

MSSC

MARINE SOCIETY & SEA CADETS

MARINE SOCIETY & SEA CADETS

Report & Accounts

For the year ended 31 March 2024

Admiral of the Sea Cadet Corps: Her Royal Highness, The Princess Royal

President: Admiral Sir Philip Jones GCB DL

Charity number (England & Wales): 313013

Charity number (Scotland): SC037808

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2024

Overview

Marine Society and Sea Cadets (MSSC) is a charity that helps launch young people for life and supports aspiring and serving seafarers in achieving successful careers.

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.

2023/24: A Year of Choppy Waters

Setting our Course

Our year began with considerable excitement and optimism with the launch of our Future Ready Strategy in April 2023 (see page 6). The strategy, developed with our cadets, volunteers and employees, charts a clear course for the next five years to 2028. It is about meeting the growing demand for what our charity offers young people, seafarers and maritime professionals, while equipping them for a world of increasingly rapid change.

For cadets, this means providing a unique mix of non-formal education, challenge and adventure that develops confidence and resilience; builds teamwork and leadership skills; and instills clear values, within a safe and inclusive environment, where cadets have a real voice – all of which will ensure our young people can thrive whatever their futures.

For seafarers, this means providing the practical learning opportunities, online support and expert mentoring which will allow them to upskill and progress throughout their careers – with the versatility and adaptability to seize new opportunities and make full use their talents.

The first year of our Future Ready Strategy saw us make good progress in giving our charity a platform for sustainable growth – building on the success of our two-year Regeneration Strategy, which delivered a full-return to in-person activity following the pandemic, while also transforming our digital platforms.

Refining our Offer

All of this, however, has occurred within a testing environment. The charity has been battling against the continued economic headwinds facing all organisations as a result of recent persistently high inflation. We rely on the Royal Navy for around half the funding of Sea Cadets via a grant-in-aid. The MOD and RN were not immune from the financial limitations, leading to an unexpected re-set of our grant-in-aid in mid-April 2023. This compounded our financial burden, requiring immediate temporary restrictions on delivery for the financial year 2023/24.

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With continued inflation, and following settlement of our grant-in-aid for 2024/25, we faced a A £1.94m gap in our budget for 2024/25 requiring us to take decisive action.

At the same time our volunteers have been facing similar headwinds - straining their capacity to deliver for Sea Cadets and to meet the insatiable demands for activity from our cadets, further enthused post pandemic by all that Sea Cadets has to offer.

In response to this mix of challenges, in November 2023 we launched 'Refining our Offer' to reduce the growing demands on our volunteers, cut our organisational and delivery costs, increase fundraising and income generation, implement efficiencies in the way we deliver the Sea Cadets Experience (page 14) and provide essential resources for safeguarding, safety and offshore activities.

By listening to the positive solutions identified during our comprehensive organisation-wide consultation, we have been able to refine our offer for young people – slowing the pace of delivery slightly to reduce the workload of our amazing volunteers without compromising the consistency or quality of the Sea Cadets Experience. This has helped us arrive at an affordable budget for 2024/25 – closing the funding gap while ensuring the changes are proportionate, balanced and support our continued progress towards our long-term aims.

The difficult choices we agreed on together also necessitated a strategic restructuring of our central teams, with a reduction in 10.45 full time equivalent roles resulting in eight redundancies and impacting on a further 40 roles across all departments. Throughout this period of uncertainty, our teams remained constructive and professional while offering support to colleagues. Most importantly, our collective determination to deliver the best possible experience for our beneficiaries remains undimmed – and we pledge to give our employees and volunteers all the support they need to thrive in that process.

Indeed, by lightening the load on our people, we will be able to maintain a laser focus on realising our Future Ready Strategy – supported by ambitious plans to drive increased income, with an aggressive fundraising target of £3.1m for 2024/25 (up from £2.2m in 23/24). We hope to achieve this target by prioritising ongoing work to increase MSSC subscriptions and develop corporate sponsorship opportunities, along with the launch of two new appeals – to finance a refit of our tall ship TS Royalist and two new adventure centres.

Prioritising Safer Activity

Safeguarding, safety and inclusion remain at the forefront of our strategic objectives. To this end, during the year we concluded an external independent review of our safeguarding procedures and processes, undertaken by Barnardo's. This regular comprehensive audit confirmed our strong culture of safeguarding and our continued progress, as well as our appetite for ongoing improvement. To ensure continued progress, we have agreed a development plan, with regular monitoring by our Senior Management Team and Trustees.

On safety, we closely followed the Coroner's Inquest into the tragic 2018 death of a 16-year-old Explorer Scout during a hill walking activity – to ensure that Sea Cadets could make use of any relevant learnings to improve our own delivery of activities.

Having reviewed the Coroner's latest report, published in early 2024, we assessed our procedures in light of the issues raised and launched a Safety Activity initiative for Sea Cadets. Building on existing work, this included developing a new safety checklist for use in planning activities; ensuring all our volunteers refreshed their knowledge of our existing systems and

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processes as well as ongoing work to strengthen our risk assessment processes and refresh our mandatory safety training.

On inclusion, we made significant progress in the year with delivery in line with our equity, diversity and inclusion action plan in response to 52 recommendations in our June 2022 EDI Review. Fully embedded within our Future Ready Strategy our delivery in reported is covered in more detail on page 6.

Working with the Royal Navy

A key theme of our Future Ready Strategy is to further reflect today's Royal Navy within the Sea Cadet Experience offered to our young people. During the year we delivered to our cadets:

- 14 naval experience weeks at HMS Raleigh
- 15 amphibious experiences delivered for Royal Marines Cadets
- 873 cadets engaged in careers fairs/webinars
- 35% had the opportunity to meet serving members of the RN

We continued to drive RN footprint across the UK, raising RN profile and awareness, including:

- 42,200 cadet days spent representing the RN at community events and parades
- 569m people reached through our press coverage

We also delivered against our performance indicators with the RN set out in our Memorandum of Understanding, exceeding both of the measured KPIs:

MSSC to Deliver	Outcome
<i>RN Career Awareness Briefings to Volunteers:</i>	682 delivered (against 240 stretch target)
<i>School engagement visits:</i>	250 delivered (against 36 stretch target)

The value and relevance of the RN to cadets was clearly demonstrated in our 2023/24 Impact Report (page 13). Cadets scored their trust of the RN at 7.7 (out of 10), on a par with sea cadet volunteers (7.9) and well above teachers (6.2).

Alongside this work we have sought to play our part in an Independent Review of Cadets commissioned by the Second Sea Lord to guide the way ahead for the next 25 years.

We have seen the Review as a great opportunity to demonstrate and build on the value of Sea Cadets to the Royal Navy, achieving real impact across the UK. Indeed, as the most cost-effective Community Cadet Force, we stand ready to work ever more closely with the RN to further support the further development of the RN Cadet Forces over the coming years.

Ofsted 'Good'

In March 2024, The Marine Society College of the Sea was subject to a three day Ofsted inspection. This was a comprehensive review of the work of Marine Society, ultimately judging the College overall effectiveness as 'Good' with an overwhelmingly positive report. It was particularly pleasing that the report specifically noted the College's strong advocacy for and

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engagement with the maritime sector. As a result, the College was assessed as making a 'strong contribution to meeting skill needs' across the sector.

Looking Forward

We have much to do to continue to grow Marine Society, to play our part in the implementation of the RN Review of Cadet Forces, to continue to drive staying safe and to respond to the youth and maritime political agendas as they develop post the General Election.

Inspired by the life-changing impact we continue to have on cadets and seafarers (pages 6, 13 and 15) together with our impressive delivery in 2023/24 (page 8), we are guided by our Future Ready strategy (page 6) and exciting plans for 2024/25 (page 18). As a result our whole charity is driving through the recent choppy waters, confident to further increase our impact.

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>

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ENGAGING MARGINALISED YOUNG PEOPLE AND EMBRACING DIVERSITY

We continue to aspire to make Sea Cadets even more accessible to the disadvantaged young people who could benefit most from our activities. Our survey in 2023/24 showed:

- **55%** of Sea Cadets units are located in areas of relative **economic disadvantage** (compared to 33% of other youth groups)
- **44%** of cadets live in '**left behind areas**' (20% of the general population)
- **8%** of cadets are **looked after children** (1% national average) UP from 6% on prior year
- **8%** of cadets are **young carers** (6% national average) UP from 7%
- **6%** of cadets identify as **autistic** (2% national average) UP from 5%
- **5%** of cadets identify as **ADHD** (5% national average)
- **11.3%** of cadets from **non-white ethnic minority** (16.2% national average) UP from 10.7%
- **4.7%** of cadets identify as **mixed-race** (2.9% of the general population)
- **17.3%** of 12+ cadets identify as **non-heterosexual** (3.3% general population)

Throughout August 2023, our On The Water outreach programme gave a first taste of boating and water sports to **779** hard-to-reach children in Birmingham and London. Notably, we were able to increase engagement among several categories of disadvantage:

- **76%** of participants were from areas of relative economic disadvantage – UP from 67%
- **29%** of those taking part receiving free school meals – UP from 14%
- **10%** of the young people we welcomed had disabilities – UP from 7%

LAUNCHING OUR FUTURE READY STRATEGY

Over 100 of MSSC's most influential supporters came together to hear senior cadets and young volunteers launch the charity's **Future Ready Strategic Plan 2023 - 2028** at the House of Lords in April 2023. Having co-designed the strategy, the cadets delivered their own speeches explaining how the Future Ready plan builds on their personal experiences and reflects their ambitions for the organisation – bringing the strategy to life and demonstrating how our charity is succeeding in developing young people.

