



ANNUAL REPORT

2022



MORNING STAR TRUST

LETTER FROM THE CHAIR

Having stepped up to the role during the year, I would like to start by recording our gratitude to my predecessor Jolyon La Trobe-Bateman who served MST (Morning Star Trust) for over 20 years as a Skipper, a Trustee and latterly as Chair of Trustees. He steered the Trust, with great wisdom, overseeing the start of the transition to our current operating model of using smaller boats.

Jolyon reported last year that 2021 was a year of growth for the Morning Star Trust, having enjoyed a busy and productive season. 2021 provided the resources to further our strategic plan to increase capacity and early in 2022 Morning Star Trust purchased a second Sigma 38 which we have named *Guiding Star of Revelation*. She is the third vessel in our fleet alongside *Bright Star of Revelation* purchased in 2019 and *Eastern Star of Revelation* purchased in 2021. As a Christian sail training charity, we thank God for his provision.

The refit of *Guiding Star of Revelation* took longer than expected due to supply chain difficulties, which meant we lost three months of planned booking. *Eastern Star of Revelation*, which had been refitted in 2021 was out of commission for most of the core season for some further structural repairs. *Bright Star of Revelation*, continued to deliver week after week throughout the season.

Our Round Britain Challenge gave participants a fantastic experience of long sailing passages. Participants saw great



personal growth and development and grew in character and resilience when faced with

delays caused by weather and boat issues. Despite the difficulties it was considered a success by those able to participate in any of the legs.

Whilst the issues with two of our vessels impacted what we were able to deliver in 2022, we ended the year with 3 boats ready for 2023 and an encouraging increase in operational income of £12,763 on 2021.

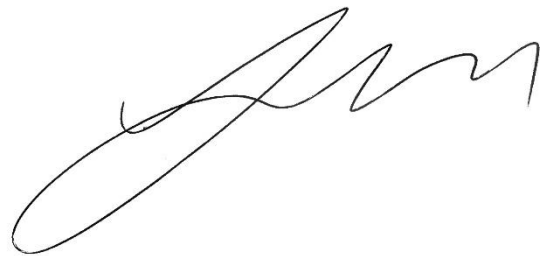
The generosity and commitment of donors and members is core to the valuable work of the Morning Star Trust. It enables us to continue to offer life changing experiences at sea, and most especially for young people.

In late 2022 we had a significant change of leadership. Toby Humphreys, who led us as CEO through the pandemic and helped form the present strategic plan, left to train for the ministry in the Church of England and we wish him well. Graham Sykes was appointed as his successor. At our Conference in December Jolyon La-Trobe Bateman, stepped down as Chair and I was elected to lead this next stage of the ministry of the Morning Star Trust. It is a great honour to have this role.

In 2022 we continued to receive some encouraging feedback from those who have sailed with us, their schools, and their parents. We were commended by the RYA Coding Inspectors for the quality of the presentation of our yachts. A Cruising Instructor Trainer observed that the quality of the candidates we put forward is very high. At our annual conference we had a significant number of under 25s who spoke well of their experiences sailing with Morning Star Trust. Our staff, trustees, volunteers, and supporters continue to serve with enthusiasm, commitment and

are focussed on our shared vision. It is a testimony to their ownership of that vision that we have recruited more highly qualified and younger volunteers which bodes well for the future of the trust.

As a charity, our core focus is on young people. We exist to bless them and offer opportunities for personal growth. The evidence is that the world events of the last three years have disproportionately impacted their wellbeing. The need for outdoor activities, rebuilding confidence and regaining skills is greater than ever, and we are determined to ensure that the Morning Star Trust grows to meet this need.

A handwritten signature in black ink, appearing to read 'Anthony Ingall', with a large, sweeping initial 'A'.

Anthony Ingall
Chair of Trustees
September 2023

OUR MISSION

The charity's objects are:

- The proclamation of the gospel of Christ together with the advancement of Christianity, in accordance with the Statement of Faith (the Apostles' Creed).
- The education of young people in the development of their physical mental and spiritual capacities, so that they may grow to full maturity as individuals and members of society, and the provision for them of facilities for recreation and other leisure time occupation in the interests of social welfare.

