



REPORT & ACCOUNTS

For the year ended 31 March 2023

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2023

Overview

Marine Society and Sea Cadets (MSSC) is a charity that helps launch young people for life and supports aspiring and serving seafarers to realise their potential.

With a clear aim to be the leading maritime charity for youth development and lifelong learning, MSSC is committed to investing in and supporting all of our beneficiaries so they can achieve their potential whatever path they choose.

Our vision for **Sea Cadets**: *“Every young person launched for life”*. We seek to achieve this by: Inspiring young people to achieve their potential through challenge and nautical adventure guided by the customs and traditions of today’s Royal Navy.

Our vision for **Marine Society**: *“Every current and future seafarer and maritime professional skilled for life”*. We seek to achieve this by: Enabling current and future seafarers to realise their potential through learning and career development.

We know that our work has a transformational impact on both individuals and the communities they live and work in, positively affecting their life chances and benefiting their communities and society as a whole. The pandemic brought our work into sharp focus, requiring us to respond rapidly to changing needs and to be highly agile in our delivery, moving almost everything online without a pause.

Two years on from the launch of our Regeneration Plan, designed to revive our activities after the pandemic, we have gone far beyond getting ‘back to normal’. Thanks to incredible delivery by our amazing volunteers, swelled by the many new volunteers that have joined us over the period, our sea cadets are back to enjoying the vast range of activities offered through the full Sea Cadets Experience, while our outreach programmes have engaged more young people than ever. At the same time, we have continued to develop our lifelong learning and support for seafarers and maritime professionals, including an expanded range of apprenticeships, thanks to our new partnership with UK Sailing Academy.

Alongside delivery of new equipment and facilities we have invested heavily in digital transformation. For Sea Cadets, this means a fantastic platform supporting in-person delivery to our young people, with hybrid learning for our volunteers and online booking and consent for cadet courses. For seafarers, a further leap forward in our Learn@Sea and Learn@Shore apps means our digital offer matches many of the best in maritime education too. And for the charity as a whole, new online finance and case management systems now deliver greater effectiveness.

The Regeneration Plan’s blended approach has given us even more ways to engage cadets, seafarers and volunteers, allowing us to be much more flexible in the way we can provide learning, training and support. From April 2023, our new Future Ready five-year strategy will build on the work of the past two years, to meet the growing demand for what we provide and ensure we remain relevant in this rapidly evolving digital age.

**REPORT OF THE COUNCIL
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Our values and culture

We are driven by what we do and the impact we have. We are proud of our work, approaching it with positivity, enthusiasm and urgency as we seek to deliver more inspiring futures. Guided by the views of volunteers, cadets and employees, we have updated the way we define our six core values – to emphasise the importance of inclusion, inspire loyalty to the organisation, and redouble our commitment to doing our best.

MSSC values	Sea Cadet values
<p>Respect: We are inclusive, considerate and professional.</p>	<p>Respect: To be inclusive, appreciate others and considerate of all.</p>
<p>Loyalty: We put our beneficiaries first and pull together to achieve our shared goals.</p>	<p>Loyalty: To be faithful to those who value and support me.</p>
<p>Self-discipline: We are focused and structured in our work to achieve the best possible outcomes.</p>	<p>Self-discipline: To do my best and do what I must.</p>
<p>Commitment: We are committed to the charity’s goals and to work creatively to find solutions.</p>	<p>Commitment: To do what I say I will.</p>
<p>Honesty & Integrity: We are open, honest and treat everyone fairly.</p>	<p>Honesty & Integrity: To tell the truth and be a good person.</p>
<p>Courage: We do what we know is right and support others to do the same.</p>	<p>Courage: To do what I know is right.</p>

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2023

OUR STRATEGIC REGENERATION PLAN to 2023

Thanks to the successful implementation of our two-year Regeneration Plan, Marine Society and Sea Cadets has proved immensely resilient to the challenges of Covid-19. The Regeneration Plan has not only guided our return to a full programme of activities as swiftly and safely as possible, but it also helped us adapt to changing ways of working and thrive in adversity. And while the uncertainty of the pandemic could have diminished our offer, the consistency and quality of what we were able to provide for our beneficiaries showed that we have never been so relevant or needed.

Concluding in March 2023, the Regeneration Plan has embraced six catalysts for change that were developed during the pandemic to create a foundation for future growth:

- **Youth centred:** putting our young people's views and needs at the centre of our thinking and action so that we best equip them for the world ahead.
- **Empowered volunteering:** providing effective and enabling support, encouragement and flexibility to equip our volunteers to maximise their effect.
- **Collaborative working:** a one team approach at all levels enabling us to deliver with speed and agility against our common goals.
- **Developing a new blended approach:** driving digital transformation whilst retaining the value of in-person working, including a hands-on Sea Cadets experience for young people.
- **Becoming totally inclusive:** building on our open culture to drive even greater inclusivity for all and further contributing to the communities in which we operate.
- **Maintaining our maritime focus:** ensuring we continue to serve the maritime sector, with Sea Cadets focussed on the customs and traditions of today's Royal Navy.

For 2022/23 we set a number of clear Regeneration objectives under seven strategic Areas of Focus, against which we note our progress opposite. The year also marked a number of major milestones:

- Cadets and volunteers participated in many Platinum Jubilee community events across the UK, marking the 70-year reign of our late monarch and patron Her Majesty Queen Elizabeth II. These celebrations were contrasted with playing our part in the funeral and remembrance of Her Majesty after her passing on 8 September 2022.
- Our Admiral of the Sea Cadet Corps formally opened Port Edgar Boat Station, participated in the Northern Area cadet forum, sailed with cadets on the Sea Cadets flagship TS Royalist and was the inspecting officer at Sea Cadets Northern Ireland 80th Anniversary parade.
- We hosted our biggest ever Cadet Conference, where 200 cadets helped finalise our new five-year strategy (see p9), and returned to a full round of face-to-face volunteer conferences.
- We opened 21 new Junior Sea Cadets sections across the UK and secured funding from DCMS Youth Investment Fund to help reduce our growing waiting lists by opening 58 new senior sections by March 2025.
- We secured the balance of funding and began development of a new Midlands residential boat station in Birmingham, invested in creating new training facilities in Kent and Merseyside and distributed £1,027K in grants to units towards facility upgrades.
- We engaged 1,384 hard-to-reach young people in our On The Water summer programme in Birmingham, Liverpool and East London, and a further 16,679 pupils in STEM school engagement workshops across the UK via our Marine Engineering programme.
- We entered an exciting new partnership for delivering maritime apprenticeships with UK Sailing Academy and produced three new Learn@Sea courses in communications, safety and engineering.

**REPORT OF THE COUNCIL
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1. YOUTH

- Returning to offer the full range of cadet activities ✓
- Delivering a new Royal Marines Cadets syllabus →
- Reintroducing some international activities (2023) ✓
- Increasing Duke of Edinburgh courses by 15% ✓
- Delivering 30 hours boating (average) per cadet ✓
- Giving more cadets a voice with increased district forums →
- Delivering a 'wellbeing & resilience' course for cadets nationally →
- Providing practical careers support →
- Developing a strategy to reflect the modern RN in cadet activities ✓

2. VOLUNTEERS

- Supporting return of full delivery of the Sea Cadet Experience ✓
- Harnessing blended learning and clearing any volunteer training backlogs →
- Introducing more external accreditations for volunteer training ✗
- Driving flexible volunteering →

3. GROWTH

- Supporting unit regeneration plans ✓
- Delivering 1,200 outreach opportunities via our 'On the Water' programme ✓
- Opening a further 20 new junior sections and returning to April 2020 cadet numbers ✓
- Developing a strategy for future growth →

4. DIGITAL

- Delivering online course payment and expense systems ✓
- Rolling out our volunteer portal ✓
- Delivering a case management system for volunteer support and safeguarding ✓
- Delivering digital volunteer onboarding →
- Upgrading Marine Society digital systems ✗

5. COMMUNITY

- At least 50 Sea Cadets units participating in Queen's Platinum Jubilee projects ✓
- Playing our part in the national and local Queen's Platinum Jubilee celebrations ✓
- Issuing Platinum Jubilee medals and certificates ✓

6. MARINE SOCIETY

- Establishing two maritime apprentice recruitment assessment centres →
- Delivering outreach courses to 50 learners (14-19) ✗
- Developing three new Learn@Sea upskilling courses ✓
- Establish a careers bridge for cadets seeking to progress into maritime sector →
- Further developing our Coming Ashore project ✓

7. ENABLERS

- Committing to construction of a major new boat station in the Midlands ✓
- Delivering improvements to regional training venue opportunities ✗
- Completing a transport review ✗
- Beginning development of shooting hubs →
- Delivering on secured investment in boating equipment ✓
- Continuing to roll out diversity and inclusion plans ✓
- Developing an environmental strategy ✓
- Growing fundraising and developing communications ✓

KEY

- ✓ Achieved
- In progress
- ✗ Not achieved/deferred

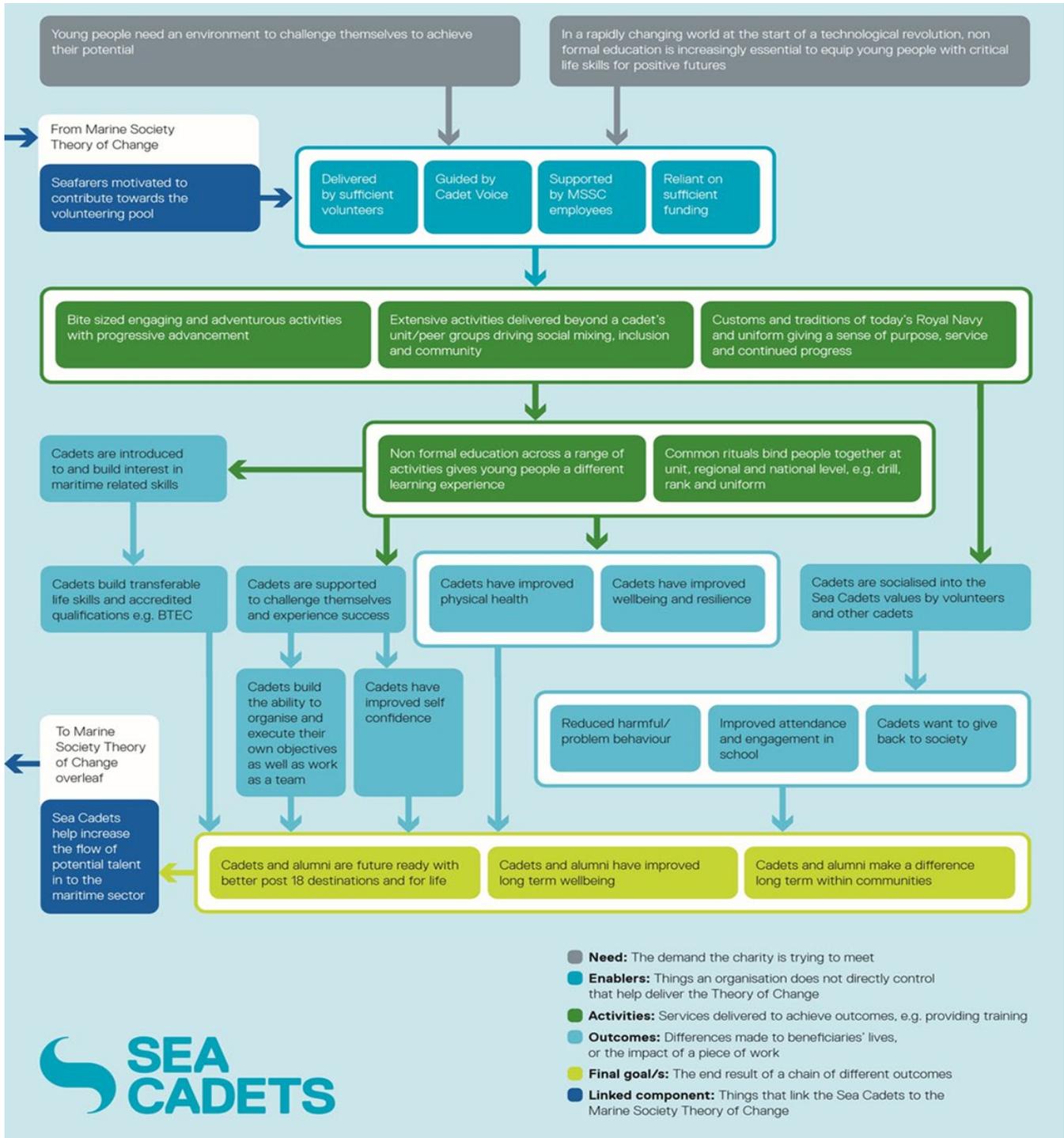
THEORIES OF CHANGE

During the year we have also developed theories of change (shown overleaf) to give a clear picture of the journey a young person or a seafarer goes on with us, and how our interventions build to deliver immediate and enduring positive impact. This helps to ensure that the charity offers a consistent and conscious outcome to all beneficiaries and that we always meet our charitable objectives, making a positive, life-enhancing difference.

