to navigation service costs, are \$5.0m (2023: \$4.1m).

Other income includes buoy maintenance and project income of \$691k (2023: \$628k) and rental income of \$140k (2023: \$136k). Rental property costs amounted to \$11k (2023: \$15k).

The charity made grants and donations of \$0.8m during the year (2023: \$1.4m) to organisations including IALA, The Nautical Institute and the South Pacific Community.

FINANCIAL REVIEW

The financial position is considered satisfactory by the Directors with net assets of the Group amounting to \$67.9m against \$65.2m in 2023.

As shown on page 15, in the Consolidated Statement of Financial Activities, the Group incurred a profit for the year of \$2.7m (2023: \$4.2m) largely as a result of the increase in the market value of investments and the increase of Nav Dues.

Having reviewed the ongoing expected trading conditions and the Group's projected future cash flows, the Board has a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Investment policy and objectives

Cazenove were appointed as investment managers during 2024 in order to create greater efficiency to continue to invest in more secure securities and disinvest in securities more exposed because of greater debt levels whilst maintaining a diversified portfolio and matching non-functional currency flows. The application of the investment policy is regularly monitored by the Investment sub-committee which led to this decision being made.

As of 31 December 2024, the market value of invested funds, including uncommitted deposits, was the equivalent of \$65.2m (2023: \$47.1m).

Reserves Level and Policy and Financial Viability

The policy in respect of the Gulf navigational aids service continues to be one of matching income with expenditure allowing for uncertainties and capital requirements. Provision is made for the progressive shortening of the operating lives of navigational aids as environmental demands increase and technological developments accelerate. Group reserves held as at 31 December 2024 amounted to \$67.9m (2023: \$65.2m) of which free reserves amounted to \$66.2m (2023: \$63.7m). The charity's own reserves amounted to \$67.9m (2023: \$78.8m).

The Directors consider that reserves will need to be maintained at a level that will provide IFAN with a sustainable future whilst delivering against its objectives. Allowance will be made for the replacement and enhancement of current operational and navigational aids assets and the longer-term possibility of further expansion of navigational aids services into other geographical areas worldwide which would entail significant levels of capital expenditure and working capital.

Principal Risks and Uncertainties

The Directors have undertaken reviews and organised from time-to-time investigations to be reasonably certain that the Company is operating efficiently and effectively, its assets are properly safeguarded against unauthorised use or disposal, proper records are maintained, and that financial information used within the Company, or for publication, is reliable and that the Company complies with relevant laws and regulations. The system of internal controls includes a strategic plan and annual budgets with regular financial and performance reports as appropriate with clear delegation of authority and segregation of duties.

Risk associated with the activities undertaken and objectives laid down by the Board are regularly reviewed, prioritised as to likely impact and likelihood of occurrence and management are satisfied that the applied strategies are appropriate to mitigate those risks.

The Directors are satisfied that during the year all activities have been conducted in compliance with the Company's HSE policy. Adherence and improvements to the HSE policy has ensured that all operations are conducted in a manner which safeguards the health and safety of employees and avoids damage to the environment. We maintain ongoing reviews of our HSE policy and procedures. During 2024, IFAN remained compliant with the UK Government small business guidelines for cyber security.

The Company has adopted a policy of spreading its investments over a range of instruments in both UK pound sterling and US dollars with the aim of protecting the capital against imported inflation, whilst mitigating the effect of currency movements.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Future Plans

The charity has a global remit and focuses its outlook to support projects of international scope.

The charity has a branch in Bahrain undertaking marine contracting activities as part of the provision of a regional aid to navigation service and also has two trading subsidiaries.

The Middle Eastern branch in Bahrain has existed for many years and recently efforts have been successfully made to modernise, expand its resources and offerings. The branch is managed locally with in-house trained personnel and is expanding its skill base to allow a build-up of marine engineering work and AtoN training courses. There is also an office in the United Arab Emirates. Improved services currently being considered include upgraded AIS technology to both monitor the position and performance of floating aids to navigation and collect vessel movement data for billing purposes. We continue to investigate the suitability of elasticated moorings in place of traditional metal chains.

We have executed plans to upgrade the DGPS's which over twenty years old. Research has been undertaken over several years to ensure that the reliability and performance of new equipment will be optimal. We are, in conjunction with IALA, researching problems suffered by DGPS systems in connection with signal reliability and then researching suitable solutions. We are now in a position to deliver IALA accrediting training courses as an Accredited Training Organisation (ATO).

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024**

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The members of the Governing Body (who are also the Directors of International Foundation for Aids to Navigation for the purposes of company law) are responsible for preparing the Annual Report and the financial statements with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- select the most suitable accounting policies and then to 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Relevant Audit Information

In so far as each of the Directors, as members of the Governing Body, at the date of approval of this report is aware, there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each Director has taken all the steps that he should have taken as a Director in order to make himself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board on
including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:

L. M. Evans
Director and Audit Committee Chair
Date: 18 September 2025

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)**

Opinion

We have audited the financial statements of International Foundation for Aids to Navigation (the 'charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, the consolidated and charitable company statement of financial position, the consolidated cash flow statement and notes to the consolidated financial statements, including 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 charitable company's affairs as at 31 December 2024 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charitable company and of the group 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 Directors' 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 Directors 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 annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the group's and 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 Directors either intend to liquidate the group or the 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

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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charitable company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)**

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Howard (Senior Statutory Auditor)

For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
2nd Floor, Regis House
45 King William Street
London
EC4R 9AN

Date: 18 September 2025

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 \$	2023 \$
INCOME FROM:			
Charitable activities	3		
Non contractual navigation dues		3,963,410	2,787,032
Contractual navigation dues		752,968	613,417
Buoy maintenance and project income		690,891	627,563
Other trading activities			
Ship charter and management income		-	3,950,924
Rental income		140,426	135,896
Other income		-	174,226
Investments	4		
Investment income		1,744,608	1,011,172
Total income		<u>7,292,303</u>	<u>9,300,230</u>
EXPENDITURE ON:			
Generating funds	5		
Ship charter income costs		58,552	4,644,306
Rental property costs		11,350	15,258
Charitable activities	5		
		6,538,138	5,759,915
Total expenditure		<u>6,608,040</u>	<u>10,419,479</u>
Net funds from operations		684,263	(1,119,249)
Profit on disposal of OSV Relume		-	1,539,308
Increase in value of investments	9	1,996,801	3,762,458
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>2,681,064</u>	<u>4,182,517</u>
Total funds brought forward		65,235,442	61,052,925
Total funds carried forward		<u>\$67,916,506</u>	<u>\$65,235,442</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is unrestricted.

The notes on pages 18 to 29 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**CONSOLIDATED AND CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024**

	Note	Group 2024 \$	Group 2023 \$	Company 2024 \$	Company 2023 \$
FIXED ASSETS					
Tangible assets	7	1,694,688	1,540,280	1,694,688	1,540,280
Investments	9	65,166,512	47,133,024	65,166,516	47,133,028
		<u>66,861,200</u>	<u>48,673,304</u>	<u>66,861,204</u>	<u>48,673,308</u>
CURRENT ASSETS					
Stock	10	309,896	348,301	309,896	348,301
Debtors	11	2,675,106	2,306,015	2,636,173	29,867,046
Cash and deposits	12	919,168	16,643,511	900,102	2,609,759
		<u>3,904,170</u>	<u>19,297,827</u>	<u>3,846,171</u>	<u>32,825,106</u>
CURRENT LIABILITIES					
Creditors payable within one year	13	(2,848,864)	(2,735,689)	(2,848,864)	(2,732,123)
NET CURRENT ASSETS					
		<u>1,055,306</u>	<u>16,562,138</u>	<u>997,307</u>	<u>30,092,983</u>
NET ASSETS					
		<u>\$67,916,506</u>	<u>\$65,235,442</u>	<u>\$67,858,511</u>	<u>\$78,766,291</u>
FUNDS					
Unrestricted funds					
General reserve	14	67,916,506	61,324,381	67,858,511	73,308,695
Currency translation reserve	14	-	3,911,061	-	5,457,596
TOTAL FUNDS					
		<u><u>\$67,916,506</u></u>	<u><u>\$65,235,442</u></u>	<u><u>\$67,858,511</u></u>	<u><u>\$78,766,291</u></u>

The financial statements were approved by the Board on
and were signed on its behalf by

.....
R. G. Mason
Chair

.....
L. M. Evans
Audit Committee Chair

Company No: 00477145

The notes on pages 18 to 29 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 \$	2023 \$
Cash generated from operating activities	19	(1,151,495)	(558,282)
Cash flow from investing activities			
Payments for tangible fixed assets		(421,195)	(1,252,797)
Reinvestment of proceeds on disposal of Relume		(13,739,662)	13,739,662
Purchases of investments		(16,780,221)	(5,234,148)
Proceeds on sale of investments		14,740,196	6,022,708
Other cash movements on investments		(257,000)	-
Investment income receipts		1,744,608	1,011,172
Rental income receipts		140,426	135,896
Cash generated from investing activities		<u>(14,572,848)</u>	<u>14,422,493</u>
(Decrease)/increase in cash in the year		<u>\$(15,724,343)</u>	<u>\$13,864,211</u>
Reconciliation of cash flow to net movement in net funds			
(Decrease)/increase in cash in the year		(15,724,343)	13,864,211
Net funds at the beginning of the year		16,643,511	2,779,300
Net funds at the end of the year		<u>\$ 919,168</u>	<u>\$16,643,511</u>

The notes on pages 18 to 29 form part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. COMPANY STATUS

The Company is a charitable company limited by guarantee, registered in England and Wales and governed by its Articles of Association. It has no share capital. In the event of the company being wound up the liability of the members is limited to a maximum of £1 each. The Company's registered number and registered office address can be found on page 1.

The presentational currency of the financial statements is the US Dollar (\$) which is also the functional currency for the group.

The International Foundation for Aids to Navigation meets the definition of a public benefit entity under FRS 102.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice ("Charities SORP (FRS102)") and Financial Reporting Standard 102. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible assets and securities investments.

Going concern

Having reviewed the funding facilities available to the Company together with the expected ongoing trading conditions and the Company's projected future cash flows, the directors have a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

Accordingly, the Board continues to adopt the going concern basis in preparing its financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 11.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries Menas Marine Services Limited and Oman Marine Services Limited. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. No separate SOFA has been presented for the Company alone, as permitted by Section 408 of the Companies Act 2006.

Income

Income is the amount derived from the provision of charitable activities and other trading activities, and from investments, and is stated net of VAT.

Income from Charitable Activities

Charitable income represents navigation aids dues receivable, both contractual and non-contractual, as well as buoy maintenance and project income. Navigation aids dues are accounted for at the point a ship enters the port. Buoy maintenance and project income is accounted for in accordance with the contractual terms of each project and income is accrued or deferred accordingly.

Income from Other Trading Activities

Ship charter and management income represents third party income from the OSV Relume and is accounted for in the period in which the vessel is chartered for use.

Income from Investments

Investment income from fixed asset securities is accounted for on an accruals basis. Rental income is accounted for in the period to which the rental income relates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

2. ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is accrued once there is a legal 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 attributed to more than one cost category in the SOFA is allocated to activities on a proportional basis. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are also allocated between expense headings on a proportional basis. Governance costs comprise the costs of complying with constitutional and statutory requirements.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Employee benefits

Short term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

The Company's defined benefit scheme has now been wound up. The Company is also required to contribute towards a deficit in the Merchant Navy Officers Pension Fund, and any future deficits which may occur in the foreseeable future will be relieved against amounts already expensed.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into US Dollars at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Taxation

The Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010. Therefore it meets the definition of a Charitable Company for UK corporation tax purposes.

Fund accounting

Unrestricted funds represent those funds which can be used in accordance with the Charitable Company's objects at the discretion of the Directors.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. In accordance with FRS102 the land, which is held in perpetuity in Bahrain, is not depreciated. Fixed assets are subject to an annual impairment review. Any permanent diminutions in value are recorded. Depreciation is provided to write off the cost of all relevant tangible fixed assets, less estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Buildings	20 years
OSV Relume	15 years
Navigation aids, plant and equipment, DGPS	5 years
Computers and equipment	2 years
Vehicles, plant and machinery and office equipment	4 years
Other navigation aids and equipment	Up to 10 years

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. ACCOUNTING POLICIES (continued)

Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities. Gains and losses arising from changes in fair value are included in the Statement of Financial Activities as either an unrealised gain or loss on investments. Interest determined using the effective interest method, impairment losses and translation differences on monetary items are recognised in the Statement of Financial Activities.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Trade and other debtors

Trade and other debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents in the consolidated and charitable company statement of financial position and in the consolidated cash flow statement comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

Trade and other creditors

Trade and other creditors are measured at their transaction price.

Judgements and key sources of estimation uncertainty

Accounting 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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Bad debt provision

The value of trade debtors is sensitive to the recoverability in full of any invoices issued to each customer. Once the debt becomes overdue it is chased and periodically reviewed to ensure it is recoverable in full. If a provision is deemed necessary this is included on an annual basis.

3. INCOME FROM CHARITABLE ACTIVITIES

Charitable income is attributable to the principal activities of the Company and arose wholly in the Middle East. Charitable activities of the company comprise non-contractual and contractual navigation dues, and the provision and maintenance of the buoys and other navigation aids.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

4. INVESTMENT INCOME	2024	2023
	\$	\$
Deposit interest	482,993	445,916
Dividend income	1,261,615	565,256
	<u>\$1,744,608</u>	<u>\$1,011,172</u>

5. ANALYSIS OF EXPENDITURE						2024	2023
(a) Total expenditure	Staff Costs \$	Support Costs \$	2024 Grant Making \$	Depreciation \$	Total \$	Total \$	
Costs of generating funds:							
Ship charter income costs	-	58,552	-	-	58,552	4,644,306	
Rental property costs	-	11,350	-	-	11,350	15,258	
	<u>-</u>	<u>69,902</u>	<u>-</u>	<u>-</u>	<u>69,902</u>	<u>4,659,564</u>	
Charitable activities:							
Costs of charitable activities	1,798,629	2,970,156	838,546	266,787	5,874,118	5,470,551	
Governance costs	-	664,020	-	-	664,020	289,364	
	<u>\$1,798,629</u>	<u>\$3,704,078</u>	<u>\$838,546</u>	<u>\$266,787</u>	<u>\$6,608,040</u>	<u>\$10,419,479</u>	

(b) Grant making

During the year the following grants and donations were made:

	2024	2023
	\$	\$
IALA	748,997	742,728
CHIRP Maritime	-	15,596
The Nautical Institute	126,967	124,844
South Pacific Community	(38,871)	492,037
UNESCO	-	32,390
MSSC	-	12,177
Other donations	1,454	-
	<u>\$838,546</u>	<u>\$1,419,772</u>

- (i) IALA - an international technical organization that gathers together marine information to share worldwide
- (ii) CHIRP Maritime - contributes to the enhancement of aviation safety in the UK and maritime safety worldwide.
- (iii) The Nautical Institute - an international body for maritime professionals involved in the control of sea-going ships.
- (iv) South Pacific Community - the principal scientific and technical organisation in the Pacific region.
- (v) UNESCO - support to include Ocean Literacy in IALA courses.
- (vi) MSSC - provides teaching modules to improve mathematical and English language skills amongst mariners.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

5. ANALYSIS OF EXPENDITURE (continued)

(c) Governance costs included in support costs	2024	2023
	\$	\$
Remuneration paid to auditor for audit services	47,657	46,900
Other governance costs	616,363	242,464
	<u>\$664,020</u>	<u>\$289,364</u>

(d) Net outgoing funds from operations	2024	2023
	\$	\$
The following amounts have been charged within resources expended:		
Directors' emoluments	222,977	389,350
Auditors' remuneration (audit services)	47,657	46,900
Auditors' remuneration (non-audit services)	11,118	15,422
Rental paid under operating leases	303,697	284,541
Foreign exchange movement	(87,836)	90,789
	<u>(87,836)</u>	<u>90,789</u>

6. STAFF COSTS	2024	2023
	\$	\$
Directors remuneration		
Director's fees	215,488	165,887
Social security costs	7,489	19,105
Staff remuneration		
Wages and salaries	1,112,267	1,293,742
Social security costs	143,626	120,219
Other employee benefits	319,759	295,508
	<u>\$1,798,629</u>	<u>\$1,894,461</u>

The above staff costs include \$1,157,425 (2023: \$1,102,639) relating to employees in Bahrain and \$641,204 (2023: \$791,822) relating to employees in the United Kingdom.

All directors' emoluments are paid in accordance with the Company's Articles of Association as approved by the Charity Commissioners. The highest paid director's emoluments totalled \$23,025 (2023: \$171,616) with no accrued pension as at 31 December 2024.

During the year the following employers were entitled to receive payment for the services of Directors as indicated below:

Maersk Line	\$23,025	A Ross
BP Shipping	\$23,025	D Summerhill
Kuwait Oil Tanker Company	\$23,025	Captain Y Al Sager
Shell Transport & Trading	\$23,025	Captain D Hill
NYK	\$23,025	Captain I Scally

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

6. STAFF COSTS (continued)

Aggregate emoluments of key management personnel: \$153,798 (2023: \$221,091).

During the year no Directors were reimbursed expenses in respect of travel and attendance at board meetings (2023: 1 Director was reimbursed expenses of \$33,985).

	2024 Number	2023 Number
Number of higher paid employees (including retirement benefits paid under local employment laws) in bands of:		
\$170,000 - \$210,000	1	1
\$140,000 - \$170,000	2	1
\$100,000 - \$140,000	1	1
\$90,000 - \$100,000	1	1
\$70,000 - \$80,000	1	1
	6	5

The above amounts all relate to employees in Bahrain and London.

The average number of the Company's employees (excluding Non-Executive Directors) during the year calculated on a full time equivalent basis, was 16 (2023:14).

	2024 Number	2023 Number
Engineering and maintenance	10	10
Finance and administration	2	2
Management	4	2
	16	14

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

7. TANGIBLE FIXED ASSETS

GROUP	Freehold Land & Buildings	Navigation Aids, plant & Equipment	Assets under construction	Total
	\$	\$	\$	\$
Cost or valuation				
At 1 January 2024	2,326,548	8,347,903	761,820	11,436,271
Additions	43,162	378,033	-	421,195
Transfers	-	761,820	(761,820)	-
At 31 December 2024	<u>2,369,710</u>	<u>9,487,756</u>	<u>-</u>	<u>11,857,466</u>
Depreciation				
At 1 January 2024	2,041,618	7,854,373	-	9,895,991
Charge for the year	115,016	151,771	-	266,787
At 31 December 2024	<u>2,156,634</u>	<u>8,006,144</u>	<u>-</u>	<u>10,162,778</u>
Net book value				
At 31 December 2024	<u>\$213,076</u>	<u>\$1,481,612</u>	<u>\$-</u>	<u>\$1,694,688</u>
At 31 December 2023	<u>\$284,930</u>	<u>\$493,530</u>	<u>\$761,820</u>	<u>\$1,540,280</u>
COMPANY	Freehold Land & Buildings	Navigation Aids, Plant & Equipment	Assets under construction	Total
	\$	\$	\$	\$
Cost or valuation				
At 1 January 2024	2,326,548	8,347,903	761,820	11,436,271
Additions	43,162	378,033	-	421,195
Transfers	-	761,820	(761,820)	-
At 31 December 2024	<u>2,369,710</u>	<u>9,487,756</u>	<u>-</u>	<u>11,857,466</u>
Depreciation				
At 1 January 2024	2,041,618	7,854,373	-	9,895,991
Charge for the year	115,016	151,771	-	266,787
At 31 December 2024	<u>2,156,634</u>	<u>8,006,144</u>	<u>-</u>	<u>10,162,778</u>
Net book value				
At 31 December 2024	<u>\$213,076</u>	<u>\$1,481,612</u>	<u>\$-</u>	<u>\$1,694,688</u>
At 31 December 2023	<u>\$284,930</u>	<u>\$493,530</u>	<u>\$761,820</u>	<u>\$1,540,280</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. TANGIBLE FIXED ASSETS (continued)

Substantially, the Group's fixed assets are held for use on charitable activities. The land in Bahrain is held under tenure appropriate for the Group's activities.

The navigation aids and plant and equipment, excepting major land based aids and office equipment used in the management office, were re-valued at the end of 2001 on the basis of depreciated replacement cost having regard to the remaining operating lives of the assets re-valued. The major land based navigation aids (excluding land) were also re-valued as at 1 January 2010 on a replacement cost basis by the directors and reflected in these financial statements. The Company freehold property in Bahrain is held at a professional valuation as at 31 December 2005, less accumulated depreciation. The property has been revalued in prior periods by Cluttons Chartered Surveyors at an amount above book value but the Directors are concerned given the present political unrest in the region that the increased valuation is possibly unrealistic. No adjustment has therefore been made in this respect. The Directors are not aware of any other material change since the last valuation.

8. FUTURE CAPITAL EXPENDITURE

On 2 November 2022 the Company entered into a contract for the construction of a DGPS Reference Station at a total contract price of \$1,105,760. The contract is anticipated to be completed during 2025.

9. FIXED ASSET INVESTMENTS

	Group 2024	Group 2023	Company 2024	Company 2023
	\$	\$	\$	\$
Securities investments				
At 1 January	47,133,024	44,159,126	47,133,024	44,159,126
Additions	30,519,883	5,234,148	30,519,883	5,234,148
Disposals	(14,483,196)	(6,022,708)	(14,483,196)	(6,022,708)
Increase in value of investments	1,996,801	3,762,458	1,996,801	3,762,458
	<u>65,166,512</u>	<u>47,133,024</u>	<u>65,166,512</u>	<u>47,133,024</u>
Investment in Subsidiaries	-	-	4	4
At 31 December	<u>\$65,166,512</u>	<u>\$47,133,024</u>	<u>\$65,166,516</u>	<u>\$47,133,028</u>

The fixed asset investments noted above are denominated in the following currencies: -	2024	2023
	%	%
Sterling	100.0	49.5
United States Dollars	-	41.8
Others	-	8.7

The historical cost of securities investments held at 31 December 2024 was \$68,651,959 (2023: \$41,863,662).

The Company owns the whole of the issued share capital of Menas Marine Services Limited (£1 paid) and Oman Marine Services Limited (£1 paid) both of which are registered in England and Wales, registered office at 8/9 Lovat Lane, London EC3R 8DW. Both subsidiary undertakings are included within the consolidated financial statements.

OMSL has a branch in Ras Al Khaimah Freeport Zone for the purposes of renting land for a new DGPS.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

10. STOCKS

	Group 2024	Group 2023	Company 2024	Company 2023
	\$	\$	\$	\$
Consumables	309,896	348,301	309,896	348,301
	<u>\$309,896</u>	<u>\$348,301</u>	<u>\$309,896</u>	<u>\$348,301</u>

11. DEBTORS

	Group 2024	Group 2023	Company 2024	Company 2023
	\$	\$	\$	\$
Income due from charitable activities	1,662,251	1,227,634	1,662,251	1,227,634
Trade debtors	-	63,962	-	-
Other debtors	508,629	405,364	469,696	328,166
Prepayments and accrued income	504,226	609,055	504,226	598,175
Amounts due from subsidiary companies (net of provision)	-	-	-	27,713,071
	<u>\$2,675,106</u>	<u>\$2,306,015</u>	<u>\$2,636,173</u>	<u>\$29,867,046</u>

All debtors are due within one year.

12. CASH AND DEPOSITS

	Group 2024	Group 2023	Company 2024	Company 2023
	\$	\$	\$	\$
HSBC short term deposits and working balances	881,322	14,559,451	862,295	525,738
Cash held by Investment managers	26,939	2,084,010	26,939	2,084,010
Cash in hand	10,907	50	10,868	11
	<u>\$919,168</u>	<u>16,643,511</u>	<u>\$900,102</u>	<u>\$2,609,759</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024	Group 2023	Company 2024	Company 2023
	\$	\$	\$	\$
Trade creditors	425,110	207,241	425,110	203,675
Other creditors	1,439,499	1,534,910	1,439,499	1,534,910
Taxation and social security	22,519	36,233	22,519	36,233
Accruals and deferred income	961,736	957,305	961,736	957,305
	<u>\$2,848,864</u>	<u>\$2,735,689</u>	<u>\$2,848,864</u>	<u>\$2,732,123</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

14. SUMMARY OF MOVEMENTS ON FUNDS

	General Reserve	Translation Reserve	Total
	\$	\$	\$
Group			
At 1 January 2024	61,324,381	3,911,061	65,235,442
Incoming resources	7,274,021	-	7,274,021
Resources expended	(6,589,758)	-	(6,589,758)
Transfers	3,911,061	(3,911,061)	-
Increase in value of investments	1,996,801	-	1,996,801
At 31 December 2024	\$67,916,506	\$-	\$67,916,506
	General Reserve	Translation Reserve	Total
	\$	\$	\$
Company			
At 1 January 2024	73,308,695	5,457,596	78,766,291
Incoming resources	7,086,698	-	7,086,698
Resources expended	(6,449,471)	-	(6,449,471)
Transfers	5,457,596	(5,457,596)	-
Increase in value of investments	1,996,801	-	1,996,801
Write off amounts due from subsidiary companies	(13,541,808)	-	(13,541,808)
At 31 December 2024	\$67,858,511	\$-	\$67,858,511

The currency translation reserve represents historical foreign exchange movements on the values of balance sheet items whose functional currency is not US Dollars. During the year this reserve was combined with other unrestricted reserves.

All funds are unrestricted.

15. PENSION SCHEMES

Pensions for the benefit of UK shore staff have been funded through the MENAS Pension and Life Assurance Scheme managed by Aviva. Contributions to the Scheme ceased in a previous year as the Scheme had been closed to new members and all participants have now had pensions provided.

Menas Marine Services Limited is a former employer of Merchant Navy Officers Pension Fund (MNOFP) members and as such, following a court case in 2006, is liable to contribute towards a deficit on an on-going basis of the New Section of that pension scheme. The financial effect of this has not finally been fully quantified at the present time and the trustees of that scheme have made the charity aware that they are liable for their share of the deficit. Significant payments have been made against these liabilities and all notified requests for payment to date have been fully paid. Any future deficits which may occur in the foreseeable future will be relieved against amounts already expensed. As the trustees of MNOFP have indicated that as of 31 December 2024 there was no liability payable by the company, there has been no charge to the Statement of Financial Activities in 2024.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

16. FINANCIAL COMMITMENTS

Operating Leases

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:-

	2024	2023
	\$	\$
Within 1 year	194,944	203,197
Within 1 to 5 years	800,154	166,886
	\$995,098	\$370,083

17. CONTINGENT LIABILITIES

From time to time, the Company may be involved in contractual disputes in the ordinary course of business. There are currently no liabilities expected to have a material adverse financial impact on the Company's results or net assets.

18. COMPANY RESULTS

The surplus dealt with in the financial statements of the company is as follows:

	2024	2023
	\$	\$
Net incoming funds	\$2,634,028	\$4,004,757

18. SUBSIDIARIES

The Company owns all of the issued share capital of Menas Marine Services Limited, a company incorporated in England, number 04505570. This company operated a commercial vessel, the OSV Relume, which was sold on 17 September 2023.

	2024	2023
	\$	\$
Income	205,330	3,998,869
Profit before tax	135,781	273,468
Shareholders' funds	15,795	(63,701,436)

The Company also owns all of the issued share capital of Oman Marine Services Limited, a company incorporated in England, number 04499121. This company is a marine services contractor.

