

**BLUE MARINE FOUNDATION**  
**(a Company Limited by Guarantee)**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2017**

**Company number: 07176743**

# BLUE MARINE FOUNDATION

## C O N T E N T S

Year ended 31 March 2017

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## **BLUE MARINE FOUNDATION**

### **C H A R I T Y   R E F E R E N C E   A N D   A D M I N I S T R A T I V E   D E T A I L S**

**Year ended 31 March 2017**

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<b>Charity registration number</b>	1137209
<b>Company registration number</b>	07176743
<b>Directors and Trustees</b>	G L Duffield C M J Gorell Barnes T P S Appleby A K O Brady Lord J S Deben Prof C M Roberts M R Rose A Weston (resigned 8 March 2017) D C Davies A S Blount (appointed 20 June 2017)
<b>Chief Executive Officer</b>	C Brook
<b>Executive Director</b>	C R H Clover
<b>Registered office</b>	Third Floor South Building Somerset House Strand London WC2R 1LA
<b>Auditor</b>	Dixon Wilson 22 Chancery Lane London WC2A 1LS
<b>Bankers</b>	Coutts & Co 440 Strand London WC2R 0QS
<b>Solicitors</b>	Latham & Watkins LLP 99 Bishopsgate London EC2M 3XF

## **BLUE MARINE FOUNDATION**

### **TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

**Year ended 31 March 2017**

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The Trustees present their report and the audited Consolidated Financial Statements of Blue Marine Foundation ("BLUE" "the charitable company") for the year ended 31 March 2017. The consolidated Financial Statements have been prepared in accordance with the accounting policies set out on pages 16 to 19 and with the provisions of the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities (FRS 102).

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

#### **Structure, governance and management**

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

The liability of each guarantor in the event of a winding up is limited to £1. At 31 March 2017 there were three guarantors: C R H Clover, G L Duffield and C M J Gorell Barnes.

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

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

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

#### **BLUE's mission and objectives:**

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

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

BLUE is working to solve the crisis in the oceans through providing solutions to overfishing by enabling the creation of marine reserves and delivering practical examples of sustainable fishing. BLUE's aim is to see effective protection of at least ten per cent of the world's oceans by 2020 and the protection of a third of oceans in the longer term.

#### **Public benefit**

The Trustees, having regard to the Public Benefit Guidance published by the Charity Commission in accordance with section 17 of The Charities Act 2011, consider that the purpose and activities of Blue Marine Foundation satisfy the requirements of the public benefit test set out in Section 4 of the same Act.

Oceans cover 71% of the earth's surface, absorb around half the earth's carbon dioxide and produce more than half our oxygen. They are vital for the survival of human life on this planet. And yet human beings are destroying the oceans at an alarming rate, filling them with pollution and extracting marine life without which the ocean's ecosystem cannot function. The purpose of BLUE is to address overfishing – arguably the greatest threat to the oceans – in the most effective way possible.

## BLUE MARINE FOUNDATION

### TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

Year ended 31 March 2017

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#### Strategic Report

BLUE is tackling the crisis of overfishing in the following ways:

- Promoting the creation of large-scale marine protected areas;
- Delivering new models of sustainable fishing;
- Protecting biodiversity and endangered species;
- Raising awareness of overfishing and its potential solutions.

BLUE is strategically opportunistic, working in any area of the world where it is needed to resolve a crisis of overfishing and where its intervention can deliver tangible and rapid results.

#### Summary of project achievements in the year ended 31 March 2017:

##### *Promoting the creation of large-scale marine protected areas:*

###### *The UK Overseas Territories*

With the fifth largest marine estate in the world, the UK can play a leading role in protecting the oceans. Its overseas territories are spread across the world's oceans and contain 94% of Britain's biodiversity. A key focus for BLUE is working with the UK government to fulfil its manifesto commitment to create a 'Blue Belt' around the 14 UK Overseas Territories (UKOTs) and to bring to fruition what has been described as 'the greatest conservation commitment by any government ever'. BLUE works both individually and as part of the Great British Oceans coalition, a group of six NGOs dedicated to the creation of globally significant marine reserves in British waters.

Following the June 2016 Referendum, BLUE and its coalition partners strived to ensure that the new Government sustained or even increased its support for the 'Blue Belt'. Reassuringly, at the Our Ocean conference in Washington in September 2016, the Government announced its intention to add St Helena and Tristan da Cunha to the list of territories already protected (Chagos, Pitcairn and half of Ascension), amounting to four million square kilometres of ocean protected or earmarked for protection.

BLUE continues to work with the UK Government as well as individual island governments to ensure the policy is implemented as well as possible and – crucially – that it brings benefits to local islands. Marine conservation can be both empowering and enriching to local communities, far more than selling fishing licences to huge vessels which come nowhere near shore and plunder the waters. BLUE's particular focus was Ascension and St Helena.

###### *Ascension*

In 2016 BLUE raised over £280,000 through its first London to Monaco cycle ride, half of which went to Ascension to develop its conservation work. Charles Clover and Clare Brook visited the island in November 2016 to see the projects that the cycle ride would fund, including conservation equipment such as microscopes and binoculars, iPads for school children, renovating the school science classroom, building a new conservation centre at Long Beach where the turtles nest and repairing the nature walks on Green Mountain so that Ascension can start to develop an eco-tourist economy, once access issues have been resolved.

