



BLUE MARINE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

Report and consolidated financial statements

YEAR ENDED 31 MARCH 2020
Company number: 07176743



**BLUE MARINE
FOUNDATION**



BLUE MARINE
FOUNDATION

Charity reference and administrative details

Charity registration number	1137209
Company registration number	07176743
Directors and Trustees	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 D C Davies A S Blount C Herweijer (appointed 5 March 2020) L A A Lake (appointed 5 March 2020) R H R Benyon (appointed 9 July 2020)
Executive Director	C R H Clover
Chief Executive Officer	C Brook
Registered office	Third Floor South Building Somerset House Strand London WC2R 1LA
Auditor	Sayer Vincent LLP Invicta House 108-114 Golden Ln London EC1Y 0TL
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Solicitors	Latham & Watkins LLP 99 Bishopsgate London EC2M 3XF

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TRUSTEES' ANNUAL REPORT

(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

Year ended 31 March 2020

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 2020. The consolidated Financial Statements have been prepared in accordance with the accounting policies set out on pages 50 to 52 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.

Credit: Danny Copeland

BLUE's mission

Blue Marine Foundation (BLUE) aims to restore the ocean to health by addressing overfishing, one of the world's biggest environmental problems. BLUE is dedicated to creating marine reserves, restoring vital habitats and establishing models of sustainable fishing. BLUE's mission is to see 30 per cent of the world's ocean under effective protection by 2030 and the other 70 per cent managed in a responsible way.

The Problem

The ocean has undergone devastating change over the last century. Marine life is under threat from climate change, deoxygenation, acidification, pollution, invasive species and plastic. But arguably the greatest of these threats is from overfishing. Industrial-scale, destructive fishing practices have laid waste to marine life and habitats, altered coastlines and forced small-scale fishing families to find work elsewhere.

Above all, the ocean is critical to stabilising the planet's climate, as detailed in the 2019 IPCC Special Report on the Ocean and Cryosphere in a Changing Climate. The ocean produces more than half of the world's oxygen and absorbs more than 90 per cent of excess heat within the climate system, thanks to the life within it. Overfishing is systematically undermining the ocean's capacity to play this crucial role, not just through habitat destruction, but through the removal of pelagic marine life.

Overfishing also represents a major food security issue, particularly for the three billion people who rely on both wild-caught and farmed seafood as their primary source of protein.

We have to act now to protect our ocean if we are to stave off the worst effects of climate change and a global food crisis.

BLUE's strategy

BLUE focuses on five key strategic interventions to improve the health of the ocean:

- **Protection:** Secure effective marine protected areas to ensure the protection of at least 30 per cent of the ocean by 2030.
- **Develop models of sustainable fishing,** proving that low-impact fishing benefits marine life, local fishermen and communities.
- **Restore marine habitats** to revive and protect vulnerable and threatened species and to sequester carbon.
- **Tackle overfishing** by highlighting and challenging poor practice.
- **Connect people with the sea** and enhance ocean understanding across generations.

BLUE works using a combination of top-down interventions to improve governance of our seas and bottom-up project delivery to help local communities who are at the front line of ocean conservation.

In the last two years, BLUE has developed and expanded its specialised units to support its conservation goals. These units help BLUE increase its impact while still remaining a lean operation. BLUE's units include:

BLUE Media: BLUE Media uses a range of media from short films to social media campaigns, and from virtual reality experiences to mainstream television to support BLUE's work.

BLUE Legal: BLUE's legal unit challenges unsustainable fishing and plans to use the legal system to support BLUE's strategic interventions.

BLUE Education: BLUE Education is developing imaginative materials to engage children and adults with the need to tackle the problems facing our ocean.

BLUE Investigations: BLUE Investigations works to research and expose overfishing and other methods of over-extraction. Our investigations team works closely with our media and legal team to shine a light on overfishing.

BLUE Digital: In response to the Covid-19 crisis, BLUE is developing its digital content, materials and events, such as interactive educational content for children and its upcoming digital conference – 'Rewilding the Sea'.

BLUE Carbon: BLUE Carbon aims to demonstrate and quantify the value of the ocean and marine habitats to mitigate and adapt to climate change. Monetising the value of ocean life would be a game changer for conservation.

BLUE Economics: BLUE aims to use economic models and innovative finance to unlock a quantum increase in ocean conservation finance, prove the economic viability of sustainable fishing, and examine the perverse economics of subsidised overfishing.

Summary of BLUE's achievements in the year ended 31 March 2020:

Protection

- Ascension Island declared a 100 per cent marine protected area (MPA) in its waters, contingent on the UK government paying for monitoring and enforcement of the MPA going forward. The MPA will be the largest no-take zone in the Atlantic and the eighth largest in the world.
- BLUE secured a pledge of £2 million from long-term donor Peter Lürssen to establish an endowment fund to support Ascension Island's community when the MPA management plan is completed.
- BLUE secured the first MPA in the Caspian Sea and, at BLUE's instigation, it was declared a Hope Spot.
- BLUE's research team filmed the first ever sighting of a blue whale in the Gulf of Peñas in Patagonia, Chile, thus strengthening the case for MPAs in the region.
- BLUE brought together over 100 delegates, including many experts, at a conference on the high seas, following the publication of 'A BLUE Vision for the high seas' by Chief Scientific Adviser Professor Callum Roberts.

Sustainable fishing

- 90% of fishermen in the Aeolians have signed codes of conduct to fish sustainably. Ten tonnes of 'ghost' fishing gear were removed from the surrounding seas.
- In the eighth year running its flagship sustainable fishing project in Lyme Bay, BLUE published a 'potting study' establishing sustainable levels of fishing with pots, supported the construction of a lobster facility to ensure greater safety at sea for lobster fishermen and celebrated the first birthday of the Reserve Seafood van.
- BLUE's #LocalFishForDinner campaign encouraged people to support small-scale UK fishermen to help them weather the impact of Covid-19 on their businesses.

Restoration

- Over 100 species have been identified living in and around BLUE's oyster cages in the Solent. The oysters spawned again in the summer releasing billions of larvae. BLUE installed oyster cages at Wightlink's terminal so they can clean this busy waterway.
- Established the first restoration-focused oyster hatchery with Portsmouth University.
- David Attenborough lent his support to our #HelpOurKelp campaign to restore and protect the underwater kelp forest off the Sussex coast.
- BLUE's #ProtectMaldivesSeagrass social media campaign gained the support of over a quarter of all resorts in the Maldives who have pledged to stop uprooting seagrass, a valuable carbon sink.

Tackling unsustainable fishing

- BLUE Investigations published a report on the overfishing of Indian Ocean tuna.
- BLUE Legal challenged Hinkley Point nuclear power station over its abstraction of fish into its cooling system.

Connecting people with the sea

- The UK's first national marine park declared in Plymouth on 14 September 2019.
- 3,500 educational 'makerzines' given to children in Ascension, St Helena, the Maldives and the UK.
- London to Monaco 2019 was our most successful so far, raising £680,000 for BLUE projects. A tribute ride was held on St Helena at the same time.

PROJECT HIGHLIGHTS

IN THE YEAR ENDING 31 MARCH 2020

Credit: Danny Copeland

Securing large-scale marine protected areas

The UK Overseas Territories

Marine protected areas (MPAs) are crucial to the health of the ocean, allowing habitats and previously exploited species to recover while promoting resilience to climate change and other environmental changes. The protection of 30 per cent of the ocean by 2030 has been widely recommended by scientists to drive recovery of degraded habitats and depleted fish stocks, and has been adopted by many governments, led by the UK, as a global target.

BLUE works to support the creation of large-scale MPAs, to ensure these MPAs are properly monitored and enforced, and to demonstrate the benefits of MPAs to island and coastal communities, to ensure global appeal and uptake. BLUE's MPA work has focused on the UK Overseas Territories (UKOTS). As part of the Great British Oceans coalition, BLUE has been working with the UK Government to develop and implement the Blue Belt: an ambitious programme to protect at least four million square kilometres of ocean by the end of 2020 across UKOTs. Britain is the custodian of the fifth largest marine estate on the planet – 6.8 million square kilometres of ocean – most of which is around the UKOTs, which harbour a remarkable 94 per cent of the UK's unique biodiversity. Protecting these waters is critical to achieving 30 per cent global ocean protection by 2030, not just because the areas are vast and diverse, but because their successful management acts as an important example to, and catalyst for, other countries.

BLUE has been working in partnership with the Great British Oceans Coalition to encourage the British Government to maintain the ambition of its 'blue belt' commitment. The territories where BLUE has focused its efforts (other members of the GB Oceans Coalition focus on other territories) are Ascension and St Helena.