The Future Ready Strategy is designed to create the conditions where:

- Developing an urgency for growth and delivering on it
- Fully embracing flexible volunteering
- Becoming fully inclusive
- Creating a youth centred approach
- Driving cadet voice
- Equipping seafarers with the essential skills they need
- Ensuring a positive and supportive employee experience

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We will achieve this by focusing on the following key themes:

Enhancing Our Offer to cadets

Having listened to cadets' views, the Future Ready Strategy aims to:

- expand our range of training and activities.
- ensure the Sea Cadets Experience reflects today's Royal Navy.
- develop support for mental health and emotional wellbeing.
- empower young people to shape their own experience.

Enhancing Our Offer to seafarers

Responding to the priorities of the UK's Maritime 2050 strategy, Future Ready aims to:

- increase apprenticeship opportunities.
- broaden our maritime curriculum.
- promote and support maritime careers.

Equipping Our People to support our beneficiaries

To ensure our volunteers and employees have the skills and support they need to thrive, Future Ready aims to:

- implement leadership and management training.
- deliver the skills to help volunteers provide youth-centred activities.
- explore opportunities for flexible volunteering.

Embracing Inclusion throughout MSSC

Guided by the recommendations of our independent Equity, Diversity & Inclusion audit, Future Ready aims to:

- update our policies to promote EDI and challenge inappropriate behaviour.
- provide EDI training and support for volunteers and employees.
- ensure that we reflect the communities we serve.

Creating the conditions for Growth

To address the growing demand for our services, and make our offer more accessible to minority groups, Future Ready aims to:

- open new sections and units, including in new locations.
- develop targeted outreach for under-represented communities.
- support an additional 2,500 cadets by 2028 (500 per year).

Strengthening our underpinning Enablers

To achieve all the impact outlined above, Future Ready aims to deliver the investment that will:

- improve our environmental approach and reduce our carbon footprint.
- provide the new facilities and equipment needed to support cadet training.
- drive our ongoing digital transformation.

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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WHAT WE ACHIEVED IN 2023/24

We set out 10 key outcomes to guide delivery in the first year of our new strategy, backed by detailed plans to achieve them. We note our progress against each below:

OUR OFFER for sea cadets

1. *Ensure more engaging training and activities*

We delivered:

- 19 new online learning modules to the Sea Cadets Portal
- Added positive mental health and emotional wellbeing sessions
- Progressed work to create unit air rifle and drill hubs, plus regional shooting hubs

2. *Ensure more RN experiences:*

We delivered:

- 14 naval experience weeks at HMS Raleigh
- 15 specialist waterborne experiences delivered for Royal Marines Cadets
- 873 cadets engaged in careers fairs/webinars
- 35% had the opportunity to meet serving members of the RN.

3. *Ensure more Cadet Voice:*

We delivered:

- More units holding regular cadet forums
- Cadets interviewing key appointments
- Launched search for 2 cadet trustee committee members
- 5 national/area projects delivered using cadet co-production approaches.

OUR OFFER for seafarers and maritime professionals

4. *More apprenticeships & support for seafarers:*

We delivered:

- Grade 2 'Good' Ofsted inspection outcome
- Increased apprenticeship standards on offer to 7 and enrolled 7 new apprentices
- 75% of apprenticeships (by funding value) delivered directly by Marine Society.
- 94 Slater scholarships and bursaries awarded to seafarers
- 84 Coming Ashore registrations with 9 seafarers securing jobs onshore
- 15 furthering careers in offshore energy sector via our Green Skills Bursaries
- £174k income from maritime book sales and 5 digital port libraries funded by MNWB
- Learn@Sea and Learn@Shore apps further developed and sales up 14%

OUR PEOPLE

5. *Further develop volunteer training:*

We delivered:

- Automated online booking
- A new Basic Leadership course added in all districts.
- The identification of a national framework for volunteer mentoring
- Fully embedded 'Working with young people'
- New 'Leading a Sea Cadet unit' course
- Auto suspension without disclosure implemented
- Residential training procedures extensively updated.

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6. Promoted development opportunities for our employees:

We delivered:

- Management training provided
- EDI training for employees completed
- 8 employee policies updated
- Leadership development courses implemented

INCLUSION & GROWTH

7. Engage more young people:

We delivered:

- 24 Senior/RMC sections via DCMS waiting list project
- 14 new Junior sections opened.
- Cadet numbers up by 511 (with volunteers up 5%)
- 'On The Water' outreach delivered engaging 779 marginalised young people.

8. Become more inclusive:

We delivered:

- 6 policies revised to promote an inclusive culture.
- EDI training to all MSSC employees and trustees.
- Online EDI training course developed for volunteers
- An accessibility/inclusivity audit of MSSC facilities

ENABLERS

9. Improve our environmental approach:

We delivered:

- New environmental newsletter
- Tools to measure unit and MSSC facility carbon footprints.
- Sea Hive habitats in two pilot locations.

10. Improve our systems and facilities to support delivery

We delivered:

- Revised Unit assurance and support process
- New complaints procedure
- 10 point safety checklist launched and new H&S course in development
- Middlehill adventure training hub opened in Sussex
- Midlands Boat Station project progressed close to completion.
- Updated pocket safeguarding guides issued to all cadets and volunteers.

Other major milestones in 2023/24:

Brentwood Unit's Petty Officer (SCC) and former cadet Apple-Jane Hayward BEM represented Sea Cadets at the **Coronation of King Charles III** inside Westminster Abbey on 6 May 2023. In Parliament Square, Able Cadet Sara (Southampton Unit) and Cadet Corporal James (Guildford Detachment) bore the national Standards of Sea Cadets and Royal Marines Cadets, while thirty of our senior cadets were stationed along the procession at Admiralty Arch. We were delighted to receive The King's warmest wishes in recognition of both our

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cadets' efforts on the day and in the community celebrations assisted by units around the UK.

The Coronation Bank Holiday of 8 May saw Sea Cadets set a new **Guinness World Record** for the world's biggest ever piping lesson. Over 300 cadets and volunteers gathered at Greenwich to help launch **The Big Help Out** initiative by playing the 'Call The Hands' to urge the nation to try volunteering. Many of our units embraced The Big Help Out launch by organising unit open days or clean-ups to engage potential volunteers, with further events continuing through the summer.

Sea Cadets played a leading role in Liverpool's commemorations of the **80th anniversary of the Battle of the Atlantic** in late May. Ellesmere Port Unit's band played for veterans and dignitaries, while cadets from across the North West Area performed a variety of activity displays for thousands of visitors. Senior cadets then took part in the closing Drumhead Service, before over 150 sea cadets and royal marines cadets joined the 'March for the Medals' parade through the city.

A record-breaking year for the **Duke of Edinburgh's Award** at Sea Cadets saw 1,330 cadets and young volunteers enrol with 464 receiving awards – including 58 Golds, beating the Sea Cadets record of 45 achieved in 2018/19. 24 cadets took advantage of the opportunity (available for the first time in 23/24) to choose an offshore voyage on one of our yachts as their Gold or Silver expedition module.

12 cadets onboard TS Jack Petchey were thrilled to take part in Guernsey's 78th Liberation Day Parade, with another 12 from TS John Jerwood honoured to play a leading role in the official 79th anniversary **D-Day commemorations** at Pegasus Bridge in Bénouville.

For the first time, all ten of our keel boats took part in the **RS21 National Championships** at Lympington in August, allowing 30 cadets to experience top-level offshore racing thanks to the support of 18 volunteers and employees.

Our Royal Docks Boat Station hosted a memorable **National Combined Regatta** in early-September, with nearly 500 young people competing. Maryport & Solway Unit epitomised the determination to be part of the event: overcoming train strikes to make it to the Royal Victoria Dock from Cumbria in time to successfully defend their boat handling title. The unit was subsequently honoured to be one of only 29 youth groups in the UK to receive an inaugural **King's Award for Voluntary Service** – the highest honour a voluntary group can receive.

Eight sea cadets joined CEO Martin Coles CBE to deliver interactive workshop sessions at October's Conservative and Labour **Party Conferences** in Manchester and Liverpool. Cadets explained how our programme of non-formal education and adventurous activities are preparing young people for a changing world, impressing influential decision-makers including Business & Trade Minister Nigel Huddleston MP.

Two of our First Sea Lord's Cadets represented the UK in the **G20 international quiz** hosted by the Indian Navy in New Delhi in November. Petty Officer Cadets Maisie (Fishguard Unit) and Joseph (Camberley Unit) were competing against students and cadets from the world's largest 20 economies and nine guest countries, and narrowly missed out on a place in the final. The trip also helped to raise the global profile of Sea Cadets, with the cadets meeting India's Vice President, Jagdeep Dankhar, and Chief of the Indian Naval Staff, Admiral Kumar.

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Our largest ever **Cadet Conference** in February saw almost 300 cadets come together to shape the future of their organisation. Workshops tackled topics including the science behind water quality – the subject of a new Sea Cadets project in partnership with the University of Birmingham.

Marine Society's **Ofsted inspection** saw them awarded a grade 2 'Good' across all judgements, and an additional grade of making a 'strong contribution to skills', with the report saying: *"Marine Society is a strong advocate for the maritime sector. Leaders and managers make a valuable and vital contribution to meeting the skills needs of the niche industries within it [and] involve major influential stakeholders from sector bodies and employers to design and implement the curriculum. These actions have a direct, positive impact on apprentices."* This was a particularly impressive achievement – given that Marine Society's apprenticeship delivery is relatively new – and gives them a strong platform to promote their quality to employers and other stakeholders.