WHAT WE DO

In 2022 the charity aimed to fulfil our objectives with a programme of residential voyages designed for the needs of young people under 25 as well as weekend sailing for adults. This included two boats, sailing in company, around the British Isles. We also ran a number of Duke of Edinburgh expeditions and all our Youth Sailing Adventures can serve as DofE Residentials.

During term times we provide a range of RYA Courses including Competent Crew, Day Skipper, Yacht Master, and Cruising Instructor. These training voyages help to provide additional funds for the work we do with young people.

We have also worked with specialist charities helping homeless people to re-establish themselves by regaining confidence, learning to take initiative and restoring self-esteem and self-confidence.

Our continuing aim is to maximise the number of young people going to sea and experiencing the great adventure of offshore sailing. By the beneficial giving of their time our volunteer sea staff help to make this possible at the minimum of cost.

We remain reliant on donations for our bursary fund from various charities which allows us to subsidise a significant number of young people enabling their inclusion and participation.



188

Young people and vulnerable adults were direct beneficiaries of our charitable work participating in our adventurous voyage programme.

VOYAGE

IMPACT

A Case Study

In late 2022, a conversation with one of our contact Youth Leaders from a Church in Hampshire, led to us inviting 9 Ukrainian refugees aged 11 to 16 to come to sea with us for a weekend. It was an example of how Morning Star Trust can be a resource to local churches. Morning Star Trust drew on its bursary fund and the Church contributed. It was an interesting experience conducted in English, Russian and Ukrainian aided and abetted by Google translate. The youngsters are traumatised in a complex way. They have experienced the horror of war first hand because they came from close to the Belarus border.

All had left fathers behind in Ukraine who were not allowed to leave because they were under 60. It was important that we had cell phone signal so that they could take calls from their fathers each evening. They needed to hear their Dad's voices to know that they were alive. They are all sojourners in a foreign land. They are here as refugees and are having to conduct their education in English rather than Russian whilst their parents encourage them to speak Ukrainian rather than Russian. What Morning Star Trust was able to do, with the valuable generosity of grant making bodies who replenish our bursary fund, was to give these young people the kind of normal adventure that children of their age should have.



A truly life changing experience for all of them and a great way to take our minds off anything else which might be happening in the world! So incredibly proud of them.

Church Youth Worker

Thank you so much. It was the first time for my girls, and they came back full of emotions. It was a really happy time for them. They so love all the team and most spoke about driving (steering) My daughters came home more stronger, more confident and much happy.'

Refugee Parent

During 2022, despite the difficulties with refitting Guiding Star of Revelation and repairing Eastern Star of Revelation, by chartering replacement vessels when necessary, the Morning Star Trust was able to provide a total of **70 voyages to 181 under 25s and 71 adult participants** with over **423 days** at sea.

A great highlight of the year was the Round Britain Challenge, which was indeed very challenging. Two vessels took part sailing in company. They experienced significant delays caused by mechanical issues. This meant that the boats were sailing long passages, including a non-stop passage of 240 nautical miles in thick fog and 55 hours in duration. Those who took part certainly honed their sailing and navigation skills. They also learned to be valiant in adversity, maintain morale and build resilience in times of disappointment. Several participants signed up as members of the Morning Star Trust and attended our annual conference shifting the balance of age in a very positive younger trajectory with a significant number of under 25s, some of whom had crewed on at least one leg of the Round Britain Challenge. Their reports were deeply encouraging as they told of their experience, physically, emotionally, and spiritually.



Once again, we participated in the ASTO Small Ships' Race entering *Bright Star of Revelation*, skippered by our Staff Skipper, Chris Tarling, with a crew from the Cowes Sea Cadets sponsored by the Royal London Yacht Club. They distinguished themselves by crossing the line third in Class and eighth overall. Chris received the Seven Seas Trophy for the youngest skipper and crew seen here presented by Bob Jones a member of the

Seven Seas Club.