100%

percentage of Ascension Island's waters that the UK government pledged to protect in the Spring Budget Statement

Ascension

Ascension Island's exclusive economic zone covers 441,000 square kilometres and is a biodiversity hotspot with one of the largest breeding populations of green turtles in the Atlantic and some of the largest migratory fish in the world. Until recently, Ascension's exceptionally productive waters were being plundered by an Asian longlining fleet associated with shark finning and human rights abuses.

In 2016, BLUE secured the closure of 52.6 per cent of Ascension's waters, with the remaining half still open to licensed longlining. The islanders were keen to have a 100 per cent MPA, but were concerned that they would bear the costs of monitoring and enforcement while missing out on income from licence fees.

BLUE has secured a pledge for a donation of £2 million from a long-term supporter of BLUE to establish an endowment fund. The donation will deliver an annual income in perpetuity for community projects chosen by Ascension representatives to make up for income that would have been received from the sale of fishing licences. This endowment fund is a crucial step in persuading the Ascension Island Council that a 100 per cent MPA will bring benefits to the island. In August 2019, the Ascension Island Government announced its intention to establish a 100 per cent MPA, contingent on the UK Government committing to paying for monitoring and enforcement in its Comprehensive Spending Review. This has been delayed due to Covid-19 but is expected in early 2021. BLUE will go ahead with establishing the endowment fund in the meantime.

The Head of Conservation on Ascension wants Ascension's MPA to be not only the eighth largest in the world, but the best managed, monitored and analysed. BLUE will do everything it can to support this ambition, working over the next three years to ensure that the endowment fund is a success and that Ascension becomes a celebrated hub of scientific excellence. We will seek to draw international recognition for the MPA and to use Ascension as a template of how conservation can bring lasting financial benefits to remote island communities to help others follow its example.

Expenditure in year*

£115,400

Expenditure over life of project**

£584,800

*See note 18a – 'Ascension'

**to 31 March 2020

Key impacts to date:

£2m

endowment fund pledged for Ascension

100%

MPA declared, subject to HMG covering costs of monitoring and enforcement.

440,000 km²

of mid-Atlantic biodiversity potentially protected.

St Helena

The island and waters of St Helena are home to an incredible one third of all native British species. In 2016, St Helena declared a Category VI MPA, meaning sustainable low-impact fishing can continue, but conservation must be paramount.

BLUE has been working for two years to deliver education and awareness-raising programmes to ensure that the island community is committed to the protection of its waters and benefits from their protection through increased eco-tourism, science and education. St Helena is one of the few places in the world where whale sharks come to breed. BLUE's marine team's 2019 research resulted in over 175 sightings of more than 100 different whale sharks, with a remarkable 94 of these being individuals that have never been recorded before. Their work featured on BBC Blue Planet Live and BBC Earth, reaching a combined audience of 15 million in 2019.

BLUE now wants to ensure that our conservation and engagement work on the island culminates in a meaningful management programme for the MPA, which delivers benefits to the local community. The St Helena Government has still failed to deliver a management plan or adequate regulation of the MPA and, worryingly, is now even considering introducing external fishing effort, which would displace the local one-by-one artisanal tuna fishermen and potentially disrupt the whale shark breeding grounds.

Expenditure in year*

£136,300

Expenditure over life of project

£380,800

*See note 18a – 'St Helena'

Governor of St Helena apprised of value of MPA

Whale shark tourism regulations strengthened

Put in place St Helena Marine Team



Protecting the High Seas

If BLUE is to see 30 per cent of the world's ocean under protection by 2030 then the high seas, which make up 67 per cent of the ocean, are vital to achieving this goal. Yet these areas, which are beyond national jurisdiction, are being despoiled by huge-scale industrial fishing and scoured by deep-sea mining. Even areas of extraordinary ecological significance such as the Mid-Atlantic Ridge, thought to be the source of all life on earth, have been sold to mining companies.

In May 2019, we published a report by BLUE's Chief Scientific Adviser, Professor Callum Roberts, "A Blue Vision for the High Seas". It called for six areas of action that must be enabled by a UN treaty: 1. the ability to create fully protected MPAs in international waters; 2. urgent reform of regional fisheries management organisations; 3. a moratorium on high seas fishing until Regional Fisheries Management Organisations (RFMOs) are reformed; 4. a moratorium on fishing in the mesopelagic (the "twilight zone") of the ocean; 5. reform of international shipping routes in order to reduce noise and pollutants; and 6. a moratorium on deep sea mining. In June 2019, we hosted a conference attended by leading experts on the high seas to raise levels of ambition at the United Nations talks taking place over 2019 and 2020 to obtain a global, legally-binding treaty to protect high seas biodiversity and exceptional habitats. A film made at the conference was shown at a United Nations reception on the high seas which

It is BLUE's ambition to obtain a global, legally-binding treaty to protect high seas biodiversity and exceptional habitats.

Expenditure in year*

£114,100

Expenditure over life of project

£168,300

*See note 18a – 'High Seas'

Key impacts to date:

Raised level of UK Government ambition at UN High Seas Treaty negotiations

Hosted London conference in June 2019 to push for greater ambition on High Seas from government and industry stakeholders

Our investigations work continues to expose extreme overfishing of the high seas and in June 2019 we published a report warning Indian Ocean nations of the potential collapse of tuna stocks if fishing beyond scientific advice is allowed to continue unchecked.

The Dogger Bank

BLUE lodged a complaint with the European Commission's environment section in September 2018 for failure to take management measures to stop pulse and trawling and other bottom-towed fishing gears on the Dogger Bank Special Areas of Conservation. The area protected covers nearly 19,000 km2 of the North Sea in UK, German and Dutch waters. At present no measures have been taken to manage harmful fishing gears. In June 2019 a coalition of European NGOs lodged a similar complaint targeting seine fishing. The two complaints have been combined by the Commission, and BLUE are now working in coalition at an EU level with the other complainants including WWF, ClientEarth and the Marine Conservation Society to support the Commission's investigation.

The Caspian

The Caspian Sea is home to the most critically endangered group of species on the planet – sturgeon. By addressing the causes of the potential road to extinction for sturgeon, BLUE is addressing broader environmental issues in the Caspian region. The first MPA in the Caspian Sea has also been designated as an international Hope Spot, encouraging other littoral states to protect marine habitats, allowing endemic fish stocks to recover. Ultimately, enforcement of marine protection is the largest hurdle in the Caspian and BLUE is tackling this through education, awareness programmes and development of sustainable, alternative livelihoods such as aquaculture and eco-tourism.



Expenditure in year*

£7,900

Expenditure over life of project

£48,900

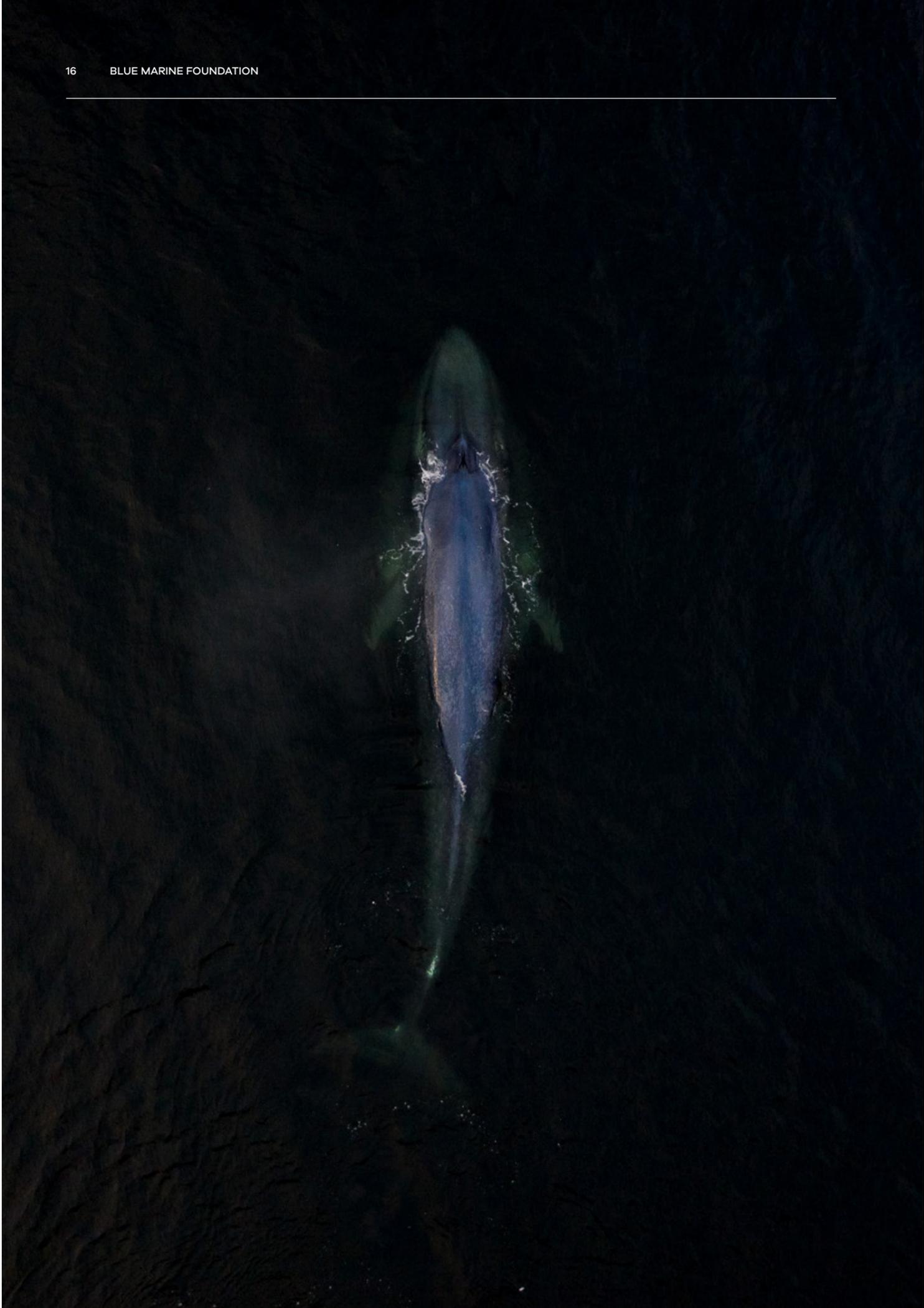
*See note 18a – 'Caspian'