## **BLUE MARINE FOUNDATION**

### **TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

**Year ended 31 March 2017**

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#### *St Helena*

St Helena was included in the Government's Our Ocean's announcement as an 'IUCN Category VI' protected area, but BLUE is keen that the definition of such a reserve, which is somewhat vague, is given a rigorous interpretation in St Helena. There are pressures to reintroduce purse seining and long-line tuna fishing, which we are strenuously resisting. We are working to strengthen St Helena's conservation department to encourage better management of the island's exclusive economic zone, which like Ascension, is nearly the size of France. Charles Clover visited St Helena in February 2017 to discuss the potential of the reserve with key island stakeholders.

#### ***Delivering new models of sustainable fishing:***

##### *Lyme Bay*

BLUE's project in Lyme Bay has established a model of sustainable fishing where the fishermen adhere to a code of conduct, restrict their gear and protect the reef. In return their fish is sold nationally via the Reserve Seafood label, which has led to fishermen reporting as much as 30% higher prices for their catch. Reserve Seafood is being sold in a growing number of London restaurants. Ongoing monitoring by scientists from Plymouth University reveals strong recovery of marine features and a number of species.

The education programme in the region involves fishermen from the scheme teaching children about the importance of sustainable fishing. So far the programme has reached 3,500 students at 50 schools. The Seaton Jurassic centre opened in Spring 2016 with a section dedicated to the Lyme Bay project. With an estimated annual footfall of 66,000 people a year, the centre is a hub for local communities and visitors to engage with the Reserve project.

The Lyme Bay collaborative model has been so successful that BLUE is scoping out suitable sites around the UK coast where the model can be applied. It is also being introduced to the fishermen of the Aeolian Islands in Sicily (see below) and will in time be adopted in other Mediterranean sites.

##### *The Solent*

Regeneration of the native oyster, which once proliferated around the UK coast, offers multiple benefits to the marine environment. Oysters are a 'keystone' species because they filter out impurities and improve the marine environment so that other species, including fin fish, can thrive.

BLUE's oyster reseedling programme began in earnest in the year to March 2017. Three PhD studentships, part-funded by BLUE started work in October 2016 providing vital monitoring data for a range of studies that feed into the overall project. In December 2016, the BLUE team with help from PhD students and volunteers placed 10,000 broodstock oysters in cages hung under pontoons at two MDL marinas. Results have been hugely encouraging; oyster mortality has been low, the oysters have bred and 36 different species have been found to be living among the oysters, including endangered eels, a seahorse and a squat lobster.

#### ***Marine Protected Areas and sustainable fishing around the Aeolian Islands***

BLUE and local partner the Aeolian Island Preservation Fund are making good progress in establishing what we hope will be Italy's largest marine protected area. In August 2016, the Minister of Environment officially committed to the designation of a marine protected area in the Aeolians and local municipalities announced their support. In February 2017, the Director General for the Protection of Nature and the Sea confirmed that the Ministry had commissioned mapping of the Aeolian archipelago in order to establish zonation.

## **BLUE MARINE FOUNDATION**

### **TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

**Year ended 31 March 2017**

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In order for the marine protected area to be effective, it must have the support of local fishers, who also want to combat illegal fishing and to restore fish stocks through strategic closures. Thanks to funding raised by the London to Monaco cycle ride, BLUE has built up local capacity to engage and educate local fishermen. BLUE has already seen a considerable change in attitudes of local fishers who are beginning to use vessel monitoring systems and are respecting seasonal closures. Gear is generally reduced on local boats and some fishers are even suggesting the permanent closure of important areas such as seamounts for fish reproduction.

#### ***Protecting endangered species:***

##### *The Maldives*

The Maldives contains three per cent of global coral reefs, one of the most precious and vulnerable ecosystems on the planet. Reef fish such as grouper are vital for maintaining the health of the Maldives' threatened reef system which is so crucial for the country's tourist economy.

BLUE's focus to date has been to gather data to present to the government which proves that most of the grouper being exported from the Maldives are immature. BLUE has also worked to raise awareness among local fishermen of the need for better management of the grouper fishery. BLUE has interviewed over a hundred local fishermen about their fishing practices and the status of the fishery.

In the next phase of the project we will be pressing the Maldivian government to put protection measures in place or face a total collapse of the grouper population.

##### *The Caspian*

BLUE has embarked on a project to protect the Beluga and other species of sturgeon from poaching to the brink of extinction in the Caspian Sea. In the year to March 2017, BLUE has made significant progress including a countrywide ban on the import of gillnets and gillnet removal initiatives involving hundreds of volunteers. For the first time in many years, river mouths are free of gillnets.

The success of the gillnet clean-up initiatives has had a snowball effect. Volunteer-based environmental projects have become increasingly effective and popular in Azerbaijan and the gillnet clean-up project has evolved into a broader initiative to clean up the coastline and rivers. Thousands of volunteers have been clearing plastics and other waste from ecosystems throughout the country. Removal of gillnets will allow the migration of adult sturgeon to spawning sites, the migration of fingerlings (juvenile sturgeon) to the Kura delta and growth of sub-adult fish in shallow estuarine zones of the Caspian sea.

#### *Working in partnership with other NGOs*

##### *Scotland*

BLUE provided funding for the third and final year for community support officer to help Scottish island communities create marine protected areas. BLUE's latest tranche of funding will go towards the development of a website which will enable isolated communities to connect and share experiences of how best to create marine protection.