Marine Society's first **Outdoor Activity Instructor apprentice**, passed their end-point assessment and will remain as a fully qualified full-time instructor at Nene Park Outdoor Leisure Park – a great result for Marine Society's new partnership with the Sea Cadets Inshore Boating Team.

Further successful collaboration came when the Sea Cadets Offshore Team hosted Marina & Boatyard apprentices for Marine Society's first ever residential training voyage – developing boat handling, navigation, anchoring and mooring skills under expert tuition on TS John Jerwood.

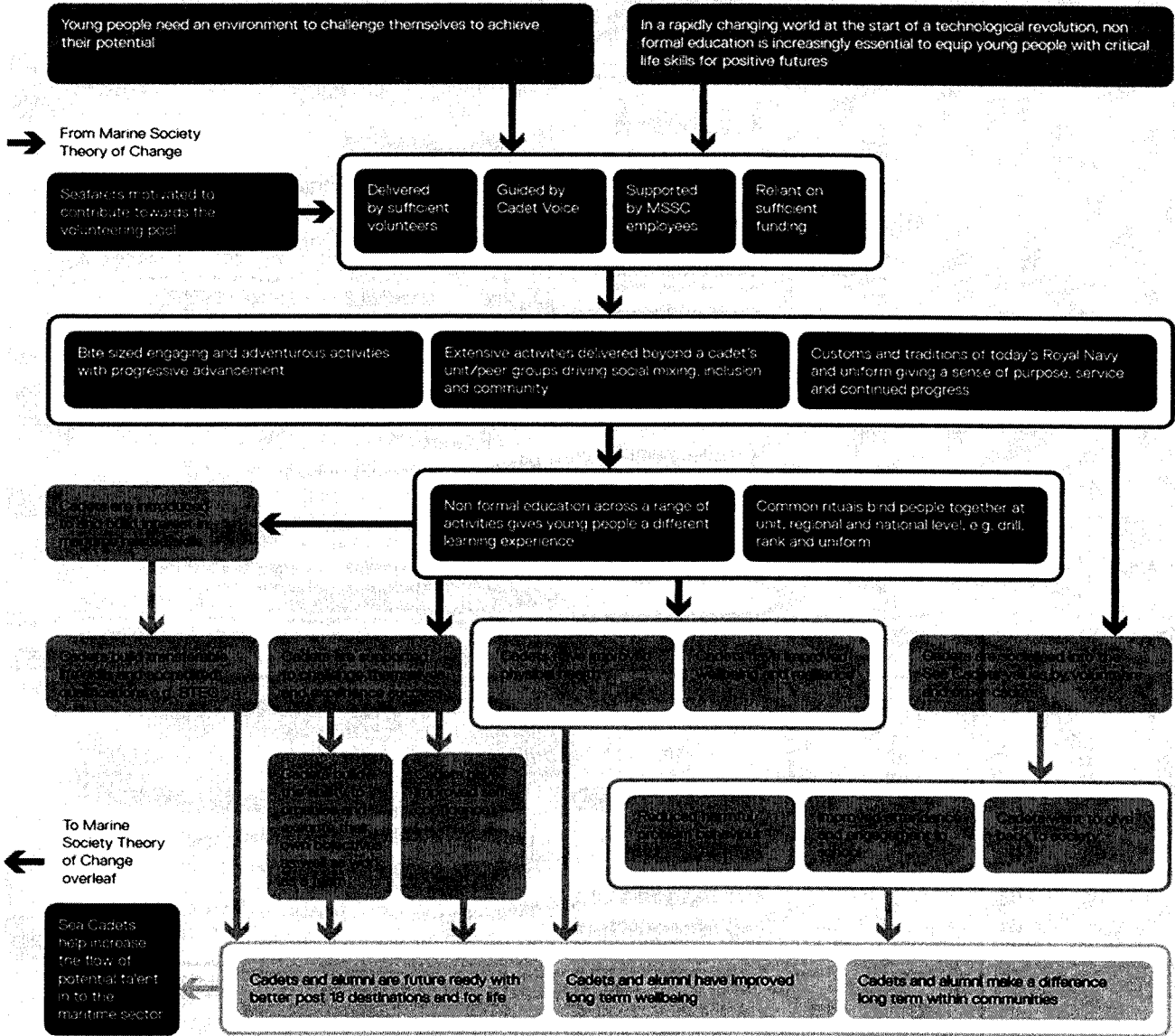
During the year our communications team achieved significant profile for the charity through **strong media coverage**:

- A Junior Sea Cadets marketing campaign delivered (including two short films) to assist with cadet and volunteer recruitment.
- A promotional short film created to showcase our Offshore Fleet.
- A special episode of Blue Peter broadcast in April 2023 to promote our offshore activities to thousands of potential recruits.
- Positive national and local press reports reached 2,775.
- Circulation of press coverage reached 569m people.
- Sea Cadets website attracted 139,364 new users.
- Social media followers numbered over 55,000.

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SEA CADETS THEORY OF CHANGE

Our theory of change illustrates how our interventions build to deliver immediate and enduring positive impacts for young people.



- **Need:** The demand the charity is trying to meet
- **Enablers:** Things an organisation does not directly control that help deliver the Theory of Change
- **Activities:** Services delivered to achieve outcomes, e.g. providing training
- **Outcomes:** Differences made to beneficiaries' lives, or the impact of a piece of work
- **Final goal/s:** The end result of a chain of different outcomes
- **Linked component:** Things that link the Sea Cadets to the Marine Society Theory of Change

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OUR IMPACT: How Sea Cadets changes young people

Based on 2,324 responses to our 2023/24 Impact Report survey of cadets

ENHANCING LIFE SKILLS, CONFIDENCE AND WELLBEING

Sea Cadets has improved:

- My ability to work with others in a team - **77% of cadets surveyed agreed**
- How well I communicate with others **81%**
- My ability to plan for the future **63%**
- My resilience in new situations **77%**
- My physical health **75%**

Sea Cadets:

- Makes me feel empowered **73%**
- Has made me resilient and prepared for tough times **61%**
- Is a supportive environment **88%**
- Helps me to stop getting in trouble at school, or with the police **48%**

ACHIEVING PERSONAL GROWTH THROUGH THE SEA CADETS VALUES

Respect

- Sea Cadets has made me better at listening to the views of others **71%**
- Sea Cadets has made me more likely to help other people **80%**

Loyalty

- I feel connected to Sea Cadets **83%**
- Sea Cadets has increased my involvement with my local community **65%**

Self-discipline

- Sea Cadets has increased my willingness to work hard **77%**
- Sea Cadets helps me to do better at school or in other education **58%**

Commitment

- Sea Cadets has increased my motivation to take part in things **83%**
- Sea Cadets has improved my ability to make decisions and see them through **69%**

Honesty & integrity

- Sea Cadets has made me feel that other people can count on me **70%**
- Sea Cadets has helped me to tell the truth, even when it is hard **58%**

Courage

- Sea Cadets has helped me to stand up for things I believe are right **67%**
- Sea Cadets has reduced my involvement in risky or anti-social behaviour **43%**



THE SEA CADETS EXPERIENCE



Sea Cadets
12–18yrs



Royal Marines Cadets
13–18yrs



Junior Sea Cadets
9–12yrs¹

0–2 years
(NEC-CFC)²

2–4 years
(CFC-AC)

4–6 years
(AC-POC)

0–1 year
(REC-RMC)

1–3 years
(RMC-POC)

3–5 years
(POC-POC)

0–3 years
(JC-LJ)

Sea Cadets values³ are woven into our training

	Basic	Intc	Adv	Basic	Intc	Adv	Sea Cadets life skills	Intro
Sea Cadet life skills	Basic	Intc	Adv	Basic	Intc	Adv	Sea Cadets life skills	Intro
Cadet training Prog/Syllabus ⁴	Basic	Intc	Adv	Basic	Intc	Adv	Learning about your unit	15 modules
Specialisation (e.g. Marine Engineering)	1	1	1	1	1	1	Outdoor activities	15 modules
Proficiency (e.g. Navigation)	1	1	1	1	1	1	Waterborne activities	15 modules
Waterborne proficiency	1	1	1	1	1	1	Community activities	15 modules
Boating (Hours effort)	60hrs	60hrs	60hrs	30hrs	60hrs	60hrs	Boating (Hours effort)	90hrs ⁵
Offshore voyages	1	1	1	1	1	1	Participation Awards (Waterborne and STCW)	2
BTEC	✓	✓	✓	✓	✓	✓		
Event or competition	✓	✓	✓	✓	✓	✓		
RN or RM event	✓	✓	✓	✓	✓	✓		
DofE Award: (Bronze, Silver, Gold)	✓	✓	✓	✓	✓	✓		
(RMC) Skill at Arms Training	1	1	1	1	1	1		
(RMC) Shooting	1	1	1	1	1	1		

Key

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

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 IMPACT: what the Sea Cadets Experience delivered for young people in 2023/24

Overall statistics on activities delivered in 2023/24:

- Total boating hours: **429,769**
- Boating hours per cadet: **31.3**
- Cadets experiencing a week long voyage via our offshore fleet: **1,381**
- Total beyond unit training days: **56,925** (4.1 per cadet)
- Total qualifications awarded: **46,304**
- Qualifications per cadet: **3.4**
- BTEC vocational qualifications: **1,030**
- Duke of Edinburgh's Awards completed: **464** – including a record **58** Golds

Cadet feedback on the Sea Cadets Experience [from the 2023/24 Impact Report survey]

- I have taken part in lots of different activities through Sea Cadets **85%**
- I find Sea Cadets training engaging **86%**
- I can get useful qualifications from Sea Cadets **92%**

“My time as a cadet wouldn't have been the same if it wasn't for my unit supporting me all the way through. Some of my biggest achievements in the cadets have to be my Gold Duke of Edinburgh award; gaining my RYA Day Skipper qualification thanks to the Offshore Team; and reaching the rank of Petty Officer Cadet. Having attended multiple offshore voyages – with my favourite being the Tall Ships Race 2023 voyage on TS Royalist – I believe that the Sea Cadets have not only transformed my life, but set me up ready for my future career of working at sea.”