Key impacts to date:

Designation of first MPA in the Caspian Sea

Designation of first Hope Spot in the Caspian Sea

Gill nets banned in Azerbaijan



Patagonia

BLUE is working with research vessel Saoirse, which is collecting data to support the designation of an MPA in the Gulf of Peñas. The gulf saw the largest ever stranding of sei whales in 2016 and this year, BLUE researchers filmed the first ever sighting of a blue whale in the gulf. The area is clearly of great significance to baleen whales and BLUE supports Oceana to protect the gulf and its leviathan visitors.

Expenditure in year*

£366,800

Expenditure over life of project

£642,800

*See note 18a – 'Patagonia'

Collection of scientific data to support Gulf of Peñas MPA

Investigation of largest ever recorded stranding of Sei whales

Hydrophone recordings of Southern Right and Humpback whales



Photo credit left and above: Will Darwin

Delivering models of sustainable fishing

BLUE's vision is to see 30 per cent of the ocean protected and the rest of the ocean fished sustainably. Through our working models of sustainable fishing, BLUE is proving that it is possible to fish with gear that does not destroy habitats or cause stock levels to collapse. Fishermen using these methods can actually earn more money, as well as having more abundance of stocks to fish from.



The British Isles showcase some of the most diverse marine habitats in the Northern Hemisphere. This biodiversity is not just ecologically important but sustains the livelihoods of local fishing communities and provides vital buffers against climate change. These seas have experienced devastating change over the last century. Technology and destructive fishing practices have laid waste to marine life and habitats, altered coastlines beyond recognition and forced small-scale fishing families to find work elsewhere.

The need to reconcile fishing with protection is becoming increasingly important in response to two recent catalysts: With the UK leaving the EU, we have an opportunity to influence the future of UK fisheries. Following on from BLUE's conference on Best Practice in World Fisheries, BLUE will work with the UK Government and the EU to ensure that both UK policy and the reformed European Common Fisheries Policy protect UK marine life and local fishing communities. The second of these catalysts is the Covid-19 crisis, which has significantly reduced the market for fishermen through restaurants closing and limitations on export markets. In response to this, BLUE has started a #LocalFishForDinner campaign, connecting the public directly with fishermen to buy top quality seafood at the quay or order online from local outlets. BLUE will develop this work with local fishermen to respond to the changing restrictions imposed in response to the pandemic.

Lyme Bay - BLUE's UK flagship project

BLUE's Lyme Bay project, established in 2012, is a model of collaborative conservation, with measurable benefits for both the marine environment and small-scale fishermen. The reserve has seen a 52 per cent increase in biodiversity and over four times more juvenile lobsters. Meanwhile small-scale fishermen have recorded higher incomes and levels of job satisfaction, with young people joining the scheme, contrary to UK trends for this declining profession.

In 2019 BLUE published a pioneering four-year study showing the impact of pot fishing within MPAs. The study monitored the effect of potting on Lyme's reefs and fishermen's catch and demonstrated that there is a 'sweet spot' between potting pressure and abundance of crab and lobster. This research has national implications and BLUE is working with Defra to conduct science and set limits for their fisheries in line with conservation. A BLUE Media film showcasing the potting study and the success of the Lyme Bay project will be released in 2020.

In the same year, BLUE's Lyme Bay team celebrated the first birthday of the Reserve Seafood van, with over 2,133 boxes of traceable, sustainably-caught Lyme Bay seafood delivered to market. In Axmouth, BLUE part-funded the installation of a lobster storage facility at Axmouth harbour, which means that fishermen don't have to risk their lives fishing for lobsters when demand is highest (at Christmas and on Valentine's Day).

Expenditure in year*

£164,200

Expenditure over life of project

£1,508,600

*See note 18a - 'Lyme Bay'

Key impacts to date:

10th year
of monitoring showed marked recovery within MPA

Fishermen exchange shared lessons with Mediterranean fishermen

Reserve Seafood launched self-financing cooperative scheme

BLUE is extending its model of collaborative fisheries management to other sites, including Jersey, Berwickshire, other areas of Scotland and North Devon, while urging regulators to pay attention to the fact local fishing communities need protection. Over the next three years, BLUE will engage with the UK Government to show that our models are both effective and adaptable and to support a wider transition to low-impact fishing fleets.



Credit: James Bowden



The Aeolians and the Mediterranean

BLUE has been working with the Italian Ministry of Environment, the Aeolian Island Preservation Fund, and local fishermen to protect and restore Aeolian sea life by creating a marine protected area and sustainable fisheries management plan which, if successful, will ensure a sustainable future for the islands and all those who live on and visit the archipelago.

Ninety per cent of fishermen on the islands of Salina and Stromboli have signed up to responsible fishing 'codes of conduct' minimising their impact on marine habitats and fishing sustainably for fish that can be traced back to the boat on which it was caught. BLUE has delivered insulated fish boxes and ice machines so that fish remains of a premium quality and can be sold at a top price. Hotels and restaurants are encouraged to buy the local fish and consumers are taught how to seek out sustainable, locally caught seafood.

BLUE's new research vessel has been supporting teams of visiting scientists, who work to protect the carbon-trapping seagrass meadows and identify important ecosystems for high levels of protection. The responsible fishermen of the Aeolians are setting an example for all the islands to follow and they demand protection of the resources that they depend on. Research data is being passed to the Ministry to inform and push for effective protection.

Aeolian community support for an MPA is growing, support for an MPA which would put an end to illegal fishing, close areas for fish to reproduce, stop the destruction of ancient marine habitats and do what all MPAs are designed to do: preserve diverse ecosystems and restore marine life to healthy levels.

Expenditure in year*
£229,200

Expenditure over life of project
£845,000
*See note 18a – 'Aeolians' + 'Med Rollout'

Key impacts to date:

90%
of fishermen on Salina and Stromboli islands signed up to responsible fishing codes of conduct

4 tonnes
of ghost nets removed from the marine environment

BLUE's Aeolian sustainable fishing and conservation model has been described to other small-scale fishermen in Italy through knowledge exchange events where fishermen explain the benefits of responsible fishing. BLUE is adapting the model in two other Italian sites, where it will be deployed to improve existing MPAs, creating a network of fishermen-led protected areas – the most effective of their kind.

Habitat Restoration

Restoring the native oyster in the Solent

Oysters are one of the most depleted habitats in Europe. Once so plentiful that they covered most of the North Sea, 95 per cent of Europe's native oyster beds have disappeared due to overfishing and pollution. BLUE has worked in the Solent for four years to revive this habitat, restoring 69,000 native oysters across 12 sites. These oysters are capable of filtering five billion litres of water annually and over 100 species have been found living on or around the oyster cages and beds, including seahorses, juvenile bass, spider crabs and critically endangered European eels.

