

BLUE MARINE FOUNDATION
(a Company Limited by Guarantee)

REPORT AND AUDITED ACCOUNTS

YEAR ENDED 31 MARCH 2014

Company number: 07176743

BLUE MARINE FOUNDATION

I N D E X

Year ended 31 March 2014

	Page
General information	2
Report of the trustees	3
Statement of trustees' responsibilities	7
Independent Auditor's reports	8
Consolidated statement of financial activities (including income and expenditure account)	9
Consolidated and Charity Balance sheets	10
Accounting policies	11
Notes to the financial statements	13

BLUE MARINE FOUNDATION

GENERAL INFORMATION

Year ended 31 March 2014

Directors and trustees

G L Duffield
C M J Gorell Barnes
C R H Clover
T P S Appleby
A K O Brady
Lord Deben
Prof C M Roberts
M R Rose
A Weston
D C Davies

Registered office

Third Floor
South Building
Somerset House
Strand
London
WC2R 1LA

Charity number

1137209

Company registration number

7176743

Auditors

Dixon Wilson
22 Chancery Lane
London
WC2A 1LS

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

Solicitors

Latham & Watkins LLP
99 Bishopsgate
London
EC2M 3XF

BLUE MARINE FOUNDATION

R E P O R T O F T H E T R U S T E E S

Year ended 31 March 2014

The Trustees present their report and financial statements for the year ended 31 March 2014. The financial statements have been prepared in accordance with the accounting policies set out on page 10 and with special provisions of Part 15 of the Companies Act 2006 relating to small entities and comply with the Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

Blue Marine Foundation is a 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 stated on page 2. The directors of the 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 2014 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 and from the trustees' solicitors. The duration of a Trustee's term will be three years, with annual reviews by both parties.

Blue Marine Foundation is governed by Memorandum and Articles of Association dated 12 February 2010. Application of income of the charity 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 charity might be exposed and adjust the charity's strategies and implementation of objects accordingly.

Objects and activities for the public benefit

The objects of the charity 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 the conservation protection and improvement of the marine environment.

BLUE is working to solve the crisis in the oceans through providing innovative solutions to overfishing and enabling the creation of marine reserves. BLUE's primary aim is the active and effective protection of 10% of the world's oceans by 2020.

Achievements and performance

Since last year's report, BLUE has continued to deliver on its existing projects while building on its reputation and influence. On 27 November 2014 recognition of BLUE's efforts came in the form of our award as "NGO of the year" in the 2014 PEA Awards. The award was in recognition of "the charity or NGO in the environment/sustainability sector that's really shaking things up – and getting results where things matter most".

In respect of BLUE's project work:

Lyme Bay, Dorset, UK

Our work in Lyme Bay continues to deliver wins for conservation, for the fishermen and for the local communities. BLUE's innovative collaboration has implemented a number of important initiatives, including the establishment of a voluntary code of conduct limiting fishing activities and an agreement by the fishermen to take part in scientific data collection to inform the management of fisheries.

In May 2014, the Lyme Bay project was named as a finalist in the European Union Natura 2000 awards. BLUE's project was, notably, the only UK finalist and the only marine project to reach the final, out of 163 applications.

BLUE MARINE FOUNDATION

REPORT OF THE TRUSTEES

Year ended 31 March 2014

Communication of BLUE's marine management success story to the wider audience of communities around Lyme Bay is part of our objectives. A schools education programme has been designed and is already underway with over 300 young students engaged in the programme to date. Local children are able to understand and connect with a range of issues relating to fisheries and the environment and their importance to the fabric of this coastal community.

As the Lyme Bay project moves into the next phase, an economic analysis will be carried out to demonstrate the tangible benefits that the improved management of the reserve and the project has brought. This study will not only be of direct relevance to the project but provide evidence of the socio-economic benefits that Marine Protected Areas (MPAs) can bring to fishermen and coastal regions which are incredibly valuable for the newly created Marine Conservation Zones (MCZs).

Lyme Roll-Out

The Lyme Bay project was always intended to be a blueprint for successful, pragmatic marine conservation. Over the two years that BLUE has been working on Lyme Bay, we have developed a number of initiatives, working practices and scientific study designs which can be adapted and deployed in other areas around the UK. A conference hosted by BLUE at the end of 2013 attracted 170 delegates and offered a platform to fishermen, regulators and conservationists from around the UK to discuss challenges and opportunities from their regions. Considerable interest was expressed in BLUE's potential involvement by representatives from other parts of the country, suggesting that BLUE had hit on an unmet need.