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OUR THEORY OF CHANGE FOR SEA CADETS

The chart below helps to show how we deliver impact for young people through the Sea Cadets Experience (opposite). It means we can explain more clearly why we offer what we do through the Sea Cadets Experience and how we achieve positive outcomes for young people.



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THE SEA CADETS EXPERIENCE

The Sea Cadets Experience shows the activity on offer to young people. It offers a clear pathway for them to follow as it charts their progress, identifying the number of hours of boating, courses to attend and specialist training needed to progress through their sea cadet career. Embedded throughout this journey are our Sea Cadets Values, underpinning the core of what we do and helping them to find their course in life through us.



Sea Cadet values³ are woven into our training

	Sea Cadets 12-18yrs			Royal Marines Cadets 13-18yrs			Junior Sea Cadets 9-12yrs ¹	
Sea Cadet life skills	Basic	Int	Adv	Basic	Int	Adv	Sea Cadet life skills	Intro
Core training ⁴	Basic	Int	Adv	Basic	Int	Adv	Learning about your unit	15 modules
Specialisation (e.g. Marine Engineering)		1 Int	1 Adv				Outdoor activities	15 modules
Proficiency (e.g. Musician)	3 qualifications of any combination	1 Int	1 Adv	1 Basic	1 Int	1 Adv	Waterborne activities	15 modules
Waterborne proficiency		1 Int	1 Adv				Community activities	15 modules
Boating (Hours afloat)		60hrs	60hrs				60hrs	Boating (Hours afloat)
Offshore voy or overseas exch.		1	1		1	1	Participation Awards (Waterborne and STEM ⁶)	2
BTEC		1			1			
Event or competition	1	1	1	1	1	1		
RN or RM event	1	1	1	1	1	1		
DofE Award: (Bronze, Silver, Gold)	✓	✓	✓	✓	✓	✓		
(RMC) Skill at Arms Training				1	2	2		
(RMC) Shooting				1	1	1		

Key

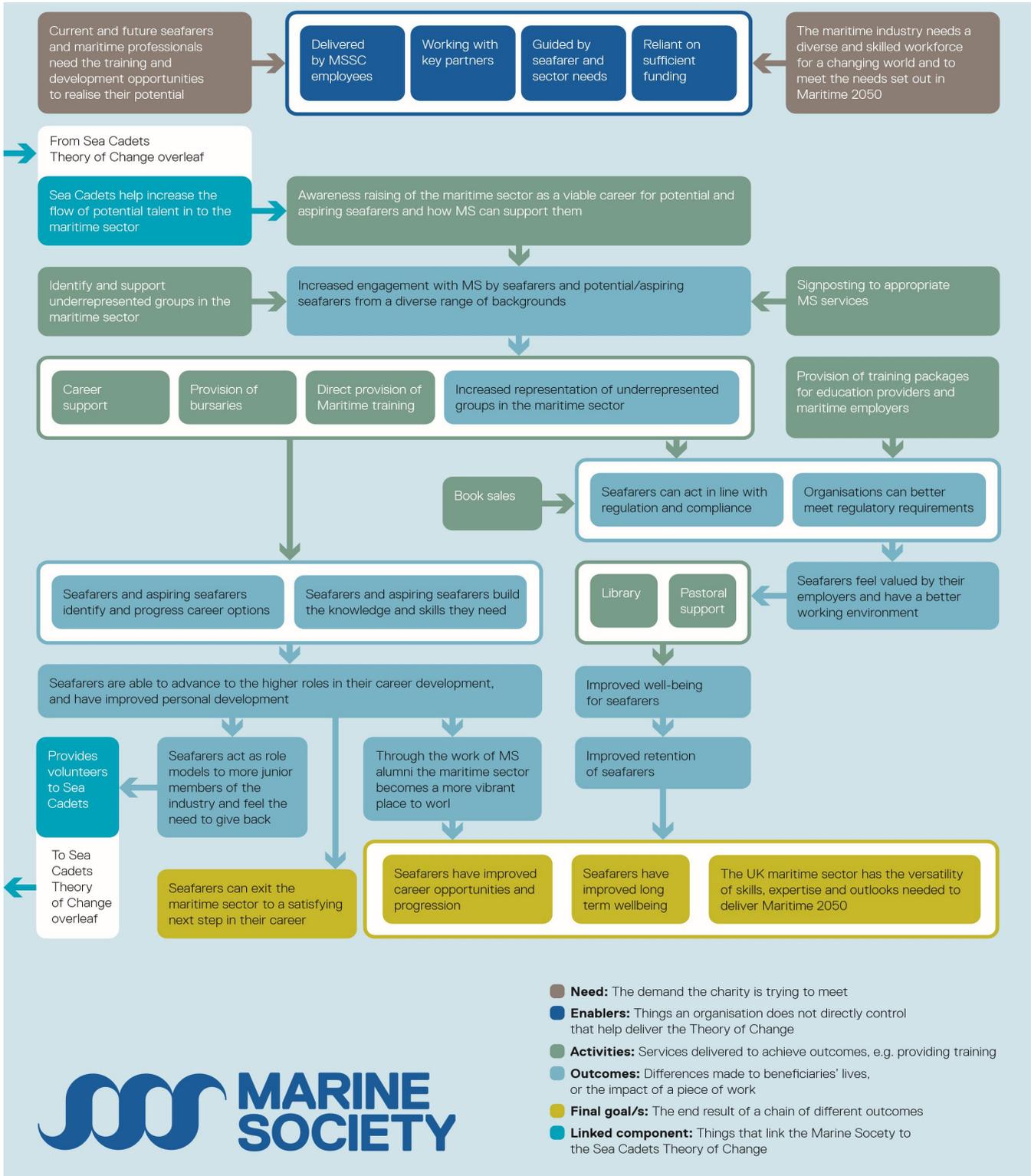
- 1 Numbers show the amount of qualifications, modules, hours, events or training days
- Int Basic Intermediate Advanced
- Optional courses

1. Nine year olds currently limited to targeted locations.
 2. Ranks and rates of cadets.
 3. The Sea Cadet values are respect, loyalty, self-discipline, commitment, 'honesty & integrity' and courage.
 4. Is the foundation of the experience, delivered at units.
 5. Based on three year experience at 30hrs per year.
 6. Science, technology, engineering and mathematics.

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OUR THEORY OF CHANGE FOR MARINE SOCIETY

The following diagram shows how we engage and support current and future seafarers and maritime professionals, delivering short-term and enduring benefits for them and the maritime sector.



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OUR FUTURE READY STRATEGY to 2028

Our Future Ready strategy, developed with our cadets, volunteers and employees over the last 18 months, charts our course for the next five years to 2028. The strategy is about meeting the growing demand for what our charity offers young people, seafarers and maritime professionals and equipping them for a world of increasingly rapid change.

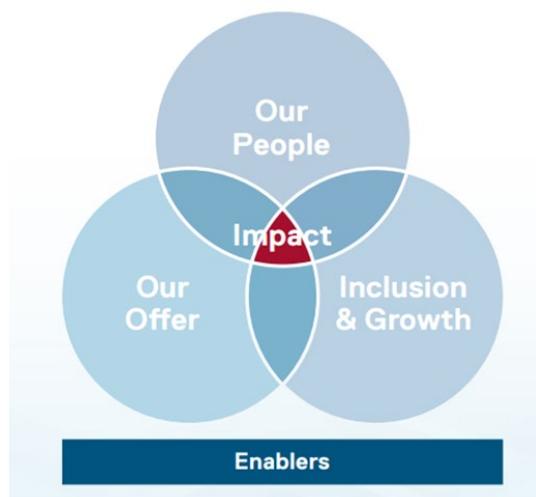
We seek to achieve this by creating the conditions where:

- We are offering young people a better Sea Cadets Experience, increasingly reflecting today's Royal Navy and driving the Cadet Voice.
- More seafarers and maritime professionals are prepared for successful careers in line with the Government's Maritime 2050 strategy.
- We have sufficient volunteers with the training and flexibility to launch young people for life, fully equipped to thrive in a changing world.
- We support and develop our employees to thrive in their roles.
- Sea Cadets is able to grow to meet the increased demand for our unique offer.
- We become even more inclusive and diverse as a national organisation.

We will do this by focussing on three key themes:

- **Our Offer** – Enabling a more consistent, focussed delivery and driving cadet voice.
- **Our People** – Enabling and equipping our volunteers and employees to support our beneficiaries.
- **Inclusion & Growth** – Supporting more beneficiaries and being more diverse and inclusive.

All supported by our underpinning **Enablers**. Together these are seen as the levers we can pull to deliver real **impact**.



We are clear that safety and safeguarding are paramount to everything we do and therefore foremost in all of the objectives in the strategy.

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OUR FUTURE READY STRATEGIC PRIORITIES FOR 2023/24 AND BEYOND

Using the priorities set out below, our Future Ready strategy will help our charity seize the opportunities we have worked so hard to create over the past two years.

Our Offer for Sea Cadets:

- Enhance the Sea Cadets Experience
- Further reflect today's Royal Navy and the maritime sector
- Develop Cadet Voice

Our Offer for seafarers and maritime professionals

- Expand apprenticeships
- Grow and broaden our maritime curriculum
- Develop the promotion and support for maritime careers
- Develop financial support

Our People

- Equip our volunteers for their roles
- Increase flexible approaches to volunteering
- Equip our instructional volunteers for their roles
- Support and develop our employees

Inclusion

- Update, develop and implement clear EDI policies
- Provide training, resources and signposting
- Identify and implement appropriate support mechanisms
- Ensure that we reflect the communities we serve
- Monitor progress and develop our approach

Growth

- Create the conditions for growth
- Enable existing provision to grow
- Develop new provision
- Grow alternative and targeted outreach

Enablers

- Develop our environmental approach
- Generate the necessary funding
- Continue to improve communications
- Develop facilities and equipment to support cadet training
- Continue to drive digital transformation
- Develop our assurance mechanisms

Guided by this strategy, we are more motivated than ever to maintain our status as leaders and pioneers in everything we do, while striving to learn from others and embrace better ways of working.

This strategy ensures that, whatever the next five years bring, our young people and seafarers will be Future Ready. We have set detailed yearly plans for FY2023/24, marshalling resources to work with our amazing volunteers and employees to deliver success. We have set our top ten outcomes for the year (opposite).

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TOP TEN STRATEGIC OUTCOMES FOR 2023/24

Our Offer for Sea Cadets

1. Our cadets have more training and activities available that are engaging, with new sessions added to the Cadet and Royal Marines Cadet training programmes as well as new sessions to support positive mental health and emotional wellbeing.
2. Our cadets have more RN experiences on offer with 20% of cadets engaged with the RN and an amphibious experience delivered for up to 200 Royal Marines Cadets.
3. Cadet Voice is further developed with 25% of units holding regular cadet forums and at least two projects delivered using cadet co-production approaches.

Our Offer for seafarers and maritime professionals

4. Our maritime apprenticeships offer is further expanded with 20 new apprentices enrolled and six apprenticeship standards offered.

Our People

5. Our volunteer training is further developed, with a new basic leadership course in place and core modules revised; a national framework for volunteer mentoring identified; barriers to flexible volunteering identified and where possible removed; working with young people approach embedded; and a District management course developed.
6. We have promoted development opportunities for our employees including management and leadership courses.

Inclusion & Growth

7. We have continued to grow and begun to address our waiting lists with at least 12 new sections/units opened, including two faith-based groups, and cadet numbers up by at least 500.
8. We are becoming more inclusive with at least six existing policies revised; a disability position statement and guidance published; the Sea Cadets Promise and Prayer updated; an initial volunteer/employee online training module in place; an accessibility/inclusivity audit of MSSC facilities completed; and cadet/volunteer participation in two inclusive external events developed.