##### *Saoirse, Patagonia*

Saoirse is a vessel whose exploratory expeditions in Chilean Patagonia were supported by a donor acting through Blue Marine Foundation. BLUE continues to support Saoirse in its research to find out why sei whales are dying en masse in Patagonia. Early results suggest a combination of ocean warming and pollution from intensive fish farming on the Chilean coast.

## **BLUE MARINE FOUNDATION**

### **TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

**Year ended 31 March 2017**

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#### ***Financial review***

The accounts are set out on pages 12 to 29.

Donations amounting to £1,974,795 (gross) (2016 - £2,116,187 (gross)) were received during the year, and £1,618,613 (2016 - £1,964,451) was distributed during the year. The subsidiary company, BMF Trading Ltd, provided marketing and branding services in order to generate funds for Blue Marine Foundation. Total funds held at 31 March 2017 amounted to £1,122,895 (2016 - £717,350) and include BMF Trading Limited accumulated losses of £47,706 (2015 – accumulated losses of £92,658) and fixed assets of £10,945 (2016 - £12,122). The Trustees are confident that reserves will not prove to be excessive when future activities, currently under review, are initiated.

#### ***Reserves policy***

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

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

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

On a regular basis, and on the provision of considered proposals (reviewed against BLUE's proposed project criteria) by the executive team, specific consideration will be given by the Trustees as to whether any unrestricted funds should be set aside and designated for use to explore potential project opportunities. Such designations of unrestricted funds will ordinarily only be considered if, in the opinion of the Trustees, the first objective above is met though this is subject to Trustees' discretion.

"Free reserves" held at 31 March 2017 (consisting of amounts which could be spent without disposing of fixed assets or investments and excluding restricted or designated funds), amounted to £594,681 (2016 - £531,018).

These reserves fall within BLUE's Reserves Policy of between six and eighteen months' expenditure, and also provide financial stability which is vital given the uncertain nature of future income streams. The Trustees are confident that reserves will not prove to be excessive in light of the level of future activity anticipated and the growing number of BLUE's projects.

#### ***Risk management***

The Trustees have identified the major risks to which the charitable company is exposed and have established systems and procedures to mitigate those risks. The Trustees review all financial, operational and reputational risks at each Board meeting and take any necessary steps to reduce/remove them. Risk and risk management is periodically reviewed to ensure that procedures meet the needs of the charitable company and comply with best practice. The trustees consider the following to be the key risks facing the organisation.

## BLUE MARINE FOUNDATION

### TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

Year ended 31 March 2017

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#### *Governance risks:*

- *Trustee body lacks relevant skills or commitment*
- *Potential conflicts of interest*

The board has a broad range of expertise and experience and enough members to mitigate both these factors. The Governance Committee meets on a six monthly basis to consider developments. The requirement for specific training or additional members is reviewed at least annually.

#### *Operational risks:*

- *Inappropriate organisational structure/ capacity to deliver our ambitious projects*

During the year we scoped, developed and implemented many new projects, although we ensure that we only take on projects where BLUE's intervention is both impactful and necessary. In order to ensure we have sufficient staff to carry out our increased project workload, we have recruited a Head of Conservation, a Project Manager and a Project Officer. The requirement for additional staff is reviewed frequently with any significant hires being proposed by the executive team to the Board of Trustees for approval.

- *Loss of key personnel*

BLUE has a small, very dedicated staff who are passionate about our mission and are wonderful ambassadors. It is not possible to fully mitigate key personnel risks, but through a process of formal and informal appraisals the aim is to ensure that potential problems can be aired and resolved. At Trustee Board level, the Board reviews and considers risks associated with key personnel at regular intervals and such matters are also considered during Remuneration Committee discussions which take place on a six monthly basis.

#### *Financial risks:*

- *Inaccurate and/or insufficient financial information*

We outsource our financial support (on a pro-bono basis) to a highly reputable firm of chartered accountants to ensure our controls are transparent and to ensure that we have robust systems and processes in place which match our ambitions rather than our present scale. Subsequent to the year end, we have begun bringing financial processes in house in readiness for the forecast increase in project activity which need active financial monitoring within the business.

- *Inadequate reserves and cash flow*

Please see our separate Reserves Policy.

- *Dependency on limited income sources, failure to attract funding, loss of income*

We handle this on an ongoing basis by not committing to spending beyond funds received, by keeping our reserves policy up to date and by constantly looking for fundraising opportunities. Our income from voluntary sources includes corporates, trusts and other individual contributions. We also review funding sources in the round to ensure that we have a wide range of different income streams and are not overly reliant on any one source.

- *Exposure to currency fluctuations*

Given BLUE's international profile, the costs and income streams for a number of our projects are denominated in foreign currencies. Where possible, we attempt to naturally hedge these exposures by maintaining foreign currency current and deposit accounts. Where, after taking into account upcoming commitments, the executive team considers that excess foreign currency is held, those amounts are converted to Pounds Sterling at the earliest opportunity. We do not enter into any formal currency hedging arrangements.

- *Insufficient insurance cover*

Insurance is reviewed annually and extra cover is arranged when necessary on an ad hoc basis.

## BLUE MARINE FOUNDATION

### TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

Year ended 31 March 2017

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#### *External risks:*

- *Poor public perception and reputation*

As a charity that benefits from wide support, press and public attention, BLUE's reputation is key to our success and, ultimately, our delivery of the mission. We monitor any incidents which might damage our reputation and also assess potential harm to our reputation in all work that we carry out and activity we engage in.