Cadet Tom, 17, North West Area

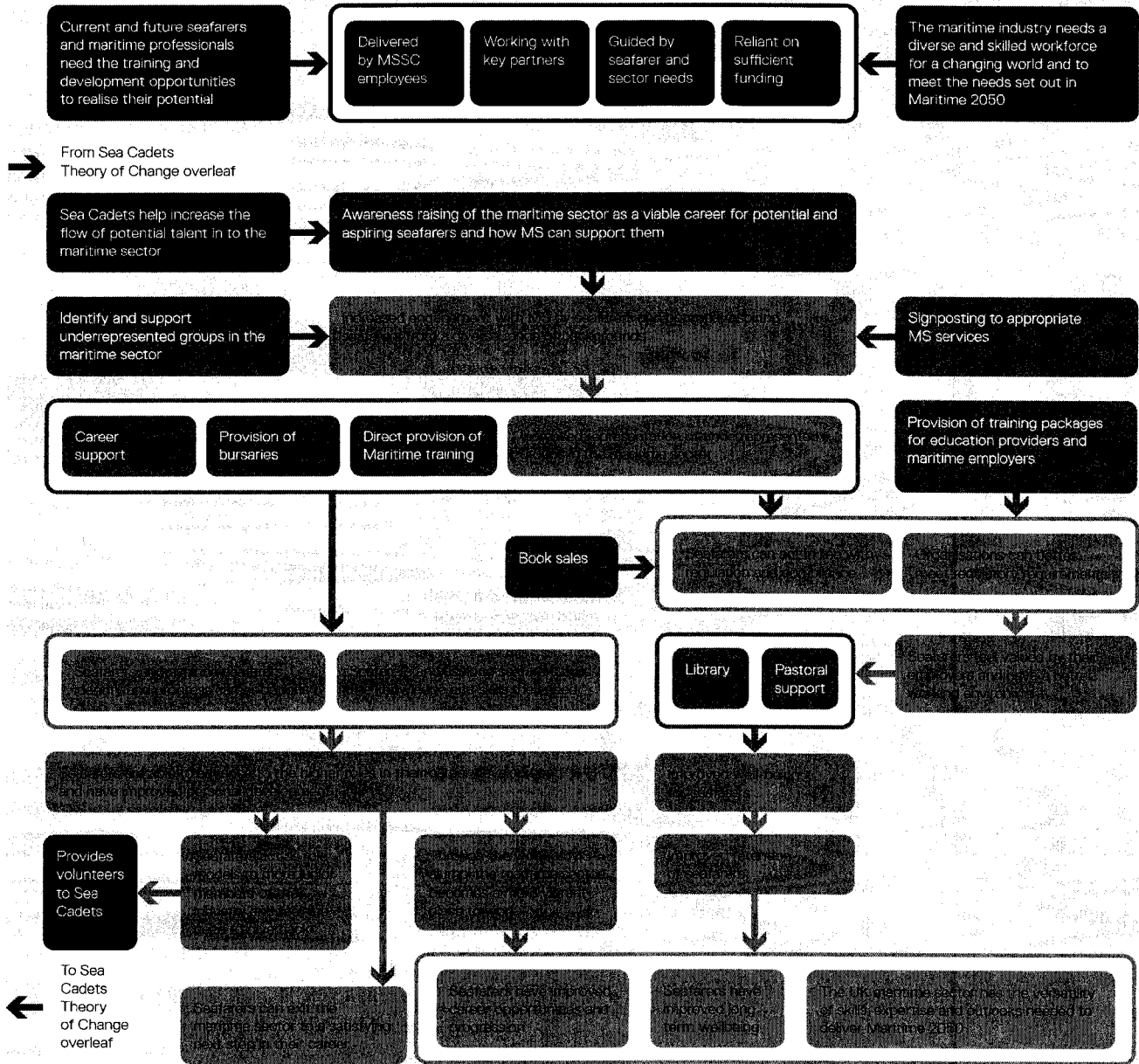
“I joined as a cadet when I was 10 and I really love my unit. Sea Cadets gives you so many opportunities to try out new things and gain skills and qualifications. I've been on offshore voyages, done lots of courses from windsurfing to catering, and I'm working towards becoming a paddle instructor. My dream is to have a career in music. I play the trumpet in the Sea Cadets Massed Band and take part in big national parades, such as Trafalgar Day. I was born with visual impairment, but everyone at Sea Cadets has been really supportive of me and made sure that I'm able to fully participate in all the activities it offers. Being part of Sea Cadets has definitely changed my life and helped me with everything from self-confidence to leadership skills.”

Cadet Eleanor, 14, Southern Area

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**

OUR THEORY OF CHANGE FOR MARINE SOCIETY

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



- **Need:** The demand the charity is trying to meet
- **Enablers:** Things an organisation does not directly control that help deliver the Theory of Change
- **Activities:** Services delivered to achieve outcomes, e.g. providing training
- **Outcomes:** Differences made to beneficiaries' lives, or the impact of a piece of work
- **Final goal/s:** The end result of a chain of different outcomes
- **Linked component:** Things that link the Marine Society to the Sea Cadets Theory of Change

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024****OUR IMPACT: how Marine Society helps seafarers change their lives**

Changing lives – in numbers:

9 Coming Ashore mentees securing jobs onshore

15 seafarers furthering careers in the offshore energy with support from our Green Skills Bursary

72 ratings achieved their first Certificates of Competency supported by the Slater Fund

4 crew libraries supplied to support seafarer learning and wellbeing

204 hours of one-to-one mentoring delivered to seafarers

Seafarer feedback on Marine Society support

"Leaving the familiar and comfortable world of seafaring was a daunting prospect. Fortunately, I found valuable support in the Marine Society's 'Coming Ashore' programme. This initiative provided me with the specific skills and knowledge necessary for the transition, and my mentors, experienced ex-merchant navy professionals, guided me through this transformation. Moreover, my first shore placement was secured through the Marine Society, and further solidified my commitment to a career in maritime law."

Nazmus Sakib, 'Sea to Shore' placement

"The service I have received from The Marine Society has been outstanding. The support was especially appreciated when I was completing multiple courses in a short period of time. The learning process has broadened my knowledge and I have a much greater understanding of all aspects of managing a Workboat and its crew. This will undoubtedly make me a safer and more capable seafarer going forward."

Edward Clarke, Slater Fund recipient

"After working at sea for 12 years, I was increasingly seeking a better work/life balance, which was a big motivator in my decision to move ashore. Marine Society had already supported me throughout my maritime career with scholarships, additional learning opportunities and awards so I was thrilled to learn they had a 'Coming Ashore' mentorship programme ... which was instrumental in making my transition ashore a smooth one."

Kristina Hogg, Coming Ashore mentee

"[Marine Society] trainers work effectively with employers to make sure that apprentices have good opportunities at work to practice and develop what they learn. Consequently, apprentices develop skills early in their programme to perform a wide range of tasks ... [and] become valued colleagues to their employer."

Ofsted inspection. March 2024

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**

OUR FUTURE READY PLAN FOR 2024/25

Building on the achievements of the past year, the strategic goals we've identified for 2024/25 will help us overcome the economic challenges we face and improve what we offer our beneficiaries.

Our top ten goals (below) will also help us to create the conditions necessary to drive the core principles of our Future Ready Strategy, in a year which will be a crucial step on the journey to making our organisation fully inclusive, ready for growth, and centred around the needs of our beneficiaries, volunteers and employees.