Enablers

9. We have begun to improve our environmental approach with best practice shared, including case studies and funding opportunities; tools made available to measure unit and MSSC facility carbon footprints; and our Sea Hives project deployed in at least two locations.
10. We have better systems and facilities to support delivery, with digital volunteer onboarding delivered and unit assurance and support process reviewed and re-launched. We have also begun delivery of unit rifle/drill hubs, regional shooting hubs and adventure training hubs, and are beginning to provide solutions to beyond unit training facility requirements, while Midlands Boat Station and Middle Hill adventure centre projects are completed or close to being completed.

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MSSC'S LAMBETH ROAD, LONDON PREMISES

On 27 April 2023, the charity officially opened its new National Support Centre at 200b Lambeth Road London SE1. HRH The Princess Royal performed the opening ceremony in her official capacity as Admiral of the Sea Cadet Corps, having been received by the Deputy Lieutenant of Greater London, Christopher Wellbelove, and the Mayor of Lambeth, Councillor Sarbaz Barznji. The former MSSC building and land at 202 Lambeth Road remains the property of the charity and is currently being marketed for disposal.

CHARITY OBJECTS

The objects of the Marine Society & Sea Cadets (MSSC), a charity registered in England and Wales 313013 and in Scotland SC037808, are set out in its governing instruments which are based on the Act of Incorporation of 1772, the Charities (Marine Society) Order 1976 No 147 and subsequent Charity Commission schemes, the latest being that dated 22 November 2004. The Objects of the charity are:

- to promote the development of young people in achieving their physical, intellectual and social potential as individuals and as responsible citizens by the provision of education and leisure time activities using a nautical theme
- to advance the education of seafarers in such ways as the Council shall determine but including (at the discretion of the Council) the following:
 - the provision in ships and on shore of a comprehensive library service in any media for the use of seafarers
 - the assistance of persons preparing for or entering upon a maritime career by the provision of training, the payment of fees, maintenance and other expenses and the making of loans
 - the award to seafarers of scholarships, bursaries and maintenance allowances tenable at nautical or other schools or training establishments
 - the making of grants or loans to nautical or other schools or training establishments which are charities or to other organisations established for charitable purposes only which provide facilities for and encourage young persons to become seafarers
- the advancement of the education of the public in maritime matters
- the promotion of scientific or other research of particular benefit to seafarers and the publication of the useful results of such research
- the provision in the interests of the social welfare of seafarers of facilities for recreation and other leisure-time occupation, being facilities which will improve their conditions of life and of which they have need by reason of their social and economic circumstances
- the relief of financial hardship among seafarers and their dependants

“Seafarers” used above is a term defined as:

- persons who have served, are serving, or intend to serve in the Royal Navy, the British Merchant Navy or fishing fleets or any other maritime career
- persons who are serving in the navies, merchant navies or fishing fleets of such other countries as the Council from time to time determines
- Members of the Sea Cadet Corps; and
- any other young persons considering or interested in a maritime career

“Sea Cadet Corps” (SCC) means properly constituted maritime cadet units that conform to the policies of Sea Cadet Regulations established by the charity and that are formally affiliated to it.

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HISTORY

The Marine Society was founded in 1756 by Jonas Hanway, a London-based philanthropist, with the aim of encouraging young men and boys of good character to join the Royal Navy at the start of the Seven Years' War. Incorporated in 1772, the Society commissioned in 1786 the first sea training ship in the world, the 350-ton Sloop *Beatty*, and went on to provide sea training all the way up to the Second World War. It was estimated that over 110,000 men and boys were trained and equipped by the Society over this period.

The Sea Cadets movement dates back to 1856 when sailors returning from the Crimean War started up 'Naval Lads' Brigades' in ports around the country. In 1910 the Navy League sponsored a small number of independent units, which received Admiralty recognition in 1919. In 1937 Lord Nuffield gave £50,000 to fund the re-launch and expansion of the Corps and five years later the Admiralty started to pay for uniforms, equipment, travel and training. In 1976 the Navy League was renamed the Sea Cadet Association. In 1963 the Girls' Naval Training Corps (GNTC), which had been formed in 1942 with objectives similar to those of the Sea Cadet Corps, became a partner organisation of the Sea Cadets, often sharing facilities. In 1980, the GNTC merged with the Sea Cadets, firstly as the Girls Nautical Training Contingent, until becoming fully absorbed in 1992. Girls and women currently make up over a third of all cadets and volunteers.

MSSC was formed in 2004 on the merger of The Marine Society and the Sea Cadet Association (SCA) with the merged organisation retaining the constitution of The Marine Society. The SCA (registered charity number 306141 & company number 404951) is now a subsidiary of MSSC.

PRINCIPAL ACTIVITIES

The activities broadly relate to those of promoting Sea Cadets activity and helping seafarers realise their ambitions.

The charity supports the maritime industry through the provision of Marine Society College activities, by promoting career opportunities into maritime, upskilling seafarers using new technologies, whilst supporting others to transition ashore into maritime-related roles. As an approved Government-funded training provider and Ofsted-rating 'Good', Marine Society will build on its global reputation for supporting seafarers offering advice and guidance, scholarships, bursaries, apprenticeships, a growing range of post-16 to graduate courses as well as delivery of crew libraries and specialist book sales.

The charity acts as the franchisor for Sea Cadets units – local groups are constituted as separately registered charities. The charity sets Sea Cadets regulations, issues guidance and performs inspections to ensure that the highest of standards are maintained. It provides support in many other ways including provision of uniforms, equipment, onshore and offshore training and related travel, business and unit support and Disclosure and Barring Service (DBS) checks. The charity does not have overall control over the day-to-day operation of the individual units.

Sea Cadets units operate across the United Kingdom, with a total as at 01 April 2021 of 13,216 cadets (10,965 in England, 1,046 in Scotland, 682 in Wales, 344 in Northern Ireland and 179 overseas). There are 304 established units in England, 37 in Scotland, 22 in Wales and 11 in Northern Ireland, with a further two in Bermuda and one each in Jersey, Guernsey and Malta. There are also a further six new units (one in Northern Ireland, five in England) and fifteen partnership units (one in Scotland and fourteen in England). The charity maintains six area offices, five based in England and one in Scotland, three national training centres, two in England and one in Scotland, eight boating stations, seven in England and one in Scotland, and an offshore fleet of five vessels, based in England.

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VOLUNTEERS

The charity relies extensively on volunteers to support the delivery of its training and other activities to Sea Cadets, and to serve as unit management team members (trustees) of Sea Cadets units. As at 01 April 2023 there were 4,262 adult instructional volunteers, 1,557 unit management team members and 2,698 other volunteers. In total 8,517 volunteers 7,069 in England, 715 in Scotland, 434 in Wales and 196 in Northern Ireland). We are extremely grateful for the generosity of time, huge commitment and can-do attitude of our volunteers in making the Sea Cadets the success that the organisation is.

KEY RISKS AND UNCERTAINTIES

The Council is responsible for management of the risks and uncertainties faced by the charity, assisted by senior staff. The Council undertook an annual review of the organisation's risk management process through the Safety, Safeguarding, Inclusion and Risk Committee in July 2022, and together with the Policy Development and Nominations Committee and the Financial Investments Audit and Remuneration Committee continued to monitor the charity's key risks throughout the year.

The charity's risk register operates at three principal levels; the Strategic Risk Register, the High Operational Risk Register and Departmental Risk Registers. Each risk identified is described, together with its indicators and mitigating factors in place, and its target and current mitigated scores based upon an impact and likelihood matrix. A commentary is also maintained by risks of actions in progress to further reduce the risk score, which may also be increased should risk circumstances change. All risks and their completeness is reviewed and revised by management and reviewed by the relevant committee, overseen by the Safety, Safeguarding, Inclusion and Risk Committee which meets four times a year.

The Council considers the key risks facing the charity to fall within the following areas:

- Safeguarding children and vulnerable adults
- Health & Safety
- Sufficiency of MOD Grant in Aid funding
- Lack of diversification of funding and support
- Sufficiency of financial reserves
- Public perception and reputation
- Stakeholder management, and in particular, key stakeholder support

The key mitigating controls used are:

- Formal and periodic review by the trustees
- Comprehensive strategic planning, budgeting and management accounting
- Formal organisational and governance structure and lines of reporting
- Formal written policies
- Hierarchical authorisation and approval levels
- Internal audit review of targeted areas
- External audit

The Council is satisfied that key risks identified are adequately managed and these are reviewed by the full Council. It is recognised that systems can only provide reasonable but not absolute assurance that major risks are adequately managed.

**REPORT OF THE COUNCIL
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FINANCIAL REVIEW**

Income

Total income amounted to £16,503K (2022: £19,352K), a decrease of 15% over the previous year.

Donations, legacies and other income are £1,779K down on last year. This reduction is primarily due to income received in 2022 and not repeated in 2023. This includes Naval Club (£800k), Garfield Weston (£250k), Sale of Artefacts (£373k) and Sale of Annex (£256k).

MOD grant in aid received £2,009K more in 2022 mainly due to the provision of the Royal Navy Armaments funds (£2,400k). We continue to remain sincerely grateful for the continued support provided by the MOD in helping finance the Sea Cadets.

These reductions were offset by additional training and offshore income as residential courses returned to normal after the pandemic.

Expenditure

Total expenditure was £18,780K (2022: £15,808K), an increase of 17% on the prior year. This reflects expenditure returning to pre-pandemic levels and spending some of the restricted funds received in 2022.

The cost of safeguarding and supporting Sea Cadets activity and infrastructure increased by £998K (12%) – the majority in purchasing the equipment linked to restricted funds – plus additional IT & Stores costs. Sea Cadets training increased by £1,546K (43%) - the majority in purchasing the equipment linked to restricted funds, plus increased costs for training and events as activity returns to pre-pandemic levels. Offshore costs increased by £613k (29%) as travel and victualling costs reflect the return to residential voyages.

These increases were offset by savings in Fundraising costs (£156k) (33%) which was due to staff shortages.

Net income and other movements

Overall, net income before investment gains was down by £5,820K to (£2,277K) mainly due to the significant reduction in restricted grant income. The (£2,277K) is broken down to restricted funds (£2,159K) and Unrestricted funds (£118K).

It has been the policy of the charity since 2012/13 to set aside long-term gains from its expendable endowment for current expenditure. The allocation amounted to £nilK (2022: £nilK) based on a 4.0% agreed return set by the Trustees following advice from the investment managers.

Investment portfolio loss in the year were (£889K).

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FINANCIAL REVIEW (cont)**

Balance sheet

In spite of spending £560k on the NW Adventure Centre, Midlands Boat Station, RS21 and the Petrol Pier pontoon the net book value of tangible and intangible assets fell back by £587k due to the depreciation charge.

The value of investments portfolio fell back by £862k in what was a poor year for returns from the stock market.

Cash at bank has decreased by (£852K).

Total debtors have decreased by (£356K), Trade debtors have reduced by (£242k) and Stock by (£97k).

Total creditors have increased by £510K due to an increase in Grants Payable and Accruals, offset by a reduction in VAT creditor.

SAFEGUARDING POLICY

MSSC Safeguarding Policy Statement

'At Marine Society and Sea Cadets (MSSC) we recognise our responsibilities to ensure that in line with our duty of care we safeguard and protect the children & young people and vulnerable adults with whom we work, doing all we can to promote their safety, health, well-being and happiness. We continually strive to be a respected and trusted organisation where everyone feels safe to participate in all our activities and our cadets and adults understand their right to be-protected from all forms of harm.'

MSSC accords the utmost priority to the safety of vulnerable and groups and those groups & individuals with protected characteristics. All have the right to be free to work, learn and develop their potential without fear of discrimination or exclusion. All members of the MSSC will be valued and their rights to opportunity, protection and safety fully respected. This is underpinned by the charity's values and other supporting policies and procedures including our Equity, Diversity and Inclusion policies.

**REPORT OF THE COUNCIL
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FUNDRAISING STANDARDS**

Open and accountable

The MSSC works hard to ensure that everyone supporting the charity understands how their money will be used to help launch young people for life today, whatever they want to do after school, and help people who work on the sea to keep learning all their lives. This is reflected in the low levels of negative feedback we receive, and the absence to date in recent years of formal complaints to the charity.