- *Turbulent economic or political environment*

Due to the nature of BLUE's aims, this will always be a risk factor. Each project is entered into on its own merit and with the potential economic or political risks considered at the outset (and, if necessary, during the course of the delivery of the project). However, as a *non-governmental* organisation, BLUE remains, as far as possible, apolitical and not affiliated to any political party.

#### *Compliance with laws and regulations:*

- *Acting in breach of trust*

- *Poor knowledge of the legal responsibilities of an employer*

- *Poor knowledge of regulatory requirements of particular activities (e.g. fund-raising, charities commission compliance)*

By engaging with our lawyers and accountants, we aim to mitigate these risks and be aware of, and prepare for, any changes to legislation in advance. We undertake adhoc training for staff involved in fund raising to ensure that latest regulatory changes as far as data protection and fund raising from individuals are understood and that BLUE is fully compliant with Charities Commission guidance.

#### **Future developments**

BLUE aims to achieve impactful ocean conservation that benefits both communities and the marine environment. We are looking not just to find sticking plaster solutions to the oceans crisis, but to deliver systemic and lasting change through the creation of marine reserves and the establishment of sustainable fishing practices. BLUE will continue to focus on delivering practical solutions to the challenges of over-fishing. BLUE will identify sweet spots where it can exercise particular leverage in order to deliver tangible results. It intends to make the most of its strong connections with government, business and other NGOs to achieve measurable success.

#### ***BLUE's strategy for the coming year***

BLUE will continue with its combined strategy of pressing for the creation of marine protected areas and developing new models of sustainable fishing. We will continue to work in locations around the world to protect marine resources and habitats.

In the UK, the upheaval of 'Brexit' provides an opportunity to reshape the future of UK fisheries to the benefit of marine life and the majority of fishermen. BLUE believes that there is an urgent need to convene key stakeholders among fishermen, NGOs and legislators, to establish common ground and present a united and compelling case to the government.

A key focus for BLUE remains the creation of large-scale marine reserves around the UK overseas territories. BLUE will continue to work with the UK government and the Great British Ocean coalition to secure more territories under protection and to ensure that marine protection brings benefits to local island communities. Particular areas of focus will include securing further protection around Ascension and building conservation capacity in St Helena.

BLUE will continue to focus on the preservation of biodiversity and the protection of endangered species through its projects in the Maldives to protect grouper populations, in the Caspian to restore sturgeon and in the UK to restore the native British oyster.

## BLUE MARINE FOUNDATION

### TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

Year ended 31 March 2017

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BLUE will adapt its Lyme Bay model to sites around the UK coast, the Aeolian Islands north of Sicily and will seek to identify further suitable sites in the Mediterranean.

#### Trustees' responsibilities in relation to the financial statements

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

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditors

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

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

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board



D C Davies

28 December 2017

## BLUE MARINE FOUNDATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BLUE MARINE FOUNDATION Year ended 31 March 2017

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We have audited the financial statements of Blue Marine Foundation for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulations made under Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees 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, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and Section 151 of the Charities Act 2011 and report in accordance with these Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2017 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 and the Charities Act 2011.

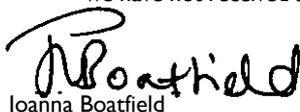
#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we are required to report by exception

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

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



Joanna Boatfield

For and on behalf of Dixon Wilson, Statutory Auditor  
22 Chancery Lane, London WC2A 1LS

29 December 2017

## BLUE MARINE FOUNDATION

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

Year ended 31 March 2017

	Note	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
<b>Incoming resources from generated funds</b>							
Donations and legacies		1,040,539	934,256	1,974,795	1,013,508	1,102,679	2,116,187
Other trading income		49,045	-	49,045	23,807	-	23,807
Investments		318	-	318	350	-	350
<b>Total incoming resources</b>	2	<u>1,089,902</u>	<u>934,256</u>	<u>2,024,158</u>	<u>1,037,665</u>	<u>1,102,679</u>	<u>2,140,344</u>
<b>Resources expended</b>							
Raising funds	7	(81,780)	-	(81,780)	(107,972)	-	(107,972)
Charitable activities	8	(945,636)	(591,197)	(1,536,833)	(708,066)	(1,148,413)	(1,856,479)
<b>Total resources expended</b>		<u>(1,027,416)</u>	<u>(591,197)</u>	<u>(1,618,613)</u>	<u>(816,038)</u>	<u>(1,148,413)</u>	<u>(1,964,451)</u>
<b>Net incoming/(outgoing) resources</b>		<u>62,486</u>	<u>343,059</u>	<u>405,545</u>	<u>221,627</u>	<u>(45,734)</u>	<u>175,893</u>
Funds brought forward		543,140	174,210	717,350	341,977	199,480	541,457
Transfers between reserves		-	-	-	(20,464)	20,464	-
<b>Funds carried forward</b>		<u>605,626</u>	<u>517,269</u>	<u>1,122,895</u>	<u>543,140</u>	<u>174,210</u>	<u>717,350</u>

The Consolidated Statement of Financial Activities includes all gains and losses for the period. All incoming resources and resources expended derive from continuing activities.