BLUE's oyster restoration work is not only having impact in the local area, but providing a pioneering model for ecosystem restoration in the North Sea. The restoration also benefits the local community, providing volunteer

opportunities, studentships and educational school visits. To date over 400 students and volunteers have been involved with the project. Over the next three years, BLUE plans to restore several million oysters to sites in the Solent and Blackwater.

Expenditure in year*

£166,500

Expenditure over life of project

£955,800

*See note 18a – 'Solent'



Credit: Andrew Hunt

Habitat restoration and blue carbon

The crucial role that blue carbon can play in helping to regulate our climate is becoming increasingly clear, yet is still an underdeveloped area. Over the next three years, BLUE aims to develop a blue carbon programme, with the aim of quantifying the carbon value of marine ecosystems in key BLUE project sites including Sussex kelp forests, continental shelf ecosystems protected from mobile fishing gears, restored shellfish habitats and maerl and associated seabed habitats.

These project sites will establish best practice and help to inform the production of scalable and replicable templates for conservation and restoration throughout the UK and UKOTs. Using this research, BLUE will demonstrate the value of conserving and restoring blue carbon habitats to campaign for increased marine protection. BLUE Media will develop a targeted media campaign to highlight the importance of a healthy ocean in mitigating climate change. Through the support of increased public awareness and using scientific evidence, led by BLUE's Chief Scientific Adviser, Professor Callum Roberts, BLUE will make key policy interventions, justifying more effective marine protection and restoration to mitigate the effects of climate change.

69,000

native oysters restored across 12 restoration sites.

These oysters successfully spawned, releasing **billions of larvae** into the surrounding area.

Evidence from nearby settlement plates put down by BLUE-supported PhDs shows spat is settling.

>100

species found living on oysters including: seahorses, juvenile bass, grey mullet, spider crabs and critically endangered European eels.

500kg

nitrogen fixed annually (estimated from similar work in the United States).

5 billion

litres of water filtered annually, equivalent to 2,000 Olympic sized swimming pools

2 acres

of oyster bed restored.

Over **200**

school children visited the sites.

The Maldives

In April 2019, BLUE launched the #ProtectMaldivesSeagrass social media campaign, together with our partner resort Six Senses Laamu, to call on resorts to stop removing the seagrasses around their resort island to make clear lagoons for their guests. Within the space of three months, BLUE managed to convince more than a quarter of all resorts in the country to commit to protect more than 830,000m² of seagrass, absorbing significant amounts of carbon.

In November 2019, BLUE successfully developed the first ever sustainable resort reef fishery model in the Maldives. Fifteen reef fishermen who sell their catch to Six Senses Laamu signed up to a responsible fishing 'code of conduct', agreeing to target semi-pelagic and pelagic species and use selective gears to reduce their impact on Laamu's reefs. In exchange, Six Senses Laamu has agreed to reward fishermen through a benefits scheme providing an economic incentive to fish sustainably.

Though there are more than 50 protected areas in the Maldives, only four have management plans. BLUE facilitated a visit to one of these sites for the local government on Laamu to show them how protected areas benefit communities. BLUE continues its education work, distributing educational 'makerzines' and in April 2019 BLUE's Maldivian team helped organise the Llaamu Atoll Reefs festival to draw attention to the plight of the countries' coral reefs.

Expenditure in year*

£84,000

Expenditure over life of project

£332,300

*See note 18a – 'Maldives'

Key impacts to date:

5 protected areas declared by the Laamu Atoll Council

1/4 of all resorts in the Maldives pledged to protect more than 830,000m² of seagrass



Credits: Matt Porteous for Ocean Culture Life

Tackling Unsustainable Fishing

While much of BLUE's work is establishing positive examples of marine protection, sustainable fishing and habitat restoration, we also need to call out destructive activities which are wrecking our ocean and emptying it of life. Both within and outside MPAs, unsustainable fishing practices are rife all over the world. In many cases, this is illegal, unreported or unregulated (IUU) fishing, but it can also occur as a result of mismanagement, inadequate or out-of-date policies and regulations, or a lack of effective enforcement. The impact on marine life is severe, especially when these activities occur in supposedly protected areas where marine life should be able to seek refuge and recover from overexploitation. If these activities are not challenged, they will continue unchecked.

By targeting examples of unsustainable activities, we aim to not only tackle these activities directly, but to use them as case studies to set higher standards for marine management and catalyse change. The recent Covid-19 crisis risks increasing the level of unsustainable fishing; for example, a widescale relaxation of important monitoring and surveillance measures in fisheries is exacerbating IUU fishing, levels of bycatch and unlawful discarding of unwanted fish. This work is needed now more than ever, and BLUE is determined to tackle unsustainable practices using media campaigns, legal interventions and investigations. Examples of our work are as follows.

Advocating international best practice in the UK Fisheries Bill

Since 2018, BLUE has continued to remind the UK government of best practice in world fisheries management – which ideally means there should be a duty on ministers to manage fish stocks according to sound science. In January 2020, the Government produced a new draft of the Fisheries Bill which included new obligations, many of them environmental, and fisheries management plans, some of the measures BLUE and its coalition allies had advocated. In debate in the House of Lords the government conceded, as BLUE had argued, that fisheries were a public asset. This will make it harder in future for the debate about fishing policy to be dominated by a largely foreign-owned and destructive industrialised trawler fleet.

Challenging the model of tuna fishing in the Indian Ocean

In June 2019, BLUE published a report warning Indian Ocean nations of the overfishing of yellowfin tuna by EU (and other) fleets and calling for a 25 per cent reduction in catches to prevent stock collapse by 2026. This campaign has led the debate about the need for better management measures in the Indian Ocean Tuna Commission and continues to gain support and momentum.

Curbing illegal fishing in MPAs – Berwickshire

The waters of Berwickshire are home to an unusual diversity of marine life; cup corals share space alongside Arctic wolffish and pods of bottlenose dolphins. One of the largest MPAs in Europe, yet most of it is open to high levels of mobile and IUU fishing. In 2019 BLUE caught on film four fishing vessels illegally trawling in the Berwickshire MPA and is pursuing prosecution of these vessels with the Scottish government. Over the next three years, BLUE will continue to work with the local fishing community to improve the management of their fishery, and call on Marine Scotland to better govern their waters and protect its rich biodiversity for the benefit of all users. Berwickshire's MPA is one of a network of that BLUE intends to use for a national campaign to call for the protection of the UK's MPAs from destructive and illegal fishing.

Protecting marine life around Hinkley Point Nuclear Power Station

The North Devon UNESCO Biosphere holds rich biodiversity and has a heritage herring fishery. However, Hinkley's cooling system risks sucking in huge numbers of juvenile fish and expelling chlorine into the surrounding sea. BLUE Legal has made legal complaints against EDF to challenge the potential environmental damage of its water-cooling system. Over the next three years, we will continue to investigate and campaign, with the goal of forcing improvement in the cooling system, preventing the destruction of an estimated 250,000 fish per day, and setting a precedent for other UK nuclear power stations.

Calling out overexploitation in the Scottish salmon farming industry

Farmed salmon is a poorly regulated industry with major destructive impacts on the wider marine environment. For example, in Scotland, an unregulated fishery that supplies the salmon aquaculture industry with parasite-eating wrasse has been operating for the last ten years. Wrasse are caught live using pots within some of Scotland's most important MPAs. In 2019, BLUE supported Scottish NGO SIFT to launch the #SaveScottishWrasse campaign to secure new conservation measures to protect the species. BLUE's immediate aim is to bring in fisheries management regulations to protect wrasse and the kelp habitats that they rely on. Over the next three years, BLUE will run a series of campaigns to expose the detrimental impact of Scottish salmon farms, investigate potential health impact on consumers, and pressure government to better enforce regulations.

Connecting people with the sea

BLUE Education

While some issues such as plastic pollution and melting sea ice are widely understood, there is a lack of understanding of other issues affecting ocean health, including the ocean's crucial role in regulating our climate. Through our BLUE Education programme, we aim to communicate the key challenges facing our ocean, while empowering communities to protect their marine environment.

Over the past year, BLUE designed an interactive 'makerzine' called An Ocean Adventure that enabled children to visualise marine conservation from anywhere in the world. Over 3,500 copies have been distributed to schools around the world, including communities in BLUE's project sites such as Ascension Island and St Helena. In late 2019, BLUE developed the 'Secrets of St Helena' app, where players can guide a scuba-diver through rocky reefs, shipwrecks and caves to learn more about the region's endemic species and the threats they face. At the outbreak of the pandemic, we launched our BLUE Digital Education page to provide free resources for teachers, students and parents.