Complaints and negative feedback

Should we receive a complaint related to fundraising, we would respond on a one-to-one basis as quickly as possible, maintaining full records. There has been nothing to report in recent years.

Contacting our supporters and supervising our fundraisers

The charity prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures that we follow regulations, meet our own high standards and exceed the public's expectations, including ensuring the charity's compliance with General Data Protection Regulation (GDPR) (EU) 2016/679.

MSSC staff and volunteers carry out the vast majority of the charity's fundraising activities

We did not work with any professional fundraisers and fundraising organisations in 2022/2023. The Trustees are aware of the need to comply with regulations from the Charities (Protection and Social Investment) Act 2011. The MSSC ensures that our approach to commercial participators, professional fundraisers and our contracts with them are in compliance with the regulations.

Protecting our reputation, money and other assets

As a charity, gaining supporters' trust is incredibly important. The MSSC must demonstrate that it is a responsible and worthy recipient of supporters' generous donations. We therefore work hard to ensure that we manage our money and other assets responsibly and do all we can to maintain our good reputation by being transparent and trustworthy.

The MSSC takes its responsibility for managing supporters' donations very seriously and applies rigorous financial controls to ensure funds are securely held and properly accounted for at all times. The MSSC strives to make the supporters' experience simple – making it easy to donate in a way that suits individuals, whether that is online, by post, over the phone or through other means. The MSSC works hard to ensure that its fundraising communications are truthful and fairly describe its activities.

Protecting the vulnerable

The MSSC takes its responsibility towards supporters who may be considered to be in vulnerable circumstances very seriously. Our fundraisers are carefully briefed to respond sensitively and appropriately to any individual whom they might consider to be in a vulnerable circumstance. The team is further supported by an in-house safeguarding department which are able to intervene when flagged.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2023
FUNDRAISING STANDARDS (cont)**

Compliance with fundraising laws and regulation

Fundraising regulation goes through continuous change. Through membership of industry bodies, subscription to charity sector publications and staff continuing professional development we ensure that our fundraising teams keep up to date with amendments to regulations and professional practice, and their changing responsibilities.

The Trustees are satisfied that MSSC adhered to the appropriate fundraising standards for the year ended 31 March 2023. The charity is a paid-up member of the Fundraising Regulator.

Compliance with recognised standards

Every member of our fundraising team is responsible for making sure that they are compliant with the standards laid out in the Fundraising Regulator’s Code of Fundraising Practice. This is carefully monitored by senior management. We are satisfied that we meet all current standards.

No complaints were received about fundraising in the year.

INVESTMENT POLICY

Investec manage the investment portfolio (excluding properties managed directly by the charity (see Note 12)). KW Investment Management manage the treasury portfolio.

The overall objective of the investment policy is to create sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained. The overall objective of the treasury policy is to achieve better returns on cash than through bank deposits, primarily using short dated corporate bonds and certificates of deposit issued by the major banks.

MSSC’s objective is to achieve, over the medium term, a real total return of at least 4.0% (net of fees and inflation). Both capital and income may be used at any time for the furtherance of the Charity’s aims.

The investment portfolio mix is set to fall within the following broad planning ranges:

	Planning range	31 March 2023	31 March 2022
UK Equities	30-55%	31.8%	33.8%
Non-UK Equities	30-55%	43.3%	43.2%
Fixed Interest	10-30%	9.4%	10.0%
Property	5-10%	5.2%	4.8%
Hedge funds	0%	0%	0%
Other	0%	5.8%	4.1%
Cash	0-30%	4.5%	4.1%

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2023
INVESTMENT POLICY (cont)**

This does not mean that they can't still be tactically overweight in any asset class from time to time.

The bonds held will be of 'BBB' credit rating or better.

No single investment should exceed 10% of the total value of the funds under management and the total sum of all equity holdings in excess of 5% must not be equal to or exceed 40% of the fund's value at any time. The portfolio should have a minimum of 35 separate stocks held at any one time, either within packaged products or held directly.

The objectives are to be achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a recognised investment exchange and unit trusts and OEICs (open ended investment companies) which are appropriately authorised and compliant with current legislation. The performance of each asset class is measured against relevant market indices. The overall performance is compared with the long-term return expected (4% plus inflation and fees) and a portfolio weighted Charity Universe benchmark. From 1 April 2018, the Trustees have adopted CPI rather than RPI as a more appropriate measure of the inflation facing the charity.

Investments in Alternative Investment Strategy funds, Derivatives and Hedge Funds are allowed on a limited exposure basis (up to 5% of funds) on a short-term basis (maximum of 5 years).

Treasury holdings should not exceed £1M by counterparty, nor two years' maturity for bank debt.

Ethical considerations

The Trustees would like to invest in a responsible and sustainable way and therefore expect the investment manager to take into account ESG factors when making investment decisions, as well as a carbon aware approach. Investec does this under their Responsible Investment philosophy by screening all companies from an ESG perspective. They are scored on a range of metrics including environmental credentials, business ethics and human rights issues.

Performance

The fund delivered a total return (net-of-fees) of (4.9%) (2022: 6.7%) against our real return benchmark of 14.1% (CPI plus 4%) and ARC Sterling Steady Growth Index 1 of (4%) (2022: 6.3%). Total return over the three-year period to 31 March 2023 was 8.3% (net-of-fees) per annum against a benchmark of 9.9% (CPI plus 4% per annum over the period) and ARC Sterling Steady Growth Index 8.2% (net-of-fees) per annum.

The Trustees continue to monitor investment performance and are grateful for the assistance of the investment managers, Investec.

Review of investment managers

A tender exercise for the provision of investment management services to the charity was conducted in 2023, with the assistance of Independent Investment Reviews Ltd. Following a full and fair competition, Cazenove have been appointed and are in the process of taking over from Investec. Ruffer have been appointed to manage the funds raised from the sale of the former HQ.

¹ The ARC Sterling Steady Growth Index is a composite of charity portfolios exhibiting 60-80% of the volatility of the UK equity market.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2023
RESERVES POLICY**

Total funds at the year-end as detailed in note 17 were £36,321K, (2022: £39,488K), which includes £15,671K (2022: £18,143K) restricted funds and £17,384K (2022: £18,273K) endowment funds. After accounting for intangible and tangible fixed assets of £570K (2022: £570K) and setting up of designated funds for investments in expedition equipment and environmental grants – giving a total of £1,774K (2022:£1,460K), this leaves unrestricted funds, comprising free reserves of £922K (2022: £1,041K).

The charity does not retain MOD grant monies as part of its reserves. The reserves policy of the charity is a risk-based approach, meaning that the reserves reflect the risk of loss of specific income and the risk of the most significant costs increasing. On the basis of this approach our target will be £2.8 million.

A breakeven budget has again been set in the current year. It is unlikely the charity will be able to meet its reserves targets and instead will have to rely on expendable endowment to act as a reserves buffer. The policy has clear dangers for the charity in the long term so any drawdown that may be made will be kept to an absolute minimum. It is at the complete discretion of Trustees as to the level of support the charity will give to the Sea Cadets movement in the event of shortfalls in public funding.

GRANT MAKING POLICY

Grants awarded in 2023 amounted to £1,027K (2022: £1,464K). Individual Sea Cadets units are separate registered charities and thus financial support is paid via grants. The policy of the charity is to grant monies for one-off items to support the Sea Cadet Corps and individuals (members of the Sea Cadet Corps or seafarers) to help them either facilitate or receive approved training or qualifications. In addition, grants are provided to volunteers to allow upkeep or purchase of uniforms on promotion or for wear and tear during the year. Payments are made in accordance with published scales.

STAFF REMUNERATION POLICY

As a charity, it is important we achieve balance in ensuring value for money, including how we pay our staff, with the need to attract, motivate and retain the right people to ensure we are able to deliver our ambitious plans and so maximise our impact on our beneficiaries. Therefore, our principles are to pay fair salaries that are consistent with our commitment to equality and diversity; that we remain competitive within the industry and geographic location of the role; are appropriate for the level of responsibility; and are in keeping with our charitable status. Headcount is reviewed annually as part of our budgeting process.

Governance of Pay

The Council approves the Pay and Benefits Policy, and the Finance, Investments, Remuneration and Audit Committee is appointed as a committee of the Council to approve pay related matters. The Council delegates to this committee the annual pay review and determining the CEO and senior management team salaries. This committee meets quarterly.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2023**

MSSC STAFF REMUNERATION POLICY (cont)

Annual pay review

Salaries are normally reviewed annually in April / May with any pay increases being paid from 1 June. We benchmark salaries to ensure that we are paying appropriately and that we broadly fall within the mid-point for similar organisations. Where we find salaries that are not aligned, we adjust accordingly. There is no obligation to increase salaries, however if it is affordable and we have performed well, then a uniform inflationary increase may be applied. This is awarded to all staff, including senior staff, with the exception of those who are within their probation period or have resigned, or those who have already received an increase that year. Salaries had an inflationary pay increase of 4% in June 2022 and an additional £1,250 for all staff in January 2023 to recognise the pressures of the cost of living increases.

PUBLIC BENEFIT

The Council members continue to give due regard to the public benefit provided by the charity in relation to its charitable purposes as set out in the activities and achievements outlined in this report and have given due consideration to guidance issued by the Charity Commission on this matter.

The aim of Sea Cadets activities is to give young people the best possible head start in life through nautical adventure and fun, based on the customs and traditions of the Royal Navy.
“Adventure that launches young people for life”

In order to achieve this, Sea Cadets units take young people from all backgrounds, including where possible those with disabilities and develop their skills and abilities by:

- Inspiring young people through regular and structured activities with a nautical theme
- Encouraging young people to take part in activities connected with the wider Sea Cadets movement, including inshore boating and offshore voyages, as well as events and competitions at District, Area and National levels
- Availability of formal externally recognised educational achievements whilst taking courses to earn badges and promotions

Charges are kept low in order to ensure all those who wish to take part in Sea Cadets activities may do so. Where further financial support is required for those on low incomes, a wide range of bursaries are available.

The aim of the Marine Society is to give aspiring and serving seafarers the best possible lifelong learning opportunities tailored to their individual needs.
“Realising Seafarer Potential”.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2023**

PUBLIC BENEFIT (cont)

We achieve this through a wide range of services that are geared towards their personal development, education and learning support needs, helping them realise their potential. This includes:

- Promoting career opportunities into the maritime sector
- As an approved Government-funded training provider with Ofsted-rating 'Good', offering advice and guidance, scholarships, bursaries, apprenticeships and a growing range of post-16 to graduate courses
- Delivering upskilling courses to aspiring and serving seafarers around the world through use of digital learning
- Supporting others to transition ashore into maritime-related roles.
- Providing a ship's library service for seafarers at sea and specialist book sales.

The Council members are thus satisfied that the charity provides substantial public benefit.

ORGANISATIONAL STRUCTURE AND GOVERNANCE

The charity is governed by a board of unpaid non-executive Council members who act as Trustees. Details of the Council Members who served during the year, and as at the date of this report, together with details of the executive management and professional advisors, are shown on pages 56-57.

The Council meets at least quarterly and is supported by members of the senior management team. Responsibility for reviewing key areas of activity is delegated to committees which report back to the Council meetings. The committees, with specific terms of reference, may also include specialist co-opted members as well as Council members to ensure that expert opinion is available. The day-to-day management of the charity and the exercising of executive responsibility are delegated to the CEO and senior management team. Meetings of the Council are also attended by one of our current First Sea Lord Cadets.