	2024	2023
	\$	\$
Income	274	99
Loss before tax	(88,745)	(95,710)
Shareholders' funds	42,311	9,170,696

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

19. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2024	2023
	\$	\$
Net outgoing resources	684,263	(1,119,249)
Depreciation charge	266,787	1,085,634
Investment income receivable	(1,744,608)	(1,011,172)
Rental income receivable	(140,426)	(135,896)
Decrease in stock	38,405	1,051,084
(Increase)/decrease in debtors	(369,091)	72,108
Increase/(decrease) in creditors	113,175	(500,791)
	(1,151,495)	(558,282)
Net cash outflow from operations	(1,151,495)	(558,282)

20. CASH AND CASH EQUIVALENTS

	At 1 January 2024	Net cash flow	At 31 December 2024
	\$	\$	\$
Cash and deposits	16,643,511	(15,724,343)	919,168
	16,643,511	(15,724,343)	919,168

Cash and cash equivalents are made up entirely of cash and deposits in both the current and prior year.

21. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year that require disclosure other than those disclosed in note 6..

22. ULTIMATE CONTROLLING PARTY

As at the balance sheet date there is no one ultimate controlling party.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

England & Wales - Charity number 210066

Accounts

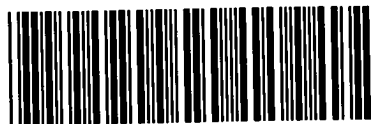
REGISTERED COMPANY NUMBER: 00477145 (England and Wales)
REGISTERED CHARITY NUMBER: 210066

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

FOR

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

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INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Directors of International Foundation for Aids to Navigation (“the Company”) are the Company’s charity trustees under charity law and the directors of the charitable company. The members of the Board who served in office as Directors during the year and subsequently are detailed below:

KEY MANAGEMENT PERSONNEL:

DIRECTORS

R. G Mason ‡ - Chairman
A. R. W. Marsh MBE FICS
Captain J.R. Evans ‡ (Resigned 2 March 2023)
L. M. Evans ‡
Captain J. W. Hughes (Resigned 23 November 2023)
A. Ross ‡
Captain I. Scally
Captain Y. Y. Al Saqer
D. Summerhill ‡
D. Hill (appointed 2 March 2023)
P. Stanley ‡ (Resigned as CEO and CoSec 9 October 2023)

‡ Member of Audit Committee

CHIEF EXECUTIVE

C. M. Mulvihill (Appointed 9 October 2023)

REGISTERED OFFICE

4th Floor
8-9 Lovat Lane
London
EC3R 8DW

CHARITY STATUS

Company Limited by Guarantee not having a share capital
Registered in England and Wales No. 00477145
Registered Charity No. 210066
The word Limited is omitted by licence of the Board of Trade, London

BANKERS

HSBC, London and Bahrain

INDEPENDENT AUDITORS

Azets Audit Services,
2nd Floor, Regis House, 45 King William Street, London EC4R 9AN

SOLICITORS:

Farrer & Co, London
66 Lincoln’s Inn Fields, London, WC2A 3LH

Campbell Johnston Clark Solicitors
59 Mansell Street, London, E1
8AN

INVESTMENT MANAGERS

Evelyn & Partners
25 Moorgate, London, EC2R 6AY

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023**

DIRECTORS

Guy Mason (Chairman)

Mr Mason was appointed Chairman in November 2022. He joined the Board in March 2022 having retired from BP at the end of 2020 as Senior VP and Global Head of BP Shipping. Whilst in BP Shipping, he served on supervisory boards at UK Chamber of Shipping, P&I Clubs, ITOPF and Oil Spill Response Limited. Prior to his time in shipping, he worked in BP's Alternative Energy business building new global low-carbon energy businesses. He currently serves as an Independent Director on the Board of AB KN Energies and Windward Limited. He has first class degree in Engineering Science and Technology from Loughborough University and is a chartered engineer and a Fellow of the Institute of Mechanical Engineers.

Alan Marsh

Mr. Marsh was appointed to the Board in August 2018 and stepped down as Chairman after three years in the post. He is a Trustee and Council Member of The Marine Society and Sea Cadets (MSSC), a Vice President of the RNLI. He sits on the development board of WetWheels UK and is an Associate Member of the Stelios Philanthropic Foundation, a UK Charity. He is a Fellow of the Institute of Chartered Shipbrokers for whom he is a former President. He is also a Younger Brother of Trinity House, Past Prime Warden of the Worshipful Company of Shipwrights and formerly CEO of Braemar Shipping Group PLC as well as a Director of ITIC.

Peter Stanley

Mr Stanley was appointed as a Director in September 2019. He was previously the IFAN CEO from July 2019 to October 2023. Formerly with BP for 30 years working in BP Shipping, HSE, Refining Manufacturing and Supply, Chemicals and finally as Head of Control of BP's Corporate segment. He graduated from Newcastle University obtaining a first-class honours degree in Marine Engineering and has an MBA from the Judge Business School, Cambridge University. He is a Chartered Engineer and Fellow of the Institute of Marine Engineering, Science and Technology.

Aslak Ross

Mr. Ross was appointed as a director in March 2022. He is currently Head of Marine Standards in Maersk A/S and is responsible for all Health, Safety, Security, Environmental and Quality matters for the Maersk managed container fleet, including navigational and cargo safety policies. In addition, he acts as the Designated Person Ashore for the Maersk fleet. Mr. Ross started his career in Maersk in 1994 as an engineer apprentice and has a degree in marine engineering has also completed a master mariner degree

Captain Yousef Al Saqer

Captain Al Saqer was appointed as a Director in November 2010. He is presently Deputy CEO Fleet Operations KOTC, formerly Manager Fleet newbuilding projects and prior to that, Manager fleet marine operations where he was accountable for the day-to-day operations, safety & security of KOTC Fleet. He started his career as Navigation Officer, leading to Master on board KOTC's VLCC, LPG and Product tankers. He served in numerous roles on shore in Fleet operations, Marine Affairs and risk assessment. He holds a BSc in Maritime Transport Technology and is a Master Mariner.

Louise Evans

Ms Evans was appointed to the Board in June 2020. She is currently non-executive director and audit committee chair of AB Dynamics plc and Gooch & Housego PLC. Ms Evans previously held Group Finance Director roles at Braemar Shipping Services plc and Williams Grand Prix Holdings plc. She has also held senior positions at RPS Group plc and Reynard Motorsport. She qualified as a chartered accountant whilst working with Ernst & Young. Ms Evans graduated from the University of Wales with a first class degree in Management Science and is a Fellow of the Institute of Chartered Accountants in England & Wales.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023**

Doug Summerhill

Mr Summerhill was appointed a Director in November 2020. He is presently Vice President of Chartering for BP Shipping Limited, accountable for the global chartering activity and monetisation of BP's oil and gas fleet. He is a supply, shipping and trading specialist, having worked in this sector for over 20 years and holds a Bachelor of Business degree from RMIT University, Australia.

Captain Iain Scally

Captain Scally was appointed a Director in November 2021. He is presently serving as Marine Advisor to NYK's Global Tanker Quality Group in Tokyo. Formerly with ExxonMobil for 28 years serving as Master and then a variety of shore-based positions including HSQE, Marine Operations and Shipping Manager within LNG operations. Captain Scally commenced his seagoing career with Shell in 1970. He is founding member and Fellow of the Nautical Institute and serves on technical committees within Intertanko and SIGTTO.

Captain David Hill

Captain Hill was appointed a Director in March 2023. He is presently serving as LNG Fleet Manager with Shell International Trading & Shipping Company. Captain Hill served within the Shell Fleet for more than 17 years, rising to the rank of Captain before transferring ashore where he was appointed Operations Superintendent, later also holding roles of Company Security Officer and Deputy Designated Person Ashore. Following a period working as a Ship Management Consultant as Director of Great Bear Marine, he returned to Shell in November 2018 as Operations Superintendent before becoming LNG Fleet Manager in 2021. Captain Hill is an Associate Fellow of both the Nautical Institute and Royal Institute of Navigation, as well as a Freeman of The Honourable Company of Master Mariners.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

2023 saw continued market turbulence, volatile energy markets and heightened geopolitical unrest which have impacted global shipping operations. Against this backdrop, the charity maintained a sound and sustainable financial position.

In 2023, IFAN's charitable objects have driven a continued focus on our three core activities: the management of our funds and their distribution to projects which enhance safety at sea and protect the environment; the reliable operation of navigational aids and associated communication systems in the Gulf; and the commercial operation of the Relume, our offshore support vessel.

Management of funds and distributions to projects

We continue to be active in the management of our invested funds aiming for improved income. Our Investment Committee monitors the performance of our fund managers against our investment objects. Following best practice, the Board instructed the Investment Committee to appoint Independent Investment Reviews to operate a tender process for fund managers to manage IFAN's portfolio. At the conclusion of this process, the Investment Committee recommended to the Board that Cazenove be appointed as IFAN's Investment Managers from early 2024. The process of switching to Cazenove is underway.

During 2023, we disbursed \$1.41m to projects which seek to improve safety at sea and protect the marine environment; some of these projects are planned to continue through 2024.

We have our own guidelines to determine which projects we will support having regard to legal imperatives, our resources, and our ability to monitor projects appropriately. We continue to find ways to integrate IFAN into marine regulatory organisations to both understand better the requirements for aids to navigation globally and contribute to the decision-making and guidelines for enhancing safety at sea and protecting the environment and are now considering potential environmental development projects in their own right.

Since early 2012, we have supported the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) in developing its Worldwide Academy (WWA) with contributions amounting to an average of \$706k equivalent each year. The WWA provides training packages designed to spread knowledge amongst government representatives. Instruction is given both in respect of a Coastal State's obligations under international law and the benefits to commerce of having effective aids to navigation. The IALA programme is a rolling programme, progressively expanding the knowledge of aids to navigation throughout the world. Over time, continually improving services will become available to better assist navigators to safely operate their vessels. During 2023, WWA activities continued at 2022 levels with activities now taking place in person as well as online. At IFAN's Board meeting in November 2023, the Directors agreed to continue support for IALA WWA for a further 3 years.

We have helped The Marine Society and Sea Cadets (MSSC) develop and commission teaching modules to improve mathematical, English language and marine vocational skills amongst mariners, committing a final project payment of \$12k in 2023. We have also funded a significant outreach programme that The Nautical Institute (NI) promoted to improve navigators' technical skills, committing \$317k equivalent since 2014. We have also made a one off contribution to UNESCO to include an Ocean Literacy module in Aids to Navigation training courses.

Since 2016, we have jointly funded a project to improve the aids to navigation and technical capability present in the Pacific Ocean for The South Pacific Community, the pan-government agency responsible for marine matters in that region. An initial survey was a pre-requisite to the project to improve positioning infrastructure in a region heavily dependent upon marine transport but poorly supplied with aids to navigation. A second phase was completed in 2021, albeit reduced in scope due to the pandemic. We agreed to fund a third phase of the project, which aims to establish a sustainable funding model for the provision of navigational aids in the 13 target island communities. In previous years, \$2.78m has been donated with a further \$400k paid in 2023. a balance of \$572k will be paid by July 2024. The project is subject to annual reviews.

IFAN has provided funding to support the Aids to Navigation Fund (ANF) linked to the Straits of Malacca and Singapore (SOMS). The ANF provides funding to support maintenance of the existing Aids to Navigation within the SOMS. We monitor the ongoing programme of maintenance and improvement through our participation at the ANF meetings and in November 2023 Mr Mason and Mr Stanley attended the 29th ANF Conference in Surabaya in person.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Beyond our existing projects, we continue to seek new opportunities aligned to our charitable objects and examine funding requests to determine appropriate levels of support to improve the safe passage of ships using global sea routes.

Navigation Aids and communication systems in the Gulf

The navigational services provided by MENAS in the Gulf depend on the collection of Navigation Dues from ship owners. These charges, which had not changed since 2006, fund the costs of providing navigational aids, essential for safety and continued trade in the Gulf. Given increasing costs and the need to ensure the long term sustainability of navigational services provided by MENAS to all shippers in the Gulf, it was decided at the March Board meeting increase the Navigation Dues charges to shippers with effect from 1st October 2023. All stakeholders were advised of the increase on 1st September 2023.

We continually seek to ensure awareness of our activities in the Gulf with ship owners through the use of media campaigns and targeted communications.

In our 2022 annual report, we advised that some elements of our Differential Global Positioning System (DGPS) service in the Gulf were reaching the end of their serviceable life. Having looked at different ways to provide accurate positioning systems in the Gulf we concluded that DGPS remains the best solution. A new DGPS site at Ras Al Khaimah (RAK) is being built.

During 2021 MENAS successfully achieved Accredited Training Organisation (ATO) designation. We are offering technical skills and education courses to clients, such as Port Authorities, so that they can develop their own resources over time. We previously indicated we would host our own IALA guided training course for Middle East gulf participants. The first of these courses was held 8th and 9th November 2023 at MENAS office and was attended by senior representatives from the Gulf Cooperation Council (GCC).

Commercial operation of the Relume

Our offshore support vessel Relume, originally built as a buoy handler for our aids to navigation service in the Gulf, has been undertaking commercial work in North European waters for many years now. As has been reported in previous annual accounts, IFAN chose to retain the vessel to keep the option of further aids to navigation work open for the Relume in the future. However, during 2022, market conditions were right to realise reasonable value for the vessel and in late 2022 we agreed a time-charter followed by a sale obligation of the vessel. The sale of the Relume was concluded on 18 September 2023. This concludes MMSL's ship owning activity and we acknowledge the fine work done by the vessel and crew in supporting safe navigation over many years.

I thank all our dedicated staff and partners, both ashore and afloat, for their commitment to IFAN's objectives during a period of turbulent and volatile markets and geopolitical unrest.

On behalf of the entire Board, I wish to thank John Evans and John Hughes for their loyal service to IFAN as a Directors for over 9 and 15 years respectively. The Board welcomes Captain David Hill to the IFAN Board.

Our thanks also go to Peter Stanley for the last 4 years as CEO of IFAN. Peter has strengthened our governance and successfully completed the sale of the Relume. I am delighted that Peter has agreed to remain on the Board to provide much valued continuity. I welcome Catherine Mulvihill as IFAN's CEO. Catherine joined us in August 2023 and after a handover period assumed the role of CEO in October 2023. I and the Board look forward to working with Catherine in the next phase of IFAN's development.



R. G. Mason
Date: 30 May 2024.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors of International Foundation for Aids to Navigation ('the Company') present their Annual Report together with the audited financial statements for the year ended 31 December 2023 which comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 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).

REFERENCE AND ADMINISTRATIVE INFORMATION

The Company is constituted as a company limited by guarantee with two wholly owned operating subsidiary undertakings, Menas Marine Services Limited and Oman Marine Services Limited. The charitable objective of The International Foundation for Aids to Navigation ("IFAN"), as stated in the Articles of Association, is the promotion of safety at sea, maritime education & training and the protection of the marine environment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Company is governed by its Articles of Association.

Governing Body

The Directors are appointed in accordance with the Articles of Association by the Members and are mostly drawn from the shipping, maritime and oil industries.

Recruitment and training of Directors

New Directors are briefed on their legal obligations under charity and company law, the content of the Articles of Association and the workings of the Board of Directors and the decision making process.

Organisational management

The Board of Directors, as the charity trustees, are legally responsible for the overall management and control of the Company. The Board of Directors meets at least four times a year.

The Audit Committee is responsible for ensuring that the financial performance of the Company is properly reported that adequate internal control systems are maintained and managing the relationship with the external auditors.

Day to day administration is carried out by the Chief Executive Officer. The operation of the Bahrain facility is undertaken by a senior manager reporting to the CEO in London.

The remuneration of key management personnel is set by the Board and the appropriateness and relevance of the remuneration policy is reviewed annually by the Remuneration Committee.

Group structure and relationships

The Company has two wholly owned non-charitable subsidiaries: Menas Marine Services Limited, which operated a commercial vessel until September 2023, and Oman Marine Services Limited (OMSL), which has a branch in Ras Al Khaimah Freeport Zone for the purposes of renting land for a new DGPS. OMSL was an investor in a joint venture, Arabian Maritime and Navigation Aids Services LLC until 2021, which undertook maritime services. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The Company's Objectives, as set out in the Articles of Association, are the promotion of safety at sea and the protection of the marine environment in the Middle East and worldwide by all charitable means, including providing and maintaining navigation aids, safety systems and safety information; promoting the use of modern navigation techniques and procedures and other essential maritime skills; and protecting and improving all aspects of the marine environment.

The objectives are variously achieved for the public benefit through the provision, under the name MENAS, of an aids to navigation service in the Gulf and by assisting other organisations undertaking projects which meet the Company's charitable objectives of promoting safety at sea and protection of the marine environment.

The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Board has monitored closely the guidance on public benefit produced by the Charity Commission.

Principal Activities

The Company provides and maintains shore and sea based visible aids as well as radio-based aids for the Gulf region, utilising its equipment and facilities in Bahrain. It continues to review technological advances in marine navigation and environmental protection and to rationalise and modernise its facilities and systems to enable it to provide the service to navigators and the marine industry in the Gulf region effectively and efficiently.

Apart from operating the network of aids to navigation and the Navtex warning system, the charity also continues to operate its DGPS's throughout the Gulf. The Company has deployed Automatic Identification System (AIS) equipment to both enhance the service to mariners and improve performance monitoring of aids to navigation to help improve safety at sea and the protection of the environment. The Company has begun upgrading the DGPS system following more than twenty years in operation.

The Company makes grants to organisations concerned with the promotion and/or provision of safety at sea, including:

- The International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA), to assist with its setting up and running its worldwide training organisation The Worldwide Academy (WWA) to improve knowledge and skills required to identify needs, install and maintain aids to navigation services around the world;
- The educational programmes of Marine Society and Sea Cadets (MSSC);
- The Nautical Institute (NI), to expand the circulation of its publication The Navigator, improving knowledge and professionalism in the field of marine navigation;
- The Company supports a project being conducted by the South Pacific Community (SPC), in respect of enabling the Pacific Ocean to access its needs in respect of aids to navigation services and infrastructure;
- Confidential Human Factors Incidents Reporting Programme (CHIRP) in connection with the confidential reporting of safety related breaches within the maritime sector;
- UNESCO to include an Ocean Literacy module in Aids to Navigation training courses.

Previously, we have supported:

- The Straits of Malacca and Singapore Aids to Navigation Fund set up by the three littoral States to maintain and improve the traffic separation system for the Malacca and Singapore Straits.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023**

STRATEGIC REPORT

The charity regularly reviews its strategy. Over time and consistent with prevailing general economic conditions and operational needs, the strategy has been to build up reserves to a point that the navigational aids service in the Gulf can be self-sustained and protecting capital to ensure the continued existence of the IFAN Group.

Currently the strategy has several points of focus:

The first priority is to continue the provision of the existing Gulf Aids to Navigations (AtoN) service to international standards. In the absence of the littoral states seeking to take up our offer of assistance to assume responsibility for Gulf AtoN's we remain obligated to continue our AtoN provision. We believe that national services would be the simplest to be created and we would expect our existing technical operations to have a role either as active participants or contractors in some form. Consistent with the aim of ensuring the navigational aids service in the Gulf can be self-sustained, we continue to raise the profile of the services we provide with ship-owners and encourage them to contribute to the costs of their upkeep through raising navigations dues. We have also increased the level and scope of the Nav Dues with effect from 1st October 2023. This is the first increase that has been made and has been done to ensure we continue to have sufficient funds to provide the Aids to Navigation service.

The second aspect of our strategy is concerned with our investments. We had an operational investment being an offshore support vessel (OSV Relume) and that has been sold as previously mentioned. In addition, we have a financial investment portfolio invested in various securities in several markets.

The investment portfolio has been managed to maintain capital with moderate risk. At the Board meeting on 22th November 2023 it was agreed that, after a tender process, the managers of the investment portfolio would be changed from Evelyn and Partners to Cazenove. The continued strategy is to increase active management to improve returns.

ACHIEVEMENTS AND PERFORMANCE

Navigation Dues income for the year was \$3.4m (2022: \$3.3m). The price charged per NT was increased with effect from 1st October 2023. Costs of charitable activities which include all direct costs in relation to buoy maintenance projects and administration costs other than those relating to ship charter income and including all IFAN owned aids to navigation service costs, are \$4.1m (2022: \$4.2m).

Charter income for the OSV Relume, operated through Menas Marine Services Limited (MMSL) has decreased this year to \$3.8m (2022: \$4.7m). Ship charter income costs amount to \$4.4m (2022: \$5.3m). This income and cost have ceased with effect from 18th September 2023.

Other income includes buoy maintenance and project income of \$628k (2022: \$579k) and rental income of \$136k (2022: \$144k). Rental property costs amounted to \$15k (2022: \$23k).

The charity made grants and donations of \$1.4m during the year (2022: \$1.6m) to organisations including IALA, The Nautical Institute, South Pacific Community, CHIRP Maritime UNESCO and MSSC.

FINANCIAL REVIEW

The financial position is considered satisfactory by the Directors with net assets of the Group amounting to \$65.2m against \$61.1m in 2022.

As shown on page 15, in the Consolidated Statement of Financial Activities, the Group incurred a profit for the year of \$4.2m (2022: loss of \$11.5m) largely as a result of the increase in the market value of investments and the profit realised on the sale of the Relume.

Having reviewed the ongoing expected trading conditions and the Group's projected future cash flows, the Board has a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Investment policy and objectives

Evelyn and Partners (E&P - previously known as Smith and Williamson) were appointed as investment managers during 2016 and subsequently assumed the role of investment advisors. The investment policy has been to minimize risk to the capital by investing in a variety of instruments including US dollar bond instruments, principally US TIPS and including debt and equity in emerging markets to improve yields whilst maintaining a low risk profile. E&P continues to actively manage the fund, however the Investment committee have decided to transfer the management of the portfolio to Cazenove in order to create greater efficiency and to continue to invest in more secure securities and disinvest in securities more exposed because of greater debt levels whilst maintaining a diversified portfolio and matching non-functional currency flows. The application of the investment policy is regularly monitored by the Investment sub-committee which led to this decision being made.

The portfolio experienced a period of relative stability during the year due to the weaker dollar exchange rate and a more stable financial landscape. However, performance is lower than investment benchmarks with similar assets and risk profiles. As of 31 December 2023 the market value of invested funds, including uncommitted deposits, was the equivalent of \$47.1m (2022: \$42.7m).

Reserves Level and Policy and Financial Viability

The policy in respect of the Gulf navigational aids service continues to be one of matching income with expenditure allowing for uncertainties and capital requirements. Provision is made for the progressive shortening of the operating lives of navigational aids as environmental demands increase and technological developments accelerate. Group reserves held as at 31 December 2023 amounted to \$65.2m (2022: \$61.1m) of which free reserves amounted to \$63.7m (2022: \$47.5m). The charity's own reserves amounted to \$78.8m (2022: \$74.8m).

The Directors consider that reserves will need to be maintained at a level that will provide IFAN with a sustainable future whilst delivering against its objectives. Allowance will be made for the replacement and enhancement of current operational and navigational aids assets and the longer-term possibility of further expansion of navigational aids services into other geographical areas worldwide which would entail significant levels of capital expenditure and working capital.

Principal Risks and Uncertainties

The Directors have undertaken reviews and organised from time-to-time investigations to be reasonably certain that the Company is operating efficiently and effectively, its assets are properly safeguarded against unauthorised use or disposal, proper records are maintained, and that financial information used within the Company, or for publication, is reliable and that the Company complies with relevant laws and regulations. The system of internal controls includes a strategic plan and annual budgets with regular financial and performance reports as appropriate with clear delegation of authority and segregation of duties.

Risk associated with the activities undertaken and objectives laid down by the Board are regularly reviewed, prioritised as to likely impact and likelihood of occurrence and management are satisfied that the applied strategies are appropriate to mitigate those risks.

The Directors are satisfied that during the year all activities have been conducted in compliance with the Company's HSE policy. Adherence and improvements to the HSE policy has ensured that all operations are conducted in a manner which safeguards the health and safety of employees and avoids damage to the environment. During 2023, IFAN remained compliant with the UK Government small business guidelines for cyber security.

The Company has adopted a policy of spreading its investments over a range of instruments in both UK pound sterling and US dollars with the aim of protecting the capital against imported inflation, whilst mitigating the effect of currency movements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Future Plans

The charity has a global remit and focuses its outlook to support projects of international scope.

The charity has a branch in Bahrain undertaking marine contracting activities as part of the provision of a regional aid to navigation service and also has two trading subsidiaries.

The Middle Eastern branch in Bahrain has existed for many years and recently efforts have been successfully made to modernise, expand its resources and offerings. The branch is managed locally with in-house trained personnel and is expanding its skill base to allow a build-up of marine engineering work and AtoN training courses. There is also an office in the United Arab Emirates. Improved services currently being considered include upgraded AIS technology to both monitor the position and performance of floating aids to navigation and collect vessel movement data for billing purposes. We continue to investigate the suitability of elasticated moorings in place of traditional metal chains.

We have begun to execute plans to upgrade the DGPS's which are now over twenty years old. Research has been undertaken over several years to ensure that the reliability and performance of new equipment will be optimal. We are, in conjunction with IALA, researching problems suffered by DGPS systems in connection with signal reliability and then researching suitable solutions. We are now in a position to deliver IALA accrediting training courses as an Accredited Training Organisation (ATO).

One of the trading subsidiaries operated an offshore services vessel (OSV Relume) originally built to service physical navigational aids in the Gulf. During late 2022 we agreed a time-charter followed by a sale obligation of the vessel which completed during 2023.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The members of the Governing Body (who are also the Directors of International Foundation for Aids to Navigation for the purposes of company law) are responsible for preparing the Annual Report and the financial statements with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- select the most suitable accounting policies and then to 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Relevant Audit Information

In so far as each of the Directors, as members of the Governing Body, at the date of approval of this report is aware, there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each Director has taken all the steps that he should have taken as a Director in order to make himself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board on 30 May 2024

including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



L. M. Evans

Director and Audit Committee Chair

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)**

Opinion

We have audited the financial statements of International Foundation for Aids to Navigation (the 'charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the consolidated and charitable company statement of financial position, the consolidated cash flow statement and notes to the consolidated financial statements, including 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 charitable company's affairs as at 31 December 2023 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charitable company and of the group 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 Directors' 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 Directors 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 annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the group's and 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 Directors either intend to liquidate the group or the 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

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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charitable company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)**

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

John Howard (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

2nd Floor, Regis House

45 King William Street

London

EC4R 9AN

Date: 30 May 2024

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
INCOME FROM:			
Charitable activities			
	3		
Non contractual navigation dues		2,787,032	2,810,261
Contractual navigation dues		613,417	536,888
Buoy maintenance and project income		627,563	579,365
Other trading activities			
Ship charter and management income		3,950,924	4,696,019
Rental income		135,896	144,396
Other income		174,226	101,638
Investments			
	4		
Investment income		1,011,172	680,199
Total income		<u>9,300,230</u>	<u>9,548,766</u>
EXPENDITURE ON:			
Generating funds			
	5		
Ship charter income costs		4,644,306	5,348,718
Rental property costs		15,258	23,451
Charitable activities			
	5		
		5,759,915	6,005,913
Total expenditure		<u>0,419,479</u>	<u>11,378,082</u>
Net funds from operations		<u>(1,119,249)</u>	<u>(1,829,316)</u>
Profit on disposal of OSV Relume		1,539,308	-
Loss on disposal of investments		(39,339)	(79,010)
Increase/(decrease) in value of investments	9	3,801,797	(9,593,443)
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>4,182,517</u>	<u>(11,501,769)</u>
Total funds brought forward		1,052,925	72,554,694
Total funds carried forward		<u>\$ 5,235,442</u>	<u>\$61,052,925</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is unrestricted.