Over the next three years, BLUE aims to expand its educational reach by building a digital product range that will communicate the link between the ocean and climate change to reach millions of children.



Makerzines in the Maldives

National Marine Parks

Marine parks could be the best way to conserve and enhance the natural beauty, wildlife and maritime heritage of our coastal waters. Marine parks allow the story of the ocean (and why we should protect it) to be told simply and effectively. Next year is the 70th anniversary of the National Parks Act, it is high time for national parks for our seas that work for the environment and people. BLUE's strategy is two-fold: to push for marine parks to become part of the national agenda and to support the development and implementation of the UK's first marine park in Plymouth.

Plymouth sits within one of the biggest and most beautiful natural harbours in the UK, its surrounding waters are some of the highest designated in the country. Despite rich maritime heritage, parts of Plymouth remain disconnected from the sea – there are children who have never visited a beach. In September 2019, a citywide coalition of stakeholders declared the marine park in Plymouth, the first in the country, with a two-year development period from January 2020. BLUE's ambition is for a network of marine parks around our coastline that effectively conserve and enhance the marine environment by connecting the public with the sea.

Expenditure in year*

£103,700

Expenditure over life of project

£134,500

*See note 18a - 'National Marine Parks'

Key impacts to date:

BLUE's work in Plymouth has established a template for the first national park in the sea in the UK

Citywide coalition of stakeholders declared the Plymouth marine park in September 2019



Fundraising Strategy

BLUE's fundraising strategy is to ensure that we have a broad range of sources of funds, including trusts and foundations, corporate partners and high-net-worth individuals. Where possible, we try to enter into long-term partnerships with funders to ensure that our funding model is resilient.

Our annual London to Monaco cycle ride had its best year ever in 2019, but given the vulnerability of sporting events to being postponed or cancelled due to Covid-19, we have ensured that other sources of funding are being developed to replace this particular income stream. Where we have corporate partnerships, we aim to find those which are unlikely to be derailed by a downturn in the global economy.

BLUE has always understood that fundraising success hinges on project success, so BLUE will continue to emphasise delivering maximum conservation impact as a way of securing repeat donors and attracting new donors.



BLUE's ongoing development

While BLUE is growing rapidly in terms of projects, impact and income, we aim to keep our organisation lean and efficient so we can have maximum impact for our donors' money. Eighty-six per cent of our expenditure went directly to projects in the year ended March 2020 and we employed an average of 20 full-time staff in the year, all currently working remotely.

Over the last three years, BLUE has doubled its turnover, trebled its staff and increased its project reach many times over. While increasingly recognised as a major player in ocean conservation, BLUE remains lean and focused, an innovator in the NGO space.

Covid-19

By the end of the financial year ended 31 March 2020, the world was fully in the grip of the Covid-19 pandemic. We are proud to say that the entire BLUE has been adaptive, flexible and highly productive during this period.

As the severity of the pandemic became clear at the beginning of March, our priority was for the safety of the staff. We closed the London office on 6 March and stopped all travel to and from project locations. All meetings took place digitally, and it was interesting to note that productivity increased and levels of communications between our growing team improved.

While project fieldwork had to be put on hold, the team has focused on ongoing desk-based work in pursuit of our goals, digital campaigns and hosting a fully virtual conference: Rewilding the Sea.

Many organisations have struggled to secure funding at this time, but, while some of BLUE's sources of income were cancelled or postponed (notably our London to Monaco cycle ride and some of our corporate partners) our fundraising base is broad, so we have been able to redouble efforts in securing funding from trusts and foundations and new corporate donors. We finished the financial year with the largest pipeline in BLUE's history, which gives us comfort that we will be able to ride out the next two years, even if we face a severe economic recession.

As lockdown remains a possibility, we remain cautious about returning to the office. For those who do need to go in on an occasional basis, we have drawn up strict guidelines to maintain social distancing, hygiene and a log book to track anyone who comes in. For fieldwork, we have a policy which adheres to current government guidelines on social distancing and travel.

A questionnaire to all staff revealed that the team would still like to maintain a head office in the future, but it may be some time before we all work there again. In the meantime, BLUE is thriving in its virtual form.

BLUE's strategy for the coming year

When BLUE was founded a decade ago, the world was only just waking up to the idea that our ocean was under pressure. The intervening years have revealed just how much damage is being done and the extent to which this damage is both caused by, and exacerbating, the climate crisis. The scale of the crisis is matched only by the scale of the opportunity to restore the planet's greatest source of life, making BLUE's vision of a healthy ocean to maintain a stable climate, more urgent than ever before.

The next decade, what the United Nations is calling 'The Decade of Delivery', is mission critical to curbing the destruction of ocean biodiversity. The first decade of BLUE's existence was characterised by delivery. Now a more mature organisation, we will redouble our efforts to have even more impact, while maintaining a lean and focused organisation.

Our focus remains on restoring the ocean to health by tackling overfishing. This aim is given more impetus and urgency by the growing understanding of the link between destructive fishing methods and climate change. Our five strategic areas remain: securing marine protected areas, with a goal of 30 per cent by 2030, promoting sustainable fishing, restoring habitats and endangered species, tackling unsustainable fishing and connecting people with the sea. More than ever, we will work in partnership, both internationally and locally, to achieve our objectives. In addition to our Media, Legal, Investigations, Digital and Education teams, we will add BLUE Economics and BLUE Carbon, both of which will work to ensure that nature, which is so priceless, is at last properly valued.



Credit: Matt Porteous for Ocean Culture Life

Financial review

The consolidated financial statements are set out on pages 46 to 67.

Donations amounting to £4,033,518 (gross) (2019 - £4,124,438 (gross)) were received during the year, and £3,620,842 (2019 - £3,362,565) was expended during the year. This represents stability in maintaining the increased growth experienced in 2019, which was in part due to one major donation (£1,153,990 (gross)) received in the 2019 financial year. Growth in other sectors of a diverse funding pipeline ensured the level of funding remained consistent year on year. Increased expenditure represents increased activity both in regard to internal investment in operations and governance, and in fulfilling conservation impact through projects.

Total funds held at 31 March 2020 amounted to £2,411,794 (2019 - £1,986,181). The increase in funds held reflects the expenditure required to fulfil objectives on an increased number of projects in the next financial year, plus the growth in 'free reserves' required to adhere to BLUE's Reserves policy (see below). 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 2020 (consisting of amounts which could be spent without disposing of fixed assets or investments and excluding restricted funds), amounted to £1,033,893 (2019 - £802,132).

These reserves fall within BLUE's Reserves Policy of between six and eighteen months' expenditure (lower limit £815,000, upper limit £2,444,000), 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.



Fundraising Policy

BLUE's trustees are committed to ensuring that fundraising activities are carried out in an ethical manner and BLUE adheres to the Code of Fundraising Practice as set out by the Fundraising Regulator. BLUE complies with the four values supporting the standards in the Code:

- **Legal.** All fundraising must meet the requirements of the law.
- **Open.** BLUE will be open with the public about its processes and will be willing to explain (where appropriate) if asked for more information.
- **Honest.** BLUE will act with integrity and must not mislead the public about the cause it is fundraising for or the way a donation will be used.
- **Respectful.** BLUE will demonstrate respect whenever it has contact with any member of the public.

BLUE has an in-house fundraising team whose efforts are focused on raising funds from established trusts and foundations, corporate partners and high-net-worth individuals. BLUE does not have widespread engagement with the general public, run digital campaigns or use third party fundraisers.

BLUE carries out due diligence and has agreements in place with all corporate partners and commercial participants.

BLUE has received no complaints about its fundraising in the year ended 31 March 2020.

Remuneration Policy

BLUE aims to maximise its impact through paying fair salaries to reward talented people. BLUE is committed to ensuring that we pay our people fairly to attract and retain the right skills to have the greatest impact in delivering our charitable objectives. In determining BLUE's remuneration, the Remuneration Committee considers all relevant factors including benchmarking against the charity sector, the complexity of the role, the experience of the member of staff and ensuring the pay is responsible in line with our charitable objectives. The objective of the Remuneration Committee is to ensure that the senior management and staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Charity.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to benchmarking with other charities ensuring BLUE remains sensitive to the broader issues of executive pay and the gender pay gap.

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 key financial, operational and reputational risks at each Board meeting and take any necessary steps to reduce/manage 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.

Governance risks

Trustee body lacks relevant skills or commitment / Potential conflicts of interest

The board aims to have 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 regularly. Related parties are disclosed annually and conflicts of interest are managed appropriately.

Operational risks

Inappropriate organisational structure/ capacity to deliver our ambitious projects

BLUE is a growing organisation and in order to ensure it has the correct level of human resources to carry out the increasing project workload, recruitment of both project and support staff has been necessary. 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 the 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.