Since last October, BLUE has been engaged in primary scoping visits at seven sites around the UK, which has led to the identification of four sites for further consultation: the North Devon Biosphere Reserve, the Solent, the Blackwater Estuary and the Wash. Of those, BLUE is most actively engaged with stakeholders in the Solent and formed a working group in June 2014 to assess recovery options for the native Oyster.

Belize

The Turneffe Atoll off the coast of Belize is the largest and most biologically diverse coral atoll in the Western Hemisphere. However, it was also the largest unprotected sub-section of the Mesoamerican barrier reef until 2011 when BLUE was successful in securing a significant financial commitment that convinced the Belizean Government to designate the site a protected area.

Having achieved protection of Belize's Turneffe Atoll, BLUE is now focusing on enabling the Turneffe Atoll Sustainability Association (TASA) to undertake practical management of the 1,316km² reserve. Since completion of the first phase of the project (February to December 2013), excellent headway has been made including hiring rangers, purchasing a patrol vessel and communicating the parameters of the reserve to stakeholder groups. Work has also been done to collect biological and socio-economic data, both critical for monitoring and evaluating the project.

Other projects

Further project work has taken place in the period under review, including in:

- Chagos, where BLUE helps protect the world's largest No-take Marine Protected Area and, as part of the Foreign and Commonwealth Office's conservation and management advisory committee, participates in the development of enforcement options and future funding;
- Scotland, where BLUE is working with the Sustainable Inshores Fisheries Trust (SIFT) and the Community of Arran Seabed Trust (COAST) to reverse the problem of destructive scallop dredging and over-fishing;
- The Cyclades Islands, Greece, where BLUE is supporting the Hellenic Society to protect the Monk Seal.

In order to further all these projects, BLUE continues to work both with governments in order to raise awareness and push for greater regulation of the oceans and with the private sector to raise finance, awareness and to secure end markets for sustainably sourced fish.

BLUE MARINE FOUNDATION

REPORT OF THE TRUSTEES

Year ended 31 March 2014

Evaluating BLUE's impact

- 641,457 km² of ocean is under new or improved protection through BLUE's work
- Facilitating biological and/or socio-economic monitoring of five sites, including an existing and candidate World Heritage Site.
- Documenting improvement in species or habitats in two project sites – in the UK and internationally.
- Working with over 20 different organisations in the UK alone.
- Working with local organisations and partners in 11 different countries.
- Management of marine resources improved at three sites.
- EU level recognition of BLUE's work in a Natura 2000 site at the Natura 2000 awards 2014.

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.

Financial review

The accounts are set out on pages 9 to 20.

Donations amounting to £1,869,264 (gross) (2013 - £1,781,197 (gross)) were received during the year, and £1,625,474 (2013 - £1,130,794) was expended during the year on charitable activities. 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 2014 amounted to £652,967 (2013 - £727,619) and include BMF Trading Limited accumulated losses of £121,303 (2013 – accumulated losses of £142,085) and fixed assets of £18,414 (2013 - £23,412). 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.

During the year, 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 charity (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 2014 (consisting of amounts which could be spent without disposing of fixed assets or investments and excluding designated funds), amounted to £468,499 (2013 - £467,659).

These reserves are available for expenditure on further charitable opportunities which may arise, 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.

BLUE MARINE FOUNDATION

R E P O R T O F T H E T R U S T E E S (c o n t i n u e d)

Year ended 31 March 2014

It was decided that £35,000 should be allocated from reserves to projects in Scotland, supporting funding FFI to the level of £15,000 in year one and £10,000 for each of the two years after that. The Board considered that this exceptional use of unrestricted reserves was worthwhile because of the strategic merits of having a presence in Scotland, the potential to access a new set of funders, the inherent value of having a collaborative project and the opportunity with knowledge sharing from the Lyme Bay and Lyme Roll-Out projects.

Risk management

The Trustees have identified the major risks to which the Charity 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 Trust and comply with best practice.