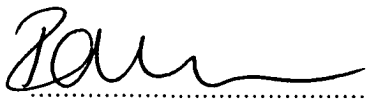
The notes on pages 18 to 29 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**CONSOLIDATED AND CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023**

	Note	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
FIXED ASSETS					
Tangible assets	7	1,540,280	13,573,471	1,540,280	877,773
Investments	9	47,133,024	44,159,126	47,133,028	44,159,130
		<u>48,673,304</u>	<u>57,732,597</u>	<u>48,673,308</u>	<u>45,036,903</u>
CURRENT ASSETS					
Stock	10	348,301	1,399,385	348,301	282,866
Debtors	11	2,306,015	2,378,123	29,867,046	29,704,151
Cash and deposits	12	16,643,511	2,779,300	2,609,759	2,678,368
		<u>19,297,827</u>	<u>6,556,808</u>	<u>32,825,106</u>	<u>32,665,385</u>
CURRENT LIABILITIES					
Creditors payable within one year	13	(2,735,689)	(3,236,480)	(2,732,123)	(2,940,754)
NET CURRENT ASSETS					
		<u>16,562,138</u>	<u>3,320,328</u>	<u>30,092,983</u>	<u>29,724,631</u>
NET ASSETS					
		<u>\$ 5,235,442</u>	<u>\$61,052,925</u>	<u>\$78,766,291</u>	<u>\$74,761,534</u>
FUNDS					
Unrestricted funds					
General reserve	14	61,324,381	57,141,864	73,308,695	69,303,938
Currency translation reserve	14	3,911,061	3,911,061	5,457,596	5,457,596
TOTAL FUNDS					
		<u>\$ 5,235,442</u>	<u>\$61,052,925</u>	<u>\$78,766,291</u>	<u>\$74,761,534</u>

The financial statements were approved by the Board on 30 May 2024 and were signed on its behalf by


.....
R. G. Mason
Chair


.....
L. M. Evans
Audit Committee Chair

Company No: 00477145

The notes on pages 18 to 29 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION
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**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
Cash generated from operating activities	19	(558,282)	(1,194,491)
Cash flow from investing activities			
Payments for tangible fixed assets		(1,252,797)	(1,723,855)
Proceeds on disposal of tangible fixed assets		3,739,662	-
Purchases of investments		(5,234,148)	(4,618,470)
Proceeds on sale of investments		6,022,708	3,803,554
Investment income receipts		1,011,172	680,199
Rental income receipts		135,896	144,396
Cash generated from investing activities		<u>4,422,493</u>	<u>(1,714,176)</u>
Increase/(decrease) in cash in the year		<u>\$13,864,211</u>	<u>\$(2,908,667)</u>
Reconciliation of cash flow to net movement in net funds			
Increase/(decrease) in cash in the year		3,864,211	(2,908,667)
Net funds at the beginning of the year		2,779,300	5,687,967
Net funds at the end of the year		<u>\$ 6,643,511</u>	<u>\$2,779,300</u>

The notes on pages 18 to 29 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

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

1. COMPANY STATUS

The Company is a charitable company limited by guarantee, registered in England and Wales and governed by its Articles of Association. It has no share capital. In the event of the company being wound up the liability of the members is limited to a maximum of £1 each. The Company's registered number and registered office address can be found on page 1.

The presentational currency of the financial statements is the US Dollar (\$) which is also the functional currency for the group.

The International Foundation for Aids to Navigation meets the definition of a public benefit entity under FRS 102.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice ("Charities SORP (FRS102)") and Financial Reporting Standard 102. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible assets and securities investments.

Going concern

Having reviewed the funding facilities available to the Company together with the expected ongoing trading conditions and the Company's projected future cash flows, the directors have a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

Accordingly, the Board continues to adopt the going concern basis in preparing its financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 11.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries Menas Marine Services Limited and Oman Marine Services Limited. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. No separate SOFA has been presented for the Company alone, as permitted by Section 408 of the Companies Act 2006.

Income

Income is the amount derived from the provision of charitable activities and other trading activities, and from investments, and is stated net of VAT.

Income from Charitable Activities

Charitable income represents navigation aids dues receivable, both contractual and non-contractual, as well as buoy maintenance and project income. Navigation aids dues are accounted for at the point a ship enters the port. Buoy maintenance and project income is accounted for in accordance with the contractual terms of each project and income is accrued or deferred accordingly.

Income from Other Trading Activities

Ship charter and management income represents third party income from the OSV Relume and is accounted for in the period in which the vessel is chartered for use.

Income from Investments

Investment income from fixed asset securities is accounted for on an accruals basis. Rental income is accounted for in the period to which the rental income relates.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is accrued once there is a legal 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 attributed to more than one cost category in the SOFA is allocated to activities on a proportional basis. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are also allocated between expense headings on a proportional basis. Governance costs comprise the costs of complying with constitutional and statutory requirements.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Employee benefits

Short term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

The Company's defined benefit scheme has now been wound up. The Company is also required to contribute towards a deficit in the Merchant Navy Officers Pension Fund, and any future deficits which may occur in the foreseeable future will be relieved against amounts already expensed.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into US Dollars at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Taxation

The Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010. Therefore it meets the definition of a Charitable Company for UK corporation tax purposes.

Fund accounting

Unrestricted funds represent those funds which can be used in accordance with the Charitable Company's objects at the discretion of the Directors.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. In accordance with FRS102 the land, which is held in perpetuity in Bahrain, is not depreciated. Fixed assets are subject to an annual impairment review. Any permanent diminutions in value are recorded. Depreciation is provided to write off the cost of all relevant tangible fixed assets, less estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Buildings	20 years
OSV Relume	15 years
Navigation aids, plant and equipment: DGPS	5 years
Computers and equipment	2 years
Vehicles, plant and machinery and office equipment	4 years
Other navigation aids and equipment	Up to 10 years

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. ACCOUNTING POLICIES (continued)

Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities. Gains and losses arising from changes in fair value are included in the Statement of Financial Activities as either an unrealised gain or loss on investments. Interest determined using the effective interest method, impairment losses and translation differences on monetary items are recognised in the Statement of Financial Activities.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Trade and other debtors

Trade and other debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents in the consolidated and charitable company statement of financial position and in the consolidated cash flow statement comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

Trade and other creditors

Trade and other creditors are measured at their transaction price.

Judgements and key sources of estimation uncertainty

Accounting 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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of OSV Relume

The valuation of OSV Relume is sensitive to changes in the estimated remaining life and the expected future trading and sale value of the vessel. OSV Relume is subject to an annual impairment review based on these factors.

Bad debt provision

The value of trade debtors is sensitive to the recoverability in full of any invoices issued to each customer. Once the debt becomes overdue it is chased and periodically reviewed to ensure it is recoverable in full. If a provision is deemed necessary this is included on an annual basis.

3. INCOME FROM CHARITABLE ACTIVITIES

Charitable income is attributable to the principal activities of the Company and arose wholly in the Middle East. Charitable activities of the company comprise non-contractual and contractual navigation dues, and the provision and maintenance of the buoys and other navigation aids.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. INVESTMENT INCOME	2023	2022
	\$	\$
Deposit interest	445,916	183,783
Dividend income	565,256	496,416
	<u>\$1,011,172</u>	<u>\$680,199</u>

5. ANALYSIS OF EXPENDITURE		2023			2022	
(a) Total expenditure	Staff Costs \$	Support Costs \$	Grant Making \$	Depreciation \$	Total \$	Total \$
Costs of generating funds:						
Ship charter income costs	4,622	3,718,508	-	921,176	4,644,306	5,348,718
Rental property costs	-	15,258	-	-	15,258	23,451
	<u>4,622</u>	<u>3,733,766</u>	<u>-</u>	<u>921,176</u>	<u>4,659,564</u>	<u>5,372,169</u>
Charitable activities:						
Costs of charitable activities	1,889,839	1,996,482	1,419,772	164,458	5,470,551	5,764,637
Governance costs	-	289,364	-	-	289,364	241,276
	<u>\$1,894,461</u>	<u>\$6,019,612</u>	<u>\$1,419,772</u>	<u>\$1,085,634</u>	<u>\$10,419,479</u>	<u>\$11,378,082</u>

(b) Grant making

During the year the following grants and donations were made:

	2023	2022
	\$	\$
IALA	742,728	787,018
CHIRP Maritime	15,596	14,025
The Nautical Institute	124,844	128,308
South Pacific Community	492,037	571,372
UNESCO	32,390	-
MSSC	12,177	67,547
	<u>\$1,419,772</u>	<u>\$,568,270</u>

- (i) IALA - an international technical organization that gathers together marine information to share worldwide
- (ii) CHIRP Maritime - contributes to the enhancement of aviation safety in the UK and maritime safety worldwide.
- (iii) The Nautical Institute - an international body for maritime professionals involved in the control of sea-going ships.
- (iv) South Pacific Community - the principal scientific and technical organisation in the Pacific region.
- (v) UNESCO - support to include Ocean Literacy in IALA courses.
- (vi) MSSC - provides teaching modules to improve mathematical and English language skills amongst mariners.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. ANALYSIS OF EXPENDITURE (continued)

(c) Governance costs included in support costs	2023	2022
	\$	\$
Remuneration paid to auditor for audit services	46,900	49,412
Other governance costs	242,464	191,864
	<u>\$289,364</u>	<u>\$241,276</u>

(d) Net outgoing funds from operations	2023	2022
	\$	\$
The following amounts have been charged within resources expended:		
Directors emoluments	389,350	412,891
Auditors' remuneration (audit services)	46,900	49,412
Auditors' remuneration (non-audit services)	15,422	18,347
Rental paid under operating leases	284,541	194,825
Foreign exchange movement	90,789	372,854
	<u>90,789</u>	<u>372,854</u>

6. STAFF COSTS

	2023	2022
	\$	\$
Directors remuneration		
Director's salary	165,887	282,743
Social security costs	19,105	33,761
Staff remuneration		
Wages and salaries	1,293,742	965,259
Social security costs	120,219	105,723
Other employee benefits	295,508	282,202
	<u>\$1,894,461</u>	<u>\$1,669,688</u>

The above staff costs include \$1,102,639 (2022: \$1,045,349) relating to employees in Bahrain and \$791,822 (2022: \$624,339) relating to employees in the United Kingdom.

All directors' emoluments are paid in accordance with the Company's Articles of Association as approved by the Charity Commissioners. The highest paid director's emoluments totalled \$171,616 (2022: \$186,506) with no accrued pension as at 31 December 2023.

During the year the following employing organisations were entitled to receive payment for the services of Directors as indicated below:

Maersk Line	\$22,916	A Ross
BP Shipping	\$22,916	D Summerhill
Kuwait Oil Tanker Company	\$20,370	Captain Y Y Al Sager
Shell Transport & Trading	\$22,916	Captain J R Evans and Captain D Hill
NYK	\$22,916	Captain I Scally

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. STAFF COSTS (continued)

Aggregate emoluments of key management personnel: \$221,091 (2022: \$186,506).

During the year 4 Directors were reimbursed expenses in respect of travel and attendance at board meetings totalling \$33,985 (2022: 4 Directors totalling \$28,763).

	2023 Number	2022 Number
Number of higher paid employees (including retirement benefits paid under local employment laws) in bands of:		
\$170,000 - \$210,000	1	1
\$140,000 - \$170,000	1	1
\$100,000 - \$140,000	1	1
\$90,000 - \$100,000	1	1
\$70,000 - \$80,000	1	1
	5	5

The above amounts all relate to employees in Bahrain.

The average number of the Company's employees (excluding Non-Executive Directors) during the year calculated on a full time equivalent basis, was 14 (2022:14).

	2023 Number	2022 Number
Engineering and maintenance	10	10
Finance and administration	2	2
Management	2	2
	14	14

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

7. TANGIBLE FIXED ASSETS

GROUP	Freehold Land & Buildings \$	OSV Relume \$	Navigation Aids, plant & Equipment \$	Assets under construction \$	Total \$
Cost or valuation					
At 1 January 2023	2,326,548	23,762,698	8,533,874	907,844	35,530,964
Additions	-	425,833	319,163	507,801	1,252,797
Disposals	-	(24,188,531)	(505,134)	(653,825)	(25,347,490)
At 31 December 2023	<u>2,326,548</u>	<u>-</u>	<u>8,347,903</u>	<u>761,820</u>	<u>11,436,271</u>
Depreciation					
At 1 January 2023	1,927,147	11,757,628	8,272,718	-	21,957,493
Charge for the year	114,471	887,001	84,162	-	1,085,634
Disposals	-	(12,644,629)	(502,507)	-	(13,147,136)
At 31 December 2023	<u>2,041,618</u>	<u>-</u>	<u>7,854,373</u>	<u>-</u>	<u>9,895,991</u>
Net book value					
At 31 December 2023	<u>\$284,930</u>	<u>\$-</u>	<u>\$493,530</u>	<u>\$761,820</u>	<u>\$1,540,280</u>
At 31 December 2022	<u>\$399,401</u>	<u>\$12,005,070</u>	<u>\$261,156</u>	<u>\$907,844</u>	<u>\$13,573,471</u>
COMPANY		Freehold Land & Buildings \$	Navigation Aids, Plant & Equipment \$	Assets under construction \$	Total \$
Cost or valuation					
At 1 January 2023		2,326,548	8,028,740	254,019	10,609,307
Additions		-	319,163	507,801	826,964
At 31 December 2023		<u>2,326,548</u>	<u>8,347,903</u>	<u>761,820</u>	<u>11,436,271</u>
Depreciation					
At 1 January 2023		1,927,147	7,804,387	-	9,731,534
Charge for the year		114,471	49,986	-	164,457
At 31 December 2023		<u>2,041,618</u>	<u>7,854,373</u>	<u>-</u>	<u>9,895,991</u>
Net book value					
At 31 December 2023		<u>\$284,930</u>	<u>\$493,530</u>	<u>\$761,820</u>	<u>\$1,540,280</u>
At 31 December 2022		<u>\$399,401</u>	<u>\$224,353</u>	<u>\$254,019</u>	<u>\$877,773</u>

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. TANGIBLE FIXED ASSETS (continued)

Substantially, the Group's fixed assets are held for use on charitable activities. The land in Bahrain is held under tenure appropriate for the Group's activities.

The navigation aids and plant and equipment, excepting major land based aids and office equipment used in the management office, were re-valued at the end of 2001 on the basis of depreciated replacement cost having regard to the remaining operating lives of the assets re-valued. The major land based navigation aids (excluding land) were also re-valued as at 1 January 2010 on a replacement cost basis by the directors and reflected in these financial statements. The Company freehold property in Bahrain is held at a professional valuation as at 31 December 2005, less accumulated depreciation. The property has been revalued in prior periods by Cluttons Chartered Surveyors at an amount above book value but the Directors are concerned given the present political unrest in the region that the increased valuation is possibly unrealistic. No adjustment has therefore been made in this respect. The Directors are not aware of any other material change since the last valuation.

8. FUTURE CAPITAL EXPENDITURE

On 2 November 2022 the Company entered into a contract for the construction of a DGPS Reference Station at a total contract price of \$1,105,760. The contract is anticipated to be completed during 2023.

9. FIXED ASSET INVESTMENTS

	Group 2023	Group 2022	Company 2023	Company 2022
	\$	\$	\$	\$
Securities investments				
At 1 January	44,159,126	53,016,663	44,159,126	53,016,663
Additions	5,234,148	4,618,470	5,234,148	4,618,470
Disposals	(6,062,047)	(3,882,564)	(6,062,047)	(3,882,564)
Increase/(decrease) in value of investments	3,801,797	(9,593,443)	3,801,797	(9,593,443)
	<u>47,133,024</u>	<u>44,159,126</u>	<u>47,133,024</u>	<u>44,159,126</u>
Investment in Subsidiaries	-	-	4	4
At 31 December	<u>\$47,133,024</u>	<u>\$44,159,126</u>	<u>\$47,133,028</u>	<u>\$44,159,130</u>

The fixed asset investments noted above are denominated in the following currencies: -	2023	2022
	%	%
Sterling	49.5	45.1
United States Dollars	41.8	43.3
Others	8.7	11.6

The historical cost of securities investments held at 31 December 2023 was \$41,863,662 (2022: \$42,691,561).

The Company owns the whole of the issued share capital of Menas Marine Services Limited (£1 paid) and Oman Marine Services Limited (£1 paid) both of which are registered in England and Wales, registered office at 8/9 Lovat Lane, London EC3R 8DW. Both subsidiary undertakings are included within the consolidated financial statements.

OMSL has a branch in Ras Al Khaimah Freeport Zone for the purposes of renting land for a new DGPS.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. STOCKS

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
Consumables	348,301	1,399,385	348,301	282,866
	<u>\$348,301</u>	<u>\$1,399,385</u>	<u>\$348,301</u>	<u>\$282,866</u>

11. DEBTORS

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
Income due from charitable activities	1,227,634	1,127,487	1,227,634	1,127,487
Trade debtors	63,962	289,980	-	-
Other debtors	405,364	356,054	328,166	310,128
Prepayments and accrued income	609,055	604,602	598,175	500,908
Amounts due from subsidiary companies (net of provision)	-	-	27,713,071	27,765,628
	<u>\$ 306,015</u>	<u>\$2,378,123</u>	<u>\$29,867,046</u>	<u>\$29,704,151</u>

All debtors are due within one year.

12. CASH AND DEPOSITS

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
Fortis Bank deposits	-	39	-	-
HSBC short term deposits and working balances	14,559,451	566,593	525,738	467,295
Cash held by Investment managers	2,084,010	2,199,592	2,084,010	2,199,592
Cash in hand	50	13,076	11	11,481
	<u>\$ 6,643,511</u>	<u>\$2,779,300</u>	<u>\$2,609,759</u>	<u>\$2,678,368</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 \$	Group 2022 \$	Company 2023 \$	Company 2022 \$
Trade creditors	207,241	497,133	203,675	338,597
Other creditors	1,534,910	1,524,294	1,534,910	1,480,086
Taxation and social security	36,233	44,663	36,233	44,663
Accruals and deferred income	957,305	1,170,390	957,305	1,077,408
	<u>\$2,735,689</u>	<u>\$3,236,480</u>	<u>\$2,732,123</u>	<u>\$2,940,754</u>

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. SUMMARY OF MOVEMENTS ON FUNDS

	General Reserve \$	Translation Reserve \$	Total \$
Group			
At 1 January 2023	57,141,864	3,911,061	61,052,925
Incoming resources	9,300,230	-	9,300,230
Resources expended	(10,419,479)	-	(10,419,479)
Profit on disposal of OSV Relume	1,539,308	-	1,539,308
Loss on disposal of investments	(39,339)	-	(39,339)
Increase in value of investments	3,801,797	-	3,801,797
At 31 December 2023	<u>\$61,324,381</u>	<u>\$3,911,061</u>	<u>\$65,235,442</u>
Company			
At 1 January 2023	69,303,938	5,457,596	74,761,534
Incoming resources	5,710,882	-	5,710,882
Resources expended	(5,468,583)	-	(5,468,583)
Loss on disposal of investments	(39,339)	-	(39,339)
Increase in value of investments	3,801,797	-	3,801,797
At 31 December 2023	<u>\$73,308,695</u>	<u>\$5,457,596</u>	<u>\$78,766,291</u>

The currency translation reserve represents historical foreign exchange movements on the values of balance sheet items whose functional currency is not US Dollars.

All funds are unrestricted.

15. PENSION SCHEMES

Pensions for the benefit of UK shore staff have been funded through the MENAS Pension and Life Assurance Scheme managed by Aviva. Contributions to the Scheme ceased in a previous year as the Scheme had been closed to new members and all participants have now had pensions provided.

Menas Marine Services Limited is a former employer of Merchant Navy Officers Pension Fund (MNOFF) members and as such, following a court case in 2006, is liable to contribute towards a deficit on an on-going basis of the New Section of that pension scheme. The financial effect of this has not finally been fully quantified at the present time and the trustees of that scheme have made the charity aware that they are liable for their share of the deficit. Significant payments have been made against these liabilities and all notified requests for payment to date have been fully paid. Any future deficits which may occur in the foreseeable future will be relieved against amounts already expensed. As the trustees of MNOFF have indicated that as of 31 December 2023 there was no liability payable by the company, there has been no charge to the Statement of Financial Activities in 2023.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. FINANCIAL COMMITMENTS

Operating Leases

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:-

	2023	2022
	\$	\$
Within 1 year	203,197	252,718
Within 1 to 5 years	166,886	266,708
	<u>\$370,083</u>	<u>\$519,426</u>

17. CONTINGENT LIABILITIES

The Group maintains provisions for known exposures and liabilities. From time to time, the Group maybe engaged in review of historic direct and indirect tax treatments. There are currently no liabilities expected to have material adverse financial impact on Group Net assets, however the Group is currently engaged in correspondence with HMRC concerning reinterpretation of an historically agreed input VAT treatment. The Group's exposure cannot be quantified with sufficient certainty to allow for a provision at the balance sheet date. The Group expects to conclude the matter during 2024

18. COMPANY RESULTS

The surplus/(deficit) dealt with in the financial statements of the Company is as follows:	2023	2022
	\$	\$
Net incoming funds	\$4,004,757	\$(9,784,190)
	<u>\$4,004,757</u>	<u>\$(9,784,190)</u>

18. SUBSIDIARIES

The Company owns all of the issued share capital of Menas Marine Services Limited, a company incorporated in England, number 04505570. This company operated a commercial vessel, the OSV Relume, which was sold on 17 September 2023.

	2023	2022
	\$	\$
Turnover	3,815,924	4,517,480
Profit/(loss) before tax	273,468	(1,701,459)
Shareholders' funds	(63,701,436)	(63,974,904)
	<u>(63,701,436)</u>	<u>(63,974,904)</u>

The Company also owns all of the issued share capital of Oman Marine Services Limited, a company incorporated in England, number 04499121. This company is a marine services.

	2023	2022
	\$	\$
Income	99	2
Loss before tax	(95,710)	(16,012)
Shareholders' funds	9,170,696	9,266,406
	<u>9,170,696</u>	<u>9,266,406</u>

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

19. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2023	2022
	\$	\$
Net outgoing resources	(1,119,249)	(1,829,316)
Depreciation charge	1,085,634	1,295,928
Investment income receivable	(1,011,172)	(680,199)
Rental income receivable	(135,896)	(144,396)
Decrease in stock	1,051,084	89,247
Decrease in debtors	72,108	282,311
Decrease in creditors	(500,791)	(208,066)
Net cash inflow / (outflow) from operations	<u><u>\$ (558,282)</u></u>	<u><u>\$ (1,194,491)</u></u>

20. CASH AND CASH EQUIVALENTS

	At 1 January 2023	Net cash flow	At 31 December 2023
	\$	\$	\$
Cash and deposits	<u><u>2,779,300</u></u>	<u><u>13,864,211</u></u>	<u><u>16,643,511</u></u>

Cash and cash equivalents are made up entirely of cash and deposits in both the current and prior year.

21. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure during the year.

22. ULTIMATE CONTROLLING PARTY

As at the balance sheet date there is no one ultimate controlling party.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

England & Wales - Charity number 210066

Accounts

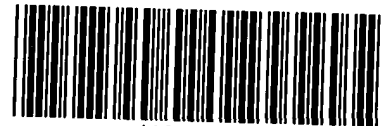
REGISTERED COMPANY NUMBER: 00477145 (England and Wales)
REGISTERED CHARITY NUMBER: 210066

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

FOR

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

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INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors of International Foundation for Aids to Navigation (“the Company”) are the Company’s charity trustees under charity law and the directors of the charitable company. The members of the Board who served in office as Directors during the year and subsequently are detailed below:

KEY MANAGEMENT PERSONNEL:

DIRECTORS

R. G. Mason ‡ - Chairman from 29 November (Appointed 3 March 2022)
A. R. W. Marsh MBE FICS - Chairman until 29 November
R. C. J. Brummer ‡ (Resigned 3 March 2022)
Captain J.R. Evans ‡
L. M. Evans ‡
Captain J. W. Hughes
A. Ross (Appointed 3 March 2022)
Captain I. Scally
Captain Y. Y. Al Saqer
D. Summerhill ‡
P. Stanley – Company Secretary

‡ Member of Audit Committee

CHIEF EXECUTIVE

P. Stanley

REGISTERED OFFICE

4th Floor
8-9 Lovat Lane
London
EC3R 8DW

CHARITY STATUS

Company Limited by Guarantee not having a share capital
Registered in England and Wales No. 00477145
Registered Charity No. 210066
The word Limited is omitted by licence of the Board of Trade, London

BANKERS

HSBC, London and Bahrain

INDEPENDENT AUDITORS

Azets Audit Services,
2nd Floor, Regis House, 45 King William Street, London EC4R 9AN

SOLICITORS:

Farrer & Co, London
66 Lincoln’s Inn Fields, London, WC2A 3LH

Campbell Johnston Clark Solicitors
59 Mansell Street, London, E1 8AN

INVESTMENT MANAGERS

Evelyn & Partners
25 Moorgate, London, EC2R 6AY

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

DIRECTORS

Guy Mason (Chairman)

Mr Mason was appointed Chairman in November 2022. He joined the Board in March 2022 having retired from BP at the end of 2020 as Senior VP and Global Head of BP Shipping. Whilst in BP Shipping, he served on supervisory boards at UK Chamber of Shipping, P&I Clubs, ITOFF and Oil Spill Response Limited. Prior to his time in shipping, he worked in BP's Alternative Energy business building new global low-carbon energy businesses. He currently serves as an Independent Director on the Board of AB Klaipedos nafta and Windward Limited. He has first class degree in Engineering Science and Technology from Loughborough University and is a chartered engineer and a Fellow of the Institute of Mechanical Engineers.

Alan Marsh

Mr. Marsh was appointed to the Board in August 2018 and stepped down as Chairman after three years in the post. He is a Trustee and Council Member of The Marine Society and Sea Cadets (MSSC), a Vice President of the RNLi. He sits on the development board of WetWheels UK and is an Associate Member of the Stelios Philanthropic Foundation, a UK Charity. He is a Fellow of the Institute of Chartered Shipbrokers for whom he is a former President. He is also a Younger Brother of Trinity House, Past Prime Warden of the Worshipful Company of Shipwrights and formerly CEO of Braemar Shipping Group PLC as well as a Director of ITIC.

Peter Stanley

Mr. Stanley was appointed CEO in July 2020 and a Director in September 2020. Formerly with BP for 30 years working in BP Shipping, HSE, Refining Manufacturing and Supply, Chemicals and finally as Head of Control of BP's Corporate segment. He is an external advisor to the Audit Committee of Addenbrooke's Charitable Trust. He graduated from Newcastle University obtaining a first class honours degree in Marine Engineering and has an MBA from the Judge Business School, Cambridge University. He is a Chartered Engineer and Fellow of the Institute of Marine Engineering, Science and Technology.