The current committees and their primary purposes are:
Finance, Investment, Remuneration & Audit Committee

- Oversees the financial affairs of MSSC, including management accounts, budgeting and the preparation of statutory accounts
- Formulates Investment policy and oversees the management of Investment assets
- Oversees and ensures the proper conduct of the internal audit process in accordance with Council requirements
- Oversees the remuneration, terms and conditions and performance review of MSSC's CEO and HQ senior management
- Oversees the appointment and remuneration of the external auditors and receiving reports from them

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2023**

ORGANISATIONAL STRUCTURE AND GOVERNANCE (cont)

Policy, Development and Nominations Committee

- Develops and recommends strategy and policy for the optimum use of MSSC resources in order to fulfil its objects in the medium to long term (2 – 10 years)
- Advises Council on major strategic issues, especially those which do not fall within the remit of any other major committee, and for monitoring the implementation of MSSC's strategic plan, keeping it under review, and advising Council on its revision
- Considers and approves guidelines for fundraising and public profile strategies
- Nurtures and develops relationships with external stakeholders (including MOD, Skills Funding Agency (SFA) and public funding bodies) in order to maximise support
- Sets and monitors performance against established targets (KPIs)
- Undertakes a nominations function, in liaison with MSSC Chairman, for appointment to MSSC Council and the Committees

Safety, Safeguarding, Inclusion & Risk Committee

- Reviews the quality of services and activities undertaken by MSSC (and SCC) to ensure that they are safe (with particular consideration to the need to protect its young people), high quality and appropriately risk assessed
- Ensures the maintenance of an effective system of integrated governance and risk management that supports the achievement of the organisation's objectives

National Sea Cadets Forum

- Composed of Sea Cadets, together with representatives of the MSSC management team and Council. The forum supports the aims and objectives of the SCC, providing ideas and feedback to the MSSC from cadet forums at Area level. In the year, work continued to create cadet forums at District level to link in to the Area Cadet forum and in turn the National Sea Cadets forum.

National Sea Cadets Advisory Council (NSCAC)

- Primarily composed of representatives and volunteers of the SCC and MSSC management team. The council supports the aims and objectives of SCC and provides advice to its principal national sponsors. From 9 July 2014, the chair of NSCAC was invited to be a Trustee of MSSC for the period of office.

Appointment, induction and training of Council members

Council members (Trustees) are co-opted by the board and elected by the charity's members at the AGM following their appointment according to the provisions of the Society's Scheme. A Council member, who has previously been re-elected at an AGM, is eligible for re-election only with the prior approval of the Council. The Society's Scheme formally provides that one-third (rounded down) of the elected Council members shall retire at each AGM. The board keeps the skill requirements for the Trustee body under review and, with these in mind, seeks to identify new members in a range of ways, including recommendation from all interested parties.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2023

ORGANISATIONAL STRUCTURE AND GOVERNANCE (CONT)

The induction process for a new Council member comprises initial meetings with the Chairman and other members of the board, followed by meetings with the CEO and senior management team, through which the individual will be briefed on the remit of the charity and the powers and responsibilities of its Trustees. The charity aims to provide all new Council members with the information necessary to ensure that they are fully equipped to contribute to the organisation within their powers. Council members are informed of current and evolving issues within the sector by the senior management team.

Membership and Branches

The MSSC is a membership organisation and currently enjoys the support of some 600 members who pay an annual subscription to the Charity. MSSC has five (2022: five) branches within the United Kingdom made up of members of the charity who reside within its locality. The annual subscriptions of those living within the catchment area of a branch are returned to the branch committee to be applied for the benefit of local Sea Cadets units and MSSC initiatives. These branches are an active and welcome force in spreading the charity's message at a local level.

THE CHARITY GOVERNANCE CODE

The Trustees have considered the new third edition of the Charity Governance Code for larger charities, published in July 2017 by the charity sector's The Code Steering Group (the Association of Chief Executives of Voluntary Organisations, the Association of Chairs, Small Charities Coalition, the Institute of Chartered Secretaries and Administrators: The Governance Institute, the National Council for Voluntary Organisations and the Wales Council for Voluntary Action). The code is supported and endorsed by the Charity Commission in England and Wales.

The code lays out principles for seven key areas of governance together with recommended practice for each principle; organisational purpose, leadership, integrity, decision making, risk and control, board effectiveness, diversity, openness and accountability.

The Trustees consider that the charity continues to comply with the principles of the code.

INTERNAL AUDITOR'S REPORT TO THE COUNCIL

The Internal Auditor reported to the Council in July 2023 as follows:

Based on the work performed during the year, it is the opinion of Internal Audit that MSSC has an adequate and effective framework of governance, risk management and control in place to support the organisation's objectives as laid out in its Vision and Strategy.

Following each audit engagement, actions to address any identified control weaknesses have been agreed with management and progress against these agreed actions are monitored by Internal Audit and reported to the Finance, Investments, Remuneration & Audit (FIRA) Committee on a regular basis. In the opinion of Internal Audit, no control weaknesses have been identified during the year which are of such significance to warrant specific disclosure in the Annual Governance Statement.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2023**

STATEMENT OF THE ACCOUNTING OFFICER

The Chief Executive Officer (CEO) as designated Accounting Officer in accordance with the current ten year Memorandum of Understanding with the MOD dated 13 December 2018, should ensure that MSSC and any subsidiaries to it or organisations sponsored by it, operates in respect of the GIA effectively and to a high standard of probity. The MSSC should in respect of the GIA:

Governance

- Have a governance structure which transmits, delegates, implements and enforces decisions
- Have trustworthy internal controls to safeguard, channel and record resources as intended
- Work cooperatively with partners in the public interest
- Operate with propriety and regularity in all its transactions
- Treat those with whom they deal fairly and honestly
- Offer redress for failure to meet agreed stakeholder standards; and
- Give timely, transparent and realistic accounts of the MSSC

Decision-making

- Provide the Ministry of Defence (MOD) with clear, well-reasoned and timely information in accordance with the Memorandum of Understanding
- Make all its decisions in line with the strategy, aims and objectives of the charity
- Take a balanced view of the MSSC's approach to managing opportunity and risk

Financial management

- Comply with Public Sector Internal Audit Standards (PSIAS) in order that the Principal Accounting Officer may receive an annual assurance on risk management, governance and control
- Use its resources efficiently, economically and effectively, avoiding waste and extravagance
- Plan to use its resources on an affordable and sustainable path, with agreed limits
- Carry out procurement and project appraisal objectively and fairly, using cost benefit analysis and seeking good value for money
- Use, where possible, management information systems to secure assurance about value for money and the quality of delivery and so make timely adjustments
- Avoid over defining detail and imposing undue compliance costs, either internally or on the charity's stakeholders and others with whom it deals
- Have practical documented arrangements for working in partnership with other organisations, as appropriate
- Use internal and external audit to improve its internal controls and performance

In order for the Chief Executive Officer to provide assurance on the above matters the following measures are in place:

- Delegated authorities are formally agreed by the Council under Financial Standing Orders. Part of these require CEO authorisation of all expenditure over £10,000 with three comparable quotations and a business plan required in respect of new projects with a value in excess of £10,000
- All payments are made from a single bank account or from approved centrally managed credit and debit cards
- An internal audit function performs regular reviews, following a three year audit plan based on the risk profile of the charity

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2023**

STATEMENT OF COUNCIL'S RESPONSIBILITIES

The Council as Trustees are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and regulations. Charity law requires the Council to prepare financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under charity law the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net outgoing resources for that period. In preparing these financial statements, the Council are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities' SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable 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 charity will continue to operate.

The Council are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

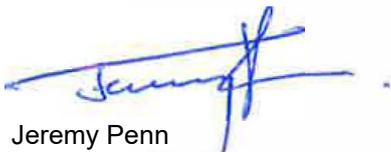
AUDITORS

A resolution to reappoint Mazars LLP will be tabled at the Annual Court.

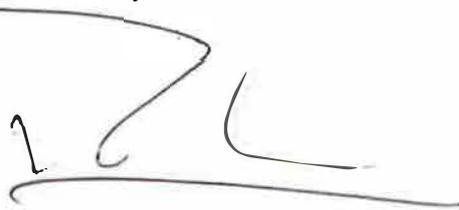
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

On behalf of the Board:



Jeremy Penn
Council Member and Chairman



Martin Coles CBE
Chief Executive Officer
& Grant in Aid Accounting Officer

1 August 2023

1 August 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MARINE SOCIETY & SEA CADETS

Opinion

We have audited the financial statements of The Marine Society & Sea Cadets ('the* parent charity') and its subsidiaries ('the group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MARINE SOCIETY & SEA CADETS

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Council which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Council has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Council.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 26, the Trustees (who are also the directors of the parent charity 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the MSSC and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements, Charities Act 2011, tax legislation, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MARINE SOCIETY & SEA CADETS

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether MSSC is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by MSSC which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax, the Companies Act 2006 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit report

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

Signed: 

Date: 23 August 2023

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted	Restricted	Endowment	2023	2022
		Funds £'000	Funds £'000	Funds £'000	Total £'000	Total £'000
INCOME AND ENDOWMENTS FROM:						
Donations, legacies and other income	2	587	987	-	1,574	3,353
Charitable activities	3					
MOD grant in aid (for Sea Cadets activity)		-	12,429	-	12,429	14,438
Seafarer education and support		515	2	-	516	654
Sea Cadet Corps training		718	-	-	718	285
Offshore fleet income		587	-	-	587	143
		1,820	12,431	-	14,251	15,520
Other trading activities						
MSSC (Trading) Limited	8	43	-	-	43	40
Investments	4	612	24	-	635	440
TOTAL INCOME		3,061	13,442	-	16,503	19,352
EXPENDITURE ON:						
Raising funds						
Investment management						
Costs		38	-	-	38	71
MSSC (Trading) Limited		4	-	-	4	7
Donations and legacies ¹		322	-	-	322	479
		364	-	-	364	557
NET INCOME AVAILABLE FOR CHARITABLE ACTIVITIES		2,696	13,442	-	16,138	18,796

The notes on pages 35 to 55 form an integral part of these accounts

¹ Donations and legacies includes unrestricted costs of raising both unrestricted and restricted income.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted	Designated	Restricted	Endowment	2023	2022
		Funds £'000	Funds £'000	Funds £'000	Funds £'000	Total £'000	Total £'000
Charitable activities							
Safeguarding and supporting Sea Cadets activity and infrastructure		1,088		8,009	-	9,096	8,098
Sea Cadet Corps training		703		4,436	-	5,139	3,593
Offshore fleet		287		2,470	-	2,757	2,143
Professional seafarer education and support		686		244	-	930	925
Promoting the Marine Society & Sea Cadets		51		442	-	494	492
Total charitable activity costs		2,815		15,601	-	18,415	15,252
TOTAL EXPENDITURE	5	3,179		15,601	-	18,780	15,808
NET INCOME (EXPENDITURE) BEFORE INVESTMENT GAINS (LOSSES)		(118)		(2,159)	-	(2,277)	3,544
Net gains (losses) on investments	12	-		-	(889)	(889)	618
NET INCOME (EXPENDITURE)		(118)		(2,037)	(889)	(3,045)	4,161
Transfers between funds	17	-	314	(314)	-	-	-
NET MOVEMENT IN FUNDS		(118)	314	(2,473)	(889)	(3,166)	4,161
TOTAL FUNDS 1 APRIL 2022		1,610	1,460	18,143	18,273	39,487	35,326
TOTAL FUNDS 31 MARCH 2023	17	1,492	1,774	15,671	17,384	36,321	39,487

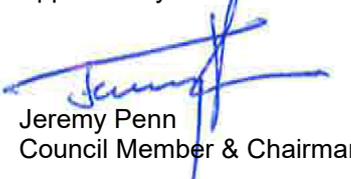
All amounts relate to continuing activities.