Future developments

One of BLUE's strengths as an organisation is its ability to bring together a number of stakeholders including potential funders, people who use and enjoy the ocean such as the super-yachting community, retailers, politicians, fishermen and scientists. By sitting at the nexus of such a diverse range of people, BLUE is often able to make projects happen that have been under discussion for years and make a significant impact in a relatively short time.

Future projects that are of particular interest include the United Kingdom Overseas Territories (UKOTS), including Ascension Island where BLUE is working with the South Atlantic Environmental Research Institute to support the comprehensive assessment of potential protected areas in the waters around Ascension Island, and is actively raising funds to support a deep water research survey to be carried out in March 2015. The results of this survey will help build a clearer picture of the incredible marine life Ascension harbours and will enable the development of sustainable fisheries management and potential MPAs.

In order to expand BLUE's pioneering project work, it is looking to develop its financing potential, both by expanding and boosting its fund raising team, and by exploring the development of market mechanisms. These could involve innovative ways of working with the corporate sector, the development of sustainable fisheries or the development of financing tools such as community bonds.

BLUE MARINE FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Year ended 31 March 2014

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and regulations. The Trustees are also directors for Companies Act 2006 purposes.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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. They are also responsible for safeguarding the assets of the 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 aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



C R H CLOVER

17 December 2014

BLUE MARINE FOUNDATION

INDEPENDENT AUDITOR'S REPORTS

Year ended 31 March 2014

We have audited the financial statements of Blue Marine Foundation for the year ended 31 March 2014 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members 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 6, 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.

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 2014 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

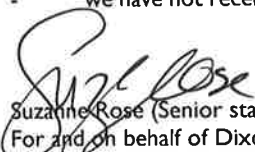
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual 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 requires 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.


Suzanne Rose (Senior statutory auditor)
For and on behalf of Dixon Wilson, Statutory Auditor
22 Chancery Lane, London WC2A 1LS

19.12. 2014

BLUE MARINE FOUNDATION**CONSOLIDATED STATEMENT OF FINANCIAL
ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT)****Year ended 31 March 2014**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Incoming resources from generated funds					
Voluntary income	1	601,208	1,268,056	1,869,264	1,781,197
Activities for generating funds		-	-	-	32,903
Investment income		579	-	579	722
Total incoming resources		<u>601,787</u>	<u>1,268,056</u>	<u>1,869,843</u>	<u>1,814,822</u>
Resources expended					
Costs of generating funds	6	(163,725)	-	(163,725)	(153,791)
Charitable activities	7	(287,727)	(1,337,747)	(1,625,474)	(1,130,794)
Governance costs	9	(155,296)	-	(155,296)	(154,459)
Total resources expended		<u>(606,748)</u>	<u>(1,337,747)</u>	<u>(1,944,495)</u>	<u>(1,439,044)</u>
Net (outgoing)/incoming resources		(4,961)	(69,691)	(74,652)	375,778
Funds brought forward		491,469	236,150	727,619	351,841
Funds carried forward		<u>486,508</u>	<u>166,459</u>	<u>652,967</u>	<u>727,619</u>

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

CONSOLIDATED AND CHARITY BALANCE SHEETS

At 31 March 2014

	Note	2014 Group £	2013 Group £	2014 Charity £	2013 Charity £
Fixed assets					
Intangible fixed assets	11	16,668	16,971	671	-
Tangible fixed assets	12	1,746	6,441	1,746	6,441
Investments	13	-	-	200	200
Total fixed assets		<u>18,414</u>	<u>23,412</u>	<u>2,617</u>	<u>6,641</u>
Current assets					
Debtors	14	10,897	186,816	133,378	329,858
Cash at bank and in hand		724,099	572,515	714,407	563,421
		<u>734,996</u>	<u>759,331</u>	<u>847,785</u>	<u>893,279</u>
Creditors: amounts falling due within one year	15	<u>(100,443)</u>	<u>(55,124)</u>	<u>(92,129)</u>	<u>(47,187)</u>
Net current assets		<u>634,553</u>	<u>704,207</u>	<u>755,656</u>	<u>846,092</u>
Total assets less current liabilities		<u>652,967</u>	<u>727,619</u>	<u>758,273</u>	<u>852,733</u>
Total funds	3	<u>652,967</u>	<u>727,619</u>	<u>758,273</u>	<u>852,733</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

These accounts on pages 9 to 20 were approved by the Trustees on 17 December 2014 and were signed on its behalf by:



D C DAVIES
Director

BLUE MARINE FOUNDATION

A C C O U N T I N G P O L I C I E S

Year ended 31 March 2014

Accounting policies

The financial statements are prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities published in March 2005 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Basis of preparation

The financial statements are prepared under the historical cost convention.