The Morning Star Trust continued forging links with schools, youth groups, churches and homelessness organisations providing bespoke voyages crafted to the needs of each group. We found ourselves commended for our flexibility and our adaptability at short notice.

None of this work would be possible without the hard work and commitment of our shore-based maintenance team led by Danielle Richardson assisted by Rebecca Newall in voyage administration and our 30 voluntary Sea Staff who give of their time and expertise to make voyaging with the Morning Star Trust such a high quality and affordable experience.

The people I met on the voyage were amazing, especially the skipper and two mates. They acted professionally throughout the entire expedition whilst also maintaining a friendly atmosphere with myself and the other attendees.

Crew Member 2022

Volunteers

During 2022 30 Sea Staff collectively gave 624 days of service at sea. Half our volunteer sea staff, including five skippers, are under 30. 60% of our sea staff first sailed with the charity as youth voyage crew. Professional competency is maintained by completing courses in safeguarding, first aid, GDPR, and attending mandatory training weekends. Volunteers are encouraged to access other training. We are aided in this by funding from the Trinity House Maritime Charity and ASTO. In 2022, through this partnership MST trained 1 Yachtmaster Instructor, 3 Cruising Instructors, 6 Yachtmasters and 19 Day Skippers. A further 10 former youth voyage crew from 2022 trained to become Sea Staff volunteers.

Safeguarding

We have a very strong commitment to safeguarding and review our already robust Safeguarding Policy every year. During the year the trust was commended on its procedures by an external reviewer and all the recommendations made have been implemented.

Bursaries

The Morning Star Trust Bursary Fund is foundational to the charity's work. Through it we enable participants to access our programmes from the widest possible range of backgrounds. We are grateful to donors who make this possible. Morning Star Trust voyages are heavily subsidised by our supporters and funds generated from operations. In addition, the bursary fund exists to ensure that no person under 25 is excluded from voyaging with us because of finance. This includes vulnerable, at risk people, refugees and students. Our policy is that wherever possible a person must make effort to pay at least 50% of a voyage but generally we offer up to 30%. In rare cases we offer 100% bursary to ensure that a person is included.

In 2022, bursaries worth **£11,851** were awarded, enabling twenty-two young people to sail with the Morning Star Trust. We also supported participants to apply for funding from additional sources.

Public Benefit

The activities of the Morning Star Trust continue to provide a public benefit that satisfies the Charity Commission's guidance by focusing on delivering the charitable objectives of the charity. We have maintained our focus on the less advantaged in providing funding through Our bursary scheme.



45%

of our income comes from donations & grants

£110.55

true cost per participant/day

95P

in every pound is spent on charitable activity

"Go and challenge yourself, get out of your comfort zone, meet new people, enjoy it to the full"

"It's a worthwhile activity. The staff encourage you and give you responsibilities. The more you put in the more you get."

"It's an experience of a lifetime, I would advise anybody especially those with low self-esteem/confidence to go on."

"I've realised so much more about the world this week. I watched the sun rise at sea. It was dark and then it was light, it feels like the start of something new for me."

"Great opportunity and really changed lives of those who were with us. We all had great fun and grew together."



FINANCIAL REVIEW

In 2022 the Trust's total income was **£250,934** (2021: **£211,009**). This was primarily income from charitable activities, specifically the delivery of residential youth work programmes onboard offshore sailing vessels.

A total of **£126,177** was raised through donations, gifts, and funding. This was a rise of £30,707 from the preceding year (2021: £95,470).

Our voyage programme provided a **£118,912** contribution to funding our operations and charitable purposes. This represents an increase of £12,763 against the preceding year, (2021: £106,149).

Total expenditure was **£311,780**, which produced a net deficit of £60,846 (2021 surplus: £21,155). A greater proportion of this deficit was due to our investment in *Guiding Star of Revelation* which should show increased returns in coming years.

Accounting Policy These accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts. They comply with the Charity's Memorandum & Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "*Accounting and Reporting by Charities*", issued in March 2005, insofar as it is applicable to a charity which is not subject to statutory audit.