Our top 10 goals for 2024/25

OUR OFFER

- 1 Refined Sea Cadets Experience fully implemented:**
 - Volunteers empowered to deliver more district level training
 - Navigation, meteorology & piping embedded in the cadet training programme
 - The new competition programme embedded
 - 80 sessions updated or added to Programmes Online
 - Welfare training for support of camps progressed
- 2 Increased cadet voice:**
 - 50%+ of units holding regular cadet forums
- 3 Cadet Royal Navy engagement increased:**
 - 20% of cadets offered the opportunity to meet the Royal Navy
 - Two specialisations/proficiencies updated to reflect today's Royal Navy
- 4 Maritime career opportunities increased for cadets:**
 - Royal Navy careers link strengthened, with career awareness sessions for cadets
 - At least two careers fairs delivered
- 5 Marine Society College offer further developed:**
 - Increased maritime qualifications and apprentice enrolments
 - Grown industry placements & Coming Ashore programme

OUR PEOPLE

- 6 Volunteers and employees further supported:**
 - Additional safety, leadership & Equity, Diversity and Inclusion (EDI) training
 - Digital volunteer onboarding launched and employee induction improved
 - National framework for volunteer mentoring commenced
 - Flexible volunteering progressed

INCLUSION & GROWTH

- 7 Providing Sea Cadets to even more young people:**
 - 500 more cadets
 - 30 new sections/units opened
- 8 Our approach to EDI progressed:**
 - Policies and guidance further developed
 - Access/inclusivity guidance for units developed

ENABLERS

- 9 Digital and Facilities improvements:**
 - Further Sea Cadets Portal enhancements implemented
 - Midlands Boat Station operational
 - Two adventure training centres delivered
 - Four regional shooting hubs, 75 unit drill hubs and 72 air rifle centres delivered
- 10 £3m fundraising delivered:**
 - Launch of 'Friends of MSSC' programme
 - Offshore, adventure training and bursary appeals launched

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**

MSSC'S LAMBETH ROAD, LONDON PREMISES

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.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2024

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 in the maritime sector, 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 2024 of 14,243 cadets (11,657 in England, 1,245 in Scotland, 737 in Wales, 352 in Northern Ireland and 252 overseas). There are 311 established units in England, 35 in Scotland, 20 in Wales and 12 in Northern Ireland, with a further two in Bermuda and one each in Jersey, Guernsey, Isle of Man and Malta. Within these units there are 977 sections - 795 England, 89 Scotland, 52 Wales, 27 Northern Ireland, 2 Bermuda, 7 Channel Islands (Jersey and Guernsey), 2 Isle of Man and 3 Malta. 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.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**

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 2024 there were 4,761 adult instructional volunteers, 1,464 unit management team members and 2,678 other volunteers. In total 8,903 volunteers (7,381 in England, 750 in Scotland, 454 in Wales, 193 in Northern Ireland and 125 overseas). 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 2023, 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 three 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
YEAR ENDED 31 MARCH 2024
FINANCIAL REVIEW**

Income

Total income amounted to £18,842K (2023: £16,503K), an increase of 14% over the previous year.

Donations, legacies and other income are £2,672K up on last year. This increase is primarily from £2,100k received for Midlands Boat Station and £591k from DCMS for the Waiting List Project which aims to open 58 new Sea Cadet or Royal Marines Cadet sections, particularly in areas of deprivation across England. Each new Section will provide 25 new cadet places creating a total of 1,450 places. The project started in November 2022 and runs through to March 2025.

We continue to remain sincerely grateful for the continued support provided by the MOD in helping finance the Sea Cadets through the grant in aid.

Expenditure

Total expenditure was £18,620K (2023: £18,780K).

The cost of safeguarding and supporting Sea Cadets activity and infrastructure increased by £498K (5%) – the majority in delivering the DCMS project (see above). Sea Cadets training decreased by £689K (13%) – this reflects a normalising of activity following the pandemic and training review. Marine Society costs decreased by (£236k (25%)) mainly due to reductions in professional fees for ESFA.

Net income and other movements

Overall, net income before investment gains was up by £2,499K to £222K mainly due to the significant increase in restricted grant income. The £222k is broken down to restricted funds £862K and Unrestricted funds (£639K).

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 drawdown amounted to £622K (2023: £401K) based on an up to 4.0% agreed return set by the Trustees following advice from the investment managers.

Investment portfolio gain in the year were £847K.

Balance sheet

The net book value of tangible and intangible assets increased by £2,156k mainly due to the expenditure on the Midlands boat station – offset by the depreciation charge.

The value of investments portfolio increased by £997k.

Cash at bank has decreased by (£2,816K) mainly due to investment in fixed assets.

Total debtors have increased by £742K, mainly due to Trade debtors which have increased by £321k and Accrued income £418k.

Total creditors have decreased by (£3K) due to an increase in InterCompany and Trade Creditors, offset by a reduction in Grants payable and Accruals.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**

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 adults at risk 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.

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. No complaints were received in 2024 nor 2023.

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 2023/2024. 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.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2024

FUNDRAISING STANDARDS (cont)

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 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 is able to intervene when flagged.

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 2024. 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.

Fundraising Performance

In the year ended 31 March 2024, the MSSC raised £4,246K through various fundraising activities, with total fundraising costs amounting to £358K, resulting in a net income of £3,888K. This represents a 310% increase compared to the previous year (£1,252K), mainly due to the DCMS funding.

Fundraising Activities

Our fundraising efforts included bid writing to trusts and statutory bodies, corporate partnerships, individual giving programmes, membership programmes as well as supporting local Sea Cadets units with their own fundraising efforts. These activities were crucial in helping us achieve our financial goals and further our mission.

Governance and Oversight

The Board of Trustees oversees all fundraising activities, supported by the 'Finance, Investment, Remuneration and Audit Committee' and 'Policy, Development and Nominations Committee'. This governance structure ensures that all activities are conducted ethically and in compliance with regulations.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**

INVESTMENT POLICY

Cazenove took over managing the investment portfolio from Investec this year (£13.5m) We also hold a treasury portfolio of KW Investment Management (£5.6m) and hold an investment property managed directly by the charity (£1.2m) (see Note 12).

The investment aims are 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, and if possible, enhancement of the value of the invested funds whilst they are retained.

As such the current investment objective is to generate a minimum total return in excess of UK CPI plus 4% net of fees per year over rolling five-year periods.

The annual drawdown requirement is approximately 4% of the value of the Portfolio. The Assets are not permanently endowed, and the Portfolio is to be run on a total return basis with the drawdowns made up of dividend income and, when required, capital.

The Charity is prepared to take a “medium level” of investment risk relative to the risk profile of UK charities investors in general. As such, the expectation is that the Investment Managers will not take more than 80% of equity market risk, at any one time.

The Incumbent Investment Manager (Cazenove Capital) has discretion to shift between asset classes as opportunities present themselves within the following ranges:

Asset Class	Portfolio Neutral Position %	Minimum Allowable % of total Portfolio	Maximum Allowable % of total Portfolio
Equities	70	55	85
Bonds	10	0	20
Property	10	0	15
Alternative Investments	8	0	15
Cash	2	0	15

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.

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.

Timing of returns and liquidity requirements

The investment horizon is ongoing and there are currently no planned significant future capital requirements from the Portfolio. The Client will update the Investment Managers in good time if capital drawdowns are required.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**

Performance

The Investment Managers will be measured against UK inflation (CPI) + 4% and the Arc Steady Growth Charity Index.

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

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 suitably authorised persons within the meaning of the Financial Services and Markets Act 2000.

Ruffer have been appointed to manage the funds raised from the sale of the old HQ.

RESERVES POLICY

Total funds at the year-end as detailed in note 18 were £37,389K, (2023: £36,321K). This is made up of :

£16,533K (2023: £15,671K) restricted funds. These are funds that have been given to us for specific purposes. Most significantly these include Fixed Asset funds to cover depreciation of Restricted Assets, Bursaries, Annual Funds, Branch and District funds. Specific funds are for Arms and Ammunition, maintenance and replacement of Offshore fleet, On the Water and development of Midlands Boat Station and Middle Hill

£18,231K (2023: £17,384K) endowment funds. These funds were taken on as part of the merger and have been recognised as expendable endowment funds since then. We recognise the investments income as unrestricted, this drawdown amounted to £622K (2023: £401K) based on an up to 4.0% agreed return set by the Trustees.

£1,214K (2023:£1,774K) designated funds. These are for cadet outreach, boat station development, and future developments over the Future Ready strategy funded from the property transaction.

After accounting for intangible and tangible fixed assets of £570K (2023: £570K) this leaves unrestricted funds, comprising free reserves of £842K (2023: £922K).

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 (see key risks page 21) and the risk of the most significant costs increasing. On the basis of this approach the trustees have agreed our free reserves target is **£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 Cadet movement in the event of shortfalls in public funding.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**

GRANT MAKING POLICY

Grants awarded in 2024 amounted to £1,271K (2023: £1,316K). 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.

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 2023 and June 2022. We also applied an additional £1,250 for all staff in January 2023 to recognise the significant 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"

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**

PUBLIC BENEFIT (cont)

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".

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:

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 63-64.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**

ORGANISATIONAL STRUCTURE AND GOVERNANCE (cont)

The Council meets at least three times a year 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

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, inclusive 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 (Known as National Cadet Voice Team)

- Composed of Sea Cadets, 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.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**

ORGANISATIONAL STRUCTURE AND GOVERNANCE (CONT)

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.

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 (2023: 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.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024****INTERNAL AUDITOR'S REPORT TO THE COUNCIL**

The Internal Auditor reported to the Council in July 2024 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.

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

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**

STATEMENT OF COUNCIL'S RESPONSIBILITIES

- 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

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.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2024**


AUDITORS

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

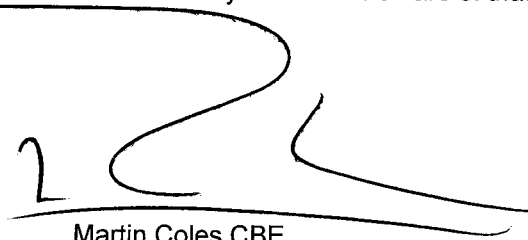
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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*

9 July 2024

9 July 2024

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 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 and parent charity's ability to continue as a going concern for a period of at least 12 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.