Group financial statements

These 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 and paragraph 397 of the SORP 2005.

Incoming resources and resources expended

All income is recognised in the statement of financial activities when Blue Marine Foundation has entitlement to the income. Expenditure is accounted for under the accruals basis.

Governance costs are those incurred in connection with the management of Blue Marine Foundation, organisational administration and compliance with constitutional and statutory requirements.

Donations in kind represent the cost of donated services and goods received during the year, valued at the price which the charity would pay on the open market.

Funds

Unrestricted funds are held to cover the charity against the continued financing of activities.

Restricted funds represent sums given to the charity subject to restrictions as to how the funds can be used.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

Amortisation

Intangible assets are capitalised and amortised in full over their useful economic lives:

Asset class	Amortisation method and rate
Goodwill on acquisition of BMF Trading Limited	Straight line over 20 years
Trademark	Straight line over 3 years

BLUE MARINE FOUNDATION

A C C O U N T I N G P O L I C I E S

Year ended 31 March 2014

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Website	Straight line over 3 years
Office equipment	Straight line over 3 years

Allocation of support costs

Support costs are allocated between governance, charitable activities and cost of generating funds on the basis of staff time.

BLUE MARINE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

1. Incoming resources	Unrestricted Funds £	Restricted Funds £	2014 £	2013 £
Corporate donations	15,342	988,257	1,003,599	1,230,193
Donations received from individuals	94,917	-	94,917	169,729
Donations received from Private Foundations	254,400	39,250	293,650	226,763
Auction income	16,000	-	16,000	19,401
BMYC Membership donations	49,934	-	49,934	25,000
Donations in kind	70,671	-	70,671	108,769
Government funding	30,000	240,549	270,549	-
Other income	69,944	-	69,944	1,342
	<u>601,208</u>	<u>1,268,056</u>	<u>1,869,264</u>	<u>1,781,197</u>

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

	2014 £	2013 £
Latham & Watkins LLP	70,671	108,769
	<u>70,671</u>	<u>108,769</u>

2. Analysis of fund movements

	Brought forward £	Income resources £	Resources expended £	Transfers £	Carried forward £
Restricted					
Belize	-	246,766	210,482	-	36,284
Chagos	-	700,000	700,000	-	-
Chagos Filming	(3,254)	16,491	13,601	-	(364)
End of the Line	3,426	-	3,426	-	-
Lyme Bay	175,553	319,799	364,813	-	130,539
Waterloo Foundation	60,425	(15,000)	45,425	-	-
	<u>236,150</u>	<u>1,268,056</u>	<u>1,337,747</u>	<u>-</u>	<u>166,459</u>
Unrestricted					
General	491,469	601,787	571,748	(35,000)	486,508
Designated – Scotland	-	-	35,000	35,000	-
Total	<u>727,619</u>	<u>1,869,843</u>	<u>1,944,495</u>	<u>-</u>	<u>652,967</u>

BLUE MARINE FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2014****3. Analysis of group assets between funds**

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Debtors	10,897	-	10,897	186,816
Cash at bank and in hand	558,045	166,054	724,099	572,515
Creditors	(100,443)		(100,443)	(55,124)
	<u>468,499</u>	<u>166,054</u>	<u>634,553</u>	<u>704,207</u>
Intangible fixed assets	16,668	-	16,668	16,971
Tangible fixed assets	1,341	405	1,746	6,441
Total	<u>486,508</u>	<u>166,459</u>	<u>652,967</u>	<u>727,619</u>

4. Financial activities of the charity

The financial activities shown in the consolidated statement 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:

	2014 £	2013 £
Total incoming resources	1,802,824	1,781,197
Costs of generating funds	(128,656)	(82,862)
Charitable activities	(1,625,474)	(1,129,817)
Governance costs	(146,352)	(151,955)
Interest receivable	3,198	3,595
Net (outgoing)/incoming resources	<u>(94,460)</u>	<u>420,158</u>
Funds brought forward	852,733	432,575
Funds carried forward	<u>758,273</u>	<u>852,733</u>

BLUE MARINE FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2014****5. Incoming resources from activities for generating funds**

The charity owns 100% share capital in BMF Trading Limited. The subsidiary provides marketing and branding services to support Blue Marine Foundation. The charity owns the entire share capital of the company of 200 ordinary shares of £1 each. A summary of the trading results is shown below.