Reserves Policy The Trust's reserves were a deficit of **£31,176** on 31st December 2022. The charity's trustees however consider the true position to be a surplus of £1,173 being the current assets inclusive of deferred income.

The Trust's Reserves should normally be between 3 and 6 months of budgeted Operating Expenditure (not including the Voyage Costs that the Trust would not incur in the unlikely event that it had to temporarily stop providing voyages). In times of unplanned financial disruption, it may be appropriate for the total to fall below this range for a period of time, after which the Trust would work to build up its reserves again.

The Trustees receive monthly financial reports which enable them to assess whether the total value of Trust's available liquid assets falls within the range that this policy aims for. If they do not fall within this range, plans will be made to restore the Reserves as soon as is reasonably possible.

The Reserve Policy is reviewed on an annual basis (at the same time as approving the budgets for the year ahead) as well as whenever a change is made to the Trust's Risk Register. If reserves needed to fall below 5% of the Trust's annual operating expenditure, the Trustees are informed immediately.

Going Concern The trustees are satisfied that the trust's financial resources are such that there is no current financial uncertainty about the trust continuing as a going concern.

STRUCTURE & GOVERNANCE

Structure:

The charity is a company limited by guarantee, governed by its Memorandum & Articles of Association.

Governance:

The trustees of the Morning Star Trust:

- exercise overall control of the charity by regular review of operation, activities and results of the charity and have responsibility for longer term strategic planning.
- delegate the operational responsibility for safety management to the Chief Executive but remain accountable in law for all safety aspects of the charity.
- have a management responsibility for ensuring the charity is undertaking its activities safely.
- have a robust Safeguarding Policy the application of which is monitored closely.
- review trust policies annually.

Day to day control is exercised by the Chief Executive in accordance with the Schedule of Delegated Responsibilities.

Recruitment of Trustees:

Trustees are appointed according to their skills and experience and are appointed by the existing Trustees on that basis.

An induction programme is agreed individually with each new Trustee on their appointment. It is tailored to their needs and experience. As a minimum Trustees are required to read the Charity Commission Guidance on Public Benefit and associated documentation, and to allow their decisions to be informed by this guidance.

Reporting to the Independent Examiner

Each Trustee has confirmed that there is no information, of which they are aware' which is relevant to the accounts, but of which the Independent Examiner is unaware.

They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the Independent Examiner is aware of such information.

ACKNOWLEDGEMENTS

The Trustees are indebted to all of the charity's staff and volunteers for their tireless contribution to the success and effectiveness of our work.

They also wish to thank our members for their generous giving and the numerous supporters who made our work possible this year, including:

- The Angela Gallagher Memorial Fund
- The Ann Barker Legacy
- The Annie Tranmer Charitable Trust
- The Association of Sail Training Organisations
- Baxter and Grimshaw
- BBC Children in Need
- The Boulton Trusts
- The Britland Charitable Trust
- The Doris Field Charitable Trust
- The Garfield Weston Foundation
- Goodnews Evangelical Mission
- Green Hills Christian Trust
- Hampshire County Council
- The Haremead Trust
- Homelands Charitable Trust
- Justoan Ainslie Charitable Trust
- The Sir James Roll Charitable Trust
- The Lockett Trust
- The Mary Brown Trust
- The OTSAR Trust
- Silver Street Enfield
- The SMB Trust
- The Souter Charitable Trust
- Sport England
- Trinity House Maritime Charity
- The Truemark Trust
- The Tufton Charitable Trust
- The Whirlwind Charitable Trust

Morning Star Trust

Charity Registration No: 323820
Company Registration No: 02412804
A Company limited by guarantee.

Northney Marina
Northney Road
Hayling Island
Hampshire
PO11 0NH

01243 908026
www.mst.org.uk
info@mst.org.uk

*Registered Office: 43 Woodridge Close,
Enfield, Middlesex, EN2 8HJ*

Trustees (who are also directors):

- A F J La Trobe - Bateman (Chair, resigned Dec 2022)
- D Shepherd (Secretary)
- R Brewer
- P Adams
- A Ingall (appointed as Chair Dec 2022)
- D Miller
- I Varey (appointed Oct 2022)
- R Walters (appointed Oct 2022)
- P Adlington (appointed Sep 2023)

Well-equipped vessel, experienced skipper who took a practical approach, based on experience rather than just what it says in the book. They were good company when not sailing. I can't tell you how much I appreciate that. To your funders Thank you! This was a week that I will never forget! It is a fabulous set up, with fantastic values. I could not have afforded to pay a higher price. I was fortunate to experience sailing at this price with you.