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

Other information

The other information comprises the information included in the Report & Accounts of the Council other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Report & Accounts of the Council. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report & Accounts of the Council is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Council's Responsibilities, the Trustees are responsible for the preparation of the financial statements which 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 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

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place;
- Testing the operational effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



MHA

Statutory Auditor
London, United Kingdom
Date: 06/08/2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2024**

	Notes	Unrestricted	Restricted	Endowment	2024	2023
		Funds £'000	Funds £'000	Funds £'000	Total £'000	Total £'000
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	806	3,440	-	4,246	1,574
Charitable activities	3	1,616	12,008		13,624	14,251
Other trading activities	8	32	-	-	32	43
Investments	4	940	-	-	940	635
TOTAL INCOME		3,394	15,448	-	18,842	16,503
EXPENDITURE ON:						
Raising funds		389	-	-	389	364
NET INCOME AVAILABLE FOR CHARITABLE ACTIVITIES		3,005	15,448	-	18,453	16,138
Total charitable activity costs	5	3,644	14,587	-	18,231	18,416
TOTAL EXPENDITURE		4,033	14,587	-	18,620	18,780
Balance carry forward		(639)	861	-	222	(2,277)

The notes on pages 42 to 64 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 2024

	Notes	Unrestricted	Designated	Restricted	Endowment	2024	2023
		Funds £'000	Funds £'000	Funds £'000	Funds £'000	Total £'000	Total £'000
NET INCOME (EXPENDITURE) BEFORE INVESTMENT GAINS (LOSSES) Brought Forward		(639)		861	-	222	(2,277)
Net gains (losses) on investments	12	-		-	847	847	(889)
NET INCOME (EXPENDITURE)		(639)		861	847	1,069	(3,166)
Transfers between funds	17, 18	561	(561)	-	-	-	-
NET MOVEMENT IN FUNDS		(78)	(561)	861	847	1,069	(3,166)
TOTAL FUNDS 1 APRIL 2023		1,492	1,774	15,671	17,384	36,321	39,487
TOTAL FUNDS 31 MARCH 2024	15- 18	1,414	1,213	16,532	18,231	37,390	36,321

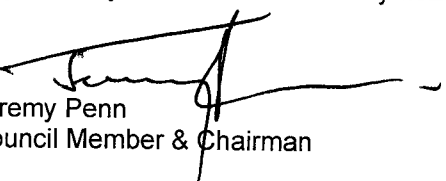
All amounts relate to continuing activities.

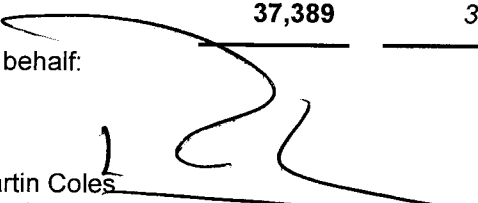
The notes on pages 42 to 64 form an integral part of these accounts

**CONSOLIDATED BALANCE SHEET
31 MARCH 2024**

			2024	2023
	Notes	£'000	£'000	£'000
FIXED ASSETS				
Intangible assets	10		177	435
Tangible assets	11		15,169	12,755
Investments	12		<u>20,216</u>	<u>19,219</u>
			35,562	32,409
CURRENT ASSETS				
Stocks		463		477
Debtors	13	980		238
Cash at bank and in hand		<u>5,442</u>		<u>8,258</u>
		6,885		8,973
CREDITORS				
Amounts falling due within one year	14	<u>(5,058)</u>		<u>(5,061)</u>
NET CURRENT ASSETS (LIABILITIES)			<u>1,827</u>	<u>3,912</u>
NET ASSETS			<u>37,389</u>	<u>36,321</u>
THE FUNDS OF THE CHARITY				
15-18				
Unrestricted funds				
Fixed assets		570		570
Other		<u>842</u>		<u>922</u>
			1,412	1,492
Designated funds	17		1,214	1,774
Restricted funds				
Fixed assets	15	5,630		8,606
Other	15	<u>10,902</u>		<u>7,065</u>
			16,532	15,671
Endowment funds	16		<u>18,231</u>	<u>17,384</u>
	18		<u>37,389</u>	<u>36,321</u>

Approved by the Trustees on 9 July 2024 and signed on their behalf:


Jeremy Penn
Council Member & Chairman

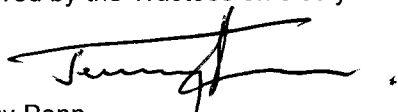

Martin Coles
Chief Executive Officer & Grant in Aid Accounting Officer

The notes on pages 42 to 64 form an integral part of these accounts

CHARITY BALANCE SHEET
31 MARCH 2024

			2024	2023
	Notes	£'000	£'000	£'000
FIXED ASSETS				
Intangible assets	10		177	435
Tangible assets	11		15,169	12,755
Investments	12		<u>20,221</u>	<u>19,224</u>
			35,567	32,414
CURRENT ASSETS				
Stocks		463		477
Debtors	13	991		255
Cash at bank and in hand		<u>5,396</u>		<u>8,210</u>
		6,850		8,942
CREDITORS				
Amounts falling due within one year	14	<u>(5,055)</u>		<u>(5,059)</u>
NET CURRENT ASSETS (LIABILITIES)			<u>1,795</u>	<u>3,883</u>
NET ASSETS			<u>37,362</u>	<u>36,297</u>
THE FUNDS OF THE CHARITY				
Unrestricted funds				
Fixed assets		570		570
Other		<u>815</u>		<u>898</u>
			1,385	1,468
Designated funds			1,214	1,774
Restricted funds				
Fixed assets	15	5,630		8,606
Other		<u>10,902</u>		<u>7,065</u>
			16,532	15,671
Endowment funds			<u>18,231</u>	<u>17,384</u>
	18		<u>37,362</u>	<u>36,297</u>

Approved by the Trustees on 9 July 2024 and signed on their behalf:


Jeremy Penn
Council Member & Chairman


Martin Coles
Chief Executive Officer & Grant in Aid Accounting Officer

The notes on pages 42 to 64 form an integral part of these accounts

**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2024**

	Notes	2024	2023
		£'000	£'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash (used by)/provided by operating activities	(a)	(273)	(864)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	4	76	36
Investment income	4	864	599
Purchase of fixed assets	10&11	(3,332)	(600)
Proceeds from sale of fixed assets		(1)	3
Purchase of investments	12	(8,004)	(8,302)
Proceeds from sale of investments	12	7,854	8,275
Net cash generated by/(used in) investing activities		(2,543)	11
INCREASE/(DECREASE) IN CASH AT BANK AND IN HAND IN THE YEAR		(2,816)	(853)
CASH AT BANK AND IN HAND 1 APRIL 2023		8,258	9,110
CASH AT BANK AND IN HAND 31 MARCH 2024		5,442	8,258

NOTES TO CASH FLOW STATEMENT

		2024	2023
		£'000	£'000
(a) Reconciliation of net income (expenditure) to Net cash flows from operating activities			
Net income/(expenditure)		1,069	(3,166)
Depreciation	10 & 11	1,167	1,163
(Gains)/losses on investments	12	(847)	889
Gains / (Losses) on the sale of tangible fixed assets		9	20
Decrease in stocks		14	97
Decrease in debtors		(742)	259
Increase/(Decrease) in creditors		(3)	510
Interest received and investment income	4	(940)	(635)
Net cash (used by)/provided by operating activities		(273)	(864)

As the Group does not have any debt, an analysis of net debt has not been produced.

The notes on pages 42 to 64 form an integral part of these accounts

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2024**

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 and/or judgement 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 2024**

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%

202 Lambeth Road continues to be treated in line with this policy during its current marketing for sale, pending exchange of contracts, following which it will be reassessed on a market value basis.

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 2024

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. These amounts are carried forward as deferred income where there is a restriction on when monies can be spent. All monies received from the MOD are treated as restricted funds.

Designated funds for investments in future investments including 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 and at Chatham Historic Dockyard in Kent. 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.

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 2024

2. DONATIONS AND LEGACIES

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
2023/24 analysis of income				
Donations and subscriptions	80	-	-	80
Legacies	173	-	-	173
Other Major Grants ¹	-	819	-	819
Boat station appeals ²	-	2,150	-	2,150
Bursaries	-	156	-	156
Other restricted funds ³	-	210	-	210
Areas, Branches and Other Income	553	105	-	658
	806	3,440	-	4,246
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	346	111	-	457
	587	987	-	1,574

Legacy

One significant legacy was received this year.

Other Major Grants ¹

Includes grants from DCMS, Seafarers' UK, Trinity House Maritime Charity and Johnnie Johnson Trust

Boat Station Appeals ²

Include major donations from Youth Investment Fund (Midland Boat Station) and DCMS

Other Restricted Funds³

Include major donations from IFAN, ESFA, Shipwrights, Association of Sail Training, Gosling Foundation, Jack Petchey Foundation and Michael Uren Foundation

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Total	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total</i>
	2024	2024	2024	<i>2023</i>	<i>2023</i>	<i>2023</i>
	£'000	£'000	£'000	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
MOD grant in aid	-	11,577	11,577	-	12,429	12,429
MOD other grants		431	431			
Seafarer education and support	404	0	404	515	2	517
Sea Cadet Corps training	716	-	716	718	-	718
Offshore fleet income	496	-	496	587	-	587
	1,616	12,008	13,624	<i>1,820</i>	<i>12,431</i>	<i>14,251</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, 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. These are specialised supplies and so there is no commercial value or open market valuation.