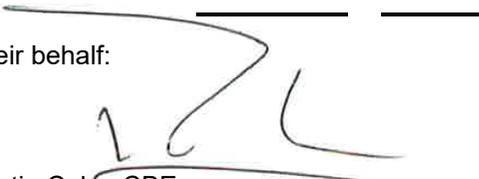
The notes on pages 35 to 55 form an integral part of these accounts

**CONSOLIDATED BALANCE SHEET
31 MARCH 2023**

			2023	2022
	Notes	£'000	£'000	£'000
FIXED ASSETS				
Intangible assets	10		435	661
Tangible assets	11		12,755	13,116
Investments	12		19,219	20,081
			<u>32,409</u>	<u>33,858</u>
CURRENT ASSETS				
Stocks		477		574
Debtors	13	238		497
Cash at bank and in hand		8,258		9,110
			<u>8,973</u>	<u>10,181</u>
CREDITORS				
Amounts falling due within one year	14	(5,061)		(4,551)
NET CURRENT ASSETS (LIABILITIES)			<u>3,912</u>	<u>5,630</u>
NET ASSETS			<u>36,321</u>	<u>39,488</u>
THE FUNDS OF THE CHARITY				
Unrestricted funds				
Fixed assets		570		570
Other		922		1,041
			1,492	1,611
Designated funds			1,774	1,460
Restricted funds				
Fixed assets	15	8,606		9,529
Other		7,065		8,614
			15,671	18,143
Endowment funds	16		17,384	18,273
	17		<u>36,321</u>	<u>39,488</u>

Approved by the Trustees on 1 August 2023 and signed on their behalf:


Jeremy Penn
Council Member & Chairman

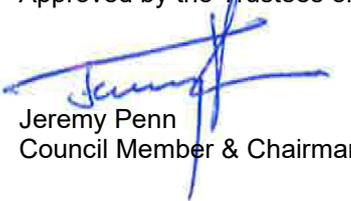

Martin Colés CBE
Chief Executive Officer & Grant in Aid Accounting Officer

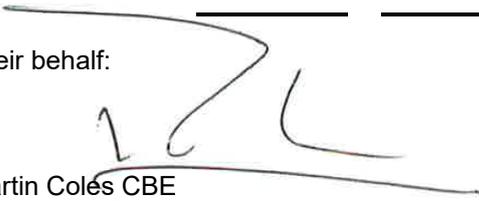
The notes on pages 35 to 55 form an integral part of these accounts

**CHARITY BALANCE SHEET
31 MARCH 2023**

			2023	2022
	Notes	£'000	£'000	£'000
FIXED ASSETS				
Intangible assets	10		435	661
Tangible assets	11		12,755	13,116
Investments	12		19,224	20,086
			<u>32,414</u>	<u>33,863</u>
CURRENT ASSETS				
Stocks		477		574
Debtors	13	255		503
Cash at bank and in hand		8,210		9,070
			<u>8,942</u>	<u>10,147</u>
CREDITORS				
Amounts falling due within one year	14	(5,059)		(4,550)
NET CURRENT ASSETS (LIABILITIES)			<u>3,883</u>	<u>5,597</u>
NET ASSETS			<u>36,297</u>	<u>39,460</u>
THE FUNDS OF THE CHARITY				
Unrestricted funds				
Fixed assets		570		570
Other		898		1,013
			1,468	1,583
Designated funds				
			1,774	1,460
Restricted funds				
Fixed assets	15	8,606		9,529
Other		7,065		8,614
			15,671	18,143
Endowment funds				
	16		17,384	18,273
	17		36,297	39,460

Approved by the Trustees on 1 August 2023 and signed on their behalf:


Jeremy Penn
Council Member & Chairman


Martin Colés CBE
Chief Executive Officer & Grant in Aid Accounting Officer

The notes on pages 35 to 55 form an integral part of these accounts

**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2023**

	Notes	2023	2022
		£'000	£'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash (used by)/provided by operating activities	(a)	(864)	8,272
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	4	36	0
Investment income	4	599	440
Purchase of fixed assets	10&11	(600)	(4,631)
Proceeds from sale of fixed assets		3	6
Purchase of investments	12	(8,302)	(6,453)
Proceeds from sale of investments	12	8,275	6,485
Net cash generated by/(used in) investing activities		11	4,153
INCREASE/(DECREASE) IN CASH AT BANK AND IN HAND IN THE YEAR		(853)	4,119
CASH AT BANK AND IN HAND 1 APRIL 2022		9,110	4,991
CASH AT BANK AND IN HAND 31 MARCH 2023		8,258	9,110

NOTES TO CASH FLOW STATEMENT

		2023	2022
		£'000	£'000
(a) Reconciliation of net income (expenditure) to Net cash flows from operating activities			
Net income/(expenditure)		(3,166)	4,161
Depreciation	10 & 11	1,163	1,184
(Gains)/losses on investments	12	889	(618)
Gains / (Losses) on the sale of tangible fixed assets		20	(268)
Decrease in stocks		97	54
Decrease in debtors		259	5,583
Increase/(Decrease) in creditors		510	(1,385)
Interest received and investment income	4	(635)	(440)
Net cash (used by)/provided by operating activities		(864)	8,272

The notes on pages 35 to 55 form an integral part of these accounts

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared on a consolidated basis in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The results of the charity and its subsidiaries are consolidated on a line-by-line basis after intercompany transactions and balances have been eliminated.

The charity is well placed to manage the business risks we face. The position is supported by a strong cash flow, a sufficient level of reserves and a good relationship with our key funders. We therefore have a reasonable expectation that we have sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of the charity to continue as a going concern.

Whilst one of the main charitable purposes of the Fund is to support the activities of Sea Cadets and seafarers, the level of this necessary expenditure is at the discretion of the Trustees and can be adjusted during the year. The Trustees have also considered the Group's working capital and capital expenditure requirements. As a result of the foregoing the Trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies below. The Trustees are not aware of any areas where significant changes to key accounting assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

b) Donations, legacies and other income

Income is recognised when the charity has earned entitlement, receipt is probable and the amounts involved can be measured with reasonable certainty. This policy is applied as follows:

Donations are recognised when received, grants are recognised when receivable unless they are restricted for use in a future accounting period in which case they are deferred.

Legacies are recognised at the earlier of receipt, completion of estate accounts or notification by the executors of an estate of a distribution.

Income received from the sale of goods and service is recognised in the year the sale occurs or the good is provided. Income from training, events and offshore activities is recognised in the year the activity or event is delivered.

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES (CONTINUED)

c) Expenditure

Expenditure is classified by direct allocation of costs and best estimates of usage of costs where relevant, as follows:

Raising funds:

- The cost of raising funds comprises costs associated with raising funds from all sources and includes fundraising costs, costs of events and investment management costs.

Charitable expenditure:

- Direct costs are allocated to functional cost headings based on supporting cost centre analyses.
- Overheads (including irrecoverable VAT) are included in support costs and are allocated to functional cost headings on the basis of headcount (see note 9). Irrecoverable VAT is included in support costs as an overhead cost.
- Governance costs are included in support costs.

d) Recognition of liabilities and grants

Liabilities are recognised either on the date goods or services are received, or when recipients are given a reasonable expectation that grants will be made and the conditions of those grants have been met.

e) Definition of liquid resources

Liquid resources included on the cash flow statement are those held as cash at bank and in hand.

f) Pension costs

Pension contributions are made to a defined contribution pension scheme and are written off to the Statement of Financial Activities as they are incurred. The charity also makes contributions to a multi-employer defined benefit scheme in respect of former employees. These amounts are also written off as incurred together with any known commitments to fund the deficit of the scheme, where they relate to past service.

g) Intangible and tangible fixed assets

Capital items with a value over £5,000 are treated as fixed assets. Depreciation / amortisation is provided on all fixed assets to write off the cost of these assets over their expected useful life. The following straight line depreciation rates have been used:

Freehold buildings	1.66%	Boats and dinghies	10%
Freehold improvements	10%	Motor vehicles	25%
Leasehold improvements	Lease term	Furniture, Fixtures & Fittings	20%
Training ships and yachts	5%	Computers & software	25%

h) Investments

Investments are included in the Balance Sheet at fair value. Realised investment gains and losses represent the difference between the fair value of the investments at the beginning of the period, or the cost if purchased during the period, and the sale proceeds. The Trustees review the valuation of property investments for impairment every year and revalue the investments on a market basis at least every five years.

i) Stocks

Stock is valued at the lower of cost, including irrecoverable VAT, and market value.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (CONTINUED)

j) Endowment and Restricted Funds

Restricted funds represent gifts or grants, which can only be applied for a purpose specified by the donor or grantor. All monies received from the MOD are treated as restricted funds. These amounts are carried forward as deferred income where there is a restriction on when monies can be spent.

Designated funds for investments in boat stations and outreach work have been set up.

Endowment funds are classified as either permanent - those where the donor has specified that the capital of the gift cannot be expended and that only the income arising from the capital may be used for the specified purpose. Alternatively, they may be expendable if they relate to those that were given where the intention was clearly for the donation to be held for the longer term but where the funds are ultimately expendable.

k) Heritage assets

The charity has received donations of various naval and maritime paintings and artefacts over its 265 year history. A number of these are housed at the National Maritime Museum in Greenwich. These assets are retained for their historical and cultural significance in relation to the work of the charity, which illustrate and show the unique service the charity has given to the nation. The assets are not held on the balance sheet as they were either donated or have long since been written off, and are not held for their financial value, however the assets were valued for insurance purposes during the financial year, with a total valuation of £617K.

It is not the policy of the charity to obtain further artefacts but to preserve those of heritage significance that it owns, which it does with the help of the National Maritime Museum. Alongside the planned relocation of the national offices of the charity, the Trustees reviewed the artefacts held and determined those that should be held for posterity, those that should be gifted to relevant museums and those to be sold. Effecting this is ongoing. No material artefacts have been acquired in the last five years.

l) 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.

Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors, and accrued income. Financial liabilities held at amortised cost comprise, trade and other creditors, grants payable and accruals. Income arising from financial assets, comprising bank interest is recognised within income and expenditure.

Non property investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses and investment income being recognised within income and expenditure. Investments in subsidiaries are held at cost less impairment.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

2. DONATIONS, LEGACIES AND OTHER INCOME

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
2022/23 analysis of income				
Donations and subscriptions	118	-	-	118
Legacies	123	-	-	123
Other Major Grants ¹	-	432	-	432
Boat station appeals ²	-	135	-	135
Bursaries	-	64	-	64
Other restricted funds ³	-	245	-	245
Areas, Branches and Other Income	345	112	-	457
	<u>587</u>	<u>987</u>	<u>-</u>	<u>1,574</u>
2021/22 analysis of income				
Donations and subscriptions	149	-	-	149
Legacies	45	-	-	45
Other Major Grants ¹	-	1,098	-	1,098
Boat Station Appeals	-	346	-	346
Bursaries ²	-	10	-	10
Other restricted funds ⁴	-	415	-	415
Coronavirus job retention scheme	1	-	-	1
Areas, Branches and Other Income	1,023	266	-	1,289
	<u>1,218</u>	<u>2,135</u>	<u>-</u>	<u>3,353</u>

Other Major Grants ¹

Includes grants from Seafarers' UK, Trinity House Maritime Charity and Merchant Navy Welfare Board

Boat Station Appeals ²

Include major donations from Edward Cadbury Charitable Trust and DCMS

Other Restricted Funds³

Include major donations from Stelios Philanthropic Foundation, IFAN, Shipwrights, Gosling Foundation, GB Partnerships Foundation, Jack Petchey Foundation and Michael Uren Foundation

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Total	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total</i>
	2023	2023	2023	<i>2022</i>	<i>2022</i>	<i>2022</i>
	£'000	£'000	£'000	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
MOD grant in aid (for Sea Cadets activity)	-	12,429	12,429	-	14,438	14,438
Seafarer education and support	515	2	516	583	71	653
Sea Cadet Corps training	718	-	718	285	-	285
Offshore fleet income	587	-	587	143	-	143
	1,820	12,431	14,251	<i>1,011</i>	<i>14,509</i>	<i>15,520</i>

In addition to the MOD grant in aid (for Sea Cadets activity), the charity receives significant support in kind from the MOD. Eleven Royal Navy personnel are provided on loan, at an estimated value to the charity of £700K. Six area offices, three Sea Cadets training centres, Sea Cadets stores, the offshore offices and berthing facilities are also provided at MOD premises, together with ad hoc use of MOD training estate. Fuel for the offshore vessels from Royal Navy sources, some uniforms and various specialist stores items are also provided by the Royal Navy.

The Trustees have considered the very significant difficulties in undertaking a valuation of this support in kind, including whether a reliable, objective valuation would be possible, and the very significant costs which would be involved. They have concluded that the costs involved in undertaking the valuation would not be justified by the benefits to the users of the accounts in terms of their better understanding of the resources available to the charity and to the charity itself from having this financial information.