Voyage Participants

A Ingall
Chair of directors

Date

MORNING STAR TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	1	76,525	49,652	126,177	95,470
Investments	2	20	-	20	7
Charitable activities	3	124,113	-	124,113	109,634
Other trading activities	4	624	-	624	1,398
Other income	5	-	-	-	4,500
Total		<u>201,282</u>	<u>49,652</u>	<u>250,934</u>	<u>211,009</u>
EXPENDITURE ON:					
Raising funds	6	9,490	-	9,490	9,915
Charitable activities	7	218,875	83,415	302,290	179,938
Total		<u>228,365</u>	<u>83,415</u>	<u>311,780</u>	<u>189,853</u>
Net Income/(expenditure)		(27,083)	(33,763)	(60,846)	21,156
Transfers between funds	19	23,209	(23,209)	-	-
Net movement in funds		<u>(3,874)</u>	<u>(56,972)</u>	<u>(60,846)</u>	<u>21,156</u>
RECONCILIATION OF FUNDS					
Total funds brought forward	18, 19	57,768	66,798	124,566	103,410
Total funds carried forward	18, 19	<u>53,894</u>	<u>9,826</u>	<u>63,720</u>	<u>124,566</u>

The statement of financial activities includes all gains and losses recognised during the year.
All of the above results are derived from continuing activities.

MORNING STAR TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

BALANCE SHEET AS AT 31 DECEMBER 2022

		2022		2021	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	14	90,070	90,070	89,339	89,339
CURRENT ASSETS					
Stocks	15	500		500	
Debtors	16	26,661		8,854	
Cash at hand and in bank		22,604		80,556	
Total current assets		<u>49,765</u>		<u>89,910</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	17	<u>76,115</u>		<u>54,683</u>	
Net current assets/(liabilities)			(26,350)		35,227
Net assets/(liabilities)			<u>63,720</u>		<u>124,566</u>
THE FUNDS OF THE CHARITY					
Restricted funds	18, 19		9,826		66,798
General Funds			53,894		57,768
Unrestricted funds	18, 19		<u>53,894</u>		<u>57,768</u>
Total charity funds			<u>63,720</u>		<u>124,566</u>

For the year ended 31 December 2022 the charity was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 11 to 20 were approved and authorised for issue by the trustees on and signed on their behalf by:

.....
A Ingall
Chair of directors

Morning Star Trust
Registered Charity Number 328320
Registered Company Number 02412804

MORNING STAR TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

ACCOUNTING POLICIES

General information, scope and basis of the financial statements

Morning Star Trust is an incorporated charity, limited by guarantee, incorporated in England with the company number 02412804. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information page of these financial statements. The nature of the charity's operations and principal activities are outlined in the trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

The charity applies the exemptions from the inclusion of a statement of cash flows under the Charities Statement of Recommended Practice.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees are content the charity was at all times a going concern and was at all times able to meet its financial obligations and debts as and when they fell due. This remains the case today, but additional measures have been taken to prevent or reduce the risk of unexpected voyage cancellation owing to mechanical or other failure and thus to avoid the high costs of such incidents occurring. These measures include tighter control of the maintenance and repair programme, closer scrutiny of voyage costs both direct and indirect, and a structured programme of marketing and promotion leveraging the Trust's long reputation for provision of high-quality training voyages. All of these measures have secured the financial sustainability of the organisation in 2023 and going forward.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes. There are restricted funds which are used to provide Bursaries to enable young people to participate in sail training activities. Interest is credited to the fund on the balance, which is maintained in a separate bank account. Bursaries paid are charged against the fund. Separate funds represent: a) bursary funds to allow those not in employment or education to benefit from the activities run by the charity b) gifts towards the purchase of fixed assets; c) gifts to assist in the financing of future fixed assets; and d) gifts received towards winter refit of the vessels operated.

