

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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FOR THE YEAR ENDED 31 DECEMBER 2020

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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 ITIC.

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&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.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

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.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

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.

INTERNATIONAL FOUNDATION FOR AIDS TO NAVIGATION

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		8,368,552	1,078,964	9,447,516	8,402,017
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		10,281,501	-	10,281,501	12,670,300
Net outgoing funds from operations		(1,912,949)	1,078,964	(833,985)	(4,268,283)
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		2,842,553	1,078,964	3,921,517	2,102,100
Total funds brought forward		64,076,693		64,076,693	61,974,593
Total funds carried forward		\$67,998,210		\$67,998,210	\$64,076,693

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

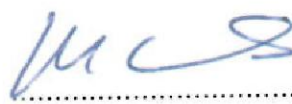
**CONSOLIDATED AND CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020**

	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

**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		<u>1,876,742</u>	<u>642,374</u>
Increase in cash in the year		<u>\$1,305,158</u>	<u>\$1,249,658</u>
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		<u>\$3,763,857</u>	<u>\$2,458,699</u>

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>

(c) 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**

5. ANALYSIS OF EXPENDITURE (continued)

(c) Governance costs included in support costs	2020	2019
	\$	\$
Remuneration paid to auditor for audit services	48,878	47,218
Other governance costs	63,162	208,357
	<u>\$112,040</u>	<u>\$255,575</u>

(d) Net outgoing funds from operations	2020	2019
	\$	\$
The following amounts have been charged within resources expended:		
Directors' emoluments	414,029	307,659
Auditors' remuneration (audit services)	48,878	47,218
Auditors' remuneration (non-audit services)	15,492	34,482
Rental paid under operating leases	275,791	257,923
Foreign exchange movement	50,300	77,596
	<u>704,490</u>	<u>629,878</u>

6. STAFF COSTS	2020	2019
	\$	\$
Directors' remuneration		
Director's salary	298,184	136,216
Social security costs	35,068	15,705
Staff remuneration		
Wages and salaries	302,786	549,924
Social security costs	80,168	65,646
Other employee benefits	213,958	269,757
	<u>\$930,164</u>	<u>\$1,037,248</u>

The above staff costs include \$558,578 (2019:\$885,145) relating to employees in Bahrain and \$371,586 (2019:\$152,103) 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 \$205,277 (2019: \$78,784) with no accrued pension as at 31 December 2020.

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

Maersk Line	\$23,169	R Brummer
BP Shipping	\$23,169	G Mason & D Summerhill
Kuwait Oil Tanker Company	\$23,169	Captain Y Y Al Saqer
Nippon Yusen Kaisha	\$23,169	Captain T Koyama
Shell Transport & Trading	\$23,169	Captain J R Evans

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 Number	2019 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
	<u>5</u>	<u>5</u>

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 Number	2019 Number
Engineering and maintenance	10	10
Finance and administration	2	1
Management	2	2
	<u>14</u>	<u>13</u>

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
	<u>\$320,261</u>	<u>\$424,290</u>

17. COMPANY RESULTS

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

	2020	2019
	\$	\$
Net incoming/(outgoing) funds	<u>\$5,006,977</u>	<u>\$5,833,117</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.

	2020	2019
	\$	\$
Turnover	3,774,514	2,075,940
Loss before tax	(2,261,178)	(4,532,889)
Shareholders' funds	<u>(61,789,504)</u>	<u>(59,528,325)</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.

	2020	2019
	\$	\$
Income	1,379,203	1,142,739
Profit before tax and gift aid	1,175,718	801,872
Shareholders' funds	<u>9,854,557</u>	<u>8,678,839</u>

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.