The notes on pages 16 to 29 form part of these financial statements

## CONSOLIDATED AND CHARITY BALANCE SHEETS

At 31 March 2017

	Note	2017 Group £	2016 Group £	2017 Charity £	2016 Charity £
<b>Fixed assets</b>					
Intangible fixed assets	15	9,014	12,045	0	27
Tangible fixed assets	16	1,931	77	1,931	77
Investments	17	-	-	200	200
<b>Total fixed assets</b>		<u>10,945</u>	<u>12,122</u>	<u>2,131</u>	<u>304</u>
<b>Current assets</b>					
Debtors	18	117,463	102,847	159,911	190,405
Cash at bank and in hand		1,225,820	776,584	1,225,790	776,395
		<u>1,343,283</u>	<u>879,431</u>	<u>1,385,701</u>	<u>966,800</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(231,333)</u>	<u>(174,203)</u>	<u>(226,246)</u>	<u>(169,116)</u>
<b>Net current assets</b>		<u>1,111,950</u>	<u>705,228</u>	<u>1,159,455</u>	<u>797,684</u>
<b>Total net assets</b>		<u>1,122,895</u>	<u>717,350</u>	<u>1,161,586</u>	<u>797,988</u>
<b>Total funds</b>	3	<u>1,122,895</u>	<u>717,350</u>	<u>1,161,586</u>	<u>797,988</u>

These Financial Statements were approved and authorised by issue by the Board on 28 December 2017.

Signed on behalf of the Board of Trustees:

D C Davies  
Director

28 December 2017

**BLUE MARINE FOUNDATION****C O N S O L I D A T E D   S T A T E M E N T   O F   C A S H   F L O W S****Year ended 31 March 2017**

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	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Net income for year</b>	405,545	175,893
Interest receivable	(318)	(350)
Depreciation of tangible fixed assets	548	416
Amortisation of intangible fixed assets	3,031	3,327
Increase in debtors	(14,617)	(1,222)
Increase in creditors	57,131	106,138
<b>Net cash flow from operating activities</b>	<u>451,320</u>	<u>284,202</u>
<b>Cash flow from investing activities</b>		
Payments to acquire tangible fixed assets	(2,402)	-
Interest received	318	350
<b>Net cash flow from investing activities</b>	<u>(2,084)</u>	<u>350</u>
<b>Net increase in cash and cash equivalents</b>	449,236	284,552
<b>Cash and cash equivalents at 1 April 2016</b>	776,584	492,032
<b>Cash and cash equivalents at 31 March 2017</b>	<u>1,225,820</u>	<u>776,584</u>

The notes on pages 16 to 29 form part of these financial statements

**BLUE MARINE FOUNDATION****CHARITY STATEMENT OF CASH FLOWS****Year ended 31 March 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Net income for year</b>	363,599	162,403
Interest receivable	(1,150)	(2,218)
Depreciation of tangible fixed assets	548	416
Amortisation of intangible fixed assets	27	322
Decrease/(increase) in debtors	(19,238)	(7,960)
Increase in creditors	57,130	107,572
<b>Net cash flow from operating activities</b>	<u>400,916</u>	<u>260,535</u>
<b>Cash flow from investing activities</b>		
Payments to acquire tangible fixed assets	(2,402)	-
Interest received	318	350
<b>Net cash flow from investing activities</b>	<u>(2,084)</u>	<u>350</u>
<b>Cash flows from financing activities</b>		
Repayment of short term loan to BMF Trading Limited	50,563	29,870
<b>Net cash flows from financing activities</b>	<u>50,563</u>	<u>29,870</u>
<b>Net increase in cash and cash equivalents</b>	449,395	290,755
<b>Cash and cash equivalents at 1 April 2016</b>	776,395	485,640
<b>Cash and cash equivalents at 31 March 2017</b>	<u>1,225,790</u>	<u>776,395</u>

The notes on pages 16 to 29 form part of these financial statements

## **BLUE MARINE FOUNDATION**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Year ended 31 March 2017**

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#### **I Summary of significant accounting policies**

##### **(a) General information and basis of preparation**

Blue Marine Foundation (“the Charity”) is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the charity information on page 2 of these consolidated Financial Statements. The nature of the charity’s operations and principal activities are as set out in the Trustees’ Annual Report on pages 3 to 10.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Consolidated Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The Consolidated Financial Statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **(b) Group financial statements**

These Consolidated Financial Statements consolidate the results of the Charity and its wholly owned subsidiary BMF Trading Limited, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure account are not presented for the Charity itself in accordance with the applicable exemptions afforded by section 408 of the Companies Act 2006.

##### **(c) Funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the Notes to the Consolidated Financial Statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the Notes to the Consolidated Financial Statements.

##### **(d) Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

## **BLUE MARINE FOUNDATION**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Year ended 31 March 2017**

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#### **I Summary of significant accounting policies (continued)**

##### **(d) Income recognition (continued)**

For donations to be recognised, the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the Consolidated Financial Statements for volunteer time in line with the SORP (FRS 102).

Income from trading activities includes income earned from trading activities conducted by BMF Trading Limited, a subsidiary of the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The Charity receives government and other grants in respect of the Lyme Bay Project (see note 2). Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

##### **(e) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of directly incurred expenditure associated with fundraising activities and allocated support costs;
- Expenditure on charitable activities includes direct project costs, science and educational related activities, promotional costs in relation to the Charity's mission and allocated support costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

##### **(f) Support costs allocation**

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs, etc. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at the Charity's head office. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. All non-staff overheads have been allocated in proportion to the allocation of staff resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 9.