Aslak Ross

Mr. Ross was appointed as a director in March 2022. He is currently Head of Marine Standards in Maersk A/S and is responsible for all Health, Safety, Security, Environmental and Quality matters for the Maersk managed container fleet, including navigational and cargo safety policies. In addition, he acts as the Designated Person Ashore for the Maersk fleet. Mr. Ross started his career in Maersk in 1994 as an engineer apprentice and has a degree in marine engineering has also completed a master mariner degree

Captain John Hughes

Captain Hughes was appointed as a director in November 2008. Formerly Operations Vice President and Director of Exxon's international oil and gas tanker fleet; from 1999 to 2004 Director of the Oil Companies International Maritime Forum. He is a Fellow of the Nautical Institute, Past Chairman of Maritime CHIRP, Past Master of the Honourable Company of Master Mariners, Past Chairman and Trustee of the Shipwrecked Mariners Society, Younger Brother of Trinity House and in 2018 awarded the Merchant Navy Medal.

Captain Yousef Al Saqer

Captain Al Saqer was appointed as a Director in November 2010. He is presently Deputy CEO Fleet Operations KOTC, formerly Manager Fleet newbuilding projects and prior to that, Manager fleet marine operations where he was accountable for the day-to-day operations, safety & security of KOTC Fleet. He started his career as Navigation Officer, leading to Master on board KOTC's VLCC, LPG and Product tankers. He served in numerous roles on shore in Fleet operations, Marine Affairs and risk assessment. He holds a BSc in Maritime Transport Technology and is a Master Mariner.

Captain John Evans

Captain Evans was appointed as a Director in August 2013. He is currently Global Manager Maritime Security and Fleet Q&HSSE Global Manager Shipping Emergency Response, Shell Transport & Trading Company. Prior to this appointment, he was Fleet Manager, Shell Tankers Australia. Following a sea-going career up to the rank of Master within Shell, Captain Evans gained wide experience within senior marine positions ashore.

Louise Evans

Ms Evans was appointed to the Board in June 2020. She is currently non-executive director and audit committee chair of AB Dynamics plc and Gooch & Housego PLC. Ms Evans previously held Group Finance Director roles at Braemar Shipping Services plc and Williams Grand Prix Holdings plc. She has also held senior positions at RPS Group plc and Reynard Motorsport. She qualified as a chartered accountant whilst working with Ernst & Young. Ms Evans graduated from the University of Wales with a first class degree in Management Science and is a Fellow of the Institute of Chartered Accountants in England & Wales.

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

Doug Summerhill

Appointed a Director in November 2020. He is presently Vice President of Chartering for BP Shipping Limited, accountable for the global chartering activity and monetisation of BP's oil and gas fleet. He is a supply, shipping and trading specialist, having worked in this sector for over 20 years and holds a Bachelor of Business degree from RMIT University, Australia.

Captain Iain Scally

Captain Scally was appointed a Director in November 2021. He is presently serving as Marine Advisor to NYK's Global Tanker Quality Group in Tokyo. Formerly with ExxonMobil for 28 years serving as Master and then a variety of shore-based positions including HSQE, Marine Operations and Shipping Manager within LNG operations. Captain Scally commenced his seagoing career with Shell in 1970. He is founding member and Fellow of the Nautical Institute and serves on technical committees within Intertanko and SIGTTO.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

In 2022, the charity maintained a sound and sustainable financial position despite the challenges and uncertainties brought about by turbulent markets, rising and volatile energy markets and geopolitical uncertainty.

IFAN's charitable objects have driven a continued focus on our three core activities: the management of our funds and their distribution to projects which enhance safety at sea and protect the environment; the reliable operation of navigational aids and associated communication systems in the Gulf; and the commercial operation of the Relume, our offshore support vessel.

Management of funds and distributions to projects

We continue to be active in the management of our invested funds aiming for improved income. Our Investment Committee monitors the performance of our fund managers against our investment objects. Though there has been significant loss in value caused by overall market declines, our benchmarks show performance equal or better than other comparable organisations.

During 2022, we disbursed \$1.6m to projects which seek to improve safety at sea and protect the marine environment; some of these projects are planned to continue through 2023.

We have our own guidelines to determine which projects we will support having regard to legal imperatives, our resources, and our ability to monitor projects appropriately. We continue to find ways to integrate IFAN into marine regulatory organisations to both understand better the requirements for aids to navigation globally and contribute to the decision-making and guidelines for enhancing safety at sea and protecting the environment and are now considering potential environmental development projects in their own right.

Since early 2012, we have supported the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) in developing its Worldwide Academy (WWA) with contributions amounting to an average of \$706k equivalent each year. The WWA provides training packages designed to spread knowledge amongst government representatives. Instruction is given both in respect of a Coastal State's obligations under international law and the benefits to commerce of having effective aids to navigation. The IALA programme is a rolling programme, progressively expanding the knowledge of aids to navigation throughout the world. Over time, continually improving services will become available to better assist navigators to safely operate their vessels. During 2022, WWA activities increased after a pandemic-induced slow down in 2021, with activities now taking place in person as well as online; this has required a resumption of the previous levels of financial support.

We have helped The Marine Society and Sea Cadets (MSSC) develop and commission teaching modules to improve mathematical, English language and marine vocational skills amongst mariners, committing an average of \$109k equivalent per annum since 2013. We have also funded a significant outreach programme that The Nautical Institute (NI) promoted to improve navigators' technical skills, committing \$192k equivalent since 2014.

Since 2016, we have jointly funded a project to improve the aids to navigation and technical capability present in the Pacific Ocean for The South Pacific Community, the pan-government agency responsible for marine matters in that region. An initial survey was a pre-requisite to the project to improve positioning infrastructure in a region heavily dependent upon marine transport but poorly supplied with aids to navigation. A second phase was completed in 2021, albeit reduced in scope due to the pandemic. We agreed to fund a third phase of the project, which aims to establish a sustainable funding model for the provision of navigational aids in the 13 target island communities. To date, \$2.78m has been donated with a further \$756k provided from January 2023 to July 2024. The project is subject to annual reviews.

In the past we have supported The Straits of Malacca and Singapore Fund. The core activities are now to maintain the existing Aids to Navigation within the traffic separation scheme and executed by the littoral States. We actively monitor the ongoing programme of maintenance and improvement through our participation in the Aids to Navigation Fund Committee.

Beyond our existing projects, we continue to seek new opportunities aligned to our charitable objects, and examine funding requests to determine appropriate levels of support to improve the safe passage of ships using global sea routes.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

Navigation Aids and communication systems in the Gulf

The navigational services provided by MENAS in the Gulf depend on the collection of Navigation Dues from ship owners. These charges, which have not changed since 2006, fund the costs of providing navigational aids, essential for safety and continued trade in the Gulf. We continually seek to ensure awareness of our activities in the Gulf with ship owners through the use of media campaigns and targeted communications.

Some elements of our Differential Global Positioning System (DGPS) service in the Gulf are reaching the end of their serviceable life. We have looked at different ways to provide accurate positioning systems in the Gulf and concluded that a DGPS remains the best solution. As a result, we have committed to recapitalise some of this equipment, funded by Navigational Dues, and a new DGPS site will be commissioned during 2023.

During 2021 MENAS successfully achieved Accredited Training Organisation (ATO) designation. We are offering technical skills and education courses to clients, such as Port Authorities, so that they can develop their own resources over time. We previously indicated we would host our own IALA guided training course for Middle East gulf participants, but the slow resumption of normal activities after the pandemic has meant that delivery of our first courses will now take place in 2023.

Commercial operation of the Relume

Our offshore support vessel Relume, originally built as a buoy handler for our aids to navigation service in the Gulf, has been undertaking commercial work in North European waters for many years now. As has been reported in previous annual accounts, IFAN chose to retain the vessel to keep the option of further aids to navigation work open for the Relume in the future. During 2022, market conditions were right to realise reasonable value for the vessel and in late 2022 we agreed a time-charter followed by a sale obligation of the vessel which will complete during 2023.

We continue to seek ever improving efficiency throughout the group by reviewing processes and reducing our operating costs, ensuring we are best positioned to respond to any future variability in market conditions whilst also delivering more to our object causes.

I thank all our dedicated staff and partners, both ashore and afloat, for their commitment to IFAN's objectives during a period of turbulent and volatile markets and geopolitical unrest.

On behalf of the entire Board, I wish to thank Rob Brummer for his loyal service to IFAN as a Director for over 13 years. The Board welcomes Aslak Ross to the IFAN Board.

Our thanks also go to Alan Marsh for chairing the IFAN Board for the past 3 years through this period of volatility and geopolitical unrest. I am delighted that Alan has agreed to remain on the Board.

R. G. Mason



Date: 25 May 2023.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of International Foundation for Aids to Navigation ('the Company') present their Annual Report together with the audited financial statements for the year ended 31 December 2022 which comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 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).

REFERENCE AND ADMINISTRATIVE INFORMATION

The Company is constituted as a company limited by guarantee with two wholly owned operating subsidiary undertakings, Menas Marine Services Limited and Oman Marine Services Limited. The charitable objective of The International Foundation for Aids to Navigation ("IFAN"), as stated in the Articles of Association, is the promotion of safety at sea, maritime education & training and the protection of the marine environment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Company is governed by its Articles of Association.

Governing Body

The Directors are appointed in accordance with the Articles of Association by the Members and are mostly drawn from the shipping, maritime and oil industries.

Recruitment and training of Directors

New Directors are briefed on their legal obligations under charity and company law, the content of the Articles of Association and the workings of the Board of Directors and the decision making process.

Organisational management

The Board of Directors, as the charity trustees, are legally responsible for the overall management and control of the Company. The Board of Directors meets at least four times a year.

The Audit Committee is responsible for ensuring that the financial performance of the Company is properly reported, that adequate internal control systems are maintained and managing the relationship with the external auditors.

Day to day administration is carried out by the Chief Executive Officer. The operation of the Bahrain facility is undertaken by a senior manager reporting to the CEO in London.

The remuneration of key management personnel is set by the Board and the appropriateness and relevance of the remuneration policy is reviewed annually by the Remuneration Committee.

Group structure and relationships

The Company has two wholly owned non-charitable subsidiaries: Menas Marine Services Limited, which operates a commercial vessel, and Oman Marine Services Limited (OMSL), which has a branch in Ras Al Khaimah Freeport Zone for the purposes of renting land for a new DGPS. OMSL was an investor in a joint venture, Arabian Maritime and Navigation Aids Services LLC until 2021, which undertook maritime services. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The Company's Objects, as set out in the Articles of Association, are the promotion of safety at sea and the protection of the marine environment in the Middle East and worldwide by all charitable means, including providing and maintaining navigation aids, safety systems and safety information; promoting the use of modern navigation techniques and procedures and other essential maritime skills; and protecting and improving all aspects of the marine environment.

The objectives are variously achieved for the public benefit through the provision, under the name MENAS, of an aids to navigation service in the Gulf and by assisting other organisations undertaking projects which meet the Company's charitable objectives of promoting safety at sea and protection of the marine environment.

The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Board has monitored closely the guidance on public benefit produced by the Charity Commission.

Principal Activities

The Company provides and maintains shore and sea based visible aids as well as radio-based aids for the Gulf region, utilising its equipment and facilities in Bahrain. It continues to review technological advances in marine navigation and environmental protection and to rationalise and modernise its facilities and systems to enable it to provide the service to navigators and the marine industry in the Gulf region effectively and efficiently.

Apart from operating the network of aids to navigation and the Navtex warning system, the charity also continues to operate its DGPS's throughout the Gulf. The Company has deployed Automatic Identification System (AIS) equipment to both enhance the service to mariners and improve performance monitoring of aids to navigation to help improve safety at sea and the protection of the environment. The Company has begun upgrading the DGPS system following more than twenty years in operation.

The Company makes grants to organisations concerned with the promotion and/or provision of safety at sea, including:

- The International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA), to assist with its setting up and running its worldwide training organisation The Worldwide Academy (WWA) to improve knowledge and skills required to identify needs, install and maintain aids to navigation services around the world;
- The educational programmes of Marine Society and Sea Cadets (MSSC);
- The Nautical Institute (NI), to expand the circulation of its publication The Navigator, improving knowledge and professionalism in the field of marine navigation;
- The Company supports a project being conducted by the South Pacific Community (SPC), in respect of enabling the Pacific Ocean to access its needs in respect of aids to navigation services and infrastructure;
- Confidential Human Factors Incidents Reporting Programme (CHIRP) in connection with the confidential reporting of safety related breaches within the maritime sector;

Previously, we have supported:

- The Straits of Malacca and Singapore Aids to Navigation Fund set up by the three littoral States to maintain and improve the traffic separation system for the Malacca and Singapore Straits.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

STRATEGIC REPORT

The charity regularly reviews its strategy. Over time and consistent with prevailing general economic conditions and operational needs, the strategy has been to build up reserves to a point that the navigational aids service in the Gulf can be self-sustained and protecting capital to ensure the continued existence of the IFAN Group.

Currently the strategy has several points of focus:

The first priority is to continue the provision of the existing Gulf Aids to Navigations (AtoN) service to international standards. In the absence of the littoral states seeking to take up our offer of assistance to assume responsibility for Gulf AtoN's we remain obligated to continue our AtoN provision. We believe that national services would be the simplest to be created and we would expect our existing technical operations to have a role either as active participants or contractors in some form. Consistent with the aim of ensuring the navigational aids service in the Gulf can be self-sustained, we continue to raise the profile of the services we provide with ship-owners and encourage them to contribute to the costs of their upkeep through raising navigations dues.

The second aspect of our strategy is concerned with our investments. We have an operational investment being an offshore support vessel (OSV Relume). In addition, we have a financial investment portfolio invested in various securities in several markets.

As regards the OSV Relume, the offshore market was very badly affected by uncertainty during 2020 and as a consequence fixtures were sparse. Returns during 2021 were much better with a slight improvement in charter rates. We took actions to attractively position the investment with the growing renewable sector and with Charterers that wished to form long-term relationships, to improve utilisation. In the absence of the possibility of disposal except as a distress seller, which we are not, our strategy was to continue to operate the ship to maximise the returns achieved. During 2022, market conditions were right to realise reasonable value for the vessel and in late 2022 we agreed a time-charter followed by a sale obligation of the vessel which will complete during 2023

The investment portfolio has been managed to maintain capital with moderate risk. The current strategy is to increase active management to improve returns. The portfolio is managed by Evelyn and Partners.

ACHIEVEMENTS AND PERFORMANCE

Navigation Dues income for the year was \$3.3m (2021: \$3.2m). The price charged per NT has remained unchanged since 2006. Costs of charitable activities which include all direct costs in relation to buoy maintenance projects and administration costs other than those relating to ship charter income and including all IFAN owned aids to navigation service costs, are \$4.2m (2021: \$4.1m).

Charter income for the OSV Relume, operated through Menas Marine Services Limited (MMSL) has decreased this year to \$4.7m (2021: \$5.8m). Ship charter income costs amount to \$5.3m (2021: \$5.2m).

Other income includes buoy maintenance and project income of \$579k (2021: \$741k) and rental income of \$144k (2021: \$133k). Rental property costs amounted to \$23k (2021: \$22k).

The charity made grants and donations of \$1.6m during the year (2020: \$0.5m) to organisations including IALA, The Nautical Institute, South Pacific Community, CHIRP Maritime and MSSC were up significantly due to some charitable activities resuming after the pause caused by the pandemic.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

FINANCIAL REVIEW

The financial position is considered satisfactory by the Directors with net assets of the Group amounting to \$61.1m against \$72.6m in 2021.

As shown on page 15, in the Consolidated Statement of Financial Activities, the Group incurred a loss for the year of \$11.5m (2021: surplus of \$4.6m) largely as a result of the fall in the market value of investments.

Having reviewed the ongoing expected trading conditions and the Group's projected future cash flows, the Board has a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future.

Investment policy and objectives

Evelyn and Partners (E&P - previously known as Smith and Williamson) were appointed as investment managers during 2016 and subsequently assumed the role of investment advisors. The investment policy has been to minimize risk to the capital by investing in a variety of instruments including US dollar bond instruments, principally US TIPS and including debt and equity in emerging markets to improve yields whilst maintaining a low risk profile. E&P's continues to actively manage the fund, creating greater efficiency and to continue to invest in more secure securities and disinvest in securities more exposed because of greater debt levels whilst maintaining a diversified portfolio and matching non-functional currency flows. The application of the investment policy is regularly monitored by the Investment sub-committee.

The portfolio experienced significant uncertainty and volatility during the year because of financial volatility and the Ukrainian war. However, performance is in line or better than investment benchmarks with similar assets and risk profiles. As of 31 December 2022, the market value of invested funds, including uncommitted deposits, was the equivalent of \$44.2m (2021: \$53.0m), against an historic cost of \$42.7m (2021: \$42.0m).

Reserves Level and Policy and Financial Viability

The policy in respect of the Gulf navigational aids service continues to be one of matching income with expenditure allowing for uncertainties and capital requirements. Provision is made for the progressive shortening of the operating lives of the OSV Relume and navigational aids as environmental demands increase and technological developments accelerate. Group reserves held as at 31 December 2022 amounted to \$61.1m (2021: \$72.6m) of which free reserves amounted to \$47.5m (2021: \$59.4m). The charity's own reserves amounted to \$74.8m (2021: \$84.6m).

The Directors consider that reserves will need to be maintained at a level that will provide IFAN with a sustainable future whilst delivering against its objectives. Allowance will be made for the replacement and enhancement of current operational and navigational aids assets and the longer-term possibility of further expansion of navigational aids services into other geographical areas worldwide which would entail significant levels of capital expenditure and working capital.

Principal Risks and Uncertainties

The Directors have undertaken reviews and organised from time-to-time investigations to be reasonably certain that the Company is operating efficiently and effectively, its assets are properly safeguarded against unauthorised use or disposal, proper records are maintained, and that financial information used within the Company, or for publication, is reliable and that the Company complies with relevant laws and regulations. The system of internal controls includes a strategic plan and annual budgets with regular financial and performance reports as appropriate with clear delegation of authority and segregation of duties.

Risk associated with the activities undertaken and objectives laid down by the Board are regularly reviewed, prioritised as to likely impact and likelihood of occurrence and management are satisfied that the applied strategies are appropriate to mitigate those risks.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors are satisfied that during the year all activities have been conducted in compliance with the Company's HSE policy. Adherence and improvements to the HSE policy has ensured that all operations are conducted in a manner which safeguards the health and safety of employees and avoids damage to the environment. During 2022, IFAN remained compliant with the UK Government small business guidelines for cyber security.

The Company has adopted a policy of spreading its investments over a range of instruments in both UK pound sterling and US dollars with the aim of protecting the capital against imported inflation, whilst mitigating the effect of currency movements.

Future Plans

The charity has a global remit and focuses its outlook to support projects of international scope.

The charity has a branch in Bahrain undertaking marine contracting activities as part of the provision of a regional aid to navigation service and also has two trading subsidiaries.

The Middle Eastern branch in Bahrain has existed for many years and recently efforts have been successfully made to modernise, expand its resources and offerings. The branch is managed locally with in-house trained personnel and is expanding its skill base to allow a build-up of marine engineering work and AtoN training courses. There is also an office in the United Arab Emirates. Improved services currently being considered include upgraded AIS technology to both monitor the position and performance of floating aids to navigation and collect vessel movement data for billing purposes. We continue to investigate the suitability of elasticated moorings in place of traditional metal chains.

We have begun to execute plans to upgrade the DGPS's which are now over twenty years old. Research has been undertaken over several years to ensure that the reliability and performance of new equipment will be optimal. We are, in conjunction with IALA, researching problems suffered by DGPS systems in connection with signal reliability and then researching suitable solutions. We are now in a position to deliver IALA accrediting training courses as an Accredited Training Organisation (ATO).

One of the trading subsidiaries operates an offshore services vessel (OSV Relume) originally built to service physical navigational aids in the Gulf. During late 2022 we agreed a time-charter followed by a sale obligation of the vessel which will complete during 2023.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The members of the Governing Body (who are also the Directors of International Foundation for Aids to Navigation for the purposes of company law) are responsible for preparing the Annual Report and the financial statements with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- select the most suitable accounting policies and then to 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Relevant Audit Information

In so far as each of the Directors, as members of the Governing Body, at the date of approval of this report is aware, there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each Director has taken all the steps that he should have taken as a Director in order to make himself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board on 25 May 2023

including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



L. M. Evans
Director and Audit Committee Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)**

Opinion

We have audited the financial statements of International Foundation for Aids to Navigation (the 'charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the consolidated and charitable company statement of financial position, the consolidated cash flow statement and notes to the consolidated financial statements, including 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 charitable company's affairs as at 31 December 2022 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charitable company and of the group 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 Directors' 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 Directors 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 annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made: or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the group's and 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 Directors either intend to liquidate the group or the 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

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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charitable company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)**

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

John Howard (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

2nd Floor, Regis House

45 King William Street

London

EC4R 9AN

Date: *25th May 2023*

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
INCOME FROM:			
Charitable activities	3		
Non contractual navigation dues		2,810,261	2,647,473
Contractual navigation dues		536,888	573,426
Buoy maintenance and project income		579,365	740,635
Other trading activities			
Ship charter and management income		4,696,019	5,772,415
Rental income		144,396	132,719
Other income		101,638	-
Investments			
Investment income	4	680,199	877,420
Total income		<u>9,548,766</u>	<u>10,744,088</u>
EXPENDITURE ON:			
Generating funds	5		
Ship charter income costs		5,348,718	5,203,152
Rental property costs		23,451	21,925
Charitable activities	5	6,005,913	4,722,018
Total expenditure		<u>11,378,082</u>	<u>9,947,095</u>
Net funds from operations		(1,829,316)	796,993
Loss on disposal of investments		(79,010)	(139,694)
(Decrease)/increase in value of investments	9	(9,593,443)	3,899,185
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>(11,501,769)</u>	<u>4,556,484</u>
Total funds brought forward		72,554,694	67,998,210
Total funds carried forward		<u>\$61,052,925</u>	<u>\$72,554,694</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is unrestricted.

The notes on pages 18 to 29 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**CONSOLIDATED AND CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022**

	Note	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
FIXED ASSETS					
Tangible assets	7	13,573,470	13,145,543	877,773	685,747
Investments	9	44,159,126	53,016,663	44,159,130	53,016,667
		<u>57,732,596</u>	<u>66,162,206</u>	<u>45,036,903</u>	<u>53,702,414</u>
CURRENT ASSETS					
Stock	10	1,399,386	1,488,633	282,866	291,254
Debtors	11	2,378,123	2,660,434	29,704,151	29,379,602
Cash and deposits	12	2,779,300	5,687,967	2,678,368	3,906,827
		<u>6,556,809</u>	<u>9,837,034</u>	<u>32,665,385</u>	<u>33,577,683</u>
CURRENT LIABILITIES					
Creditors payable within one year	13	(3,236,480)	(3,444,546)	(2,940,754)	(2,734,373)
NET CURRENT ASSETS		<u>3,320,329</u>	<u>6,392,488</u>	<u>29,724,631</u>	<u>30,843,310</u>
NET ASSETS		<u><u>\$61,052,925</u></u>	<u><u>\$72,554,694</u></u>	<u><u>\$74,761,534</u></u>	<u><u>\$84,545,724</u></u>
FUNDS					
Unrestricted funds					
General reserve	14	57,141,864	68,643,633	69,303,938	79,088,128
Currency translation reserve	14	3,911,061	3,911,061	5,457,596	5,457,596
TOTAL FUNDS		<u><u>\$61,052,925</u></u>	<u><u>\$72,554,694</u></u>	<u><u>\$74,761,534</u></u>	<u><u>\$84,545,724</u></u>

The financial statements were approved by the Board on 25 May 2023 and were signed on its behalf by



.....
R. G. Mason
Chairman



.....
L. M. Evans
Audit Committee Chairman

Company No: 00477145

The notes on pages 18 to 29 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION
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**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
Cash generated from operating activities	19	(1,273,501)	1,163,973
Cash flow from investing activities			
Payments for tangible fixed assets		(1,723,855)	(344,456)
Proceeds on disposal of tangible fixed assets		79,010	1,644
Purchases of investments		(4,618,470)	(7,901,238)
Proceeds on sale of investments		3,803,554	7,994,048
Investment income receipts		680,199	877,420
Rental income receipts		144,396	132,719
		<u>(1,635,166)</u>	<u>760,137</u>
Cash generated from investing activities		<u>(1,635,166)</u>	<u>760,137</u>
(Decrease)/increase in cash in the year		<u>\$(2,908,667)</u>	<u>\$1,924,110</u>
Reconciliation of cash flow to net movement in net funds			
(Decrease)/increase in cash in the year		(2,908,667)	1,924,110
Net funds at the beginning of the year		5,687,967	3,763,857
Net funds at the end of the year		<u>\$2,779,300</u>	<u>\$5,687,967</u>

The notes on pages 18 to 29 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. COMPANY STATUS

The Company is a charitable company limited by guarantee, registered in England and Wales and governed by its Articles of Association. It has no share capital. In the event of the company being wound up the liability of the members is limited to a maximum of £1 each. The Company's registered number and registered office address can be found on page 1.

The presentational currency of the financial statements is the US Dollar (\$) which is also the functional currency for the group.

The International Foundation for Aids to Navigation meets the definition of a public benefit entity under FRS 102.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice ("Charities SORP (FRS102)") and Financial Reporting Standard 102. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible assets and securities investments.

Going concern

The directors have considered the impact of the COVID-19 virus, the uncertainty in relation to the UK withdrawal from the European Union and geopolitical uncertainty on the future viability of the company. Having reviewed the funding facilities available to the Company together with the expected ongoing trading conditions and the Company's projected future cash flows, the directors have a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

Accordingly, the Board continues to adopt the going concern basis in preparing its financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 11.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries Menas Marine Services Limited and Oman Marine Services Limited. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. No separate SOFA has been presented for the Company alone, as permitted by Section 408 of the Companies Act 2006.

Income

Income is the amount derived from the provision of charitable activities and other trading activities, and from investments, and is stated net of VAT.

Income from Charitable Activities

Charitable income represents navigation aids dues receivable, both contractual and non-contractual, as well as buoy maintenance and project income. Navigation aids dues are accounted for at the point a ship enters the port. Buoy maintenance and project income is accounted for in accordance with the contractual terms of each project and income is accrued or deferred accordingly.

Income from Other Trading Activities

Ship charter and management income represents third party income from the OSV Relume and is accounted for in the period in which the vessel is chartered for use.

Income from Investments

Investment income from fixed asset securities is accounted for on an accruals basis. Rental income is accounted for in the period to which the rental income relates.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (continued)**Expenditure**

Expenditure is accrued once there is a legal 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 attributed to more than one cost category in the SOFA is allocated to activities on a proportional basis. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are also allocated between expense headings on a proportional basis. Governance costs comprise the costs of complying with constitutional and statutory requirements.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Employee benefits

Short term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

The Company's defined benefit scheme has now been wound up. The Company is also required to contribute towards a deficit in the Merchant Navy Officers Pension Fund, and any future deficits which may occur in the foreseeable future will be relieved against amounts already expensed.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into US Dollars at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Taxation

The Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010. Therefore it meets the definition of a Charitable Company for UK corporation tax purposes.

Fund accounting

Unrestricted funds represent those funds which can be used in accordance with the Charitable Company's objects at the discretion of the Directors.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. In accordance with FRS102 the land, which is held in perpetuity in Bahrain, is not depreciated. Fixed assets are subject to an annual impairment review. Any permanent diminutions in value are recorded. Depreciation is provided to write off the cost of all relevant tangible fixed assets, less estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Buildings	20 years
OSV Relume	15 years
Navigation aids, plant and equipment: DGPS	5 years
Computers and equipment	2 years
Vehicles, plant and machinery and office equipment	4 years
Other navigation aids and equipment	Up to 10 years

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (continued)

Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities. Gains and losses arising from changes in fair value are included in the Statement of Financial Activities as either an unrealised gain or loss on investments. Interest determined using the effective interest method, impairment losses and translation differences on monetary items are recognised in the Statement of Financial Activities.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Trade and other debtors

Trade and other debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents in the consolidated and charitable company statement of financial position and in the consolidated cash flow statement comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

Trade and other creditors

Trade and other creditors are measured at their transaction price.