Health, safety and wellbeing of staff

BLUE is mindful of its duty regarding the health and safety of its staff and volunteers and takes a pro-active approach to ensuring employees, consultants and volunteers can carry out their responsibilities in safety. Risk assessments are carried out for all relevant project activities and specific staff training is carried out where appropriate. BLUE has engaged specialist HR services to ensure that the policies and procedures regarding personnel are suitable, including frequent reviews of the health and safety policies and staff wellbeing.

Infection Control

BLUE prioritises the safety of its staff and has been ahead of government guidelines since the severity of the Covid-19 pandemic became clear in February 2020, conducting regular assessments of the situation and risks.

For staff choosing to use the office, BLUE has set up strict guidelines to maintain social distancing, hygiene and a log book to ensure appropriate contact tracing. For fieldwork, staff follow a policy which adheres to current government guidelines on social distancing and travel.

Financial risks

Inaccurate and/or insufficient financial information

BLUE has brought the financial controls, monitoring and reporting in house to ensure project teams and senior management are provided with regular, timely and accurate financial information. Regular reviews of the internal controls, systems and processes coupled with the support (on pro-bono basis) of a highly reputable firm of chartered accountants ensures that BLUE has a robust financial base to support its ambitions.

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

BLUE mitigates this risk by not committing to spending beyond funds received, by keeping the reserves policy up to date and by constantly looking for fundraising opportunities. Income is from a diverse range of voluntary sources including corporates, trusts and other individual contributions and the funding sources are reviewed in the round to ensure that there are a wide range of different income streams and BLUE is not overly reliant on any one source.

Exposure to currency fluctuations

Given BLUE's international profile, the costs and income streams for several projects are denominated in foreign currencies. Where possible, these exposures are naturally hedged 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. BLUE does not enter into any formal currency hedging arrangements.

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 its success and, ultimately, delivery of the mission. BLUE monitors any incidents which might damage its reputation and assesses potential harm to its reputation in all its activities.

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
- GDPR and data protection
- Poor knowledge of the legal responsibilities of an employer
- Poor knowledge of regulatory requirements of particular activities (e.g. fund-raising, Charity 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 Charity Commission guidance.

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 £10. At 31 March 2020 there were 11 guarantors.

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.

The trustees are aware of the Charity Governance Code and are taking steps to incorporate the code into the structure and culture of BLUE. The governance committee meets on a six monthly basis and progress will be reported on an ongoing basis.

BLUE's charitable 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 and protection of the physical and natural environment by promoting marine preservation, preventing marine biodiversity decline and restoring marine habitats.
- To advance the education of the public in the conservation and protection of the marine environment.

The Trustees, having regard to the Public Benefit Guidance published by the Charity Commission, consider that the purpose and activities of Blue Marine Foundation satisfy the requirements of the public benefit test.

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 group and of the incoming resources and application of resources, including the income and

expenditure, of the group 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 or she 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Sayer Vincent LLP was re-appointed as the charitable company's auditor and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on date and signed on their behalf by

Arlo Brady
Chairman, Board of Trustees

Date: 12/11/2020

Independent Audit Report

Opinion

We have audited the financial statements of Blue Marine Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the group financial statements is not appropriate; or
- The trustees have not disclosed in the group financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. Our opinion on the group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the group financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the

financial statements are prepared is consistent with the financial statements

- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard

Senior statutory auditor

Date: 01/12/2020

for and on behalf of Sayer Vincent LLP, Statutory Auditor.

Invicta House, 108-114 Golden Lane, LONDON,
EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



FINANCIAL STATEMENTS

For the year ended 31 March 2020

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

	Note	Unrestricted £	Restricted £	2020 total £	Unrestricted £	Restricted £	2019 total £
Income from:							
Donations and legacies	2	1,488,937	2,544,581	4,033,518	1,158,215	2,966,223	4,124,438
Other trading activities		9,638	-	9,638	62,004	-	62,004
Investments		3,299	-	3,299	2,934	-	2,934
Total income		1,501,874	2,544,581	4,046,455	1,223,153	2,966,223	4,189,376
Expenditure on:							
Raising funds	3	213,099	-	213,099	180,295	-	180,295
Charitable activities	3	994,987	2,411,959	3,406,946	815,990	2,366,280	3,182,270
Tax payable by subsidiaries	8, 12	797	-	797	-	-	-
Total expenditure		1,208,883	2,411,959	3,620,842	996,285	2,366,280	3,362,565
Net income for the year		292,991	132,622	425,613	226,868	599,943	826,811
Transfers between funds		(32,250)	32,250	-	-	-	-
Net movement in funds		260,741	164,872	425,613	226,868	599,943	826,811
Reconciliation of funds:							
Total funds brought forward		813,797	1,172,384	1,986,181	586,929	572,441	1,159,370
Total funds carried forward	18	1,074,538	1,337,256	2,411,794	813,797	1,172,384	1,986,181

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the financial statements.

Balance sheet

As at 31 March 2020

	Note	The group		The charity	
		2020 £	2019 £	2020 £	2019 £
Fixed assets:					
Intangible assets	9	11,830	-	11,830	-
Tangible assets	10	30,697	14,747	30,697	14,747
Investments	11	-	-	200	200
		42,527	14,747	42,727	14,947
Current assets:					
Debtors	14	559,109	397,685	559,420	405,419
Cash at bank and in hand		2,179,090	1,766,127	2,174,090	1,761,127
		2,738,199	2,163,812	2,733,510	2,166,546
Liabilities:					
Creditors: amounts falling due within one year	15	(368,932)	(192,378)	(364,241)	(189,222)
Net current assets		2,369,267	1,971,434	2,369,269	1,977,324
Total net assets		2,411,794	1,986,181	2,411,996	1,992,271
Funds:					
Restricted income funds	18	1,337,256	1,172,384	1,337,256	1,172,384
General funds		1,074,538	813,797	1,074,740	819,887
Total funds		2,411,794	1,986,181	2,411,996	1,992,271

Approved by the trustees and signed on their behalf by:

Arlo Brady
Chairman, Board of Trustees

Date: 12/11/2020

Consolidated statement of cash flows

For the year ended 31 March 2020

	2020		2019	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	425,613		826,811	
Depreciation charges	10,219		10,489	
Dividends, interest and rent from investments	(3,299)		(2,934)	
Losses on disposal of fixed assets	770		-	
Decrease /(increase) in debtors	(161,424)		206,943	
Increase/(decrease) in creditors	176,554		(10,885)	
Net cash provided by operating activities		448,433		1,030,424
Cash flows from investing activities:				
Dividends, interest and rents from investments	3,299		2,934	
Purchase of fixed assets	(38,769)		(10,194)	
Net cash used in investing activities		(35,470)		(7,260)
Change in cash and cash equivalents in the year		412,963		1,023,164
Cash and cash equivalents at the beginning of the year		1,766,127		742,963
Cash and cash equivalents at the end of the year		2,179,090		1,766,127

Notes to the consolidated financial statements for the year ended 31 March 2020

1. Accounting policies

a) Statutory information

BLUE Marine Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom

The registered office address is 3rd Floor, South Building, Somerset House, Strand, London WC2R 1LA.

b) Basis of preparation

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 UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary BMF Trading Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The Covid-19 pandemic has created significant operational and financial pressures on the charitable sector. Having considered BLUE's successful adaptation to remote working and project delivery, the promising fundraising pipeline, and having reviewed updated cashflow forecasts, the trustees consider the adoption of the going concern basis in preparing these financial statements is appropriate.

e) Judgements

Key judgements that the charity has made which have a significant effect on the accounts include future grants. Future grants payable are only provided for in the financial statements when there is a constructive or legal obligation for the Charity to pay out for future grants at the year end, which is dependent on the terms and conditions of the grant agreement between the Charity and the grant beneficiary.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

g) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt

1. Accounting policies (continued)

of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

h) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

i) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

j) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

k) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

l) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

m) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

n) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Office equipment	straight-line over	3 years
- Fixtures and fittings	straight-line over	3 years
- Leasehold Improvements	straight-line over	5 years

Notes to the consolidated financial statements for the year ended 31 March 2019

1. Accounting policies (continued)

o) 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 FR 102. The trustees have decided to amortise goodwill over the remainder of its revised useful economic life to March 2020 on a straight line basis.

p) Investments in subsidiaries

Investments in subsidiaries are at cost.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

s) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due

t) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

u) Pensions

Contributions in respect of the charity's defined contribution pension scheme are charged to the

Statement of Financial Activities for the year in which they are payable to the scheme.

v) Foreign Currency

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange for the year. Exchange differences are taken into account in arriving at the net incoming resources figure.