## BLUE MARINE FOUNDATION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2017

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#### I Summary of significant accounting policies (continued)

##### (g) Intangible assets - goodwill

Goodwill arising on business combinations is capitalised, classified as an asset on the Consolidated Balance Sheet and amortised on a straight line basis over its useful life. The period chosen for writing off goodwill is typically ten years in accordance with FRS 102. On review of the requirement of FRS 102, the Trustees have decided to amortise goodwill existing at the transition date (1 April 2014) over the remainder of its revised useful economic life to March 2020 on a straight line basis. No prior period adjustment has been considered necessary in respect of this alteration of amortisation period.

##### (h) Intangible assets – Trademarks

Trademark costs are capitalised and amortised over a period of three years on a straight line basis.

##### (i) Intangible assets – website development costs

Website development costs are capitalised to the extent that technical, commercial and financial feasibility can be demonstrated.

Website development costs are amortised over three years on a straight line basis.

##### (j) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Office equipment	Straight line over 3 years

##### (k) Investments in subsidiaries

Investments in subsidiaries are measured at cost less impairment.

##### (l) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

##### (m) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

##### (n) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

## **BLUE MARINE FOUNDATION**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Year ended 31 March 2017**

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#### **I Summary of significant accounting policies (continued)**

##### **(o) Employee benefits**

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

##### **(p) Tax**

The Charity 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 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

##### **(q) Going concern**

The Consolidated Financial Statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

##### **(r) Judgements and key sources of estimation uncertainty**

In preparing the Consolidated Financial Statements, the Trustees have to make judgements on how to apply the group's accounting policies and make estimates about the future. The critical judgements that have been made in arriving at the amounts recognised in the Consolidated Financial Statements are stated in the specific policies above. In the Trustees' opinion, there are no key areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year.

## BLUE MARINE FOUNDATION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2017

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2. Incoming resources	Unrestricted	Restricted	2017	2016
	Funds	Funds		
	£	£	£	£
<b>Donations and legacies</b>				
Corporate donations	64,743	189,684	254,427	461,106
Donations received from individuals	326,022	464,308	790,330	407,739
Donations received from Private Foundations	198,943	188,789	387,732	739,348
Auction income	33,125	74,975	108,100	11,250
BMYC Membership donations	95,000	-	95,000	50,000
Donations in kind	322,706	-	322,706	344,509
Government funding	-	16,500	16,500	86,543
Gift Aid	-	-	-	15,692
Other income	-	-	-	-
	<u>1,040,539</u>	<u>934,256</u>	<u>1,974,795</u>	<u>2,116,187</u>
<b>Other trading income</b>	49,045	-	49,045	23,807
<b>Investment income</b>	318	-	318	350
<b>Total incoming resources</b>	<u>1,089,902</u>	<u>934,256</u>	<u>2,024,158</u>	<u>2,140,344</u>

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

	2017	2016
	£	£
Freud Communications	250,000	250,000
Latham & Watkins LLP	7,100	11,725
Rawlinson & Hunter	65,606	82,784
	<u>322,706</u>	<u>344,509</u>

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## BLUE MARINE FOUNDATION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2017

#### 3. Analysis of fund movements

	Brought forward	Incoming resources	Resources expended	Transfers	Carried forward
	£	£	£	£	£
<b>Restricted</b>					
Lyme Bay	41,051	70,000	(110,900)	-	151
Caspian	-	14,078	-	-	14,078
UKOTS	-	25,000	(237)	-	24,763
Ascension	-	163,738	(136,000)	-	27,738
Aeolians	-	196,316	(20,408)	-	175,908
Solent	33,159	66,817	(59,467)	-	40,509
Ascension Enforcement	100,000	-	(100,000)	-	-
Saoirse Project	-	143,366	(143,180)	-	186
Maldives Grouper	-	91,151	(13,787)	-	77,364
UK Rollout	-	163,790	(7,218)	-	156,572
	<u>174,210</u>	<u>934,256</u>	<u>(591,197)</u>	<u>-</u>	<u>517,269</u>
<b>Unrestricted</b>					
General	543,140	1,089,902	(1,027,416)	-	605,626
<b>Total</b>	<u>717,350</u>	<u>2,024,158</u>	<u>(1,618,613)</u>	<u>-</u>	<u>1,122,895</u>

#### 4. Analysis of group assets between funds

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Debtors	107,856	9,608	117,464	102,847
Cash at bank and in hand	572,757	653,063	1,225,820	777,584
Creditors	(85,932)	(145,402)	(231,334)	(174,203)
	<u>594,681</u>	<u>517,269</u>	<u>1,111,950</u>	<u>705,228</u>
Intangible fixed assets	9,014	-	9,014	12,045
Tangible fixed assets	1,931	-	1,931	77
<b>Total</b>	<u>605,626</u>	<u>517,269</u>	<u>1,122,895</u>	<u>717,350</u>

## BLUE MARINE FOUNDATION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2017

#### 5. Financial activities of the charity

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

A summary of the financial activities undertaken by the Charity is set out below:

	2017 £	2016 £
<b>Donations and legacies</b>	1,974,795	2,116,187
Costs of raising funds	(81,780)	(107,972)
Charitable activities	(1,403,310)	(1,694,067)
Other	(127,256)	(153,963)
Interest receivable	1,150	2,218
<b>Net incoming/(outgoing) resources</b>	<u>363,599</u>	<u>162,403</u>
Funds brought forward	797,988	635,585
<b>Funds carried forward</b>	<u>1,161,587</u>	<u>797,988</u>

#### 6. Incoming resources from activities for generating funds

The charity owns 100% of the share capital in BMF Trading Limited (200 £1 ordinary shares). This subsidiary provides marketing and branding services to commercial organisations to generate funds to support Blue Marine Foundation. A summary of the trading results is shown below.