Judgements and key sources of estimation uncertainty

Accounting 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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of OSV Relume

The valuation of OSV Relume is sensitive to changes in the estimated remaining life and the expected future trading and sale value of the vessel. OSV Relume is subject to an annual impairment review based on these factors.

Bad debt provision

The value of trade debtors is sensitive to the recoverability in full of any invoices issued to each customer. Once the debt becomes overdue it is chased and periodically reviewed to ensure it is recoverable in full. If a provision is deemed necessary this is included on an annual basis.

3. INCOME FROM CHARITABLE ACTIVITIES

Charitable income is attributable to the principal activities of the Company and arose wholly in the Middle East. Charitable activities of the company comprise non-contractual and contractual navigation dues, and the provision and maintenance of the buoys and other navigation aids.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

4.	INVESTMENT INCOME	2022	2021
		\$	\$
	Deposit interest	183,783	152,916
	Dividend income	496,416	724,504
		<u>\$680,199</u>	<u>\$877,420</u>

5. ANALYSIS OF EXPENDITURE

	Staff Costs \$	Support Costs \$	2022 Grant Making \$	Depreciation \$	Total \$	2021 Total \$
(a) Total expenditure						
Costs of generating funds:						
Ship charter income costs	62,317	4,135,979	-	1,150,422	5,348,718	5,203,152
Rental property costs	-	23,451	-	-	23,451	21,925
	<u>62,317</u>	<u>4,159,430</u>	<u>-</u>	<u>1,150,422</u>	<u>5,372,169</u>	<u>5,225,077</u>
Charitable activities:						
Costs of charitable activities	1,607,371	2,443,490	1,568,270	145,506	5,764,637	4,599,465
Governance costs	-	241,276	-	-	241,276	122,553
	<u>\$1,669,688</u>	<u>\$6,844,196</u>	<u>\$1,568,270</u>	<u>\$1,295,928</u>	<u>\$11,378,082</u>	<u>\$9,947,095</u>

(b) Grant making

During the year the following grants and donations were made:

	2022	2021
	\$	\$
IALA	787,018	-
CHIRP Maritime	14,025	688
The Nautical Institute	128,308	102,761
South Pacific Community	571,372	343,493
MSSC	67,547	93,051
	<u>\$1,568,270</u>	<u>\$539,993</u>

- (i) IALA - an international technical organization that gathers together marine information to share worldwide. Due to the pandemic, no funds were donated for 2021 and business resumed to normal in 2022.
- (ii) CHIRP Maritime - contributes to the enhancement of aviation safety in the UK and maritime safety worldwide.
- (iii) The Nautical Institute - an international body for maritime professionals involved in the control of sea-going ships.
- (iv) South Pacific Community - the principal scientific and technical organisation in the Pacific region.
- (v) MSSC - provides teaching modules to improve mathematical and English language skills amongst mariners.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. ANALYSIS OF EXPENDITURE (continued)

(c) Governance costs included in support costs	2022	2021
	\$	\$
Remuneration paid to auditor for audit services	49,412	48,542
Other governance costs	191,864	74,011
	<u>\$241,276</u>	<u>\$122,553</u>
(d) Net outgoing funds from operations	2022	2021
	\$	\$
The following amounts have been charged within resources expended:		
Directors emoluments	412,891	403,791
Auditors' remuneration (audit services)	49,412	48,542
Auditors' remuneration (non-audit services)	18,347	12,136
Rental paid under operating leases	194,825	237,683
Foreign exchange movement	372,854	109,246
	<u>\$1,669,688</u>	<u>\$1,536,966</u>

6. STAFF COSTS

	2022	2021
	\$	\$
Directors remuneration		
Director's salary	282,743	297,571
Social security costs	33,761	35,402
Staff remuneration		
Wages and salaries	965,259	834,224
Social security costs	105,723	93,271
Other employee benefits	282,202	276,498
	<u>\$1,669,688</u>	<u>\$1,536,966</u>

The above staff costs include \$1,045,349 (2021: \$910,130) relating to employees in Bahrain and \$624,339 (2021: \$626,836) relating to employees in the United Kingdom.

All directors' emoluments are paid in accordance with the Company's Articles of Association as approved by the Charity Commissioners. The highest paid director's emoluments totalled \$186,506 (2021: \$210,098) with no accrued pension as at 31 December 2022.

During the year the following employing organisations were entitled to receive payment for the services of Directors as indicated below:

Maersk Line	\$18,500	R Brummer/ A Ross
BP Shipping	\$19,361	D Summerhill
Kuwait Oil Tanker Company	\$21,781	Captain Y Y Al Saqer
Shell Transport & Trading	\$21,781	Captain J R Evans
NYK	\$16,941	Captain I Scally

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. STAFF COSTS (continued)

Aggregate emoluments of key management personnel: \$186,506 (2021: \$210,098).

During the year 4 Directors were reimbursed expenses in respect of travel and attendance at board meetings totalling \$28,763 (2021: none).

	2022 Number	2021 Number
Number of higher paid employees (including retirement benefits paid under local employment laws) in bands of:		
\$170,000 - \$210,000	1	1
\$140,000 - \$170,000	1	1
\$100,000 - \$140,000	1	1
\$90,000 - \$100,000	1	1
\$70,000 - \$80,000	1	1
	5	5
	5	5

The above amounts all relate to employees in Bahrain.

During the year, \$9,411 (2021: \$9,857) was paid for directors and officers liability insurance.

The average number of the Company's employees (excluding Non-Executive Directors) during the year calculated on a full time equivalent basis, was 14 (2021:14).

	2022 Number	2021 Number
Engineering and maintenance	10	10
Finance and administration	2	2
Management	2	2
	14	14
	14	14

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. TANGIBLE FIXED ASSETS

GROUP	Freehold Land & Buildings	OSV Relume	Navigation Aids, plant & Equipment	Assets under construction	Total
	\$	\$	\$	\$	\$
Cost or valuation					
At 1 January 2022	2,326,548	22,444,964	8,256,865	778,731	33,807,108
Additions	-	1,317,734	277,009	129,113	1,723,855
At 31 December 2022	<u>2,326,548</u>	<u>23,762,698</u>	<u>8,533,874</u>	<u>907,844</u>	<u>35,530,963</u>
Depreciation					
At 1 January 2022	1,812,883	10,642,025	8,206,657	-	20,661,565
Charge for the year	114,264	1,115,603	66,061	-	1,295,928
At 31 December 2022	<u>1,927,147</u>	<u>11,757,628</u>	<u>8,272,718</u>	<u>-</u>	<u>21,957,493</u>
Net book value					
At 31 December 2022	<u>\$399,401</u>	<u>\$12,005,070</u>	<u>\$261,156</u>	<u>\$907,844</u>	<u>\$13,573,470</u>
At 31 December 2021	<u>\$513,665</u>	<u>\$11,802,939</u>	<u>\$50,208</u>	<u>\$778,731</u>	<u>\$13,145,543</u>
COMPANY		Freehold Land & Buildings	Navigation Aids, Plant & Equipment	Assets under construction	Total
		\$	\$	\$	\$
Cost or valuation					
At 1 January 2022		2,326,548	7,820,292	124,827	10,271,667
Additions		-	208,526	129,113	337,639
At 31 December 2022		<u>2,326,548</u>	<u>8,028,818</u>	<u>253,940</u>	<u>10,609,306</u>
Depreciation					
At 1 January 2022		1,812,883	7,773,037	-	9,585,920
Charge for the year		114,264	31,349	-	145,613
At 31 December 2022		<u>1,927,147</u>	<u>7,804,386</u>	<u>-</u>	<u>9,731,533</u>
Net book value					
At 31 December 2022		<u>\$399,401</u>	<u>\$224,432</u>	<u>\$253,940</u>	<u>\$877,773</u>
At 31 December 2021		<u>\$513,665</u>	<u>\$47,255</u>	<u>\$124,827</u>	<u>\$685,747</u>

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. TANGIBLE FIXED ASSETS (continued)

Substantially, the Group's fixed assets are held for use on charitable activities. The land in Bahrain is held under tenure appropriate for the Group's activities.

The navigation aids and plant and equipment, excepting major land based aids and office equipment used in the management office, were re-valued at the end of 2001 on the basis of depreciated replacement cost having regard to the remaining operating lives of the assets re-valued. The major land based navigation aids (excluding land) were also re-valued as at 1 January 2010 on a replacement cost basis by the Directors and reflected in these financial statements. The Company freehold property in Bahrain is held at a professional valuation as at 31 December 2005, less accumulated depreciation. The property has been revalued in prior periods by Cluttons Chartered Surveyors at an amount above book value but the Directors are concerned given the present political unrest in the region that the increased valuation is possibly unrealistic. No adjustment has therefore been made in this respect. The Directors are not aware of any other material change since the last valuation.

8. FUTURE CAPITAL EXPENDITURE

On 2 November 2022 the Company entered into a contract for the construction of a DGPS Reference Station at a total contract price of \$1,015,760. The contract is anticipated to be completed during 2023.

9. FIXED ASSET INVESTMENTS

	Group 2022	Group 2021	Company 2022	Company 2021
	\$	\$	\$	\$
Securities investments				
At 1 January	53,016,663	49,349,982	53,016,663	49,349,982
Additions	4,618,470	7,901,238	4,618,470	7,901,238
Disposals	(3,882,564)	(8,133,742)	(3,882,564)	(8,133,742)
(Decrease)/Increase in value of investments	(9,593,443)	3,899,185	(9,593,443)	3,899,185
	<u>44,159,126</u>	<u>53,016,663</u>	<u>44,159,126</u>	<u>53,016,663</u>
Investment in Subsidiaries	-	-	4	4
At 31 December	<u><u>\$44,159,126</u></u>	<u><u>\$53,016,663</u></u>	<u><u>\$44,159,130</u></u>	<u><u>\$53,016,667</u></u>

The fixed asset investments noted above are denominated in the following currencies: -	2022	2021
	%	%
Sterling	45.1	45.6
United States Dollars	43.3	40.8
Others	11.6	13.6

The historical cost of securities investments held at 31 December 2022 was \$42,691,561 (2021: \$41,959,259).

The Company owns the whole of the issued share capital of Menas Marine Services Limited (£1 paid) and Oman Marine Services Limited (£1 paid) both of which are registered in England and Wales, registered office at 8/9 Lovat Lane, London EC3R 8DW. Both subsidiary undertakings are included within the consolidated financial statements.

Oman Marine Services Limited held a 50% interest in Arabian Maritime and Navigation Aids Services LLC, a company incorporated in Oman. On 25 December 2020 this joint venture was formally terminated. OMSL has a branch in Ras Al Khaimah Freeport Zone for the purposes of renting land for a new DGPS

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. STOCKS

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Consumables	1,399,386	1,488,633	282,866	291,254
	<u>\$1,399,386</u>	<u>\$1,488,633</u>	<u>\$282,866</u>	<u>\$291,254</u>

11. DEBTORS

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Income due from charitable activities	1,127,487	1,090,377	1,127,487	1,090,377
Trade debtors	289,980	728,125	-	-
Other debtors	356,054	254,680	310,128	241,350
Prepayments and accrued income	604,602	587,252	500,908	518,006
Amounts due from subsidiary companies (net of provision)	-	-	27,765,628	27,529,869
	<u>\$2,378,123</u>	<u>\$2,660,434</u>	<u>\$29,704,151</u>	<u>\$29,379,602</u>

All debtors are due within one year.

12. CASH AND DEPOSITS

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Fortis Bank deposits	39	39	-	-
HSBC short term deposits and working balances	566,593	2,748,609	467,295	973,306
Cash held by Investment managers	2,199,592	2,923,487	2,199,592	2,923,487
Cash in hand	13,076	15,832	11,481	10,034
	<u>\$2,779,300</u>	<u>\$5,687,967</u>	<u>\$2,678,368</u>	<u>\$3,906,827</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Trade creditors	497,133	661,810	338,597	191,765
Other creditors	1,524,294	1,712,527	1,480,086	1,579,210
Taxation and social security	44,663	27,970	44,663	27,970
Accruals and deferred income	1,170,390	1,042,239	1,077,408	935,428
	<u>\$3,236,480</u>	<u>\$3,444,546</u>	<u>\$2,940,754</u>	<u>\$2,734,373</u>

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. SUMMARY OF MOVEMENTS ON FUNDS

	General Reserve \$	Translation Reserve \$	Total \$
Group			
At 1 January 2022	68,643,633	3,911,061	72,554,694
Incoming resources	9,548,766	-	9,548,766
Resources expended	(11,378,082)	-	(11,378,082)
Loss on disposal of investments	(9,672,453)	-	(9,672,453)
Increase in value of investments			
At 31 December 2022	<u>\$57,141,864</u>	<u>\$3,911,061</u>	<u>\$61,052,925</u>
	General Reserve \$	Translation Reserve \$	Total \$
Company			
At 1 January 2022	79,088,128	5,457,596	84,545,724
Incoming resources	5,606,366	-	5,606,366
Resources expended	(5,718,103)	-	(5,718,103)
Loss on disposal of investments	(9,672,453)	-	(9,672,453)
Increase in value of investments			
At 31 December 2022	<u>\$69,303,938</u>	<u>\$5,457,596</u>	<u>\$74,761,534</u>

The currency translation reserve represents historical foreign exchange movements on the values of balance sheet items whose functional currency is not US Dollars.

All funds are unrestricted.

15. PENSION SCHEMES

Pensions for the benefit of UK shore staff have been funded through the MENAS Pension and Life Assurance Scheme managed by Aviva. Contributions to the Scheme ceased in a previous year as the Scheme had been closed to new members and all participants have now had pensions provided.

Menas Marine Services Limited is a former employer of Merchant Navy Officers Pension Fund (MNOFF) members and as such, following a court case in 2006, is liable to contribute towards a deficit on an on-going basis of the New Section of that pension scheme. The financial effect of this has not finally been fully quantified at the present time and the trustees of that scheme have made the charity aware that they are liable for their share of the deficit. Significant payments have been made against these liabilities and all notified requests for payment to date have been fully paid. Any future deficits which may occur in the foreseeable future will be relieved against amounts already expensed. As the trustees of MNOFF have indicated that as of 31 December 2022 there was no liability payable by the company, there has been no charge to the Statement of Financial Activities in 2022.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. FINANCIAL COMMITMENTS

Operating Leases

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:-

	2022	2021
	\$	\$
Within 1 year	252,718	229,559
Within 1 to 5 years	266,708	94,426
	\$519,426	\$323,985

17. COMPANY RESULTS

The deficit dealt with in the financial statements of the Company is as follows:

	2022	2021
	\$	\$
Net incoming funds	\$(9,784,190)	\$5,612,564
	<u>\$(9,784,190)</u>	<u>\$5,612,564</u>

18. SUBSIDIARIES

The Company owns all of the issued share capital of Menas Marine Services Limited, a company incorporated in England, number 04505570. This company operates a commercial vessel.

	2022	2021
	\$	\$
Turnover	4,517,481	5,592,415
Loss before tax	(1,701,629)	(483,941)
Shareholders' funds	(63,975,011)	(62,273,445)
	<u>(63,975,011)</u>	<u>(62,273,445)</u>

The Company also owns all of the issued share capital of Oman Marine Services Limited, a company incorporated in England, number 04499121. This company is a marine services contractor and was, until 25 December 2020, an investor in a joint venture with an associate also undertaking maritime services.

	2022	2021
	\$	\$
Income	2	77
(Loss) / profit before tax and gift aid	(16,012)	(572,139)
Shareholders' funds	9,266,406	9,282,418
	<u>9,266,406</u>	<u>9,282,418</u>

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2022	2021
	\$	\$
Net incoming / (outgoing) resources	(1,829,316)	796,993
Depreciation charge	1,295,928	1,111,378
(Profit) / loss on disposal of fixed assets	(79,010)	(1,644)
Investment income receivable	(680,199)	(877,420)
Rental income receivable	(144,396)	¥ (132,719)
Decrease in stock	89,247	104,365
Decrease in debtors	282,311	529,047
Decrease in creditors	(208,066)	(366,027)
Net cash inflow / (outflow) from operations	<u><u>\$ (1,273,501)</u></u>	<u><u>\$ 1,163,973</u></u>

20. CASH AND CASH EQUIVALENTS

	At 1 January 2022	Net cash flow	At 31 December 2022
	\$	\$	\$
Cash and deposits	<u><u>5,687,967</u></u>	<u><u>(2,908,667)</u></u>	<u><u>2,779,300</u></u>

Cash and cash equivalents are made up entirely of cash and deposits in both the current and prior year.

21. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure during the year.

22. ULTIMATE CONTROLLING PARTY

As at the balance sheet date there is no one ultimate controlling party.

23. EVENTS AFTER THE REPORTING DATE

OSV Relume - in late 2022 we agreed a 6 month time-charter followed by a sale obligation of the vessel which will complete during 2023.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

England & Wales - Charity number 210066

Accounts

REGISTERED COMPANY NUMBER: 00477145 (England and Wales)
REGISTERED CHARITY NUMBER: 210066

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

FOR

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION
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FOR THE YEAR ENDED 31 DECEMBER 2021**

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INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors of International Foundation for Aids to Navigation ("the Company") are the Company's charity trustees under charity law and the directors of the charitable company. The members of the Board who served in office as Directors during the year and subsequently are detailed below:

KEY MANAGEMENT PERSONNEL:

DIRECTORS

A. R. W. Marsh MBE FICS - Chairman
R. C. J. Brummer ‡
Captain J.R. Evans ‡
L. M. Evans ‡
Captain J. W. Hughes
Captain T. Koyama (Until 25 November 2021)
Captain I. Scally (From 25 November 2021)
Captain Y. Y. Al Saqer
D. Summerhill
P. Stanley – Company Secretary

‡ Member of Audit Committee

CHIEF EXECUTIVE

P. Stanley

REGISTERED OFFICE

4th Floor
8-9 Lovat Lane
London
EC3R 8DW

CHARITY STATUS

Company Limited by Guarantee not having a share capital.
Registered in England and Wales No. 00477145
Registered Charity No. 210066
The word Limited is omitted by licence of the Board of Trade, London

BANKERS

HSBC, London and Bahrain

INDEPENDENT AUDITORS

Azets Audit Services,
2nd Floor, Regis House, 45 King William Street, London EC4R 9AN

SOLICITORS:

Farrer & Co, London
66 Lincoln's Inn Fields, London, WC2A 3LH

Campbell Johnston Clark Solicitors
59 Mansell Street, London, E1 8AN

INVESTMENT MANAGERS

Smith & Williamson
25 Moorgate, London, EC2R 6AY

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS

Alan Marsh (Chairman)

Mr. Marsh was appointed to the Board in August 2018. He is a Trustee and Council Member of The Marine Society and Sea Cadets (MSSC), a Council Member of RNLI. He sits on the development board of WetWheels UK and is an Associate Member of the Stelios Philanthropic Foundation, a UK Charity. He is a Fellow of the Institute of Chartered Shipbrokers for whom he is a former President. He is also a Younger Brother of Trinity House, Past Prime Warden of the Worshipful Company of Shipwrights and formerly CEO of Braemar Shipping Group PLC as well as a Director of ITC.

Peter Stanley

Mr. Stanley was appointed CEO in July 2020 and a Director in September 2020. Formerly with BP for 30 years working in BP Shipping, HSE, Refining Manufacturing and Supply, Chemicals and finally as Head of Control of BP's Corporate segment. He is an external advisor to the Audit Committee of Addenbrooke's Charitable Trust. He graduated from Newcastle University obtaining a first class honours degree in Marine Engineering and has an MBA from the Judge Business School, Cambridge University. He is a Chartered Engineer and Fellow of the Institute of Marine Engineering, Science and Technology.

Robertus Brummer

Mr. Brummer was appointed as a Director in February 2009. Currently he is Senior Director Group Procurement with Maersk A/S. He started his seagoing career in 1977 as deck officer. Since coming ashore has held various management positions in several locations. Currently residing in Spain.

Captain John Hughes

Captain Hughes was appointed as a director in November 2008. Formerly Operations Vice President and Director of Exxon's international oil and gas tanker fleet; from 1999 to 2004 Director of the Oil Companies International Maritime Forum. He is a Fellow of the Nautical Institute, Past Chairman of Maritime CHIRP, Past Master of the Honourable Company of Master Mariners, Past Chairman and Trustee of the Shipwrecked Mariners Society, Younger Brother of Trinity House and in 2018 awarded the Merchant Navy Medal.

Captain Yousef Al Saqer

Captain Al Saqer was appointed as a Director in November 2010. He is presently Deputy CEO Fleet Operations KOTC, formerly Manager Fleet newbuilding projects and prior to that, Manager fleet marine operations where he was accountable for the day-to-day operations, safety & security of KOTC Fleet. He started his career as Navigation Officer, leading to Master on board KOTC's VLCC, LPG and Product tankers. He served in numerous roles on shore in Fleet operations, Marine Affairs and risk assessment. He holds a BSc in Maritime Transport Technology and is a Master Mariner.

Captain John Evans

Captain Evans was appointed as a Director in August 2013. He is currently Global Manager Maritime Security and Fleet Q&HSE Global Manager Shipping Emergency Response, Shell Transport & Trading Company. Prior to this appointment, he was Fleet Manager, Shell Tankers Australia. Following a sea-going career up to the rank of Master within Shell, Captain Evans gained wide experience within senior marine positions ashore.

Louise Evans

Ms Evans was appointed to the Board in June 2020. She is currently non-executive director and audit committee chair of AB Dynamics plc and Gooch & Housego PLC. She is also a Board advisor to SCB Group. Ms Evans previously held Group Finance Director roles at Braemar Shipping Services plc and Williams Grand Prix Holdings plc. She has also held senior positions at RPS Group plc and Reynard Motorsport. She qualified as a chartered accountant whilst working with Ernst & Young. Ms Evans graduated from the University of Wales with a first class degree in Management Science and is a Fellow of the Institute of Chartered Accountants in England & Wales.

Doug Summerhill

Appointed a Director in November 2020. He is presently Vice President of Chartering for BP Shipping Limited, accountable for the global chartering activity and monetisation of BP's oil and gas fleet. He is a supply, shipping and trading specialist, having worked in this sector for over 20 years and holds a Bachelor of Business degree from RMIT University, Australia.

Captain Iain Scally

Captain Scally was appointed a Director in November 2021. He is presently serving as Marine Advisor to NYK's Global Tanker Quality Group in Tokyo. Formerly with ExxonMobil for 28 years serving as Master and then a variety of shore-based positions including HSQE, Marine Operations and Shipping Manager within LNG operations. Captain Scally commenced his seagoing career with Shell in 1970. He is founding member and Fellow of the Nautical Institute and serves on technical committees within Intertanko and SIGTTO.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Despite the impact of the coronavirus pandemic, the activities of the IFAN Group of Companies during 2021 have continued much the same as the previous year. Like many other organisations, we introduced policies and procedures that deal with the risks posed by the virus such that our staff and contractors can work safely. Our charitable activities, wholly aligned to our charitable objects, have been continuing and our commercial affairs maintained ensuring the financial position remains strong. We have continued to assist various entities active in improving safety at sea and protecting the marine environment. We have disbursed \$0.54m over the year with some projects planned to continue through 2022.

We have our own guidelines as to which and to what extent we will support projects having regard to legal imperatives, our resources and our ability to monitor projects. We are trying to find ways to integrate ourselves into the marine regulatory organisations in order to both understand better the requirements for aids to navigation globally and contribute to the decision-making and guidelines for enhancing safety at sea and protecting the environment; the latter has been more of a secondary benefit to our activities but we are now considering potential environmental development projects in their own right.

We have, since early 2012, supported the International Association of Marine Aids to Navigation and Lighthouse Keepers (IALA) in developing its Worldwide Academy (WWA) with contributions amounting to an average of \$666k equivalent each year. The WWA provides training packages designed to spread knowledge amongst government representatives. Instruction is given both in respect of a Coastal States obligations under international law and the benefits to commerce of developing and maintaining effective aids to navigation, as well as the means of doing so. The IALA programme is a rolling programme arrangement progressively expanding the knowledge on the subject throughout the world. Over time, continually improving services will become available to better assist navigators to safely operate their vessels. During 2021, WWA activities were constrained due to the pandemic, with most activity taking place on line and hence the need for financial support was much lower. We intend to continue to support IALA as their physical activities resume.

Last year we indicated that we would be hosting our own IALA guided training course for Middle East gulf participants. The pandemic curtailed the delivery of our first courses, but MENAS did successfully achieve Accredited Training Organisation (ATO) designation. We are offering technical skills and education courses to clients, such as Port Authorities, so that they can develop their own resource over time.

We have helped The Marine Society and Sea Cadets (MSSC) to develop and commission teaching modules to improve mathematical, English language and marine vocational skills amongst mariners, committing an average of \$117k equivalent per annum over the period 2013 to date. We have also funded a significant outreach programme that The Nautical Institute (NI) promoted to improve navigators' technical skills, committing \$158k equivalent over the period 2014 to date.

Finally, over the period 2016 to date we have jointly funded a project that aims to improve the aids to navigation and technical capability present in the Pacific Ocean for the pan government agency responsible for marine matters there, The South Pacific Community. An initial survey was a pre-requisite to the project to improve positioning infrastructure in a region poorly supplied with aids to navigation and depending heavily on marine transport. The second phase has completed during 2021, albeit truncated in its scope due to the pandemic. We agreed to fund phase three of the project that aims to establish a sustainable funding model for the provision of navigational aids in the 13 target island communities. To date, a sum of \$1.81m has been provided with a further \$1m committed over the next 3 years, subject to annual review.

In the past we supported The Straits of Malacca and Singapore Fund and this has now reduced its activities for a time with the traffic separation scheme largely maintained by the littoral States. We are monitoring the programme of improvement.

We shall positively examine any further funding requests to see what support we can give to improve the safety of shipping using global sea routes.

The charity has maintained its sound financial position, similar to last year, and continues to address threats to its commercial activities. Last year we mentioned about embarking on a campaign designed to explain to as wide an audience as possible about our activities in the Gulf. We use all forms of media to remind ship owners about our services and the associated costs. We participated in the London International Shipping Week 21 hosting a session on the future of Navigation Aids in the Middle East Gulf. We are only able to carry out the activities of the charity through the collection of Navigation Dues for the navigational services provided by MENAS. These charges have not changed since 2006 and are not donations but should be

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

seen as a payment for a service received and to cover our costs of providing navigational aids, essential for safety and continued trade in the Gulf.

We have looked at the alternative provision of accurate positioning systems in the Gulf and to date there is no reliable or accurate alternative to our differential global positioning system (DGPS) service. During 2022 we will recapitalise this equipment, funded by Navigational Dues.

Our offshore support vessel Relume, originally built as a buoy handler for our aids to navigation service in the Gulf, has been undertaking commercial work in North European waters for many years now. The whole industry suffered uncertainty in 2021 as a result of the pandemic but was balanced by the demand for vessels to catch-up on delayed Inspections Repair and Maintenance of oil industry assets and to support newly emerging sectors. Fortunately, we secured charters involved with the burgeoning renewables industry and have had much better utilisation than 2020. Looking forward, we have formed a long-term relationship with our current charterer and will remain on charter to them for 2022.