4. INVESTMENTS

	Unrestricted	Restricted	Total	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total</i>
	2023	2023	2023	<i>2022</i>	<i>2022</i>	<i>2022</i>
	£'000	£'000	£'000	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Investment income (excluding Rental income)	377	24	401	276	23	299
Rental income	198	-	198	141	-	141
Bank interest	36	-	36	-	-	-
	612	24	635	<i>417</i>	<i>23</i>	<i>440</i>

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

5. ANALYSIS OF EXPENDITURE

	Unrestricted 2023	Restricted 2023	Total 2023	<i>Unrestricted 2022</i>	<i>Restricted 2022</i>	<i>Total 2022</i>
	£'000	£'000	£'000	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Investment management fees	38	-	38	71	-	71
Fundraising	322	-	322	479	-	479
MSSC (Trading) Limited	4	-	4	7	-	7
Safeguarding and supporting Sea Cadets activity and infrastructure	1,088	8,009	9,096	326	7,772	8,098
Sea Cadet Corps training	703	4,436	5,139	205	3,388	3,593
Offshore fleet	287	2,470	2,757	88	2,055	2,143
Professional seafarer education and support	686	244	930	715	210	925
Promoting Sea Cadets activity	51	442	494	18	474	492
	3,179	15,601	18,780	1,909	13,899	15,808

	Grants	Direct Salary Costs	Other	Support costs (note 7)	Total
	£'000	£'000	£'000	£'000	£'000
2022/23 analysis of costs					
Investment management fees	-	-	38	-	38
Fundraising	-	215	67	41	322
MSSC (Trading) Limited	-	-	4	-	4
Safeguarding and supporting Sea Cadets activity and infrastructure	1,150	3,338	3,322	1,286	9,096
Sea Cadet Corps training	3	1,458	2,858	820	5,139
Offshore fleet	102	763	1,539	353	2,757
Professional seafarer education and support	32	313	513	72	930
Promoting Sea Cadets activity	-	206	216	71	494
	1,287	6,293	8,557	2,643	18,780

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

5. ANALYSIS OF EXPENDITURE (CONTINUED)

	Grants	Direct Salary Costs	Other	Support costs (note 7)	Total
	£'000	£'000	£'000	£'000	£'000
2021/22 analysis of costs					
Investment management fees	-	-	71	-	71
Fundraising	-	326	104	48	479
MSSC (Trading) Limited	-	-	7	-	7
Safeguarding and supporting Sea Cadets activity and infrastructure	815	3,352	2,414	1,518	8,098
Sea Cadet Corps training	11	1,248	1,366	968	3,593
Offshore fleet	50	713	964	417	2,143
Professional seafarer education and support	27	304	510	85	925
Promoting Sea Cadets activity	-	154	254	84	492
	<u>903</u>	<u>6,097</u>	<u>5,683</u>	<u>3,119</u>	<u>15,808</u>

Other costs include all direct expenditure in relation to areas, branches, onshore and offshore activities.

6. GRANTS PAYABLE

Grants payable were as follows:

	2023 £'000	2022 £'000
Grants to institutions	885	879
Grants to individuals	431	667
	<u>1,316</u>	<u>1,546</u>

Individual grants given are small and not material within the overall total.

Grants to institutions comprise grants made to Sea Cadets units to reimburse expenditure towards premises, minibuses, junior units and emergency needs. It also includes the provision of boats and equipment to units and unit hubs.

Grants to individuals comprise grants to Sea Cadets volunteers for uniforms and bursaries for cadets to take part in activities.

Support costs in relation to grants payable are included within note 7 below.

Grants payable at the year-end are included with creditors (see note 14).

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

7. SUPPORT COSTS

The support costs of the charity consist of four elements: Management, Finance & Digital, Premises, and Human Resources. These costs have been apportioned across the work of the charity on the basis of staff numbers in each functional area. The apportioned costs are set out below:

					2023	<i>2022</i>
	Management	Finance and Digital	Premises	Human Resources	Total	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000	<i>£'000</i>
Fundraising	6	12	11	12	41	<i>48</i>
Safeguarding and supporting Sea Cadets activity and Infrastructure Sea Cadet Corps training	129	633	255	270	1,286	<i>1,518</i>
Offshore fleet	36	174	69	75	353	<i>417</i>
Professional seafarer education and support	10	21	20	21	72	<i>85</i>
Promoting Sea Cadets activity	7	35	14	15	71	<i>84</i>
2023	270	1,278	531	564	2,643	<i>3,119</i>
<i>2022</i>	<i>195</i>	<i>1,507</i>	<i>888</i>	<i>529</i>	<i>3,119</i>	

Included within Support costs are salary costs of £1,273K (2022: £1,232K).

Irrecoverable VAT costs included within Support costs amounted to £88K (2022: £140K).

Total Governance costs included in Support were £189K (2022: £162K). These included auditors' fees for external audit £54K (2022: £24K) and tax advice £1K (2022: £4K).

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

8. SUBSIDIARY ORGANISATIONS

The Sea Cadet Association is a charitable company registered in England and Wales (company number Number 404951 and Charity Number 306141). The charity was dormant in the current year and both net income and net assets/funds for the year were £nil (2022: net income and net assets/funds: £nil). The organisation is retained as it is counterparty to a number of leases held by Sea Cadets units and also acts as a vehicle for the receipt of occasional legacies.

MSSC (Trading) Limited is registered in England with company number 9476222. The charity has a £5K (2022: £5K) investment in MSSC (Trading) Limited (note 12), representing 100% of the issued share capital of that company. The results of the company for the year and its balance sheet at the year end were as below. The company made a charitable donation in the year of £5K (2022: £5k) to the charity. The company anticipates making a charitable donation to the charity of £24K in 2023/24 based on profits earned in 2022/23. Year-end net assets stand at £29K (2022:£33K).

	2023	2022
	£'000	£'000
Turnover	28	35
Purchases for resale	-	-
Other operating charges	(4)	(7)
Profit on Ordinary Activities before taxation	24	28
Taxation	-	-
Profit on Ordinary Activities after taxation	24	28
Retained profit at 1 April 2022	5	5
Charitable donation to the Marine Society & Sea Cadets	(5)	(5)
Retained profit at 31 March 2023	24	28
	2023	2022
	£'000	£'000
Current Assets		
Debtors	23	14
Cash at bank and in hand	48	40
	71	54
Creditors		
Amounts falling due within one year	(42)	(21)
Net Current Assets	29	33
Net Assets	29	33
Capital and Reserves		
Called up share capital	5	5
Profit and loss account	24	28
	29	33

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

9. STAFF COSTS	2023	2022
	£'000	£'000
Wages and salaries	6,880	6,254
Social security costs	622	555
Pension fund contributions	444	419
Health insurance	62	102
	<u>8,007</u>	<u>7,329</u>

The average head count was 193 staff (2022: 186) and the average full time equivalent numbers of employees were as follows:

	2023	2022
Fundraising	5	5
Supporting Sea Cadets activity and infrastructure	83	84
Sea Cadets training	65	61
Offshore fleet	22	22
Promoting Sea Cadets activity	5	4
Seafarer education and support	6	7
	<u>186</u>	<u>183</u>

Included within staff costs are £1,000K (2022: £1,232K) support costs and £nilK (2022: £nilK) costs capitalised within Fixed Assets.

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer and the six (2022: six) Directors in post (senior management team) listed under Executive Management on page 56. Their total remuneration, (including those not in post at the year-end), including social security costs and pension contributions was £714K (2022: £651K). The Trustees did not receive any remuneration from the charity during the year but were reimbursed for some travel costs, where they chose to claim. Five (2022: two) Trustees claimed travelling expenses totalling £1.2K (2022: £0.7K).

Ten employees earned over £60K (2022: seven). Bandings, inclusive of allowances (where payable) were:

	2023	2022
£60K - £70K	3	2
£70K - £80K	4	3
£80K - £90K	1	1
£90K - £100K	1	-
£110K - £120K	*1	*1

* These figures include pension allowances paid to one individual (2022: one) in lieu of employer pension contributions that would otherwise be payable but not shown within remuneration.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

10. INTANGIBLE FIXED ASSETS (GROUP AND CHARITY)

	Computers & software	Total
	£'000	£'000
COST		
At 1 April 2022	1,626	1,626
Additions in period	40	40
Disposals in period	-	-
At 31 March 2023	<u>1,666</u>	<u>1,666</u>
AMORTISATION		
At 1 April 2022	965	965
Provision in period	266	266
Disposals in period	(-)	(-)
At 31 March 2023	<u>1,231</u>	<u>1,231</u>
Net book value		
At 31 March 2023	<u>435</u>	<u>435</u>
<i>Net book value</i>		
<i>At 31 March 2022</i>	<u>661</u>	<u>661</u>

Above includes £nilK (2022: £47K) in respect of assets under construction.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

11. TANGIBLE FIXED ASSETS (GROUP AND CHARITY)

	Freehold building	Building improvements	Ships & boats	Furniture & fittings	Motor vehicles	Computers	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COST							
At 1 April 2022	717	8,814	10,697	354	489	115	21,186
Additions in period		161	399	-	-	-	560
Disposals in period	-	(25)	-	-	(25)	-	(49)
At 31 March 2023	717	8,950	11,096	354	465	115	21,697
DEPRECIATION							
At 1 April 2022	615	1,632	5,054	319	387	64	8,071
Provision in period	12	304	521	9	36	15	897
Disposals in period		-	-	-	(25)	-	(25)
At 31 March 2023	627	1,936	5,575	327	398	79	8,943
Net book value At 31 March 2023	90	7,014	5,521	27	67	36	12,755
<i>Net book value At 31 March 2022</i>	<i>102</i>	<i>7,182</i>	<i>5,643</i>	<i>36</i>	<i>103</i>	<i>51</i>	<i>13,116</i>

Building improvements include assets under construction £340K (2022: £204K).

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

12. INVESTMENTS
GROUP INVESTMENTS

	Investment Portfolio £'000	Properties £'000	Cash £'000	Total £'000
Fair value at 1 April 2022	<u>18,247</u>	<u>1,200</u>	<u>634</u>	<u>20,081</u>
Additions at cost	7,949			7,949
Disposal proceeds	(8,275)			(8,275)
Movement in Cash	-		353	353
Gain for the year	(889)		-	(889)
Fair value at 31 March 2023	<u>17,032</u>	<u>1,200</u>	<u>987</u>	<u>19,219</u>

CHARITY INVESTMENTS

	Investment Portfolio £'000	Properties £'000	Cash £'000	Subsidiary £'000	Total £'000
Fair value at 1 April 2022	<u>18,247</u>	<u>1,200</u>	<u>634</u>	<u>5</u>	<u>20,086</u>
Additions at cost	7,949				7,949
Disposal proceeds	(8,275)				(8,275)
Movement in Cash	-		353		353
Gain for the year	(889)		-		(889)
Fair value at 31 March 2023	<u>17,032</u>	<u>1,200</u>	<u>987</u>	<u>5</u>	<u>19,224</u>

All investments are held in the UK. There is one single investment in excess of 5% of the portfolio, Vanguard Funds Plc S&P 500 (5.7%). £5,844K was directly in overseas' equities. The subsidiary investment is in MSSC (Trading) Limited, note 8. The cost of the Investment Portfolio including cash was £15,292K (2022: £14,718k).