	2017 £	2016 £
<b>Turnover</b>	49,045	23,807
Cost of sales and administration costs	(3,262)	(5,444)
Interest payable	(832)	(1,868)
Interest receivable	-	-
<b>Net profit</b>	<u>44,951</u>	<u>16,495</u>
Reserves brought forward	(92,657)	(109,152)
Reserves carried forward	<u>(47,706)</u>	<u>(92,657)</u>
<b>The assets and liabilities of the subsidiary were:</b>		
Current assets	29	4,809
Current liabilities	(47,535)	(97,266)
<b>Total net liabilities</b>	<u>(47,506)</u>	<u>(92,457)</u>
<b>Allotted, called up and fully paid shares</b>	<u>200</u>	<u>200</u>

## BLUE MARINE FOUNDATION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2017

7. Costs of raising funds	Unrestricted funds 2017 £	Unrestricted funds 2016 £
Direct costs	23,657	2,095
Support costs (Note 9)	58,123	105,877
	<u>81,780</u>	<u>107,972</u>

8. Charitable activities	Unrestricted Funds £	Restricted Funds* £	Total 2017 £	Total 2016 £
Belize project	-	-	-	27,290
Chagos Marine Reserve	-	-	-	350,000
Lyme Bay	-	110,900	110,900	311,837
Lurssen	-	-	-	19,256
UKOTS	-	237	237	-
Ascension	-	136,000	136,000	75,714
Aeolians	-	20,408	20,408	-
Solent	-	59,467	59,467	58,841
Ascension Enforcement	-	100,000	100,000	200,000
Saoirse Project	-	143,180	143,180	80,000
Maldives Group	-	13,787	13,787	20,604
Big Data	3,880	-	3,880	4,871
UK Rollout	-	7,218	7,218	-
Programme related pro-bono PR support	250,000	-	250,000	250,000
Programme related pro-bono legal support	7,100	-	7,100	11,725
Support costs (Note 9)	551,133	-	551,133	283,929
Governance costs (Note 10)	133,523	-	133,523	162,412
	<u>945,636</u>	<u>591,197</u>	<u>1,536,833</u>	<u>1,856,479</u>

\* Restricted Funds expenditure includes support costs directly charged to projects (see Note 9).

## BLUE MARINE FOUNDATION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2017

#### 9. Allocation of support costs and overheads

The breakdown of support costs is shown in the table below:

Cost type	2017 £	2016 £
Wages, salaries, pension contributions and other staff costs	491,300	281,428
Marketing and branding	34,857	27,418
Consultancy fees	35,640	100,363
Travel and subsistence	51,830	51,700
Printing, postage and stationery	6,669	6,166
Telephone and internet	3,123	3,383
Rent, rates and property costs	41,236	22,187
Insurance	6,282	6,023
IT costs	14,056	18,658
Sundry expenses	5,033	1,940
Foreign exchange (gains)	(28,969)	(4,975)
Depreciation	574	416
Amortisation	3,031	3,327
Bank charges	3,540	3,028
	<u>668,202</u>	<u>521,062</u>

Support costs are allocated between governance, charitable activities and cost of generating funds on the basis of staff time as shown in the table below:

Total costs	2017 £	2016 £
Costs of generating funds	58,123	105,877
Charitable activities *	551,133	347,796
Governance cost	58,946	67,389
	<u>668,202</u>	<u>521,062</u>

\* Includes £220,589 directly charged to projects (2016 - £109,348) of which all relates to projects which are restricted funds (2016 - £63,867).

#### 10. Governance Costs

	2017 £	2016 £
Auditor's remuneration	7,235	6,121
Legal and professional fees	67,341	88,902
Support costs (note 9)	58,946	67,389
	<u>133,523</u>	<u>162,412</u>

As disclosed in note 2, Latham & Watkins provided pro bono legal advice totalling £7,100 (2016 - £11,725) Freud Communications provided pro bono public relations/ communications services totalling £250,000 (2016 - £250,000) and Rawlinson & Hunter provided accounting and book-keeping support services totalling £65,606 (2016 - £82,784). The Trustees consider that all of the Latham & Watkins pro bono legal advice and all of the Freud Communications pro bono advice related directly to Charitable Activities and these amounts have therefore been recorded as such (see Note 8).

## BLUE MARINE FOUNDATION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2017

#### 11 Net income / (expenditure) for the year

Net income / (expenditure) is stated after charging / (crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	548	416
Amortisation of goodwill	3,004	3,005
Amortisation of other intangible assets	27	322
Operating lease rentals	36,299	19,640
Net (gains) on foreign exchange	(28,969)	(4,975)

#### 12 Auditor's remuneration

	2017 £	2016 £
Fees payable to the Charity's auditor for the audit of the Charity's Financial Statements	4,755	3,721
Fees payable to the Charity's auditor for other services:		
Audit of the Charity's subsidiaries	2,480	2,400
Corporation Tax preparation for the Charity's subsidiaries	985	900

#### 13 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration for their roles as Trustees during the year (2016: £Nil). See note 21 for other transactions entered into at arm's length with the Trustees or their associates.