We continue to be more active in the management of our invested funds aiming for improved income. That has been successful and by diversifying more widely, our funds have weathered the impact of the pandemic.

We continue to aim for higher efficiency throughout the group by reviewing processes and reducing our operating costs to be able to respond to the significant variability in market conditions and deliver more to our charitable causes.

I thank all our dedicated staff and our various long-term contractors, both ashore and afloat, for their commitment to the charity's objectives in what has been very challenging circumstances.

The Board and I wish to express our thanks to Captain Tomoyuki Koyama for his very valuable service to IFAN. The Board and I welcome Captain Iain Scally to the IFAN Board.



A R W Marsh

Date: 26 May 2022.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of International Foundation for Aids to Navigation ("the Company") present their Annual Report together with the audited financial statements for the year ended 31 December 2021 which comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 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).

REFERENCE AND ADMINISTRATIVE INFORMATION

The Company is constituted as a company limited by guarantee with two wholly owned operating subsidiary undertakings, Menas Marine Services Limited and Oman Marine Services Limited. The charitable objective of The International Foundation for Aids to Navigation ("IFAN"), as stated in the Articles of Association, is the promotion of safety at sea, maritime education & training and the protection of the marine environment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Company is governed by its Articles of Association.

Governing Body

The Directors are appointed in accordance with the Articles of Association by the Members and are mostly drawn from the shipping, maritime and oil industries.

Recruitment and training of Directors

New Directors are briefed on their legal obligations under charity and company law, the content of the Articles of Association and the workings of the Board of Directors and the decision making process.

Organisational management

The Board of Directors, as the charity trustees, are legally responsible for the overall management and control of the Company. The Board of Directors meets at least four times a year.

The Audit Committee is responsible for ensuring that the financial performance of the Company is properly reported, that adequate internal control systems are maintained and managing the relationship with the external auditors.

Day to day administration is carried out by the Chief Executive Officer (the "Executive"). The operation of the Bahrain facility is undertaken by a senior manager reporting to the Executive in London.

The remuneration of key management personnel is set by the Board and the appropriateness and relevance of the remuneration policy is reviewed annually by the Remuneration Committee.

Group structure and relationships

The Company has two wholly owned non-charitable subsidiaries: Menas Marine Services Limited, which operates a commercial vessel, and Oman Marine Services Limited, which was an investor in a joint venture, Arabian Maritime and Navigation Aids Services LLC, which undertook maritime services. Annual profits, where made, are donated to the Company under the Gift Aid Scheme. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The Company's Objects, as set out in the Articles of Association, are the promotion of safety at sea and the protection of the marine environment in the Middle East and worldwide by all charitable means, including providing and maintaining navigation aids, safety systems and safety information; promoting the use of modern navigation techniques and procedures and other essential maritime skills; and protecting and improving all aspects of the marine environment.

The objectives are variously achieved for the public benefit through the provision, under the name MENAS, of an aids to navigation service in the Gulf and by assisting other organisations undertaking projects which meet the Company's charitable objectives of promoting safety at sea and protection of the marine environment.

The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Board has monitored closely the guidance on public benefit produced by the Charity Commission.

Principal Activities

The Company provides and maintains shore and sea based visible aids as well as radio-based aids for the Gulf region, utilising its equipment and facilities in Bahrain. It continues to review technological advances in marine navigation and environmental protection and to rationalise and modernise its facilities and systems to enable it to provide the service to navigators and the marine industry in the Gulf region effectively and efficiently.

Apart from operating the network of aids to navigation and the Navtex warning system, the charity also continues to operate its differential global positioning system (DGPS) throughout the Gulf. The Company has deployed Automatic Identification System (AIS) equipment to both enhance the service to mariners and improve performance monitoring of aids to navigation to help improve safety at sea and the protection of the environment. The Company is upgrading the DGPS system, now that it is more than twenty years in operation.

The Company makes grants to organisations concerned with the promotion and/or provision of safety at sea, including:

- The International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA), to assist with its setting up and running its worldwide training organisation The Worldwide Academy (WWA) to improve knowledge and skills required to identify needs, install and maintain aids to navigation services around the world;
- The educational programmes of Marine Society and Sea Cadets (MSSC);
- The Nautical Institute (NI), to expand the circulation of its publication The Navigator, improving knowledge and professionalism in the field of marine navigation;
- The Company supports a project being conducted by the South Pacific Community (SPC), in respect of enabling the Pacific Ocean to access its needs in respect of aids to navigation services and infrastructure;

Previously, we have supported:

- Confidential Hazardous Incidents Reporting (CHIRPS) in connection with the confidential reporting of safety related breaches within the maritime sector;
- The Malacca Aids to Navigation Fund set up by the three littoral States to maintain and improve the traffic separation system for the Malacca and Singapore Straits.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

STRATEGIC REPORT

The charity regularly reviews its strategy. Over time, consistent with prevailing general conditions the strategy has been to build up reserves to a point that the navigational aids service in the Gulf can be self-sustained and protecting capital to ensure the continued existence of the IFAN Group.

Currently the strategy has several points of focus:

The first priority is to continue the provision of the existing Gulf Aids to Navigations (AtN) service to international standards. In the absence of the littoral states seeking to take up our offer of assistance to assume responsibility for Gulf AtN's we remain obligated to continue our AtN provision. We believe that national services would be the simplest to be created and we would expect our existing technical operations to have a role either as active participants or contractors in some form. Consistent with the aim of ensuring the navigational aids service in the Gulf can be self-sustained, we continue to raise the profile of the services we provide with ship-owners and encourage them to contribute to the costs of their upkeep through raising navigations dues.

The second aspect of our strategy is concerned with our investments. We have an operational investment being an offshore support vessel (OSV *Relume*). In addition, we have a financial investment portfolio invested in various securities in several markets.

As regards the OSV *Relume*, the offshore market was very badly affected by uncertainty during 2020 and as a consequence fixtures were sparse. Returns during 2021 were much better with a slight improvement in charter rates. We took actions to attractively position the investment with the growing renewable sector and with Charterers that wished to form long-term relationships, so as to improve utilisation. In the absence of the possibility of disposal except as a distress seller, which we are not, our strategy is to continue to operate the ship to maximise the returns achieved. We continue to monitor the market for all opportunities. Our strategy will continue to be adapted as market conditions change.

The investment portfolio has been managed to maintain capital with moderate risk. The current strategy is to increase active management to improve returns.

ACHIEVEMENTS AND PERFORMANCE

Navigation Dues income for the year was \$3.2m (2020: \$4.2m). The price charged per NT has remained unchanged since 2006. In 2020, the results include the share of results of the joint venture between the charity's subsidiary, Oman Marine Services Limited (OMSL) and Seven Seas Navigation Services Co. LLC. The joint venture was terminated on 25 December 2020. Costs of charitable activities which include all direct costs in relation to buoy maintenance projects and administration costs other than those relating to ship charter income and including all IFAN owned aids to navigation service costs, are \$4.1m (2020: \$3.6m).

Charter income for the OSV *Relume*, operated through Menas Marine Services Limited (MMSL) has increased this year to \$5.8m (2020: \$3.8m). Ship charter income costs amount to \$5.2m (2020: \$5.2m).

Other income includes buoy maintenance and project income of \$741k (2020: \$280k) and rental income of \$133k (2020: \$90k). Rental property costs amounted to \$22k (2020: \$33k).

The charity made grants and donations of \$540k during the year (2020: \$1.4m) to organisations including IALA, Maritime, The Nautical Institute, South Pacific Community and MSSC., down significantly due to reduced charitable activities caused by the pandemic.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

FINANCIAL REVIEW

The financial position is considered satisfactory by the Directors with net assets of the Group amounting to \$72.6m against \$68.0m in 2020.

As shown on page 14, in the Consolidated Statement of Financial Activities, the Group incurred a surplus for the year of \$4.6m (2020: surplus of \$3.9m).

Having reviewed the ongoing expected trading conditions and the Group's projected future cash flows, the Board has a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future.

Investment policy and objectives

Smith and Williamson were appointed as investment managers during 2016 and have also assumed the role of investment advisors. The investment policy has been to minimize risk to the capital by investing in a variety of instruments including US dollar bond instruments, principally US TIPS and including debt and equity in Emerging Markets to improve yields whilst maintaining a low risk profile. The current policy is to increase S&W's active in the management of the fund, creating greater efficiency and to continue to invest in more secure securities and disinvest in securities more exposed because of greater debt levels whilst maintaining a diversified portfolio and matching non-functional currency flows. The application of policy is now fully monitored by the Investment sub-committee.

The portfolio continued to experience uncertainty during the year because of the on-going effects of the pandemic but has now fully recovered and is performing in line with expectations, having regard to the investment policy set by the Board. As of 31 December 2021, the market value of invested funds, including uncommitted deposits, was the equivalent of \$53.0m (2020: \$49.3m), against an historic cost of \$42.0m (2020: \$42.2m).

Reserves Level and Policy and Financial Viability

The policy in respect of the Gulf navigational aids service continues to be one of matching income with expenditure allowing for uncertainties and capital requirements. Provision is made for the progressive shortening of the operating lives of the OSV Relume and navigational aids as environmental demands increase and technological developments accelerate. Group reserves held as at 31 December 2021 amounted to \$72.6m (2020: \$68.0m) of which free reserves amounted to \$59.4m (2020: \$54.1m). The charity's own reserves amounted to \$84.6m (2020: \$78.9m).

The Directors consider that reserves need to be maintained at these levels at least to allow for the replacement and enhancement of current operational and navigational aids assets and the longer-term possibility of further expansion of navigational aids services into other geographical areas worldwide which would entail significant levels of capital expenditure and working capital.

Principal Risks and Uncertainties

The Directors have undertaken reviews and organised from time-to-time investigations to be reasonably certain that the Company is operating efficiently and effectively, its assets are properly safeguarded against unauthorised use or disposal, proper records are maintained, and that financial information used within the Company, or for publication, is reliable and that the Company complies with relevant laws and regulations. The system of internal controls includes a strategic plan and annual budgets with regular financial and performance reports as appropriate with clear delegation of authority and segregation of duties.

Risk associated with the activities undertaken and objectives laid down by the Board are regularly reviewed, prioritised as to likely impact and likelihood of occurrence and management are satisfied that the applied strategies are appropriate to mitigate those risks.

The Directors are satisfied that during the year all activities have been conducted in compliance with the Company's HSE policy. Adherence and improvements to the HSE policy has ensured that all operations are conducted in a manner which safeguards the health and safety of employees and avoids damage to the environment. During 2021, IFAN became compliant with the UK Government small business guidelines for cyber security.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Company has adopted a policy of spreading its investments over a range of instruments in both UK pound sterling and US dollars with the aim of protecting the capital against imported inflation, whilst mitigating the effect of currency movements.

Future Plans

The charity has a global remit and focuses its outlook to support projects of international scope.

The charity has a branch in Bahrain undertaking marine contracting activities as part of the provision of a regional aid to navigation service and also two trading subsidiaries.

The Middle Eastern branch has existed for many years and recently efforts have been successfully made to modernise, expand its resources and offerings. The branch is managed locally with in-house trained personnel and is expanding its skill base to allow a build-up of marine engineering work and AIN training courses. A base in the United Arab Emirates opened a few years ago has expanded coverage throughout the Gulf. Improved services currently being considered include upgraded AIS technology to both monitor the position and performance of floating aids to navigation and collect vessel movement data for billing purposes and we continue to investigate the suitability of elasticated moorings in place of traditional metal chains.

We have begun to execute plans to upgrade the differential global positioning system (DGPS) which is now over twenty years old. Research has been undertaken over several years to ensure that the reliability and performance of new equipment will be optimal. We are, in conjunction with IALA, researching problems suffered by DGPS systems in connection with signal reliability and then researching suitable solutions. We are now in a position to deliver IALA accrediting training courses as an Accredited Training Organisation (ATO).

One of the trading subsidiaries operates an offshore services vessel (OSV Relume) originally built to service physical navigational aids in the Gulf. The vessel is now more than halfway through its life although has benefited from an upgrade of its equipment which allows it to trade competitively with more recently delivered vessels. The Board closely monitors the performance of the OSV Relume and the development of its market sector.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The members of the Governing Body (who are also the Directors of International Foundation for Aids to Navigation for the purposes of company law) are responsible for preparing the Annual Report and the financial statements with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- select the most suitable accounting policies and then to 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Relevant Audit Information

In so far as each of the Directors, as members of the Governing Body, at the date of approval of this report is aware, there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each Director has taken all the steps that he should have taken as a Director in order to make himself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board on 26 May 2022
including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Louise Evans
Director and Audit Committee Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)**

Opinion

We have audited the financial statements of International Foundation for Aids to Navigation (the 'charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the consolidated and charitable company statement of financial position, the consolidated cash flow statement and notes to the consolidated financial statements, including 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 charitable company's affairs as at 31 December 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charitable company and of the group 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 Directors' 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 Directors 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 annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the group's and 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 Directors either intend to liquidate the group or the 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

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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charitable company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)**

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Howard (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

2nd Floor, Regis House

45 King William Street

London

EC4R 9AN

Date: 26 May 2022

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
INCOME FROM:			
Donations		-	300,000
Charitable activities	3		
Non contractual navigation dues		2,647,473	2,705,204
Contractual navigation dues		573,426	1,511,922
Buoy maintenance and project income		740,635	280,389
Other trading activities			
Ship charter and management income		5,772,415	3,819,216
Rental income		132,719	89,761
Investments	4		
Investment income		877,420	741,024
Total income		<u>10,744,088</u>	<u>9,447,516</u>
EXPENDITURE ON:			
Generating funds	5		
Ship charter income costs		5,203,152	5,195,641
Rental property costs		21,925	33,403
Charitable activities	5	4,722,018	5,052,457
Total expenditure		<u>9,947,095</u>	<u>10,281,501</u>
Net funds from operations		796,993	(833,985)
(Loss) / gain on disposal of investments		(139,694)	2,517,652
Increase in value of investments	9	3,899,185	2,237,850
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>4,556,484</u>	<u>3,921,517</u>
Total funds brought forward		67,998,210	64,076,693
Total funds carried forward		<u>\$72,554,694</u>	<u>\$67,998,210</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is unrestricted.

The notes on pages 17 to 28 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**CONSOLIDATED AND CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2021**

	Note	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
FIXED ASSETS					
Tangible assets	7	13,145,543	13,912,465	685,747	709,207
Investments	9	53,016,663	49,349,982	53,016,667	49,349,986
		<u>66,162,206</u>	<u>63,262,447</u>	<u>53,702,414</u>	<u>50,059,193</u>
CURRENT ASSETS					
Stock	10	1,488,633	1,592,998	291,254	304,011
Debtors	11	2,660,434	3,189,481	29,379,602	29,051,822
Cash and deposits	12	5,687,967	3,763,857	3,906,827	2,855,191
		<u>9,837,034</u>	<u>8,546,336</u>	<u>33,577,683</u>	<u>32,211,024</u>
CURRENT LIABILITIES					
Creditors payable within one year	13	(3,444,546)	(3,810,573)	(2,734,373)	(3,337,056)
NET CURRENT ASSETS					
		<u>6,392,488</u>	<u>4,735,763</u>	<u>30,843,310</u>	<u>28,873,968</u>
NET ASSETS					
		<u>\$72,554,694</u>	<u>\$67,998,210</u>	<u>\$84,545,724</u>	<u>\$78,933,161</u>
FUNDS					
Unrestricted funds					
General reserve	14	68,643,633	64,087,149	79,088,128	73,475,565
Currency translation reserve	14	3,911,061	3,911,061	5,457,596	5,457,596
TOTAL FUNDS					
		<u>\$72,554,694</u>	<u>\$67,998,210</u>	<u>\$84,545,724</u>	<u>\$78,933,161</u>

The financial statements were approved by the Board on 26 May 2022 and were signed on its behalf by



A R W Marsh
Chairman



Louise Evans
Audit Committee Chairman

Company No: 00477145

The notes on pages 17 to 28 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION
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**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
Cash generated from operating activities	19	1,163,973	(571,584)
Cash flow from investing activities			
Payments for tangible fixed assets		(344,456)	(490,533)
Proceeds on disposal of tangible fixed assets		1,644	-
Purchases of investments		(7,901,238)	(38,811,742)
Proceeds on sale of investments		7,994,048	39,446,853
Investment income receipts		877,420	741,024
Rental income receipts		132,719	89,761
Investments in joint ventures		-	901,379
Cash generated from investing activities		760,137	1,876,742
Increase in cash in the year		\$1,924,110	\$1,305,158
Reconciliation of cash flow to net movement in net funds			
Increase in cash in the year		1,924,110	1,305,158
Net funds at the beginning of the year		3,763,857	2,458,699
Net funds at the end of the year		\$5,687,967	\$3,763,857

The notes on pages 17 to 28 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. COMPANY STATUS

The Company is a charitable company limited by guarantee, registered in England and Wales and governed by its Articles of Association. It has no share capital. In the event of the company being wound up the liability of the members is limited to a maximum of £1 each. The Company's registered number and registered office address can be found on page 1.

The presentational currency of the financial statements is the US Dollar (\$) which is also the functional currency for the group.

The International Foundation for Aids to Navigation meets the definition of a public benefit entity under FRS 102.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice ("Charities SORP (FRS102)") and Financial Reporting Standard 102. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible assets and securities investments.

Going concern

The directors have considered the potential emerging impact of the COVID-19 virus and uncertainty in relation to the UK withdrawal from the European Union on the future viability of the company. Having reviewed the funding facilities available to the Company together with the expected ongoing trading conditions and the Company's projected future cash flows, the directors have a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

Accordingly, the Board continues to adopt the going concern basis in preparing its financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 10.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries Menas Marine Services Limited and Oman Marine Services Limited. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. No separate SOFA has been presented for the Company alone, as permitted by Section 408 of the Companies Act 2006.

Income

Income is the amount derived from the provision of charitable activities and other trading activities, and from investments, and is stated net of VAT.

Income from Charitable Activities

Charitable income represents navigation aids dues receivable, both contractual and non-contractual, as well as buoy maintenance and project income. Navigation aids dues are accounted for at the point a ship enters the port. Buoy maintenance and project income is accounted for in accordance with the contractual terms of each project and income is accrued or deferred accordingly.

Income from Other Trading Activities

Ship charter and management income represents third party income from the OSV Reume and is accounted for in the period in which the vessel is chartered for use.

Income from Investments

Investment income from fixed asset securities is accounted for on an accruals basis. Rental income is accounted for in the period to which the rental income relates.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is accrued once there is a legal 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 attributed to more than one cost category in the SOFA is allocated to activities on a proportional basis. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are also allocated between expense headings on a proportional basis. Governance costs comprise the costs of complying with constitutional and statutory requirements.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Employee benefits

Short term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

The Company's defined benefit scheme has now been wound up. The Company is also required to contribute towards a deficit in the Merchant Navy Officers Pension Fund, and any future deficits which may occur in the foreseeable future will be relieved against amounts already expensed.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into US Dollars at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Taxation

The Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010. Therefore it meets the definition of a Charitable Company for UK corporation tax purposes.

Fund accounting

Unrestricted funds represent those funds which can be used in accordance with the Charitable Company's objects at the discretion of the Directors.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. In accordance with FRS102 the land, which is held in perpetuity in Bahrain, is not depreciated. Fixed assets are subject to an annual impairment review. Any permanent diminutions in value are recorded. Depreciation is provided to write off the cost of all relevant tangible fixed assets, less estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Buildings	20 years
OSV Relume	15 years
Navigation aids, plant and equipment: DGPS	5 years
Computers and equipment	2 years
Vehicles, plant and machinery and office equipment	4 years
Other navigation aids and equipment	Up to 10 years

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)

Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities. Gains and losses arising from changes in fair value are included in the Statement of Financial Activities as either an unrealised gain or loss on investments. Interest determined using the effective interest method, impairment losses and translation differences on monetary items are recognised in the Statement of Financial Activities.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Trade and other debtors

Trade and other debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents in the consolidated and charitable company statement of financial position and in the consolidated cash flow statement comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

Trade and other creditors

Trade and other creditors are measured at their transaction price.

Judgements and key sources of estimation uncertainty

Accounting 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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of OSV Relume

The valuation of OSV Relume is sensitive to changes in the estimated remaining life and the expected future trading and sale value of the vessel. OSV Relume is subject to an annual impairment review based on these factors.

Bad debt provision

The value of trade debtors is sensitive to the recoverability in full of any invoices issued to each customer. Once the debt becomes overdue it is chased and periodically reviewed to ensure it is recoverable in full. If a provision is deemed necessary this is included on an annual basis.

3. INCOME FROM CHARITABLE ACTIVITIES

Charitable income is attributable to the principal activities of the Company and arose wholly in the Middle East. Charitable activities of the company comprise non-contractual and contractual navigation dues, and the provision and maintenance of the buoys and other navigation aids.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

4.	INVESTMENT INCOME	2021	2020
		\$	\$
	Deposit interest	152,916	19,331
	Dividend income	724,504	721,693
		<u>\$877,420</u>	<u>\$741,024</u>

5. ANALYSIS OF EXPENDITURE

	Staff Costs \$	Support Costs \$	2021 Grant Making \$	Depreciation \$	Total \$	2020 Total \$
(a) Total expenditure						
Costs of generating funds:						
Ship charter income costs	62,687	4,179,363	-	961,102	5,203,152	5,195,641
Rental property costs	-	21,925	-	-	21,925	33,403
	<u>62,687</u>	<u>4,201,288</u>	<u>-</u>	<u>961,102</u>	<u>5,225,077</u>	<u>5,229,044</u>
Charitable activities:						
Costs of charitable activities	1,278,457	2,630,739	539,993	150,276	4,599,465	4,940,417
Governance costs	-	122,553	-	-	122,553	112,040
	<u>\$1,341,144</u>	<u>\$6,954,580</u>	<u>\$539,993</u>	<u>\$1,111,378</u>	<u>\$9,947,095</u>	<u>\$10,281,501</u>

(b) Grant making

During the year the following grants and donations were made:

	2021	2020
	\$	\$
IALA	-	778,304
CHIRP Maritime	688	18,992
The Nautical Institute	102,761	77,495
South Pacific Community	343,493	370,164
MSSC	93,051	131,354
	<u>\$539,993</u>	<u>\$1,376,309</u>

- (i) IALA - an international technical organization that gathers together marine information to share worldwide. Due to the pandemic, no funds were donated for 2021.
- (ii) CHIRP Maritime - contributes to the enhancement of aviation safety in the UK and maritime safety worldwide.
- (iii) The Nautical Institute - an international body for maritime professionals involved in the control of sea-going ships.
- (iv) South Pacific Community - the principal scientific and technical organisation in the Pacific region.
- (v) MSSC - provides teaching modules to improve mathematical and English language skills amongst mariners.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. ANALYSIS OF EXPENDITURE (continued)

(c) Governance costs included in support costs	2021	2020
	\$	\$
Remuneration paid to auditor for audit services	48,542	48,878
Other governance costs	74,011	63,162
	<u>\$122,553</u>	<u>\$112,040</u>

(d) Net outgoing funds from operations	2021	2020
	\$	\$
The following amounts have been charged within resources expended:		
Directors emoluments	403,791	414,029
Auditors' remuneration (audit services)	48,542	48,878
Auditors' remuneration (non-audit services)	12,136	15,492
Rental paid under operating leases	237,683	275,791
Foreign exchange movement	109,246	50,300
	<u>1,011,189</u>	<u>1,008,390</u>

6. STAFF COSTS	2021	2020
	\$	\$
Directors remuneration		
Director's salary	297,571	298,184
Social security costs	35,402	35,068
Staff remuneration		
Wages and salaries	638,402	302,786
Social security costs	93,271	80,168
Other employee benefits	276,498	213,958
	<u>\$1,341,144</u>	<u>\$930,164</u>

The above staff costs include \$910,130 (2020: \$558,578) relating to employees in Bahrain and \$431,014 (2020: \$371,586) relating to employees in the United Kingdom.

All directors' emoluments are paid in accordance with the Company's Articles of Association as approved by the Charity Commissioners. The highest paid director's emoluments totalled \$210,098 (2020: \$205,277) with no accrued pension as at 31 December 2021.

During the year the following employing organisations were entitled to receive payment for the services of Directors as indicated below:

Maersk Line	\$24,281	R Brunner
BP Shipping	\$24,281	D Summerhill
Kuwait Oil Tanker Company	\$24,281	Captain Y Y Al Saqer
Nippon Yusen Kaisha	\$24,281	Captain T Koyama
Shell Transport & Trading	\$18,885	Captain J R Evans

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. STAFF COSTS (continued)

Aggregate emoluments of key management personnel: \$216,098 (2020: \$205,277).

During the year no Director received consultancy fees and associated expenses (2020: one Director received \$82,954).

During the year no Directors were reimbursed expenses in respect of travel and attendance at board meetings (2020: three Directors received \$2,910 in total).

	2021 Number	2020 Number
Number of higher paid employees (including retirement benefits paid under local employment laws) in bands of:		
\$170,000 - \$210,000	1	1
\$140,000 - \$170,000	1	1
\$100,000 - \$140,000	1	1
\$90,000 - \$100,000	1	1
\$70,000 - \$80,000	1	1
	5	5

The above amounts all relate to employees in Bahrain.

During the year, \$9,857 (2020: \$8,793) was paid for directors and officers liability insurance.

The average number of the Company's employees (excluding Non-Executive Directors) during the year calculated on a full time equivalent basis, was 14 (2020:14).

	2021 Number	2020 Number
Engineering and maintenance	10	10
Finance and administration	2	2
Management	2	2
	14	14

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. TANGIBLE FIXED ASSETS

GROUP	Freehold Land & Buildings	OSV Relume	Navigation Aids, plant & Equipment	Assets under construction	Total
	\$	\$	\$	\$	\$
Cost or valuation					
At 1 January 2021	2,326,548	22,444,964	8,266,210	436,265	33,473,987
Additions	-	-	1,990	342,466	344,456
Disposals	-	-	(11,335)	-	(11,335)
At 31 December 2021	<u>2,326,548</u>	<u>22,444,964</u>	<u>8,256,865</u>	<u>778,731</u>	<u>33,807,108</u>
Depreciation					
At 1 January 2021	1,698,848	9,693,743	8,168,931	-	19,561,522
Charge for the year	114,035	948,282	49,061	-	1,111,378
Disposals	-	-	(11,335)	-	(11,335)
At 31 December 2021	<u>1,812,883</u>	<u>10,642,025</u>	<u>8,206,657</u>	<u>-</u>	<u>20,661,565</u>
Net book value					
At 31 December 2021	<u>\$513,665</u>	<u>\$11,802,939</u>	<u>\$50,208</u>	<u>\$778,731</u>	<u>\$13,145,543</u>
At 31 December 2020	<u>\$627,700</u>	<u>\$12,751,221</u>	<u>\$97,279</u>	<u>\$436,265</u>	<u>\$13,912,465</u>
COMPANY					
	\$	\$	\$	\$	\$
Cost or valuation					
At 1 January 2021		2,326,548	7,829,637	-	10,156,185
Additions		-	1,990	124,827	126,817
Disposals		-	(11,335)	-	(11,335)
At 31 December 2021		<u>2,326,548</u>	<u>7,820,292</u>	<u>124,827</u>	<u>10,271,667</u>
Depreciation					
At 1 January 2021		1,698,848	7,748,130	-	9,446,978
Charge for the year		114,035	36,242	-	150,277
Disposals		-	(11,335)	-	(11,335)
At 31 December 2021		<u>1,812,883</u>	<u>7,773,037</u>	<u>-</u>	<u>9,585,920</u>
Net book value					
At 31 December 2021		<u>\$513,665</u>	<u>\$47,255</u>	<u>\$124,827</u>	<u>\$685,747</u>
At 31 December 2020		<u>\$627,700</u>	<u>\$81,507</u>	<u>-</u>	<u>\$709,207</u>

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. TANGIBLE FIXED ASSETS (continued)

Substantially, the Group's fixed assets are held for use on charitable activities. The land in Bahrain is held under tenure appropriate for the Group's activities.