2. Income from donations and legacies

	2020			2019		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Donation and legacies						
Corporate donations	200,163	353,944	554,107	89,434	487,422	576,856
Donations received from individuals	267,442	576,844	844,286	245,318	1,417,850	1,663,168
Donations received from Private Foundations*	158,832	929,724	1,088,556	251,586	698,340	949,926
Auction and events income	24,309	582,228	606,537	32,402	231,122	263,524
BMYC Membership donations	320,000	-	320,000	161,458	-	161,458
Donations in kind	348,657	-	348,657	347,855	-	347,855
Gift Aid	169,534	-	169,534	28,018	-	28,018
Other Income	-	4,824	4,824	2,144	-	2,144
Government funding	-	97,017	97,017	-	131,489	131,489
	1,488,937	2,544,581	4,033,518	1,158,215	2,966,223	4,124,438

*Donations received from Private Foundations include:

National Fish and Wildlife Foundation | The Don Quixote Foundation | Lloyds Register Foundation | Stichting Adessium Foundation | The Brook Foundation | The Disney Foundation | Flotilla Foundation | The Whitley Animal Protection Trust | The Golden Bottle Trust | Artemis Foundation | Dulverton Trust | Kindlink Foundation | Ruth Smart Foundation | Aeolian Islands Preservation Fund | The Ian Fleming Estate | Seafarers UK | Martin Wills Wildlife Maintenance Trust | The Charities Trust

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

	2020 £	2019 £	
Donated services			
Freud Communications	PR Support	197,000	180,000
Steve Edge	Design Support	45,500	60,000
Latham & Watkins LLP	Legal Support	37,812	69,802
Rawlinson & Hunter	Accounting Support	38,260	38,053
Ocean Life	Media Content	15,000	-
David Churchill	Photography	9,060	-
Tom Ponsonby	Website Services	6,025	-
		348,657	347,855

Notes to the consolidated financial statements for the year ended 31 March 2020

3a. Analysis of expenditure (current year)

	Raising funds £	Charitable activities £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 5)	163,627	721,450	193,641	-	1,078,718
Direct costs	6,880	1,629,278	-	-	1,636,158
Markets and branding	-	-	-	44,528	44,528
Programme related events	-	5,766	-	27,312	33,078
Consultancy	-	93,503	-	56,764	150,267
Travel and subsistence	-	128,866	-	23,483	152,349
Office costs	-	9,206	-	17,657	26,863
Premises costs	-	5,952	-	68,968	74,920
IT costs	-	827	-	34,107	34,934
Other costs	-	6,293	-	(4,762)	1,531
Depreciation and amortisation	-	1,967	-	8,252	10,219
Bank charges	-	151	-	4,478	4,629
Legal and professional fees*	-	310,397	47,626	-	358,023
Auditor fees	-	-	13,828	-	13,828
	170,507	2,913,656	255,095	280,787	3,620,045
Support costs	42,592	187,791	50,404	(280,787)	-
Governance costs	-	305,499	(305,499)	-	-
Total expenditure 2020	213,099	3,406,946	-	-	3,620,045

* Includes pro-bono services provided of £348,657

Expenditure split	6%	86%	8%
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3b. Analysis of expenditure (prior year)

	Raising funds £	Charitable activities £	Governance costs £	Support costs £	2018 Total £
Staff costs (Note 5)	131,297	526,816	154,761	-	812,874
Direct costs	7,918	1,605,185	-	-	1,613,103
Markets and branding	-	2,515	-	11,354	13,869
Programme related events	-	31,133	-	3,343	34,476
Consultancy	-	117,328	-	42,555	159,883
Travel and subsistence	-	144,040	-	39,086	183,126
Office costs	-	6,871	-	37,812	44,683
Premises costs	-	7,904	-	54,210	62,114
IT costs	-	364	-	19,867	20,231
Other costs	-	6,129	-	32,041	38,170
Depreciation and amortisation	-	1,545	-	8,944	10,489
Bank charges	-	106	-	5,120	5,226
Legal and professional fees*	-	309,802	44,819	-	354,621
Auditor fees	-	-	9,700	-	9,700
	139,215	2,759,738	209,280	254,332	3,362,565
Support costs	41,080	164,831	48,421	(254,332)	-
Governance costs	-	257,701	(257,701)	-	-
Total expenditure 2019	180,295	3,182,270	-	-	3,362,565

* Includes pro-bono services provided of £347,855

Expenditure split	5%	87%	8%
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Notes to the consolidated financial statements for the year ended 31 March 2020

4. Net income / (expenditure) for the year

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	9,249	4,480
Amortisation of intangible fixed assets	970	6,009
Operating lease rentals:		
Property	71,745	59,436
Auditor's remuneration (excluding VAT):		
Audit - current year	9,700	9,500
Subsidiaries	-	167
Foreign exchange gains or losses	(28,441)	19,333

5. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	918,879	695,083
Employer's contribution to defined contribution pension schemes	52,657	39,927
Employers national insurance contributions	99,867	75,727
Other staff costs	7,315	2,137
	1,078,718	812,874

Number of employees receiving employee benefits (excluding employer pension costs and employer's national insurance) during the year:

	2020 No.	2019 No.
£60,000 - £69,999	1	-
£100,000 - 109,999	1	1
£120,000-129,999	1	-
£130,000-139,999	-	1

Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £286,258 (2019: £289,650).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). One trustee Callum Roberts received payment of £4,240 for professional services supplied to the charity (2019: £7,500).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £836 (2019: £4,536) incurred by 2 (2019: 3) members relating to attendance at meetings of the trustees.

6. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 20 (2019: 14).

7. Related party transactions

There are restricted donations totalling £245,500 from related parties. There are no donations from related parties which are outside the normal course of business.

Other creditors include £1,687 (2019: £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 TPS Appleby is a director provided consultancy services of £29,463 (2019: £31,848).

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 £38,260 (2019: £38,053).

Freud Communications, a public relations company of which A K O Brady is a director, provided pro bono PR services of £197,000 (2019: £180,000).

Sustainable Inshore Fisheries Trust, an organisation of which M Rose is a trustee, provided services for the West Scotland project of £25,250 (2019: £25,500)

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.

8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The subsidiary's charge to corporation tax in the year was:

	2019 £	2018 £
UK corporation tax at 19%	797	-

Notes to the consolidated financial statements for the year ended 31 March 2020

9. Intangible fixed assets

The group and charity

	Website development £	Trademark £	Total £
Cost			
At the start of the year	6,302	967	7,269
Additions in year	12,000	800	12,800
At the end of the year	18,302	1,767	20,069
Depreciation			
At the start of the year	6,302	967	7,269
Charge for the year	859	111	970
At the end of the year	7,161	1,078	8,239
Net book value			
At the end of the year	11,141	689	11,830
At the start of the year	-	-	-

10. Tangible fixed assets

The group and charity

	Leasehold Improvements £	Office equipment £	Total £
Cost			
At the start of the year	5,000	20,683	25,683
Additions in year	-	25,969	25,969
Disposals in year	-	(1,152)	(1,152)
At the end of the year	5,000	45,500	50,500
Depreciation			
At the start of the year	1,917	9,019	10,936
Charge for the year	1,000	8,249	9,249
Eliminated on disposal	-	(382)	(382)
At the end of the year	2,917	16,886	19,803
Net book value			
At the end of the year	2,083	28,614	30,697
At the start of the year	3,083	11,664	14,747

All of the above assets are used for charitable purposes.

11. Investments

Charity

	Subsidiary undertakings	
	2020 £	2019 £
Cost and net book value at 1 April and 31 March	200	200

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

Notes to the consolidated financial statements for the year ended 31 March 2020

12. Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of BMF Trading Limited, a company registered in England. The company number is 07004094. The registered office address is Third Floor, South Building, Somerset House, The Strand, London, WC2R 1LA.

The subsidiary is used for non-primary purpose trading activities by providing marketing and branding services to commercial organisations. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The trustees CMJ Gorell Barnes, GL Duffield and AS Blount are also directors of the subsidiary.