4. INVESTMENTS

	Unrestricted	Restricted	Total	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total</i>
	2024	2024	2024	<i>2023</i>	<i>2023</i>	<i>2023</i>
	£'000	£'000	£'000	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Investment income (excluding Rental income)	622	-	622	377	24	401
Rental income	242	-	242	198	-	198
Bank interest	76	-	76	36	-	36
	940	-	940	<i>612</i>	<i>24</i>	<i>635</i>

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

5. ANALYSIS OF EXPENDITURE

	Unrestricted 2024	Restricted 2024	Total 2024	<i>Unrestricted</i> 2023	<i>Restricted</i> 2023	<i>Total</i> 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Safeguarding, supporting Sea Cadets activity & infrastructure	1,084	8,529	9,613	1,088	8,009	9,096
Sea Cadet Corps training	1,637	2,892	4,529	703	4,436	5,139
Offshore fleet	269	2,552	2,821	287	2,470	2,757
Professional seafarer education and support	574	92	666	686	244	930
Promoting Sea Cadets activity	80	522	602	51	442	494
	<u>3,644</u>	<u>14,587</u>	<u>18,231</u>	<u>2,815</u>	<u>15,601</u>	<u>18,416</u>

	Grants	Direct Salary Costs	Other	Support costs (note 7)	Total
	£'000	£'000	£'000	£'000	£'000
2023/24 analysis of costs					
Investment management fees	-	-	57	-	57
Fundraising	-	211	43	74	328
MSSC (Trading) Limited	-	-	4	-	4
Safeguarding and supporting Sea Cadets activity and infrastructure	618	3,847	3,582	1,566	9,613
Sea Cadet Corps training	84	1,809	1,616	1,020	4,529
Offshore fleet	12	981	1,439	389	2,821
Professional seafarer education and support	15	287	295	69	666
Promoting Sea Cadets activity	-	238	219	145	602
	<u>729</u>	<u>7,373</u>	<u>7,255</u>	<u>3,263</u>	<u>18,620</u>

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

5. ANALYSIS OF EXPENDITURE (CONTINUED)

	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
	<u>1,287</u>	<u>6,293</u>	<u>8,557</u>	<u>2,643</u>	<u>18,780</u>

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

6. GRANTS PAYABLE

Grants payable were as follows:

	2024 £'000	2023 £'000
Grants to institutions	739	885
Grants to individuals	532	431
	<u>1,271</u>	<u>1,316</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 2024

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:

	Fundraising	Safeguarding and SC Infrastructure	Sea Cadets Training	Offshore fleet	Professional seafarer education and support	Promoting Sea Cadets activity	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Management	8	124	81	31	8	9	261
EDI	3	47	31	12	3	4	100
Finance and Digital	13	656	427	162	12	76	1,346
Premises	23	346	225	86	22	26	728
Human Resources	19	277	181	69	17	21	584
Governance	8	116	75	29	7	9	244
2024	74	1,566	1,020	389	69	145	3,263

Included within Support costs are salary costs of £1,382K (2023: £1,273K).

Irrecoverable VAT costs included within Support costs amounted to £107K (2023: £88K).

Total Governance costs included in Support were £244K (2023: £189K). These included auditors' fees for external audit £63K (2023: £54K) and tax advice £17K (2023: £1K).

	Fundraising	Safeguarding & Supporting	SC activity & infrastructure	Offshore fleet	Seafarer education & support	Promote SC activity	2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Management	5	104	66	34	9	7	225
EDI	0				0	0	0
Finance & Digital	10	584	372	150	17	30	1,163
Premises	11	253	163	70	20	14	531
HR	12	253	160	74	21	15	535
Governance	3	92	59	25	5	5	189
	41	1,286	820	353	72	71	2,643

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

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 (2023: 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 (2023: £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 £24K (2023: £5k) to the charity. The company anticipates making a charitable donation to the charity of £3K in 2024/25 based on profits earned in 2023/24. Year-end net assets stand at £32K (2023:£29K).

	2024	2023
	£'000	£'000
Turnover	31	28
Purchases for resale	-	-
Other operating charges	(4)	(4)
Profit on Ordinary Activities before taxation	27	24
Taxation	-	-
Profit on Ordinary Activities after taxation	27	24
Retained profit at 1 April 2023	-	5
Charitable donation to the Marine Society & Sea Cadets	(24)	(5)
Retained profit at 31 March 2023	3	24
	2024	2023
	£'000	£'000
Current Assets		
Debtors	25	23
Cash at bank and in hand	46	48
	71	71
Creditors		
Amounts falling due within one year	(39)	(42)
Net Current Assets	32	29
Net Assets	32	29
Capital and Reserves		
Called up share capital	5	5
Profit and loss account	27	24
	32	29

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

9. STAFF COSTS	2024	2023
	£'000	£'000
Wages and salaries	7,468	6,880
Social security costs	683	622
Pension fund contributions	498	444
Health insurance	128	62
	8,777	8,008

The figures above include £25k for four settlement agreements concluded in the year related to redundancies. The average head count was 207 staff (2023: 193) and the average full time equivalent numbers of employees were as follows:

	2024	2023
Fundraising	6	5
Supporting Sea Cadets activity and infrastructure	83	83
Sea Cadets training	62	65
Offshore fleet	22	22
Promoting Sea Cadets activity	6	5
Seafarer education and support	7	6
	186	186

Included within staff costs are £1,382K (2023: £1,000K) support costs and £nilK (2023: £nilK) costs capitalised within Fixed Assets.

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer and the six (2023: six) Directors in post (senior management team) listed under Executive Management on page 63. Their total remuneration, (including those not in post at the year-end), including social security costs and pension contributions was £756K (2023: £714K). 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. Four (2023: Five) Trustees claimed travelling expenses totalling £1.0K (2023: £1.2K).

Twelve employees earned over £60K (2023: ten). Bandings:

	2024	2023
£60K - £70K	5	3
£70K - £80K	2	4
£80K - £90K	3	1
£90K - £100K	1	1
£110K - £120K	*1	*1

* These figures include pension allowances paid to one individual (2023: 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 2024

10. INTANGIBLE FIXED ASSETS (GROUP AND CHARITY)

	Computers & software	Total
	£'000	£'000
COST		
At 1 April 2023	1,666	1,666
Additions in period	6	6
Disposals in period	-	-
At 31 March 2024	1,672	1,672
AMORTISATION		
At 1 April 2023	1,231	1,231
Provision in period	264	264
Disposals in period	(-)	(-)
At 31 March 2024	1,495	1,495
Net book value		
At 31 March 2024	177	177
<i>Net book value</i>		
<i>At 31 March 2023</i>	<i>435</i>	<i>435</i>

Above includes £nilK (2023: nilK) in respect of assets under construction.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

11. TANGIBLE FIXED ASSETS (GROUP AND CHARITY)

	Freehold building £'000	Building improve- ments £'000	Ships & boats £'000	Furniture & fittings £'000	Motor vehicles £'000	Computers £'000	Total £'000
COST							
At 1 April 2023	717	8,950	11,096	354	465	115	21,697
Additions in period		3,286	-	13	27	-	3,326
Disposals in period	-	-	-	-	(70)	-	(70)
At 31 March 2024	717	12,236	11,096	367	422	115	24,953
DEPRECIATION							
At 1 April 2023	627	1,936	5,575	327	398	79	8,943
Provision in period	12	297	528	9	43	15	903
Disposals in period	-	-	-	-	(62)	-	(62)
At 31 March 2024	639	2,233	6,103	336	379	94	9,784
Net book value At 31 March 2024	78	10,003	4,993	31	43	21	15,169
<i>Net book value At 31 March 2023</i>	<i>90</i>	<i>7,014</i>	<i>5,521</i>	<i>27</i>	<i>67</i>	<i>36</i>	<i>12,755</i>

Building improvements include assets under construction £3,626K (2023: £340K). These are not depreciated until complete.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

12. INVESTMENTS
GROUP INVESTMENTS

	Investment Portfolio £'000	Properties £'000	Cash £'000	Total £'000
Fair value at 1 April 2023	17,032	1,200	987	19,219
Additions at cost	5,682		(85)	5,597
Disposal proceeds	(7,854)		2,407	(5,447)
Movement in Cash	3,294		(3,294)	-
Gain for the year	847		-	847
Fair value at 31 March 2024	19,001	1,200	15	20,216

CHARITY INVESTMENTS

	Investment Portfolio £'000	Properties £'000	Cash £'000	Subsidiary £'000	Total £'000
Fair value at 1 April 2023	17,032	1,200	987	5	19,224
Additions at cost	5,682		(85)		5,597
Disposal proceeds	(7,854)		2,407		(5,447)
Movement in Cash	3,294		(3,294)		-
Gain for the year	847		-		847
Fair value at 31 March 2024	19,001	1,200	15	5	20,221

All investments are held in the UK. The subsidiary investment is in MSSC (Trading) Limited, note 8. The cost of the Investment Portfolio including cash was £18,004K (2023: £15,292k). The investment property was 206 Lambeth Road – valued by a Member Royal Institution of Chartered Surveyors.

Fund analysis of gains and (losses):

	2024 £'000	2023 £'000
Endowment (note 16)	847	(889)
Total gains (losses)	847	(889)

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

13. DEBTORS

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£'000	£'000	£'000	£'000
Trade debtors	264	44	240	33
Amounts due from MSSC (Trading) Ltd	-	-	35	28
Loans	-	5	-	5
Other taxation and social security	-	-	-	-
Other debtors	63	4	63	4
Prepayments	171	121	171	121
Accrued income	482	64	482	64
	980	238	991	255

14. CREDITORS: Amounts falling due within one year

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£'000	£'000	£'000	£'000
Trade creditors	629	276	629	276
Amount due to Slater	116	(101)	116	(101)
Other taxation and social security	185	171	185	171
Grants payable	1,247	1,723	1,247	1,723
Other creditors	706	709	704	709
Pension provision (note 19)	-	-	-	-
Accruals	1,746	1,922	1,743	1,920
Deferred income	429	361	429	361
	5,058	5,061	5,055	5,059

£273K (2023: £536k) of accruals and £32K (2023: £40k) of deferred income balances at 1 April 2024 are included in creditors at 31 March 2024. These should be released in 2024/25.