Restricted Funds are funds which are to be used in accordance with specific instructions imposed by donors or which have been raised by the charity for particular purposes.

Donations towards fixed assets are recognised in the Statement of Financial Activities at the same rate as the underlying asset is depreciated.

Further details of each fund are disclosed in Notes 19 and 20.

Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset. Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

MORNING STAR TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

ACCOUNTING POLICIES

Resources expended

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the charity's sole charitable activity. Where applicable expenditure is stated inclusive of non-recoverable VAT.

Fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Vessels and equipment	10%, 20% & 33.3% straight line
-----------------------	--------------------------------

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost comprises purchase costs only. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in disposal.

Debtors and creditors receivable / payable within one year

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

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Liabilities and provisions

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements. Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MORNING STAR TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Donations and grants	62,877	49,652	112,529	40,697	47,701	88,398
Gift aid	13,648	-	13,648	6,677	395	7,072
	<u>76,525</u>	<u>49,652</u>	<u>126,177</u>	<u>47,374</u>	<u>48,096</u>	<u>95,470</u>

2. Income from investments

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Interest receivable	20	-	20	7	-	7
	<u>20</u>	<u>-</u>	<u>20</u>	<u>7</u>	<u>-</u>	<u>7</u>

3. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Fee, grant and bursary income	118,912	-	118,912	106,149	-	106,149
Annual conference income	5,201	-	5,201	3,485	-	3,485
	<u>124,113</u>	<u>-</u>	<u>124,113</u>	<u>109,634</u>	<u>-</u>	<u>109,634</u>

4. Other trading activities

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Equipment sales	150	-	150	-	-	-
Shop income	474	-	474	1,398	-	1,398
	<u>624</u>	<u>-</u>	<u>624</u>	<u>1,398</u>	<u>-</u>	<u>1,398</u>

5. Other income

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Profit on disposal of assets	-	-	-	2,711	-	2,711
Insurance claim	-	-	-	1,789	-	1,789
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>

MORNING STAR TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

6. Raising funds costs

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Fundraising activity	9,360	-	9,360	9,455	-	9,455
Other fundraising costs	130	-	130	110	-	110
	<u>9,490</u>	<u>-</u>	<u>9,490</u>	<u>9,565</u>	<u>-</u>	<u>9,565</u>
Costs of goods sold	-	-	-	350	-	350
	<u>9,490</u>	<u>-</u>	<u>9,490</u>	<u>9,915</u>	<u>-</u>	<u>9,915</u>

7. Charitable activities

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Staff costs	101,037	8,122	109,159	42,894	8,378	51,272
Depreciation	9,620	-	9,620	7,250	-	7,250
Vessel operating costs	72,567	65,787	138,354	45,013	34,373	79,386
	<u>183,224</u>	<u>73,909</u>	<u>257,133</u>	<u>95,157</u>	<u>42,751</u>	<u>137,908</u>
Bursaries awarded	2,345	9,506	11,851	-	13,429	13,429
Support costs (see note 8.)	31,041	-	31,041	25,787	1,764	27,551
Governance costs (see note 9.)	2,265	-	2,265	1,050	-	1,050
	<u>218,875</u>	<u>83,415</u>	<u>302,290</u>	<u>121,994</u>	<u>57,944</u>	<u>179,938</u>

8. Support costs

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Training courses	6,357	-	6,357	1,925	1,200	3,125
Insurance	647	-	647	5,696	-	5,696
Printing, postage and stationery	1,079	-	1,079	890	-	890
Telephone and internet	1,814	-	1,814	1,587	-	1,587
Storage costs	1,710	-	1,710	1,841	-	1,841
Subscriptions, licences and conference	9,810	-	9,810	6,710	-	6,710
Other administrative expenses	9,624	-	9,624	7,138	564	7,702
	<u>31,041</u>	<u>-</u>	<u>31,041</u>	<u>25,787</u>	<u>1,764</u>	<u>27,551</u>