The navigation aids and plant and equipment, excepting major land based aids and office equipment used in the management office, were re-valued at the end of 2001 on the basis of depreciated replacement cost having regard to the remaining operating lives of the assets re-valued. The major land based navigation aids (excluding land) were also re-valued as at 1 January 2010 on a replacement cost basis by the directors and reflected in these financial statements. The Company freehold property in Bahrain is held at a professional valuation as at 31 December 2005, less accumulated depreciation. The property has been revalued in prior periods by Cluttons Chartered Surveyors at an amount above book value but the Directors are concerned given the present political unrest in the region that the increased valuation is possibly unrealistic. No adjustment has therefore been made in this respect. The Directors are not aware of any other material change since the last valuation.

8. FUTURE CAPITAL EXPENDITURE

The Group had no capital commitments at either the current or the prior year end.

9. FIXED ASSET INVESTMENTS

	Group 2021	Group 2020	Company 2021	Company 2020
	\$	\$	\$	\$
Securities investments				
At 1 January	49,349,982	45,229,591	49,349,982	45,229,591
Additions	7,901,238	38,811,742	7,901,238	38,811,742
Disposals	(8,133,742)	(36,929,201)	(8,133,742)	(36,929,201)
(Decrease)/Increase in value of investments	3,899,185	2,237,850	3,899,185	2,237,850
	<u>53,016,663</u>	<u>49,349,982</u>	<u>53,016,663</u>	<u>49,349,982</u>
Investment in Subsidiaries	-	-	4	4
At 31 December	<u>\$53,016,663</u>	<u>\$49,349,982</u>	<u>\$53,016,667</u>	<u>\$49,349,986</u>

The fixed asset investments noted above are denominated in the following currencies: -

	2021	2020
	%	%
Sterling	45.6	51.8
United States Dollars	40.8	35.9
Others	13.6	12.3

The historical cost of securities investments held at 31 December 2021 was \$41,959,259 (2020: \$42,191,763).

The Company owns the whole of the issued share capital of Menas Marine Services Limited (£1 paid) and Oman Marine Services Limited (£1 paid) both of which are registered in England and Wales, registered office at 8/9 Lovat Lane, London EC3R 8DW. Both subsidiary undertakings are included within the consolidated financial statements.

Oman Marine Services Limited held a 50% interest in Arabian Maritime and Navigation Aids Services LLC, a company incorporated in Oman, the principal activity of which is the provision of marine services in the territorial waters of Oman. On 25 December 2020 this joint venture was formally terminated.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. STOCKS

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Consumables	1,488,633	1,592,998	291,254	304,011
	<u>\$1,488,633</u>	<u>\$1,592,998</u>	<u>\$291,254</u>	<u>\$304,011</u>

11. DEBTORS

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Income due from charitable activities	1,090,377	1,086,505	1,090,377	1,086,505
Trade debtors	728,125	58,912	-	-
Other debtors	254,680	324,257	241,350	237,654
Prepayments and accrued income	587,252	1,719,807	518,006	657,347
Amounts due from subsidiary companies (net of provision)	-	-	27,529,869	27,070,316
	<u>\$2,660,434</u>	<u>\$3,189,481</u>	<u>\$29,379,602</u>	<u>\$29,051,822</u>

All debtors are due within one year.

12. CASH AND DEPOSITS

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Fortis Bank deposits	39	39	-	-
HSBC short term deposits and working balances	2,748,609	1,535,387	973,306	633,199
Cash held by Investment managers	2,923,487	2,215,121	2,923,487	2,215,121
Cash in hand	15,832	13,310	10,034	6,871
	<u>\$5,687,967</u>	<u>\$3,763,857</u>	<u>\$3,906,827</u>	<u>\$2,855,191</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 \$	Group 2020 \$	Company 2021 \$	Company 2020 \$
Trade creditors	661,810	759,895	191,765	605,843
Other creditors	1,712,527	2,007,460	1,579,210	1,774,143
Taxation and social security	27,970	21,781	27,970	21,781
Accruals and deferred income	1,042,239	1,021,437	935,428	935,289
	<u>\$3,444,546</u>	<u>\$3,810,573</u>	<u>\$2,734,373</u>	<u>\$3,337,056</u>

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. SUMMARY OF MOVEMENTS ON FUNDS

	General Reserve \$	Translation Reserve \$	Total \$
Group			
At 1 January 2021	64,087,149	3,911,061	67,998,210
Incoming resources	10,744,088	-	10,744,088
Resources expended	(9,947,095)	-	(9,947,095)
Loss on disposal of investments	(139,694)	-	(139,694)
Increase in value of investments	3,899,185	-	3,899,185
At 31 December 2021	<u>\$68,643,633</u>	<u>\$3,911,061</u>	<u>\$72,554,694</u>
	General Reserve \$	Translation Reserve \$	Total \$
Company			
At 1 January 2021	73,475,565	5,457,596	78,933,161
Incoming resources	6,285,754	-	6,285,754
Resources expended	(4,432,682)	-	(4,432,682)
Loss on disposal of investments	(139,694)	-	(139,694)
Increase in value of investments	3,899,185	-	3,899,185
At 31 December 2021	<u>\$79,088,128</u>	<u>\$5,457,596</u>	<u>\$84,545,724</u>

The currency translation reserve represents historical foreign exchange movements on the values of balance sheet items whose functional currency is not US Dollars.

All funds are unrestricted.

15. PENSION SCHEMES

Pensions for the benefit of UK shore staff have been funded through the MENAS Pension and Life Assurance Scheme managed by Aviva. Contributions to the Scheme ceased in a previous year as the Scheme had been closed to new members and all participants have now had pensions provided.

Menas Marine Services Limited is a former employer of Merchant Navy Officers Pension Fund (MNOFF) members and as such, following a court case in 2006, is liable to contribute towards a deficit on an on-going basis of the New Section of that pension scheme. The financial effect of this has not finally been fully quantified at the present time and the trustees of that scheme have made the charity aware that they are liable for their share of the deficit. Significant payments have been made against these liabilities and all notified requests for payment to date have been fully paid. Any future deficits which may occur in the foreseeable future will be relieved against amounts already expensed. As the trustees of MNOFF have indicated that as of 31 December 2021 there was no liability payable by the company, there has been no charge to the Statement of Financial Activities in 2021.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. FINANCIAL COMMITMENTS

Operating Leases

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:-

	2021 \$	2020 \$
Within 1 year	229,559	272,261
Within 1 to 5 years	94,426	48,000
	<u>\$323,985</u>	<u>\$320,261</u>

17. COMPANY RESULTS

The deficit dealt with in the financial statements of the Company is as follows:

	2021 \$	2020 \$
Net incoming funds	<u>\$5,612,564</u>	<u>\$5,006,977</u>

18. SUBSIDIARIES

The Company owns all of the issued share capital of Menas Marine Services Limited, a company incorporated in England, number 04505570. This company operates a commercial vessel.

	2021 \$	2020 \$
Turnover	5,592,415	3,774,216
Loss before tax	(483,941)	(2,261,179)
Shareholders' funds	<u>(62,273,445)</u>	<u>(61,789,504)</u>

The Company also owns all of the issued share capital of Oman Marine Services Limited, a company incorporated in England, number 04499121. This company is a marine services contractor and was, until 25 December 2020, an investor in a joint venture with an associate also undertaking maritime services.

	2021 \$	2020 \$
Income	77	1,643,874
(Loss) / profit before tax and gift aid	(572,139)	1,440,388
Shareholders' funds	<u>9,282,418</u>	<u>9,854,557</u>

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

19. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2021	2020
	\$	\$
Net incoming / (outgoing) resources	796,993	(833,985)
Depreciation charge	1,111,378	1,488,206
(Profit) / loss on disposal of fixed assets	(1,644)	876
Investment income receivable	(877,420)	(741,024)
Rental income receivable	(132,719)	(89,761)
Decrease in stock	104,365	2,568
Decrease in debtors	529,047	464,928
Decrease in creditors	(366,027)	(863,392)
Net cash inflow / (outflow) from operations	<u>\$1,163,973</u>	<u>\$(571,584)</u>

20. CASH AND CASH EQUIVALENTS

	At 1 January 2021	Net cash flow	At 31 December 2021
	\$	\$	\$
Cash and deposits	<u>3,763,857</u>	<u>1,924,110</u>	<u>5,687,967</u>

Cash and cash equivalents are made up entirely of cash and deposits in both the current and prior year.

21. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure during the year.

22. ULTIMATE CONTROLLING PARTY

As at the balance sheet date there is no one ultimate controlling party.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

England & Wales - Charity number 210066

Accounts

REGISTERED COMPANY NUMBER: 00477145 (England and Wales)
REGISTERED CHARITY NUMBER: 210066

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

FOR

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

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INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors of International Foundation for Aids to Navigation ("the Company") are the Company's charity trustees under charity law and the directors of the charitable company. The members of the Board who served in office as Directors during the year and subsequently are detailed below:

KEY MANAGEMENT PERSONNEL:

DIRECTORS

A. R. W. Marsh MBE FICS - Chairman
C. C. Blakey OBE RD ‡ (Until 3 September 2020)
R. C. J. Brummer ‡
Captain J.R. Evans ‡
L. M. Evans ‡ (From 4 June 2020)
Captain J. W. Hughes
Captain T. Koyama
G. Mason (Until 26 November 2020)
Captain Y. Y. Al Saqr
D. Summerhill (From 26 November 2020)
P. Stanley - Company Secretary

‡ Member of Audit Committee

CHIEF EXECUTIVE

P. Stanley

REGISTERED OFFICE

4th Floor
8-9 Lovat Lane
London
EC3R 8DW

CHARITY STATUS

Company Limited by Guarantee not having a share capital
Registered in England and Wales No. 00477145
Registered Charity No. 210066
The word Limited is omitted by licence of the Board of Trade, London

BANKERS

HSBC, London and Bahrain

INDEPENDENT AUDITORS

Azets Audit Services
2nd Floor, Regis House, 45 King William Street, London EC4R 9AN

SOLICITORS:

Farrer & Co, London
66 Lincoln's Inn Fields, London, WC2A 3LH

Campbell Johnston Clark Solicitors
59 Mansell Street, London, E1 8AN

INVESTMENT MANAGERS

Smith & Williamson
25 Moorgate, London, EC2R 6AY

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

DIRECTORS

Alan Marsh (Chairman)

Mr. Marsh was appointed to the Board in August 2018. He is a Trustee and Council Member of The Marine Society and Sea Cadets (MSSC), a Council Member of RNLI, a non-executive shipping advisor and consultant to Time Investments, and the Easygroup. He is a Fellow of the Institute of Chartered Shipbrokers for whom he is a former President. He is also a Younger Brother of Trinity House, Past Prime Warden of the Worshipful Company of Shipwrights and formerly CEO of Braemar Shipping Group PLC as well as a Director of IITC.

Peter Stanley

Mr. Stanley was appointed CEO in July 2019 and a Director in September 2019. Formerly with BP for 30 years working in BP Shipping, HSE, Refining Manufacturing and Supply, Chemicals and finally as Head of Control of BP's Corporate segment. He is an external advisor to the Audit Committee of Addenbrooke's Charitable Trust. He graduated from Newcastle University obtaining a first class honours degree in Marine Engineering and has an MBA from the Judge Business School, Cambridge University. He is a Chartered Engineer and Fellow of the Institute of Marine Engineering, Science and Technology.

Robertus Brummer

Mr. Brummer was appointed as a Director in February 2009. Currently he is Senior Director Group Procurement with Maersk A/S. He started his seagoing career in 1977 as deck officer. Since coming ashore has held various management positions in several locations. Currently residing in Spain.

Captain John Hughes

Captain Hughes was appointed as a director in November 2008. Formerly Operations Vice President and Director of Exxon's international oil and gas tanker fleet; from 1999 to 2004 Director of the Oil Companies International Maritime Forum. He is a Fellow of the Nautical Institute, Past Chairman of Maritime CHIRP, Past Master of the Honourable Company of Master Mariners, Past Chairman and Trustee of the Shipwrecked Mariners Society, Younger Brother of Trinity House and in 2018 awarded the Merchant Navy Medal.

Captain Yousef Al Saqer

Captain Al Saqer was appointed as a Director in November 2010. He is presently Manager Fleet newbuilding projects KOTC, formerly Manager Fleet marine operations KOTC where he was accountable for the day-to-day operations, safety & security of KOTC Fleet. He started his career as Navigation Officer, leading to Master on board KOTC's VLCC, LPG and Product tankers. He served in numerous roles on shore in Fleet operations, Marine Affairs and risk assessment. He holds a BSc in Maritime Transport Technology and is a Master Mariner.

Captain Tomoyuki Koyama

Captain Koyama was appointed as a Director in May 2013. He is presently Chairman and Chief Executive Officer of NYK Ship Management Pte Ltd, having previously held various senior management positions ashore with NYK. He is a Master Mariner.

Captain John Evans

Captain Evans was appointed as a Director in August 2013. He is currently Global Manager Maritime Security and Fleet Q&HSSE Global Manager Shipping Emergency Response, Shell Transport & Trading Company. Prior to this appointment, he was Fleet Manager, Shell Tankers Australia. Following a sea-going career up to the rank of Master within Shell, Captain Evans gained wide experience within senior marine positions ashore.

Louise Evans

Ms Evans was appointed to the Board in June 2020. She is currently non executive director and audit committee chair of AB Dynamics plc and Gooch & Housego PLC. She is also a Board advisor to SCB Group. Ms Evans previously held Group Finance Director roles at Braemar Shipping Services plc and Williams Grand Prix Holdings plc. She has also held senior positions at RPS Group plc and Reynard Motorsport. She qualified as a chartered accountant whilst working with Ernst & Young. Ms Evans graduated from the University of Wales with a first class degree in Management Science and is a Fellow of the Institute of Chartered Accountants in England & Wales.

Doug Summerhill

Appointed a Director in November 2020. He is presently Vice President of Chartering for BP Shipping Limited, accountable for the global chartering activity and monetisation of BP's oil and gas fleet. He is a supply, shipping and trading specialist, having worked in this sector for over 20 years and holds a Bachelor of Business degree from RMIT University, Australia.

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

Despite the impact of the corona virus pandemic, the activities of the IFAN Group of Companies for 2020 have continued much the same as the previous year. Like many other organisations, we have introduced policies and procedures that deal with the risks posed by the virus such that our staff and contractors can work safely. Our charitable activities, wholly aligned to our charitable objects, have been continuing and our commercial affairs maintained ensuring the financial position remains strong. We have continued to assist various entities active in improving safety at sea and protecting the marine environment. We have disbursed \$1.4m over the year with some projects planned to continue through 2021.

We have our own guidelines as to which and to what extent we will support projects having regard to legal imperatives, our resources and our ability to monitor projects. We are trying to find ways to integrate ourselves into the marine regulatory organisations in order to both understand better the requirements for aids to navigation globally and contribute to the decision-making generating plans and guidelines for enhancing safety at sea and protecting the environment; the latter has been more of a secondary benefit to our activities but we are now considering potential environmental development projects in their own right.

We have, since early 2012, supported the International Association of Marine Aids to Navigation and Lighthouse Keepers (IALA) in developing its Worldwide Academy (WWA) with contributions amounting to an average of \$666k equivalent each year. The WWA provides training packages designed to spread knowledge amongst government representatives. Instruction is given both in respect of a Coastal States obligations under international law and the benefits to commerce of developing and maintaining effective aids to navigation, as well as the means of doing so. The IALA programme is a rolling programme arrangement progressively expanding the knowledge on the subject throughout the world. Over time, continually improving services will become available to better assist navigators to safely operate their vessels.

Last year we indicated that we would be hosting our own IALA guided training course for Middle East gulf participants. The pandemic curtailed the delivery of our first courses, but MENAS did successfully achieve Accredited Training Organisation (ATO) designation. We are offering technical skills and education courses to clients, such as Port Authorities, so that they can develop their own resource over time.

We have helped The Marine Society and Sea Cadets (MSSC) to develop and commission teaching modules to improve mathematical, English language and marine vocational skills amongst mariners, committing an average of \$120k equivalent per annum over the period 2013 to date. We have also funded a significant outreach programme that The Nautical Institute (NI) promoted to improve navigators' technical skills, committing \$166k equivalent over the period 2014 to date.

Confidential Hazardous Incident Reporting (CHIRP) provides a confidential incident assessment service. Prior to our involvement in 2014, a previous funding arrangement had ceased, and the service had contracted to only cover UK vessels. We were able to provide assistance enabling the service to be available increasingly to the world fleet so spreading experience wider and assisting to improve safety at sea. We have to date provided an average \$93k equivalent since 2014 when we first supported CHIRP.

Finally, over the period 2016 to date we have jointly funded a project that aims to improve the aids to navigation and technical capability present in the Pacific Ocean for the pan government agency responsible for marine matters there, The South Pacific Community. An initial survey was a pre-requisite to the project to improve positioning infrastructure in a region poorly supplied with aids to navigation and depending heavily on marine transport. The second phase has commenced two years ago with our support planned to run to 2021. To date, a sum of \$1.47m has been provided with a further \$640k committed subject to annual review.

In the past we supported The Straits of Malacca and Singapore Fund and this has now reduced its activities for a time with the traffic separation scheme largely maintained by the littoral States. We are monitoring the programme of improvement. We shall positively examine any further funding proposals to see what support we can give to improve the safety of shipping using this vital sea route.

The charity has maintained its sound financial position, similar to last year, and continues to address threats to its commercial activities. Last year we mentioned about embarking on a campaign designed to explain to as wide an audience as possible about our activities in the Gulf. We used all forms of media to remind ship owners about the services we provide and the

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

We have looked at the alternative provision of accurate positioning systems in the Gulf and to date there is no reliable or accurate alternative to our differential global positioning system (DGPS) service. During 2021 we will embark on a recapitalisation project of this equipment, funded by Navigational Dues.

Our offshore support vessel Relume, originally built as a buoy handler for our aids to navigation service in the Gulf, has been undertaking commercial work in North European waters for many years now. The whole industry suffered heavily in 2019 as a result of economic uncertainty curtailing investments and deferring maintenance work in the North Sea. The 2020 outlook for the North Sea spot market was one of recovery but this largely stalled as a result of the pandemic. Fortunately, we secured charters involved with the burgeoning renewables industry and have had much better utilisation than 2019. Looking forward, we have formed a long-term relationship with our current charterer and will remain on charter to them for most of 2021.

We continue to be more active in the management of our invested funds aiming for improved income. That has been successful and by diversifying more widely, our funds have weathered the impact of the pandemic.

We continue to aim for higher efficiency throughout the group by reviewing processes and reducing our operating costs to be able to respond to the significant variability in market conditions and deliver more to our charitable causes.

I thank staff and our various long-term contractors both ashore and afloat for their commitment to the charities objectives in what have been very challenging circumstances.

The Board and I wish to express our thanks to both Conrad Blakey and Guy Mason for their very valuable service to IFAN. We wish both of them a long and happy retirement. The Board and I welcome Louise Evans and Doug Summerhill to the IFAN Board.



A R W Marsh

27th May
Date: May 2021.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors of International Foundation for Aids to Navigation ('the Company') present their Annual Report together with the audited financial statements for the year ended 31 December 2020 which comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 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).

REFERENCE AND ADMINISTRATIVE INFORMATION

The Company is constituted as a company limited by guarantee with two wholly owned operating subsidiary undertakings, Menas Marine Services Limited and Oman Marine Services Limited. The charitable objective of The International Foundation for Aids to Navigation ("IFAN"), as stated in the Articles of Association, is the promotion of safety at sea, maritime education & training and the protection of the marine environment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Company is governed by its Articles of Association.

Governing Body

The Directors are appointed in accordance with the Articles of Association by the Members and are mostly drawn from the shipping and oil industries.

Recruitment and training of Directors

New Directors are briefed on their legal obligations under charity and company law, the content of the Articles of Association and the workings of the Board of Directors and the decision making process.

Organisational management

The Board of Directors, as the charity trustees, are legally responsible for the overall management and control of the Company. The Board of Directors meets at least four times a year.

The Audit Committee is responsible for ensuring that the financial performance of the Company is properly reported, that adequate internal control systems are maintained and managing the relationship with the external auditors.

Day to day administration is carried out by the Chief Executive Officer (the "Executive"). The operation of the Bahrain facility is undertaken by a senior manager reporting to the Executive in London.

The remuneration of key management personnel is set by the Board and the appropriateness and relevance of the remuneration policy is reviewed annually.

Group structure and relationships

The Company has two wholly owned non-charitable subsidiaries: Menas Marine Services Limited, which operates a commercial vessel, and Oman Marine Services Limited, which is a maritime services contractor and an investor in a joint venture, Arabian Maritime and Navigation Aids Services LLC, which also undertakes maritime services. Annual profits, where made, are donated to the Company under the Gift Aid Scheme. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The Company's Objects, as set out in the Articles of Association, are the promotion of safety at sea and the protection of the marine environment in the Middle East and worldwide by all charitable means, including providing and maintaining navigation aids, safety systems and safety information; promoting the use of modern navigation techniques and procedures and other essential maritime skills; and protecting and improving all aspects of the marine environment.

The objectives are variously achieved for the public benefit through the provision, under the name MENAS, of an aids to navigation service in the Gulf and involvement in Oman, and by assisting other organisations undertaking projects which meet the Company's charitable objectives of promoting safety at sea and protection of the marine environment.

The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Board has monitored closely the guidance on public benefit produced by the Charity Commission.

Principal Activities

The Company provides and maintains shore and sea based visible aids as well as radio-based aids for the Gulf region, utilising its equipment and facilities in Bahrain. It continues to review technological advances in marine navigation and environmental protection and to rationalise and modernise its facilities and systems to enable it to provide the service to navigators and the marine industry in the Gulf region effectively and efficiently.

Apart from operating the network of aids to navigation and the Navtex warning system, the charity also continues to operate its differential global positioning system (DGPS) throughout the Gulf. The Company has deployed Automatic Identification System (AIS) equipment to both enhance the service to mariners and improve performance monitoring of aids to navigation to help improve safety at sea and the protection of the environment. The Company continues to investigate an upgrade to the DGPS system, now more than twenty years in operation.

IFAN provided, through a jointly owned Omani company, technical and other services to the Sultanate of Oman which is responsible for providing a navigational aids service in its territorial waters and its extended economic zone.

The Company makes grants to organisations concerned with the promotion and/or provision of safety at sea, including:

- the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA), to assist with its setting up and running its worldwide training organisation The Worldwide Academy (WWA) to improve knowledge and skills required to identify needs, install and maintain aids to navigation services around the world;
- the educational programmes of Marine Society and Sea Cadets (MSSC);
- The Nautical Institute (NI), to expand the circulation of its publication The Navigator, improving knowledge and professionalism in the field of marine navigation;
- Confidential Hazardous Incidents Reporting (CHIRPS) in connection with the confidential reporting of safety related breaches within the maritime sector;
- The Company supports a project being conducted by the South Pacific Community (SPC), in respect of enabling the Pacific Ocean to access its needs in respect of aids to navigation services and infrastructure;
- The Malacca Aids to Navigation Fund set up by the three littoral States to maintain and improve the traffic separation system for the Malacca and Singapore Straits.

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

STRATEGIC REPORT

The charity regularly reviews its strategy. Over time, consistent with prevailing general conditions the strategy has been to build up reserves to a point that the navigational aids service in the Gulf can be self-sustained and protecting capital to ensure the continued existence of the IFAN Group

Currently the strategy has several points of focus:

The first priority is to continue the provision of the existing Gulf Aids to Navigations (AtN) service to international standards. In the absence of the littoral states seeking to take up our offer of assistance to assume responsibility for Gulf AtN's we remain obligated to continue our AtN provision. We believe that national services would be the simplest to be created and we would expect our existing technical operations to have a role either as active participants or contractors in some form. Consistent with the aim of ensuring the navigational aids service in the Gulf can be self-sustained, we continue to raise the profile of the services we provide with ship-owners and encourage them to contribute to the costs of their upkeep through raising navigations dues.

The second aspect of our strategy is concerned with our investments. We have two operational investments, one being an offshore support vessel (OSV *Relume*) and the other being a joint venture commissioned by the Omani government to provide a navigational aids service along its coast. In addition, we have a financial investment portfolio invested in various securities in several markets.

As regards the OSV *Relume*, the offshore market was very badly affected by economic uncertainty during 2019 and as a consequence fixtures were sparse. Returns during 2020 were better but there was a continuation of lower charter rates. We took actions to attractively position the investment with the growing renewable sector and with Charterer's that wished to form long-term relationships, so as to improve utilisation. In the absence of the possibility of disposal except as a distress seller, which we are not, our strategy is to continue to operate the ship to maximise the returns achieved. We continue to monitor the market for all opportunities. Our strategy will continue to be adapted as market conditions change.

Following the year end, we agreed to exit our joint venture in Oman and for our joint venture partner to take over sole responsibility for the provision of marine navigation services in Oman.

The investment portfolio has been managed to maintain capital with moderate risk. The current strategy is to increase active management to improve returns.

ACHIEVEMENTS AND PERFORMANCE

Navigation Dues income for the year was \$4.2m (2019: \$4.5m). The price charged per NT has remained unchanged since 2006. These results include the share of results of the joint venture between the charity's subsidiary, Oman Marine Services Limited (OMSL) and Seven Seas Navigation Services Co. LLC. The joint venture was terminated on 25 December 2020. Costs of charitable activities which include all direct costs in relation to buoy maintenance projects and administration costs other than those relating to ship charter income and including all IFAN owned aids to navigation service costs, are \$3.6m (2019: \$5.0m).

Charter income for the OSV *Relume*, operated through Menas Marine Services Limited (MMSL) has increased this year to \$3.8m (2019: \$2.3m). Ship charter income costs amount to \$5.2m (2019: \$5.8m).

Other income includes buoy maintenance and project income of \$280k (2019: \$813k) and rental income of \$90k (2019: \$155k). Rental property costs amounted to \$33k (2019: \$26k).

The charity made grants and donations of \$1.4m during the year (2019: \$1.6m) to organisations including IALA, CHIRP Maritime, The Nautical Institute, South Pacific Community and MSSC.

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

FINANCIAL REVIEW

The financial position is considered satisfactory by the Directors with net assets of the Group amounting to \$68.0m against \$64.1m in 2019.

As shown on page 13, in the Consolidated Statement of Financial Activities, the Group incurred a surplus for the year of \$3.9m (2019: surplus of \$2.1m).

Having reviewed the ongoing expected trading conditions and the Group's projected future cash flows, the Board has a reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future.

Investment policy and objectives

Smith and Williamson were appointed as investment managers during 2016 and have also assumed the role of investment advisors. The investment policy has been to minimize risk to the capital by investing in a variety of instruments including US dollar bond instruments, principally US TIPS and including debt and equity in Emerging Markets to improve yields whilst maintaining a low risk profile. The current policy is to increase S&W's active in the management of the fund, creating greater efficiency and to continue to invest in more secure securities and disinvest in securities more exposed because of greater debt levels whilst maintaining a diversified portfolio and matching non-functional currency flows. The application of policy is now fully monitored by the Investment sub-committee.