Grants Payable

B/Forward £k	Grants paid in year £k	Grants given or provided for in year £k	Carry forward £k
1,723	(1,066)	590	1,247

Payment of grants made is mostly conditional on the balance of funding for property projects being raised by the grant recipient.

Deferred income

B/Forward £k	Income recognised in year £k	New Deferrals £k	Carry forward £k
361	(348)	416	429

Most of the deferrals were related to receipts related to courses starting after April 2024.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

15. RESTRICTED FUNDS (GROUP AND CHARITY)							
Donor	Purpose	Balance	Movement of funds				Balance
		1 April 2023	Income	Expenditure	Income/interest	Transfer	31 March 2024
		£'000	£'000	£'000	£'000	£'000	£'000
MOD	Grant in Aid	-	11,577	(11,577)	-	-	-
MOD	Other Grants ¹	2,631	441	(812)	-	(239)	2,021
Various	Offshore ships and boats ²	5,239	886	(1,185)	-	399	5,339
Various	Sea Cadets training ³	1,687	2,228	(351)	-	(1,371)	2,193
Various	Boat stations - Midland/PEBS ⁴	4,177	-	(154)	-	1,176	5,199
Various	Sea Cadets unit grants	688	128	(218)	-	35	633
Various	Area Sea Cadets Training	828	107	(163)	-	-	772
Various	Seafarer training	160	-	(88)	-	-	72
Various	Bursaries	165	81	(35)	-	-	211
Corbyn Memorial Fund	Nautical education	22	-	(4)	-	-	18
Thomas Gray Memorial Trust	Maritime Science and Technology	-	-	-	-	-	-
Various	Other	74	-	-	-	-	74
		15,671	15,448	(14,587)	-	-	16,532

(continued)

¹ RN Armaments security fund £2m

² Offshore restricted assets £5m

³ Midlands Boat station £1.2m

⁴ Boat stations restricted assets £5.2m

The residual funds are made up of multiple small funds for specific purposes.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

15. RESTRICTED FUNDS (GROUP AND CHARITY) (2022/23)

Donor	Purpose	Balance 1 April 2022	Movement of funds			Transfer	Balance 31 March 2023
			Income	Expend- -iture	Income/ interest		
		£'000	£'000	£'000	£'000	£'000	£'000
MOD	The Sea Cadet Corps	2,692	12,129	(11,876)	-	(314)	2,631
Various	Offshore ships and boats	5,861	178	(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	(1,253)	-	-	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	Nautical education	50	-	(28)	-	-	22
Thomas Gray Memorial Trust	Maritime Science and Technology	40	-	(40)	-	-	-
Various	Other	74	-	-	-	-	74
		18,143	13,418	(15,601)	24	(314)	15,671

Transfers relate to funds spent on capital purchases. They transfer equivalent of depreciation charges required in future years.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024
16. ENDOWMENT FUNDS (GROUP AND CHARITY)

Donor	Purpose	Balance	Movement of funds		Balance
		1 April 2023 £'000	Investment returns £'000	Donations/ (transfers) £'000	31 March 2024 £'000
Corbyn Memorial Fund	Grants and payments for Nautical Education	225	11	-	236
Thomas Gray Memorial Trust	Advancement of Maritime Technology and Science	108	5	-	113
Destitute Sailors Fund	Assisting distressed merchant seamen	68	3	-	71
Various	Providing subsidised berths and awards to Sea Cadets	531	26	-	557
Expendable Endowed Funds	Held for general purposes	16,453	801	-	17,254
		17,384	846	-	18,231

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 for Nautical Education	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

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

17. DESIGNATED FUNDS

Fund	Balance	Movement of funds		Balance
	1 April 2023 £'000	Investment returns £'000	Donations/ (transfers) £'000	31 March 2024 £'000
Cadet Outreach	83	-	-	83
Boat station	1,007	-	(463)	543
SC future projects	373	-	215	588
Expedition equipment	198	-	(198)	-
Environmental grants	113	-	(113)	-
	1,774	-	(559)	1,214

Fund	Balance	Movement of funds		Balance
	1 April 2022 £'000	Investment returns £'000	Donations/ (transfers) £'000	31 March 2022 £'000
Cadet Outreach	83	-	-	83
Boat station	1,004	-	3	1,007
SC future projects	373	-	-	373
Expedition equipment	-	-	198	198
Environmental grants	-	-	113	113
	1,460	-	314	1,774

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Intangible & tangible fixed assets £'000	Investments £'000	Net current assets and long term liabilities £'000	Total £'000
2024				
Restricted funds	14,803	-	1,729	16,532
Endowment funds	-	18,231	-	18,231
Designated funds	543	605	66	1,214
Unrestricted funds	-	1,380	32	1,412
Total	15,346	20,216	1,827	37,389

GROUP	Intangible & tangible fixed assets £'000	Investments £'000	Net current assets and long term liabilities £'000	Total £'000
2023				
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 2024

18. (Cont) CHARITY

2024	Intangible & tangible fixed assets £'000	Investments £'000	Net current assets and long term liabilities £'000	Total £'000
Restricted funds	14,803	-	1,729	16,532
Endowment funds	-	18,231	-	18,231
Designated funds	543	605	66	1,214
Unrestricted funds	-	1,385	-	1,385
Total	15,346	20,221	1,795	37,362

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	1,468
Total	13,189	19,224	3,883	36,297

19. TAXATION

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

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2024

20. 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 - MNOFF (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 most up to date actuarial report is at 31 March 2023 valued assets in the scheme at £2,106M and the liabilities at £2,117M giving a rise to a scheme wide deficit of (£11M). As at the date of the 2023 valuation no deficit contributions were required. No share of assets and liabilities have been identified.

All current employees are members of a contract based defined contribution scheme. £498K (2023: £444K) was paid by the charity during the year of which £44K (2023: £55K) was outstanding at the year end and included in creditors.

21. RELATED PARTY TRANSACTIONS (CHARITY)

The Director of Young People, Volunteer & Business Support 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 £25,803 (2023: £600).

For part of the year one Trustee was Deputy Master of Trinity House. Four of the Trustees of the charity are Younger Brothers of Trinity House Maritime Charity During the year the charity received a grant of £130K (2023: £130K) from the Trinity House Maritime Charity. No amounts were outstanding to the charity at the year end.

One of the Trustees is employed by J&J Denholm. They support MSSC, during the year the charity received a donation of £5k (2023:£8k)

One of the Trustees is a trustee and non-executive director of IFAN maritime. They support MSSC on various educational projects, during the year the charity received a grant of £nil (2023: £40k).

One of the Trustees is an Associate Member of Stelios Philanthropic Foundation who has supported Sea Cadets projects with a grant of £nil (2023: £30k).

Three Trustees and the CEO are members of the Company of Shipwrights who have funded £14k for bursaries (2023: £14k).

The Director of Maritime Training and Development is a Fellow of the Nautical Institute who rent office space in London amounting to £117k (2023: £21k).

One of the Trustees is Headteacher of the London Nautical School. During the year the charity paid a grant of £22k (2023: £39k)

The charity was paid £nilK (2023: £4K) for management and accounting services from its subsidiary undertaking MSSC (Trading) Limited (note 8). A charitable donation amounting to £24K (2023: £5k) was received from the subsidiary. The charity anticipates receiving a charitable donation from the subsidiary of £3K in 2024/25 based on profits earned by the company in 2023/24. At the year end, the charity was owed £35K (2023: £24K) by the subsidiary and this amount is included in charity debtors.

The Chair of FIRA, Stuart Curl, 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.

22. 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.

23. FUNDS HELD AS AGENT

Balance b/fwd	Expenditure	Income	Balance c/fwd
101	433	(651)	(116)

MSSC administers the fund on behalf of Slater Foundation. This involves managing individual awards, payable to either students or educational institutions on behalf of the students. MSSC make these payments fortnightly and is reimbursed quarterly by Slater Foundation. In recognition of this Slater Foundation donates £30k to MSSC annually.

COUNCIL MEMBERS AND EXECUTIVE MANAGEMENT YEAR ENDED 31 MARCH 2024

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)

Liz Cassidy (Vice Chair) ^{1,2} (Retired 31 March 2024)

Simon Figgis ^{1,3} (Retired 31 March 2024)

Steve Smith ^{2,3}

Alan Marsh MBE FICS ¹

John May OBE DL ^{2,3}

Captain Sir Ian McNaught KCVO MNM (Retired 11 October 2023)

Vice Admiral Sir Jonathan Woodcock KCB OBE ^{2,3,4}

David Derbyshire ³

Léonie Austin² (Vice Chair – from 1 April 2024)

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}

Lukshmy Miranda Nagalingam ^{1,2} (Retired 27 June 2024)

Kirsten Nuade ^{2,3} (Elected 11 October 2023)

John Denholm ^{1,2} (Elected 11 October 2023)

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

Captain Sea Cadets & Director of Operations*

Director of Finance & Digital and Company Secretary

Director of Young People, Volunteer & Business

Support

Director of Sea Cadet Learning

Director of Fundraising and Communications

Director of Human Resources

Director of Maritime Training and Development

Martin Coles CBE FRICS ACI Arb

Captain Neil Downing RN

Jenny Howard

Paul Wilkinson

Heather Williams

Daniel McAllister

Petrina Brooker

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:	MHA 2 London Wall Place London EC2Y 5AU
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:	Cazenove Capital 1 London Wall Place London EC2Y 5AU 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