Fund analysis of gains and (losses):

	2023 £'000	2022 £'000
Endowment (note 16)	(889)	618
Total gains (losses)	<u>(889)</u>	<u>618</u>

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

13. DEBTORS

	Group 2023	<i>Group 2022</i>	Charity 2023	<i>Charity 2022</i>
	£'000	<i>£'000</i>	£'000	<i>£'000</i>
Trade debtors	44	286	33	273
Amounts due from MSSC (Trading) Ltd	-	-	28	19
Loans	5	1	5	1
Other taxation and social security	-	-	-	-
Other debtors	4	2	4	2
Prepayments	122	159	122	159
Accrued income	64	50	64	50
	238	<i>497</i>	255	<i>503</i>

14. CREDITORS: Amounts falling due within one year

	Group 2023	<i>Group 2022</i>	Charity 2023	<i>Charity 2022</i>
	£'000	<i>£'000</i>	£'000	<i>£'000</i>
Trade creditors	276	396	276	396
Amount due to Slater	(101)	60	(101)	60
Other taxation and social security	171	490	171	490
Grants payable	1,723	1,167	1,723	1,167
Other creditors	616	597	616	597
Pension provision (note 19)	-	-	-	-
Accruals	1,923	1,428	1,921	1,428
Deferred income	454	413	454	412
	5,061	<i>4,551</i>	5,059	<i>4,550</i>

£513K (2022: £407K) of Grants payable at 1 April 2023 were paid in the year, and £241K (2022: £366K) of further grants were provided during the year to 31 March 2023. Payment of grants made is mostly conditional on the balance of funding for property projects being raised by the grant recipient. £536K (2022: £275k) of accruals and £40K (2022: £39k) of deferred income balances at 1 April 2022 are included in creditors at 31 March 2023. These should be released in 2023/24.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023
15. RESTRICTED FUNDS (GROUP AND CHARITY)

Donor	Purpose	Balance	Movement of funds			Transfer	Balance
		1 April 2022	Income	Expend- -iture	Income/ interest		31 March 2023
		£'000	£'000	£'000	£'000	£'000	£'000
MOD	The Sea Cadet Corps	2,692	12,129	(11,874)	-	(314)	2,631
Various	Offshore ships and boats	5,861	177	(809)	9	-	5,239
Various	Sea Cadets training	2,180	415	(918)	10	-	1,687
Various	Cadet expansion Programme	4,340	-	(163)	-	-	4,177
Various	Sea Cadets unit grants	1,496	445	(1,252)	-	-	688
Various	Area Sea Cadets Training	906	111	(194)	5	-	828
Various	Seafarer training	242	92	(173)	-	-	160
Various	Bursaries	262	48	(146)	-	-	165
Corbyn Memorial Fund	London Nautical School	50	-	(28)	-	-	22
Thomas Gray Memorial Trust	Maritime Science and Technology	40	-	(40)	-	-	-
Various	Other	74	-	-	-	-	74
		18,144	13,418	(15,601)	24	(314)	15,671

(continued)

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

15. RESTRICTED FUNDS (GROUP AND CHARITY) (2021/22)

Donor	Purpose	Balance	Movement of funds			Transfer	Balance
		1 April 2021	Income	Expend- -iture	Income/ interest		31 March 2022
		£'000	£'000	£'000	£'000	£'000	£'000
MOD	The Sea Cadet Corps	-	14,018	(11,327)	-	-	2,692
Various	Offshore ships and boats	6,299	247	(691)	7	-	5,861
Various	Sea Cadets training	1,328	1,354	(512)	10	-	2,180
Various	Cadet expansion Programme	4,510	-	(169)	-	-	4,340
Various	Sea Cadets unit grants	1,573	523	(601)	-	-	1,496
Various	Area Sea Cadet Training	945	266	(308)	5	-	906
Various	Seafarer training	261	190	(210)	-	-	242
Various	Bursaries	298	45	(81)	-	-	262
Corbyn Memorial Fund	London Nautical School	50	-	-	-	-	50
Thomas Gray Memorial Trust	Maritime Science and Technology	39	-	-	1	-	40
Various	Other	74	-	-	-	-	74
		<u>15,377</u>	<u>16,643</u>	<u>(13,899)</u>	<u>23</u>	<u>-</u>	<u>18,142</u>

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023
16. ENDOWMENT FUNDS (GROUP AND CHARITY)

Donor	Purpose	Balance	Movement of funds		Balance
		1 April 2022 £'000	Investment returns £'000	Donations/ (transfers) £'000	31 March 2023 £'000
Corbyn Memorial Fund	Grants and payments to members of London Nautical School	237	(12)	-	225
Thomas Gray Memorial Trust	Advancement of Maritime Technology and Science	114	(6)	-	108
Destitute Sailors Fund	Assisting distressed merchant seamen	71	(3)	-	68
Various	Providing subsidised berths and awards to Sea Cadets	558	(27)	-	531
Expendable Endowed Funds	Held for general purposes	17,294	(841)	-	16,453
		18,273	(889)	-	17,384
Donor	Purpose	Balance	Movement of funds		Balance
		1 April 2021 £'000	Investment returns £'000	Donations/ (transfers) £'000	31 March 2022 £'000
Corbyn Memorial Fund	Grants and payments to members of London Nautical School	229	8	-	237
Thomas Gray Memorial Trust	Advancement of Maritime Technology and Science	110	4	-	114
Destitute Sailors Fund	Assisting distressed merchant seamen	68	3	-	71
Various	Providing subsidised berths and awards to Sea Cadets	539	19	-	558
Expendable Endowed Funds	Held for general purposes	16,453	584	256	17,294
		17,399	618	256	18,273

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

17. DESIGNATED FUNDS

Fund	Balance 1 April 2022 £'000	Movement of funds Investment returns £'000	Donations/ (transfers) £'000	Balance 31 March 2023 £'000
Cadet Outreach	83	-	-	83
Boat station	1,004	-	3	1,022
SC future projects	373	-	-	373
Expedition equipment	-	-	198	186
Environmental grants	-	-	113	100
	1,460	-	314	1,774

Fund	Balance 1 April 2021 £'000	Movement of funds Investment returns £'000	Donations/ (transfers) £'000	Balance 31 March 2022 £'000
Cadet Outreach	83	-	-	83
Boat station	754	-	250	1,004
SC future projects	-	-	373	373
	837	-	623	1,460

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP

2023	Intangible & tangible fixed assets £'000	Investments £'000	Net current assets and long term liabilities £'000	Total £'000
Restricted funds	12,484	-	3,187	15,671
Endowment funds	135	17,249	-	17,384
Designated funds	-	1,460	314	1,774
Unrestricted funds	570	510	411	1,492
Total	13,189	19,219	3,912	36,321

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

GROUP

2022	Intangible & tangible fixed assets £'000	Investments £'000	Net current assets and long term liabilities £'000	Total £'000
Restricted funds	12,951	-	5,192	18,143
Endowment funds	256	18,017	-	18,273
Designated funds	-	1,460	-	1,460
Unrestricted funds	570	604	437	1,611
Total	13,776	20,081	5,630	39,488

CHARITY

2023	Intangible & tangible fixed assets £'000	Investments £'000	Net current assets and long term liabilities £'000	Total £'000
Restricted funds	12,484	-	3,187	15,671
Endowment funds	135	17,249	-	17,384
Designated funds	-	1,460	314	1,774
Unrestricted funds	570	515	382	1,467
Total	13,189	19,224	3,883	36,296

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

2022	Intangible & tangible fixed assets £'000	Investments £'000	Net current assets and long term liabilities £'000	Total £'000
Restricted funds	12,951	-	5,192	18,143
Endowment funds	256	18,017	-	18,273
Designated funds	-	1,460	-	1,460
Unrestricted funds	570	609	404	1,583
Total	<u>13,777</u>	<u>20,086</u>	<u>5,597</u>	<u>39,460</u>

18. TAXATION

No corporation tax is payable due to the charitable status of the activities of the charity.

19. PENSION SCHEMES (GROUP AND CHARITY)

A number of former employees of the former Marine Society and of the Sea Cadet Association are members of the Merchant Navy Officers Pension Fund - MNOPF (New Section). The fund is active, though closed to future accrual on 31 March 2016. However, the MSSC continues to have a share of the net deficit in the fund.

The actuarial report as at 31 March 2022 valued assets in the scheme at £2,957M and the liabilities at £2,887M giving a rise to a scheme wide surplus of £70M. As at the date of the 2022 valuation no deficit contributions were required.

All current employees are members of a contract based defined contribution scheme. £444K (2022: £419K) was paid by the charity during the year of which £55K (2022: £52K) was outstanding at the year end and included in creditors.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2023

20. RELATED PARTY TRANSACTIONS (CHARITY)

The Chief Executive Officer is an ex officio trustee/director of the Royal Albert Dock Trust during the year, the charity paid rent to the Royal Albert Dock Trust's London Regatta Centre totalling £600 (2022: £27K).

Three of the Trustees of the charity are trustees of Trinity House Maritime Charity. During the year the charity received a grant of £130K (2022: £110K) from the Trinity House Maritime Charity. No amounts were outstanding to the charity at the year end.

One of the Trustees was appointed Chairman of IFAN maritime in November 2019. They support MSSC on various educational projects, during the year the charity received a grant of £40K (2022: £60k).

One of the Trustees is an Associate Member of Stelios Philanthropic Foundation who has supported Sea Cadets projects with a grant of £30k (2022: £71k).

Two Trustees, the Chief Executive Officer and another Director are members of the Company of Shipwrights who have funded £14k for bursaries (2022: £13k).

One of the Trustees is a Fellow of the Nautical Institute who rent office space in London amounting to £21k (2022: £64k).

One of the Trustees is Headteacher of the London Nautical School. During the year the charity paid a grant of £39k (2022: £nil)

The charity was paid £4K (2022: £4K) for management and accounting services from its subsidiary undertaking MSSC (Trading) Limited (note 8). A charitable donation amounting to £5K (2022: £5k) was received from the subsidiary. The charity anticipates receiving a charitable donation from the subsidiary of £24K in 2023/24 based on profits earned by the company in 2022/23. At the year end, the charity was owed £24K (2022: £19K) by the subsidiary and this amount is included in charity debtors.

One Trustee of the charity, Simon Figgis, and two employees, Jenny Howard and Paul Wilkinson, are directors of MSSC (Trading) Limited. Two Trustees, David Dingle and Jonathan Robertshaw are directors of the Sea Cadet Association.

21. STATUTORY INFORMATION

The Marine Society and Sea Cadets (MSSC) is a charity registered with the Charity Commission in England and Wales (registration number 313013) and with the Office of the Scottish Charity Regulator (registration number SC037808). The registered office is 200b Lambeth Road, London SE1 7JY.

COUNCIL MEMBERS AND EXECUTIVE MANAGEMENT YEAR ENDED 31 MARCH 2023

Council members and executive management during the year, and as at the date of this report, were:

PRESIDENT: Admiral Sir Philip Jones GCB DL

COUNCIL MEMBERS

The Council members who served during the year were:

Jeremy Penn (Chair) ^{1, 2, 3,}
Liz Cassidy (Vice Chair) ^{1, 2}

Robert Woods CBE ²
Simon Figgis ^{1, 3}
Lt Cdr (SCC) Jason Kinghorn RNR ^{2, 3} (retired 27/01/23)
Steve Smith ^{2, 3} (appointed 27/01/23)
Alan Marsh MBE FICS ¹
John May OBE DL ^{2, 3}
Captain Ian McNaught CVO MNM
Vice Admiral Sir Jonathan Woodcock KCB OBE ^{2, 3}
David Derbyshire ³
Léonie Austin²
David Dingle CBE^{1, 2}
Jonathan Robertshaw ^{1, 2}
Michael Schofield ^{2, 3}
Gareth Hampton ^{1, 2}
Laurelle Brant ^{2, 3}
Christine Baldwin MRICS ^{2, 3} (elected 12/10/22)
Lukshmy Miranda Nagalingam ^{1, 2} (elected 12/10/22)

Council Members are members of the following committees as annotated above.

- 1 The Finance, Investment, Remuneration and Audit Committee
- 2 The Policy Development and Nominations Committee
- 3 The Safety, Safeguarding, Inclusion & Risk Committee
- 4 The National Sea Cadets Advisory Council
- 5 The National Sea Cadets Forum

EXECUTIVE MANAGEMENT

Chief Executive Officer	Martin Coles CBE FRICS ACI Arb
Captain Sea Cadets & Director of Operations*	Captain Neil Downing RN
Director of Finance & Digital and Company Secretary	Jenny Howard
Director of Young People, Volunteer & Business Support	Paul Wilkinson
Director of Sea Cadet Learning	Heather Williams
Director of Fundraising and Communications	Daniel McAllister
Director of Human Resources	Petrina Brooker
Director of Maritime Training and Development	Darrell Bate

* provided on loan from the Royal Navy

**PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2023**

The principal professional advisers during the year were:

Auditors:	Mazars 2 nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, SM1 4FS
Bankers:	Barclays Bank plc 1 Churchill Place London, E14 5HP National Westminster Bank plc 250 Regent Street London, W1B 3BN Royal Bank of Scotland plc 62-63 Threadneedle Street London, EC2R 8HP
Investment Advisers and Custodians:	Investec Wealth & Investment Ltd 2 Gresham Street London, EC2V 7QN KW Investment Management Ltd 13 Austin Friars London, EC2N 2HE
Legal advisers:	Farrer & Co LLP 66 Lincoln's Inn Fields London, WC2A 3LH Moon Beaver 21A John Street London, WC1N 2BF Russell Cooke 2 Putney Hill London, SW15 6BA
Insurance Brokers:	Arthur J. Gallagher Insurance Brokers The Walbrook Building 25 Walbrook London, EC4N 8AW
Pension Advisers:	Mercer Limited 1 Tower Place West, Tower Place, London, EC3R 5BU
Registered Office:	200b Lambeth Road London, SE1 7JY ms-sc.org