	2014	2013
	£	£
Turnover	66,441	32,903
Cost of sales and administration costs	(43,039)	(73,433)
Interest payable	(2,620)	(3,227)
Interest receivable	-	353
Net profit/(loss)	<u>20,782</u>	<u>(43,404)</u>
Reserves brought forward	(142,085)	(98,681)
Reserves carried forward	<u>(121,303)</u>	<u>(142,085)</u>
The assets and liabilities of the subsidiary were:		
Current assets	11,264	19,006
Current liabilities	(132,367)	(160,891)
Total net liabilities	<u>(121,103)</u>	<u>(141,885)</u>
Allotted, called up and unpaid shares	<u>200</u>	<u>200</u>

6. Costs of generating funds

	Unrestricted funds 2014	Unrestricted funds 2013
	£	£
Direct costs	34,094	70,928
Support costs (note 8)	129,631	82,863
	<u>163,725</u>	<u>153,791</u>

BLUE MARINE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

7. Charitable activities	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Belize project	-	196,598	196,598	20,000
Chagos Marine Reserve	-	700,000	700,000	700,000
Chagos Marine Reserve Filming costs	-	4,711	4,711	53,333
End of the line project costs	-	3,270	3,270	12,537
Fish2Fork.com	-	-	-	10,000
Lyme Regis project costs	-	314,758	314,758	144,908
Waterloo Foundation costs	-	40,660	40,660	9,075
Scotland project	35,000	-	35,000	-
Other donations	42,508	-	42,508	(4,016)
Support costs (note 8)	210,219	77,750	287,969	184,957
	<u>287,727</u>	<u>1,337,747</u>	<u>1,625,474</u>	<u>1,130,794</u>

8. Allocation of support costs and overheads

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

Cost type	2014 £	2013 £
Wages and salaries	230,976	141,917
Marketing and branding	26,210	38,806
Consultancy fees	107,429	44,979
Travel, entertainment and subsistence	40,234	28,612
Printing, postage and stationery	3,801	6,992
Telephone and internet	4,033	4,919
Rent	20,528	21,545
Insurance	4,971	5,084
IT costs	20,620	1,900
Sundry expenses	18,539	871
Depreciation	3,037	2,789
Amortisation	1,270	974
Bank charges	1,657	1,061
	<u>483,705</u>	<u>300,449</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	2014 £	2013 £
Costs of generating funds	129,631	82,863
Charitable activities	287,969	184,957
Governance cost	65,705	32,629
	<u>483,705</u>	<u>300,449</u>

BLUE MARINE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

9. Governance costs	2014	2013
	£	£
Audit fees	5,360	5,203
Legal and professional fees	84,231	116,627
Support costs (note 8)	65,705	32,629
	<u>155,296</u>	<u>154,459</u>

As disclosed in note 1, Latham & Watkins provided pro bono legal advice totalling £70,761 (2013 - £108,769), which is included within legal and professional fees above.

10. Wages and salaries	2014	2013
	£	£
Salaries and wages	210,687	128,245
Employers national insurance contributions	20,290	13,672
	<u>230,976</u>	<u>141,917</u>

The average number of employees for the year ended 31 March 2014 was four (2013 – three).

One employee had emoluments of between £100,000 and £110,000 during the year. No other employees had emoluments of greater than £60,000.