The total amount of employee benefits received by key management personnel is £248,825 (2016 - £128,700). The Charity considers its key management personnel comprise the CEO and Executive Director (2016- CEO and Executive Director).

Two Trustees (2016 – three) were reimbursed £250 (2016 - £4,924) in respect of travel expenditure and other direct costs.

**BLUE MARINE FOUNDATION****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Year ended 31 March 2017**

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<b>14. Wages and salaries</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Salaries, wages and other staff costs	419,699	244,930
Employer pension contributions	27,161	11,700
Employers national insurance contributions	44,441	24,798
	<u>491,300</u>	<u>281,428</u>

The average number of employees for the year ended 31 March 2017 was seven (2016 – six)).

The Charity operates a defined contribution pension plan for its employees. The amount recognised as an expense during the year amounted to £27,161 (2016 - £11,700).

One employee had emoluments of between £90,000 and £100,000 during the year. One employee had emoluments between £120,000 and £130,000. (2016 – One employee had emoluments of between £90,000 and £100,000 during the year). No other employees had emoluments of greater than £60,000.

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<b>15. Intangible fixed assets</b>	<b>Website Development</b>	<b>Trademark</b>	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Group</b>				
<b>Cost</b>				
As at 1 April 2016	6,302	967	19,487	26,756
As at 31 March 2017	<u>6,302</u>	<u>967</u>	<u>19,487</u>	<u>26,756</u>
<b>Amortisation</b>				
At 1 April 2016	6,302	940	7,469	14,711
Charge for the year	-	27	3,004	3,031
At 31 March 2017	<u>6,302</u>	<u>967</u>	<u>10,473</u>	<u>17,742</u>
<b>Net book value</b>				
At 31 March 2017	<u>-</u>	<u>-</u>	<u>9,014</u>	<u>9,014</u>
At 31 March 2016	<u>-</u>	<u>27</u>	<u>12,018</u>	<u>12,045</u>

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## BLUE MARINE FOUNDATION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2017

16. Tangible fixed assets	Office equipment £	Total £
<b>Group and charity</b>		
<b>Cost</b>		
At 1 April 2016	3,168	3,168
Additions for the year	2,402	2,402
At 31 March 2017	<u>5,570</u>	<u>5,570</u>
<b>Depreciation</b>		
At 1 April 2016	3,091	3,091
Charge for the year	548	548
At 31 March 2017	<u>3,639</u>	<u>3,639</u>
<b>Net book value</b>		
At 31 March 2017	<u>1,931</u>	<u>1,931</u>
At 31 March 2016	<u>77</u>	<u>77</u>

17. Investments	Subsidiary undertakings £
<b>Charity</b>	
<b>Cost and net book value</b>	
At 1 April 2016 and 31 March 2017	<u>200</u>

Details of the subsidiary undertakings are set out below:

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

18. Debtors	2017 Group £	2016 Group £	2017 Charity £	2016 Charity £
Amounts owed by group undertakings	-	-	42,448	92,179
Trade debtors	54,497	40,074	54,497	36,113
Other debtors	62,966	62,773	62,966	62,113
	<u>117,463</u>	<u>102,847</u>	<u>159,911</u>	<u>190,405</u>

**BLUE MARINE FOUNDATION****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Year ended 31 March 2017**

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<b>19. Creditors: amounts falling due within one year</b>	<b>2017 Group</b>	<b>2016 Group</b>	<b>2017 Charity</b>	<b>2016 Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	147,497	49,104	147,497	49,104
Accruals	54,537	100,297	51,137	96,897
Other creditors	29,299	24,802	27,612	23,115
	<u>231,333</u>	<u>174,203</u>	<u>226,246</u>	<u>169,116</u>

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**20. Operating lease commitments**

As at 31 March 2017 the entity has total future minimum lease payments under non-cancellable operating leases as follows:

Operating leases which expire:

	<b>2017 £</b>	<b>2016 £</b>
Within two and five years	<u>£9,439</u>	<u>£9,201</u>

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## **BLUE MARINE FOUNDATION**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Year ended 31 March 2017**

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#### **21. Related party transactions**

Other creditors include £1,687 (2016 - £1,687) due to directors in respect of the funds advanced upon incorporation of BMF Trading Limited. The balance is interest free and repayable on demand.

Appleby Consultancy Services Limited, a company of which T P S Appleby is a director, provided consultancy services of £750 (2016 - £1,750).

Rawlinson & Hunter, a partnership in which D C Davies is a partner, provided pro bono accounting services to the charity and its subsidiary amounting to £65,606 (2016 - £82,784).

In the year Rawlinson & Hunter charged £Nil (2016 - £5,299) for accounting services.

Trifolia Limited, a company of which C R H Clover is a director, provided consultancy and project development services amounting to £Nil (2016 - £100,363).

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

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

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#### **22. Controlling party**

The charity is controlled by its Trustees.

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#### **23. Liability of members**

The charity limited by guarantee and has no share capital. The Memorandum of Association provides that every member, as defined by Clause 8 of the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the company being wound up while he or she is a member. At 31 March 2017 there were three (2016 – three) members.

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