9. Governance costs

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Trustee meeting costs	265	-	265	-	-	-
Independent examiner's fees	2,000	-	2,000	1,050	-	1,050
	<u>2,265</u>	<u>-</u>	<u>2,265</u>	<u>1,050</u>	<u>-</u>	<u>1,050</u>

MORNING STAR TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

10. Independent examiner's fees

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Examination	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>1,050</u>	<u>-</u>	<u>1,050</u>

11. Wages and salary cost

	2022 Total Funds £	2021 Total Funds £
Gross wages	88,819	37,981
Employer's national insurance costs	8,902	8,567
Employer's pension contributions	<u>4,337</u>	<u>1,279</u>
	<u>102,058</u>	<u>47,827</u>

There were no employees with emoluments (excluding employer pension costs) above £60,000 in this or the preceding year

	2022	2021
The average number of employees during the year was:	<u>4</u>	<u>3</u>

The five shore-based employees are a mixture of full-time and part-time staff representing four full-time equivalent staff positions.

12. Pension scheme

The charity operates defined contribution pension scheme for its employees. The total payable for the year under review was £4,337 (2021: £1,279).

13. Related party transactions

None of the trustees (or any persons connected with them - other than any disclosures made in Note 11) received any remuneration during the year. Expenses, in respect of their services as trustees, were paid in accordance with general policy for all volunteers, totalling £Nil (2021: £Nil). The number of trustees reimbursed such expenses during the year was Nil (2021: Nil)

Where trustees act as sea staff on sail training activities they are offered expenses to cover the cost of either leaving or joining the vessel at ports other than the home port. The amount so reimbursed each year cannot be readily ascertained but is restricted to the reasonable costs actually incurred

A trustee participated in a loan scheme in 2020 to fund acquisition of the 'Eastern Star' vessel advancing £10,000 to the trust and this remains outstanding.

MORNING STAR TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

14. Tangible fixed assets

	Vessels & Equipment £	Total £
<i>Cost</i>		
At 1 January 2022	110,530	110,530
Additions	14,101	14,101
VAT adjustment in respect of prior year	(3,750)	(3,750)
At 31 December 2022	<u>120,881</u>	<u>120,881</u>
<i>Depreciation</i>		
Accumulated at 1 January 2022	21,191	21,191
Charge for the year	9,620	9,620
On disposals	-	-
At 31 December 2022	<u>30,811</u>	<u>30,811</u>
Net book value at 31 December 2022	<u>90,070</u>	<u>90,070</u>
Net book value at 31 December 2021	<u>89,339</u>	<u>89,339</u>

15. Stocks

	2022 Total Funds £	2021 Total Funds £
Goods for resale	<u>500</u>	<u>500</u>
	<u>500</u>	<u>500</u>

16. Debtors

	2022 Total Funds £	2021 Total Funds £
Trade debtors	18,227	420
Accrued income	1,570	1,570
Prepayments	6,864	6,864
	<u>26,661</u>	<u>8,854</u>

17. Creditors: amounts falling due within one year

	2022 Total Funds £	2021 Total Funds £
Trade creditors	4,867	320
Deferred income	27,523	8,305
Accruals	2,000	1,150
Vessel acquisition loan scheme	30,000	20,000
Other short term loans	10,000	-
Other creditors	1,725	24,908
	<u>76,115</u>	<u>54,683</u>

Deferred income relates to invoices raised for voyages booked in 2022 and for sailing activities in 2023.