The portfolio suffered during the year because of the effects of the pandemic but has now fully recovered and is performing in line with expectations, having regard to the policy expectations set by the Board. As of 31 December 2020, the market value of invested funds, including uncommitted deposits, was the equivalent of \$49.3m (2019: \$45.2m), against an historic cost of \$42.2m (2019: \$40.3m).

Reserves Level and Policy and Financial Viability

The policy in respect of the Gulf navigational aids service continues to be one of matching income with expenditure allowing for uncertainties and capital requirements. Provision is made for the progressive shortening of the operating lives of the OSV Relume and navigational aids as environmental demands increase and technological developments accelerate. Group reserves held as at 31 December 2020 amounted to \$68.0m (2019: \$64.1m) of which free reserves amounted to \$54.1m (2019: \$49.2m). The charity's own reserves amounted to \$78.9m (2019: \$73.9m).

The Directors consider that reserves need to be maintained at these levels at least to allow for the replacement and enhancement of current operational and navigational aids assets and the longer-term possibility of further expansion of navigational aids services into other geographical areas worldwide which would entail significant levels of capital expenditure and working capital.

Principal Risks and Uncertainties

The Directors have undertaken reviews and organised from time-to-time investigations to be reasonably certain that the Company is operating efficiently and effectively, its assets are properly safeguarded against unauthorised use or disposal, proper records are maintained, and that financial information used within the Company, or for publication, is reliable and that the Company complies with relevant laws and regulations. The system of internal controls includes a strategic plan and annual budgets with regular financial and performance reports as appropriate with clear delegation of authority and segregation of duties.

Risk associated with the activities undertaken and objectives laid down by the Board are regularly reviewed, prioritised as to likely impact and likelihood of occurrence and management are satisfied that the applied strategies are appropriate to mitigate those risks.

The Directors are satisfied that during the year all activities have been conducted in compliance with the Company's HSE policy. Adherence and improvements to the HSE policy has ensured that all operations are conducted in a manner which safeguards the health and safety of employees and avoids damage to the environment.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Company has adopted a policy of spreading its investments over a range of instruments in both UK pound sterling and US dollars with the aim of protecting the capital against imported inflation, whilst mitigating the effect of currency movements.

Future Plans

The charity has a global remit and focuses its outlook to support projects of international scope.

The charity has a branch in Bahrain undertaking marine contracting activities as part of the provision of a regional aid to navigation service and also two trading subsidiaries.

The Middle Eastern branch has existed for many years and recently efforts have been successfully made to modernise, expand its resources and offerings. The branch is managed locally with in-house trained personnel and is expanding its skill base to allow a build-up of marine engineering work. A base in the United Arab Emirates opened a few years ago has expanded coverage throughout the Gulf. Improved services currently being considered include upgraded AIS technology to both monitor the position and performance of floating aids to navigation and collect vessel movement data for billing purposes and we continue to investigate the suitability of elasticated moorings in place of traditional metal chains.

Immediate plans include upgrading the differential global positioning system (DGPS) which is now over twenty years old. Research has been undertaken over several years to ensure that the reliability and performance of new equipment will be optimal. We are, in conjunction with IALA, researching problems suffered by DGPS systems in connection with signal reliability and then researching suitable solutions. We are now in a position to deliver IALA accrediting training courses as an Accredited Training Organisation (ATO).

One of the trading subsidiaries operates an offshore services vessel (OSV *Relume*) originally built to service physical navigational aids in the Gulf. The vessel is now more than halfway through its life although has benefited from an upgrade of its equipment which allows it to trade competitively with more recently delivered vessels. The Board closely monitors the performance of the OSV *Relume* and the development of its market sector.

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The members of the Governing Body (who are also the Directors of International Foundation for Aids to Navigation for the purposes of company law) are responsible for preparing the Annual Report and the financial statements with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- select the most suitable accounting policies and then to 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Relevant Audit Information

In so far as each of the Directors, as members of the Governing Body, at the date of approval of this report is aware, there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each Director has taken all the steps that he should have taken as a Director in order to make himself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board on including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Louise Evans
Director and Audit Committee Chairman

**INDEPENDENT AUDITORS' REPORT TO THE MEMEBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION**

Opinion

We have audited the financial statements of International Foundation for Aids to Navigation (the 'charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated and charitable company statement of financial position, the consolidated cash flow statement and notes to the consolidated financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 December 2020 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; 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 group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the Company Information and the information in the Chairman's Statement and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon. Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMEBERS OF
INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION (CONTINUED)**

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Accounting and Reporting Responsibilities set out on page ten, the Directors 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 Directors determine 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 Directors are responsible for assessing the group's and 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 Directors either intend to liquidate the group or 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

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 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.

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 Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in a Report of the Auditors 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.

Azets Audit Services

John Howard (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

2nd Floor, Regis House

45 King William Street

London

EC4R 9AN

Date: *27 May 2011*

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 Continuing Operations \$	2020 Discontinued Operations \$	2020 Total \$	2019 \$
INCOME FROM:					
Donations		300,000	-	300,000	-
Charitable activities	3				
Non contractual navigation dues		2,705,204	-	2,705,204	2,913,447
Contractual navigation dues		432,958	1,078,964	1,511,922	1,555,737
Buoy maintenance and project income		280,389	-	280,389	813,322
Other trading activities					
Ship charter and management income		3,819,216	-	3,819,216	2,251,136
Rental income		89,761	-	89,761	154,977
Investments	4				
Investment income		741,024	-	741,024	713,398
Total income		<u>8,368,552</u>	<u>1,078,964</u>	<u>9,447,516</u>	<u>8,402,017</u>
EXPENDITURE ON:					
Generating funds	5				
Ship charter income costs		5,195,641	-	5,195,641	5,811,579
Rental property costs		33,403	-	33,403	25,678
Charitable activities	5	5,052,457	-	5,052,457	6,833,043
Total expenditure		<u>10,281,501</u>	<u>-</u>	<u>10,281,501</u>	<u>12,670,300</u>
Net outgoing funds from operations		<u>(1,912,949)</u>	<u>1,078,964</u>	<u>(833,985)</u>	<u>(4,268,283)</u>
Gain on disposal of investments		2,517,652	-	2,517,652	1,338,854
Increase in value of investments	9	2,237,850	-	2,237,850	5,031,529
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>2,842,553</u>	<u>1,078,964</u>	<u>3,921,517</u>	<u>2,102,100</u>
Total funds brought forward		64,076,693		64,076,693	61,974,593
Total funds carried forward		<u>\$67,998,210</u>		<u>\$67,998,210</u>	<u>\$64,076,693</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is unrestricted.

The notes on pages 16 to 27 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

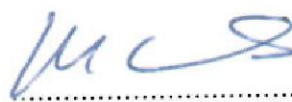
**CONSOLIDATED AND CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020**

	Note	Group 2020 \$	Group 2019 \$	Company 2020 \$	Company 2019 \$
FIXED ASSETS					
Tangible assets	7	13,912,465	14,911,014	709,207	843,222
Investments	9	49,349,982	45,229,591	49,349,986	45,229,595
Investments in joint ventures	9	-	901,378	-	-
		<u>63,262,447</u>	<u>61,041,983</u>	<u>50,059,193</u>	<u>46,072,817</u>
CURRENT ASSETS					
Stock	10	1,592,998	1,595,566	304,011	271,259
Debtors	11	3,189,481	3,654,410	29,051,822	29,583,453
Cash and deposits	12	3,763,857	2,458,699	2,855,191	2,067,352
		<u>8,546,336</u>	<u>7,708,675</u>	<u>32,211,024</u>	<u>31,922,064</u>
CURRENT LIABILITIES					
Creditors payable within one year	13	(3,810,573)	(4,673,965)	(3,337,056)	(4,068,697)
NET CURRENT ASSETS		<u>4,735,763</u>	<u>3,034,710</u>	<u>28,873,968</u>	<u>27,853,367</u>
NET ASSETS		<u><u>\$67,998,210</u></u>	<u><u>\$64,076,693</u></u>	<u><u>\$78,933,161</u></u>	<u><u>\$73,926,184</u></u>
FUNDS					
Unrestricted funds					
General reserve	14	64,087,149	60,165,632	73,475,565	68,468,588
Currency translation reserve	14	3,911,061	3,911,061	5,457,596	5,457,596
TOTAL FUNDS		<u><u>\$67,998,210</u></u>	<u><u>\$64,076,693</u></u>	<u><u>\$78,933,161</u></u>	<u><u>\$73,926,184</u></u>

The financial statements were approved by the Board on
and were signed on its behalf by



.....
A R W Marsh
Chairman



.....
Louise Evans
Audit Committee Chairman

Company No: 00477145

The notes on pages 16 to 27 form part of these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION
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**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
Cash generated from operating activities	19	(571,584)	607,284
Cash flow from investing activities			
Payments for tangible fixed assets		(490,533)	(862,870)
Purchases of investments		(38,811,742)	(14,103,340)
Proceeds on sale of investments		39,446,853	14,805,258
Investment income receipts		741,024	712,638
Rental income receipts		89,761	154,977
Investments in joint ventures		901,379	(64,289)
Cash generated from investing activities		1,876,742	642,374
Increase in cash in the year		\$1,305,158	\$1,249,658
Reconciliation of cash flow to net movement in net funds			
Increase in cash in the year		1,305,158	1,249,658
Net funds at the beginning of the year		2,458,699	1,209,041
Net funds at the end of the year		\$3,763,857	\$2,458,699

The notes on pages 16 to 27 form part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. COMPANY STATUS

The Company is a charitable company limited by guarantee, registered in England and Wales and governed by its Articles of Association. It has no share capital. In the event of the company being wound up the liability of the members is limited to a maximum of £1 each. The Company's registered number and registered office address can be found on page 1.

The presentational currency of the financial statements is the US Dollar (\$) which is also the functional currency for the group.

The International Foundation for Aids to Navigation meets the definition of a public benefit entity under FRS 102.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice ("Charities SORP (FRS102)") and Financial Reporting Standard 102. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible assets and securities investments.

Going concern

The directors have considered the potential emerging impact of the COVID-19 virus and uncertainty in relation to the UK withdrawal from the European Union on the future viability of the company. Having reviewed the funding facilities available to the Company together with the expected ongoing trading conditions and the Company's projected future cash flows, the directors have a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

Accordingly, the Board continues to adopt the going concern basis in preparing its financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 10.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries Menas Marine Services Limited and Oman Marine Services Limited. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. No separate SOFA has been presented for the Company alone, as permitted by Section 408 of the Companies Act 2006.

Income

Income is the amount derived from the provision of charitable activities and other trading activities, and from investments, and is stated net of VAT.

Income from Charitable Activities

Charitable income represents navigation aids dues receivable, both contractual and non-contractual, as well as buoy maintenance and project income. Navigation aids dues are accounted for at the point a ship enters the loading port. Buoy maintenance and project income is accounted for in accordance with the completion stage of the project and income is accrued or deferred accordingly.

Income from Other Trading Activities

Ship charter and management income represents third party income from the OSV Relume and is accounted for in the period in which the vessel is chartered for use.

Income from Investments

Investment income from fixed asset securities is accounted for on an accruals basis. Rental income is accounted for in the period to which the rental income relates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (continued)**Expenditure**

Expenditure is accrued once there is a legal 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 attributed to more than one cost category in the SOFA is allocated to activities on a proportional basis. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are also allocated between expense headings on a proportional basis. Governance costs comprise the costs of complying with constitutional and statutory requirements.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Employee benefits

Short term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

The Company's defined benefit scheme has now been wound up. The Company is also required to contribute towards a deficit in the Merchant Navy Officers Pension Fund, and any future deficits which may occur in the foreseeable future will be relieved against amounts already expensed.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into US Dollars at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Taxation

The Company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010. Therefore it meets the definition of a Charitable Company for UK corporation tax purposes.

Fund accounting

Unrestricted funds represent those funds which can be used in accordance with the Charitable Company's objects at the discretion of the Directors.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. In accordance with FRS102 the land, which is held in perpetuity in Bahrain, is not depreciated. Fixed assets are subject to an annual impairment review. Any permanent diminutions in value are recorded. Depreciation is provided to write off the cost of all relevant tangible fixed assets, less estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Buildings	20 years
OSV Relume	15 years
Navigation aids, plant and equipment:	
DGPS	5 years
Computers and equipment	2 years
Vehicles, plant and machinery and office equipment	4 years
Other navigation aids and equipment	Up to 10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (continued)

Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities. Gains and losses arising from changes in fair value are included in the Statement of Financial Activities as either an unrealised gain or loss on investments. Interest determined using the effective interest method, impairment losses and translation differences on monetary items are recognised in the Statement of Financial Activities.

Investments in joint ventures are accounted for using the gross equity method, although an analysis of the Group's share of results has not been disclosed as the Directors consider that this information may be seriously prejudicial to the interests of the Group.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Trade and other debtors

Trade and other debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents in the consolidated and charitable company statement of financial position and in the consolidated cash flow statement comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

Trade and other creditors

Trade and other creditors are measured at their transaction price.

Judgements and key sources of estimation uncertainty

Accounting 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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Valuation of OSV Relume

The valuation of OSV Relume is sensitive to changes in the estimated remaining life and the expected future trading and sale value of the vessel. OSV Relume is subject to an annual impairment review based on these factors.

Bad debt provision

The value of trade debtors is sensitive to the recoverability in full of any invoices issued to each customer. Once the debt becomes overdue it is chased and periodically reviewed to ensure it is recoverable in full. If a provision is deemed necessary this is included on an annual basis.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. INCOME FROM CHARITABLE ACTIVITIES

Charitable income is attributable to the principal activities of the Company and arose wholly in the Middle East. Charitable activities of the company comprise non-contractual and contractual navigation dues, and the provision and maintenance of the buoys and other navigation aids.

4. INVESTMENT INCOME	2020	2019
	\$	\$
Deposit interest	19,331	6,143
Dividend income	721,693	707,255
	<u>\$741,024</u>	<u>\$713,398</u>

5. ANALYSIS OF EXPENDITURE

	Staff Costs	Support Costs	2020 Grant Making	Depreciation	Total	2019 Total
(a) Total expenditure	\$	\$	\$	\$	\$	\$
Costs of generating funds:						
Ship charter income costs	-	3,870,562	-	1,325,079	5,195,641	5,811,579
Rental property costs	-	33,403	-	-	33,403	25,678
	-	3,903,965	-	1,325,079	5,229,044	5,837,257
Charitable activities:						
Costs of charitable activities	930,164	2,470,817	1,376,309	163,127	4,940,417	6,577,468
Governance costs	-	112,040	-	-	112,040	255,575
	<u>\$930,164</u>	<u>\$6,486,822</u>	<u>\$1,376,309</u>	<u>\$1,488,206</u>	<u>\$10,281,501</u>	<u>\$12,670,300</u>

(e) Grant making

During the year the following grants and donations were made:

	2020	2019
	\$	\$
IALA	778,304	819,677
CHIRP Maritime	18,992	74,633
The Nautical Institute	77,495	121,377
South Pacific Community	370,164	537,508
MSSC	131,354	45,444
	<u>\$1,376,309</u>	<u>\$1,598,639</u>

- (i) IALA - an international technical organization that gathers together marine information to share worldwide.
- (ii) CHIRP Maritime - contributes to the enhancement of aviation safety in the UK and maritime safety worldwide.
- (iii) The Nautical Institute - an international body for maritime professionals involved in the control of sea-going ships.
- (iv) South Pacific Community - the principal scientific and technical organisation in the Pacific region.
- (v) MSSC - provides teaching modules to improve mathematical and English language skills amongst mariners.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. STAFF COSTS (continued)

Aggregate emoluments of key management personnel: \$205,277 (2019: \$371,817).

During the year one Director received consultancy fees and associated expenses of \$82,954 (2019: \$36,691).

During the year Three Directors were reimbursed expenses in respect of travel and attendance at board meetings totalling \$2,910 (2019: six Directors \$105,663).

	2020	2019
	Number	Number
Number of higher paid employees (including retirement benefits paid under local employment laws) in bands of:		
\$170,000 - \$180,000	1	1
\$160,000 - \$170,000	1	1
\$100,000 - \$110,000	1	1
\$90,000 - \$100,000	1	1
\$70,000 - \$80,000	1	1
	5	5

The above amounts all relate to employees in Bahrain.

During the year, \$8,793 (2019: \$14,112) was paid for directors and officers liability insurance.

The average number of the Company's employees (excluding Non-Executive Directors) during the year calculated on a full time equivalent basis, was 14 (2019:13).

	2020	2019
	Number	Number
Engineering and maintenance	10	10
Finance and administration	2	1
Management	2	2
	14	13

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. TANGIBLE FIXED ASSETS

GROUP	Freehold Land & Buildings	OSV Relume	Navigation Aids, Plant & Equipment	Total
	\$	\$	\$	\$
Cost or valuation				
At 1 January 2020	2,326,548	22,444,964	8,212,818	32,984,330
Additions	-	436,265	54,268	490,533
Disposals	-	-	(876)	(876)
At 31 December 2020	<u>2,326,548</u>	<u>22,881,229</u>	<u>8,266,210</u>	<u>33,473,987</u>
Depreciation				
At 1 January 2020	1,582,521	8,379,764	8,111,031	18,073,316
Charge for the year	116,327	1,313,979	57,900	1,488,206
Disposals	-	-	-	-
At 31 December 2020	<u>1,698,848</u>	<u>9,693,743</u>	<u>8,168,931</u>	<u>19,561,522</u>
Net book value				
At 31 December 2020	<u>\$627,700</u>	<u>\$13,187,486</u>	<u>\$97,279</u>	<u>\$13,912,465</u>
At 31 December 2019	<u>\$744,027</u>	<u>\$14,065,200</u>	<u>\$101,787</u>	<u>\$14,911,014</u>
COMPANY		Freehold Land & Buildings	Navigation Aids, Plant & Equipment	Total
		\$	\$	\$
Cost or valuation				
At 1 January 2020		2,326,548	7,800,524	10,127,072
Additions		-	29,113	29,113
At 31 December 2020		<u>2,326,548</u>	<u>7,829,637</u>	<u>10,156,185</u>
Depreciation				
At 1 January 2020		1,582,521	7,701,329	9,283,850
Charge for the year		116,327	46,801	163,128
At 31 December 2020		<u>1,698,848</u>	<u>7,748,130</u>	<u>9,446,978</u>
Net book value				
At 31 December 2020		<u>\$627,700</u>	<u>\$81,507</u>	<u>\$709,207</u>
At 31 December 2019		<u>\$744,027</u>	<u>\$99,195</u>	<u>\$843,222</u>

Substantially, the Group's fixed assets are held for use on charitable activities. The land in Bahrain is held under tenure appropriate for the Group's activities.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. TANGIBLE FIXED ASSETS (continued)

The navigation aids and plant and equipment, excepting major land based aids and office equipment used in the management office, were re-valued at the end of 2001 on the basis of depreciated replacement cost having regard to the remaining operating lives of the assets re-valued. The major land based navigation aids (excluding land) were also re-valued as at 1 January 2010 on a replacement cost basis by the directors and reflected in these financial statements. The Company freehold property in Bahrain is held at a professional valuation as at 31 December 2005, less accumulated depreciation. The property has been revalued in prior periods by Cluttons Chartered Surveyors at an amount above book value but the Directors are concerned given the present political unrest in the region that the increased valuation is possibly unrealistic. No adjustment has therefore been made in this respect. The Directors are not aware of any other material change since the last valuation.

8. FUTURE CAPITAL EXPENDITURE

The Group had no capital commitments at either the current or the prior year end.

9. FIXED ASSET INVESTMENTS

	Group 2020 \$	Group 2019 \$	Company 2020 \$	Company 2019 \$
Securities investments				
At 1 January	45,229,591	39,561,126	45,229,591	39,561,126
Additions	38,811,742	14,103,340	38,811,742	14,103,340
Disposals	(36,929,200)	(13,466,404)	(36,929,200)	(13,466,404)
(Decrease)/Increase in value of investments	2,237,849	5,031,529	2,237,849	5,031,529
	49,349,982	45,229,591	49,349,982	45,229,591
Investment in Subsidiaries			4	4
Investment in Joint Ventures				
Share of net assets	-	901,378	-	-
At 31 December	\$49,349,982	\$46,130,969	\$49,349,986	\$45,229,595

The fixed asset investments noted above are denominated in the following currencies: -	2020 %	2019 %
Sterling	51.8	70.0
United States Dollars	35.9	30.0
Others	12.3	-

The historical cost of securities investments held at 31 December 2020 was \$42,191,763 (2019: \$40,309,221).

The Company owns the whole of the issued share capital of Menas Marine Services Limited (£1 paid) and Oman Marine Services Limited (£1 paid) both of which are registered in England and Wales, registered office at 8/9 Lovat Lane, London EC3R 8DW. Both subsidiary undertakings are included within the consolidated financial statements.

Oman Marine Services Limited held a 50% interest in Arabian Maritime and Navigation Aids Services LLC, a company incorporated in Oman, the principal activity of which is the provision of marine services in the territorial waters of Oman. On 25 December 2020 this joint venture was formally terminated and income from the joint venture has been disclosed as a discontinued activity in these financial statements.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. STOCKS	Group 2020 \$	Group 2019 \$	Company 2020 \$	Company 2019 \$
Consumables	1,592,998	1,595,566	304,011	271,259
	<u>\$1,592,998</u>	<u>\$1,595,566</u>	<u>\$304,011</u>	<u>\$271,259</u>
11. DEBTORS	Group 2020 \$	Group 2019 \$	Company 2020 \$	Company 2019 \$
Income due from charitable activities	1,086,505	1,552,368	1,086,505	1,552,368
Trade debtors	58,912	110,139	-	-
Other debtors	324,257	296,478	237,654	289,270
Prepayments and accrued income	1,719,807	1,695,425	657,347	1,618,374
Amounts due from subsidiary companies (net of provision)	-	-	27,070,316	26,123,441
	<u>\$3,189,481</u>	<u>\$3,654,410</u>	<u>\$29,051,822</u>	<u>\$29,583,453</u>
All debtors are due within one year.				
12. CASH AND DEPOSITS	Group 2020 \$	Group 2019 \$	Company 2020 \$	Company 2019 \$
Fortis Bank deposits	39	39	-	-
HSBC short term deposits and working balances	1,535,387	1,019,438	633,199	628,208
Cash held by investment managers	2,215,121	1,433,604	2,215,121	1,433,604
Cash in hand	13,310	5,618	6,871	5,540
	<u>\$3,763,857</u>	<u>\$2,458,699</u>	<u>\$2,855,191</u>	<u>\$2,067,352</u>
13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group 2020 \$	Group 2019 \$	Company 2020 \$	Company 2019 \$
Trade creditors	759,895	1,925,821	605,843	1,594,868
Other creditors	2,007,460	1,780,871	1,774,143	1,577,855
Taxation and social security	21,781	20,206	21,781	20,206
Accruals and deferred income	1,021,437	947,067	935,289	875,768
	<u>\$3,810,573</u>	<u>\$4,673,965</u>	<u>\$3,337,056</u>	<u>\$4,068,697</u>

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. SUMMARY OF MOVEMENTS ON FUNDS

	General Reserve \$	Translation Reserve \$	Total \$
Group			
At 1 January 2020	60,165,632	3,911,061	64,076,693
Incoming resources	9,447,516	-	9,447,516
Resources expended	(10,281,501)	-	(10,281,501)
Gain on disposal of investments	2,517,652	-	2,517,652
Increase in value of investments	2,237,850	-	2,237,850
At 31 December 2020	<u>\$64,087,149</u>	<u>\$3,911,061</u>	<u>\$67,998,210</u>
	General Reserve \$	Translation Reserve \$	Total \$
Company			
At 1 January 2020	68,468,588	5,457,596	73,926,184
Incoming resources	4,992,538	-	4,992,538
Resources expended	(4,741,063)	-	(4,741,063)
Gain on disposal of investments	2,517,652	-	2,517,652
Increase in value of investments	2,237,850	-	2,237,850
At 31 December 2020	<u>\$73,475,565</u>	<u>\$5,457,596</u>	<u>\$78,933,161</u>

The currency translation reserve represents historical foreign exchange movements on the values of balance sheet items whose functional currency is not US Dollars.

All funds are unrestricted.

15. PENSION SCHEMES

Pensions for the benefit of UK shore staff have been funded through the MENAS Pension and Life Assurance Scheme managed by Aviva. Contributions to the Scheme ceased in a previous year as the Scheme had been closed to new members and all participants have now had pensions provided.

Menas Marine Services Limited is a former employer of Merchant Navy Officers Pension Fund (MNOFF) members and as such, following a court case in 2006, is liable to contribute towards a deficit on an on-going basis of the New Section of that pension scheme. The financial effect of this has not finally been fully quantified at the present time and the trustees of that scheme have made the charity aware that they are liable for their share of the deficit. Significant payments have been made against these liabilities and all notified requests for payment to date have been fully paid. Any future deficits which may occur in the foreseeable future will be relieved against amounts already expensed. As the trustees of MNOFF have indicated that as of 31 December 2020 there was no liability payable by the company, there has been no charge to the Statement of Financial Activities in 2020.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. FINANCIAL COMMITMENTS

Operating Leases

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:-

	2020	2019
	\$	\$
Within 1 year	272,261	257,923
Within 1 to 5 years	48,000	166,367
	\$320,261	\$424,290

17. COMPANY RESULTS

The deficit dealt with in the financial statements of the Company is as follows:

	2020	2019
	\$	\$
Net incoming/(outgoing) funds	\$5,006,977	\$5,833,117

18. SUBSIDIARIES

The Company owns all of the issued share capital of Menas Marine Services Limited, a company incorporated in England, number 04505570. This company operates a commercial vessel.

	2020	2019
	\$	\$
Turnover	3,774,514	2,075,940
Loss before tax	(2,261,178)	(4,532,889)
Shareholders' funds	(61,789,504)	(59,528,325)

The Company also owns all of the issued share capital of Oman Marine Services Limited, a company incorporated in England, number 04499121. This company is a marine services contractor and was, until 25 December 2020, an investor in a joint venture with an associate also undertaking maritime services.

	2020	2019
	\$	\$
Income	1,379,203	1,142,739
Profit before tax and gift aid	1,175,718	801,872
Shareholders' funds	9,854,557	8,678,839

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2020	2019
	\$	\$
Net outgoing resources	(833,985)	(4,268,283)
Depreciation charge	1,488,206	1,561,490
Loss on disposal of fixed assets	876	-
Investment income receivable	(741,024)	(712,638)
Rental income receivable	(89,761)	(154,977)
Decrease in stock	2,568	99,928
Decrease in debtors	464,928	4,804,622
Decrease in creditors	(863,392)	(722,858)
Net cash outflow from operations	<u>\$ (571,584)</u>	<u>\$ 607,284</u>

20. CASH AND CASH EQUIVALENTS

	At 1 January 2020	Net cash flow	At 31 December 2020
	\$	\$	\$
Cash and deposits	<u>2,458,699</u>	<u>1,305,158</u>	<u>3,763,857</u>

Cash and cash equivalents are made up entirely of cash and deposits in both the current and prior year.

21. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure during the year.

22. ULTIMATE CONTROLLING PARTY

As at the balance sheet date there is no one ultimate controlling party.