11. Intangible fixed assets	Trademark	Goodwill	Total
	£	£	£
Group			
Cost			
At 1 April 2013	-	19,487	19,487
Additions	967	-	967
At 31 March 2014	<u>967</u>	<u>19,487</u>	<u>20,454</u>
Amortisation			
At 1 April 2013	-	2,516	2,516
Charge for the year	296	974	1,270
At 31 March 2014	<u>296</u>	<u>3,490</u>	<u>3,786</u>
Net book value			
At 31 March 2014	<u>671</u>	<u>15,997</u>	<u>16,668</u>
At 31 March 2013	<u>-</u>	<u>16,971</u>	<u>16,971</u>

BLUE MARINE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

12. Tangible fixed assets

Group and charity	Website £	Office equipment £	Total £
Cost			
At 1 April 2013	6,302	4,873	11,175
Additions	-	565	565
Disposals	-	(2,270)	(2,270)
At 31 March 2014	<u>6,302</u>	<u>3,168</u>	<u>9,470</u>
Depreciation			
At 1 April 2013	3,838	896	4,734
Charge for the year	2,059	1,484	3,543
Disposals	-	(553)	(553)
At 31 March 2014	<u>5,897</u>	<u>1,827</u>	<u>7,724</u>
Net book value			
At 31 March 2014	<u>405</u>	<u>1,341</u>	<u>1,746</u>
At 31 March 2013	<u>2,464</u>	<u>3,977</u>	<u>6,441</u>

13. Investments

Charity	Subsidiary undertakings £
Cost and net book value	
At 1 April 2013 and 31 March 2014	<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

14. Debtors

	2014 Group £	2013 Group £	2014 Charity £	2013 Charity £
Amounts owed by group undertakings	-	-	123,852	152,754
Trade debtors	165	129,887	165	121,087
Accrued income	-	50,000	-	50,000
Other debtors	10,732	6,929	9,361	6,017
	<u>10,897</u>	<u>186,816</u>	<u>133,378</u>	<u>329,858</u>

BLUE MARINE FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2014**

15. Creditors: amounts falling due within one year	2014 Group	2013 Group	2014 Charity	2013 Charity
	£	£	£	£
Amounts owed to group undertakings – unpaid share capital	-	-	-	200
Accruals	44,665	26,542	39,450	20,092
Other creditors	55,778	28,582	52,679	26,895
	<u>100,443</u>	<u>55,124</u>	<u>92,129</u>	<u>47,187</u>

16. Commitments**Operating lease commitments**

As at 31 March 2014 the entity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £	2013 £
Within two and five years	<u>3,008</u>	<u>-</u>

17. Trustees' remuneration and expenses

During the year, C R H Clover received £42,000 (2013 - £114,554) for providing consultancy services to the charity in respect of project development. At the year end the amount owed to C R H Clover was £nil (2013 - £nil).

During the year three (2013 - three) trustees were reimbursed £15,920 (2013 - £17,864) of travel expenditure and other direct costs.

BLUE MARINE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

18. Related party transactions

Other creditors include £1,687 (2013 - £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.

Other creditors also include £nil (2013 - £14,206) due to George Duffield, a trustee.

Until 23 October 2013, C R H Clover was a director of Planet Intelligence Limited, which provided project management services to the company to that date of £40,500 (2013 - £43,016).

Fauna & Flora International, a company of which Professor C M Roberts and M Rose are directors, provided the services of a marine project officer to the value of £24,826 (2013 - £7,716). At the year end an amount of £nil (2013 - £2,572) was owed to Fauna & Flora International.

Appleby Consultancy Services Limited, a company of which T P S Appleby is a director, provided consultancy services of £12,500 (2013 - £3,000). At the year end, the amount owed to Appleby Consultancy Services was £nil (2013 - £1,500).

Adjust Your Set Limited, a company of which C M J Gorell-Barnes is a director provided information and film services of £126 (2013 - £12,075). At the year end, the amount owed to Adjust Your Set Limited was £nil (2013 - £nil).

Trifolia Limited, a company of which C R H Clover is a director, provided consultancy and project development services amounting to £49,853 (2013 - £nil). At the year end, the amount owed to Trifolia Limited was £nil (2013 - £nil).

All the above related party transactions were entered into at arms' length rates and approved by the Board of Trustees in accordance with procedures set out in the constitution.

The charity has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

19. Taxation

Blue Marine Foundation is a registered charity and as such is exempt from tax on its income to the extent this is applied for charitable purposes.

20. Controlling party

The charity is controlled by its Trustees.

21. Liability of members

The company is 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 2014 there were three (2013 - three) members.