MORNING STAR TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

18. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Tangible fixed assets	90,070	-	90,070	45,537	43,802	89,339
Current assets	39,939	9,826	49,765	66,914	22,996	89,910
Current liabilities	(76,115)	-	(76,115)	(54,683)	-	(54,683)
	<u>53,894</u>	<u>9,826</u>	<u>63,720</u>	<u>57,768</u>	<u>66,798</u>	<u>124,566</u>

19. Analysis of net movement in funds

	Year ended 31 December 2022					
	Total funds brought forward £	Total incoming resources £	Total resources expended £	Transfers between funds £	Total funds carried forward £	
<i>Restricted funds</i>						
Bursary funds		13,015	4,817	(9,506)	8,326	
Asset replacement		43,802	-	(43,802)	-	
Vessel refit costs		3,359	41,085	(63,879)	-	
Vessel Skipper Project		5,122	3,000	(8,122)	-	
Vessels Loan Repayment		1,500	-	-	1,500	
		-	750	(1,908)	-	
<i>Total restricted funds</i>		<u>66,798</u>	<u>49,652</u>	<u>(83,415)</u>	<u>9,826</u>	
<i>Unrestricted funds</i>						
General Fund		57,768	201,282	(228,365)	53,894	
<i>Total unrestricted funds</i>		<u>57,768</u>	<u>201,282</u>	<u>(228,365)</u>	<u>53,894</u>	
Total funds		<u>124,566</u>	<u>250,934</u>	<u>(311,780)</u>	<u>63,720</u>	
				Unrestricted £	Restricted £	Total £
Asset Replacement to Unrestricted following review of historic use to acquire vessels				43,802.00	(43,802.00)	-
Unrestricted to restricted funds to cover the excess of expenditure over income received				(20,593.00)	20,593.00	-
				<u>23,209.00</u>	<u>(23,209.00)</u>	<u>-</u>

	Year ended 31 December 2021				
	Total funds brought forward £	Total incoming resources £	Total resources expended £	Transfers between funds £	Total funds carried forward £
<i>Restricted funds</i>					
Bursary funds		14,144	12,301	(13,430)	13,015
Asset replacement		52,794	-	(8,992)	43,802
Vessel refit costs		1,081	21,182	(18,904)	3,359
Vessel Skipper Project		8,500	5,000	(8,378)	5,122
Vessels Loan Repayment		127	1,373	-	1,500
Sport England Grant		-	8,240	(8,240)	-
<i>Total restricted funds</i>		<u>76,646</u>	<u>48,096</u>	<u>(57,944)</u>	<u>66,798</u>
<i>Unrestricted funds</i>					
General Fund		26,764	162,913	(131,909)	57,768
<i>Total unrestricted funds</i>		<u>26,764</u>	<u>162,913</u>	<u>(131,909)</u>	<u>57,768</u>
Total funds		<u>103,410</u>	<u>211,009</u>	<u>(189,853)</u>	<u>124,566</u>

MORNING STAR TRUST

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

20. Description of funds

Bursary funds	Funds received from various sources to support those less able to afford training voyages.
Asset replacement	Funds received from various sources to support the cost of eventual replacement of existing vessels with newer ones.
Vessel refit costs	Funds received from various sources in support of the costs of annual refit of all sailing vessels used by the Trust.
Vessel Skipper Project	Funding received from a charitable trust to meet the costs of employing a paid skipper on training voyages.
Vessels Loan Repayment	Funds received from various sources to facilitate the eventual (discretionary) repayment of funds advanced to assist the purchase of a new vessel.
Sport England Grant	Grant provided by a specific donor for a range of designated activities within the scope of the donor scheme rules.

21. Comparative statement of financial activities

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	1	47,374	48,096	95,470
Investments	2	7	-	7
Charitable activities	3	109,634	-	109,634
Other trading activities	4	1,398	-	1,398
Other income	5	4,500	-	4,500
Total		162,913	48,096	211,009
EXPENDITURE ON:				
Raising funds	6	9,915	-	9,915
Charitable activities	7	121,994	57,944	179,938
Total		131,909	57,944	189,853
Net Income/(expenditure)		31,004	(9,848)	21,156
Transfers between funds	19	-	-	-
Net movement in funds		31,004	(9,848)	21,156
RECONCILIATION OF FUNDS				
Total funds brought forward	18, 19	26,764	76,646	103,410
Total funds carried forward	18, 19	57,768	66,798	124,566

Independent Examiner's Report to the Trustees of Morning Star Trust

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2022.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Geoffrey Frost BSc(Hons) FCA
Blue Spire Limited
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Date