Summary of subsidiary results

	2020 £	2019 £
Turnover	156,706	62,004
Cost of sales and administration costs	(2,952)	(19,625)
Profit/(loss) on ordinary activities before interest and taxation	153,754	42,380
Interest payable	-	-
Profit/(loss) on ordinary activities before taxation	153,754	42,380
Taxation on profit on ordinary activities	(797)	-
Profit/(loss) for the financial year	152,957	42,380
Retained earnings		
Total retained earnings brought forward	(6,089)	(48,469)
Profit for the financial year	152,957	42,380
Distribution under Gift Aid to parent charity	(147,068)	-
Total retained earnings carried forward	(200)	(6,089)
The aggregate of the assets, liabilities and reserves was:		
Assets	14,014	15,459
Liabilities	(14,014)	(21,349)
Net assets / (liabilities)	-	(5,890)
Allotted, called up and fully paid shares	200	200
Reserves	(200)	(6,089)
Total funds	-	(5,889)

Amounts owed to/from the parent undertaking are shown in note 15.

13. Parent charity

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

Summary of financial activities undertaken by the Charity

	2020 £	2019 £
Donations and Legacies	4,033,520	4,124,437
Costs of raising funds	(213,643)	(88,543)
Charitable activities	(3,247,328)	(3,124,470)
Other	(156,123)	(123,917)
Interest receivable	3,299	2,934
Net incoming resources	419,725	790,441
Funds brought forward	1,992,271	1,201,830
Funds carried forward	2,411,996	1,992,271

14. Debtors

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	102,755	69,267	91,535	58,809
Other debtors	-	278	-	277
Prepayments	63,257	34,431	63,527	34,432
Amounts due from group undertakings	-	-	11,531	18,193
Accrued income	393,097	293,708	393,097	293,708
	559,109	397,685	559,420	405,419

Notes to the consolidated financial statements for the year ended 31 March 2019

15. Creditors: amounts falling due within one year

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	301,390	74,481	301,390	74,481
Other creditors	47,972	43,950	44,078	42,263
Pension scheme liability	7,133	5,658	7,133	5,658
Accruals	11,640	49,378	11,640	47,909
Other taxation	797	-	-	-
Deferred income (note 17)	-	18,911	-	18,911
	368,932	192,378	364,241	189,222

16. Deferred income

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Balance at the beginning of the year	18,911	-	18,911	-
Amount released to income in the year	18,911	-	18,911	-
Amount deferred in the year	-	18,911	-	18,911
Balance at the end of the year	-	18,911	-	18,911

17a. Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
Intangible fixed assets	11,830	-	11,830
Tangible fixed assets	28,615	2,082	30,697
Debtors	153,577	405,532	559,109
Cash at bank and in hand	1,192,597	986,493	2,179,090
Creditors	(312,081)	(56,851)	(368,932)
Net assets at 31 March 2020	1,074,538	1,337,256	2,411,794

17b. Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Intangible fixed assets	-	-	-
Tangible fixed assets	11,665	3,082	14,747
Debtors	55,668	342,017	397,684
Cash at bank and in hand	849,875	916,253	1,766,128
Creditors	(103,411)	(88,967)	(192,378)
Net assets at 31 March 2019	813,797	1,172,384	1,986,181

Notes to the consolidated financial statements for the year ended 31 March 2020

18a. Movements in funds (current year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
Aeolians	71,862	201,893	(123,280)	-	150,475
Ascension	915	250,000	(115,393)	-	135,522
Asia	-	51,259	(35,224)	-	16,035
Big Marine Data Project	24,718	82,686	(107,404)	-	-
Blackwater	-	36,108	(36,108)	-	-
Caspian	-	25,000	(7,887)	-	17,113
High Seas	165,786	20,000	(114,073)	10,500	82,213
Lyme Bay	110,930	127,444	(164,222)	-	74,152
Maldives	71,610	160,821	(83,974)	9,250	157,707
Media Unit	60,519	249,985	(224,456)	-	86,048
Med Roll Out	73,672	48,385	(105,888)	-	16,169
Namibia	-	75,000	(46,889)	-	28,111
National Marine Parks	-	118,273	(103,652)	-	14,621
Patagonia	-	431,835	(366,835)	-	65,000
SAFE Initiatives	-	229,050	(171,604)	-	57,446
Solent	33,940	238,727	(166,464)	-	106,203
St Helena	262,248	-	(136,343)	12,500	138,405
Sturgeon	-	10,000	(68)	-	9,932
Tristan Da Cunha	-	40,000	(40,000)	-	-
UK Rollout	296,184	148,115	(262,195)	-	182,104
Total restricted funds	1,172,384	2,544,581	(2,411,959)	32,250	1,337,256
Designated funds:					
Political Engagement	-	-	(24,567)	24,567	-
Project Scoping	-	-	(40,223)	40,223	-
Self-Funded Projects	-	-	(40,139)	40,139	-
General funds	813,797	1,501,874	(1,103,954)	(137,179)	1,074,538
Total unrestricted funds	813,797	1,501,874	(1,208,883)	(32,250)	1,074,538
Total funds	1,986,181	4,046,455	(3,620,842)	-	2,411,794

18b. Movements in funds (prior year)

	At 1 April 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2019 £
Restricted funds:					
Aeolians	144,742	149,699	(222,579)	-	71,862
Ascension	83,007	96,698	(178,790)	-	915
Back the Blue Belt	973	4,259	(5,232)	-	-
Big Marine Data Project	161,623	-	(136,905)	-	24,718
Blackwater	(1,350)	34,442	(33,092)	-	-
High Seas	-	220,000	(54,214)	-	165,786
Lyme Bay	(72,371)	306,429	(123,128)	-	110,930
Maldives	99,166	27,028	(54,584)	-	71,610
Media Unit	-	250,000	(189,481)	-	60,519
Med Roll Out	(1,534)	251,842	(176,636)	-	73,672
National Marine Parks	-	45,944	(45,944)	-	-
Patagonia	50,145	-	(50,145)	-	-
Solent	11,628	372,752	(350,440)	-	33,940
St Helena	143,841	253,007	(134,600)	-	262,248
UK Rollout	(47,416)	950,822	(607,222)	-	296,184
UKOTS	(13)	3,301	(3,288)	-	-
Total restricted funds	572,441	2,966,223	(2,366,280)	-	1,172,384
Designated funds:					
Political Engagement	-	-	(35,965)	35,965	-
Project Scoping	-	-	(2,410)	2,410	-
Self-Funded Projects	-	-	(12,698)	12,698	-
General funds	586,929	1,223,153	(945,212)	(51,073)	813,797
Total unrestricted funds	586,929	1,223,153	(996,285)	-	813,797
Total funds	1,159,370	4,189,376	(3,362,565)	-	1,986,181

Notes to the consolidated financial statements for the year ended 31 March 2020

18a. Movement in funds (current year) continued

Purposes of restricted funds

Restricted funds are held for expenditure in the 2020/21 financial year. The balances are held for the following purposes:

[A] Delivering models of sustainable fishing (Lyme Bay, UK Rollout, Aeolians, Med Rollout). Funds held for planned activities for the ongoing development of Lyme Bay and Aeolians demonstrator sites, and expansion across the UK and Mediterranean during 2020/21.

[B] Securing large-scale marine protected areas (St Helena, Ascension, High Seas): Funds received relate to multi-year grants with remainder of expenditure planned for 2020/21

[C] Habitat restoration (Solent, Blackwater): Funds held for planned activities for the continuation of the restoration of oysters in the Solent.

[D] Protecting diverse ecosystems (Maldives, Patagonia, Namibia): Funds held for planned activities in growing the impact of the projects in the Maldives and Patagonia through partnerships.

[E] SAFE Initiatives: Funding was for the year to July 2020.

[F] Media Unit: Funding was for the year to May 2020.

Purposes of designated funds

Designated funds have been created in the 2019/20 financial year by the board of trustees for the following purposes:

[A] Political Engagement is charitable expenditure on legal consultancy for reacting to political situations and taking opportunities to advise on relevant policy. The expenditure in the year was used for work on UK fisheries legislation and Brexit.

[B] Project Scoping is charitable expenditure on scoping new projects prior to funding being received. The expenditure in the year was used for scoping a new Legal Unit for BLUE.

[C] Self-Funded Projects is charitable expenditure on projects deemed vital to the mission of the Charity for which external funding will not be found. The expenditure in the year was used for carrying out investigative work on the illegal overfishing of Yellow-Fin Tuna.

19. Operating lease commitments payable as a lessee

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2020 £	2019 £
Less than one year	40,487	21,385
	40,487	21,385

20. Controlling party

The charity is controlled by its Trustees.

21. Legal status of the charity

The charity is a company 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 2020 there were 11 (2019: 9) members.

22. Restatement

The 2019 figures have been restated in Note 3b to recategorise some of the expenses between the different P&L categories.



BLUE MARINE
FOUNDATION

3rd Floor South Building,
Somerset House, Strand, London,
WC2R 1LA

+44 0207 845 5850
info@bluemarinefoundation.com
www.bluemarinefoundation.com