



THE MARINE SOCIETY & SEA CADETS

**REPORT & ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2011**

PATRON: HER MAJESTY THE QUEEN

ADMIRAL OF THE SEA CADET CORPS:
His Royal Highness The Duke of York, KG, KCVO

PRESIDENT: Admiral Sir Peter Abbott GBE KCB

**CHARITY NUMBER (ENGLAND & WALES): 313013
CHARITY NUMBER (SCOTLAND): SC037808**

REPORT OF THE COUNCIL

YEAR ENDED 31 MARCH 2011

The Council members present their report and the accounts for the year ended 31 March 2011.

OBJECTS

The Marine Society & Sea Cadets (the 'MSSC') objects 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" means properly constituted maritime Cadet Units that conform to the policies of the Sea Cadet Regulations established by the charity and that are formally affiliated to it.

REPORT OF THE COUNCIL

YEAR ENDED 31 MARCH 2011

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. Following incorporation in 1772 the Society commissioned in 1786 the first pre-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 up to this point. In 1987 the Society purchased two Ministry of Defence vessels, TS *Jonas Hanway* (returned to the Navy in 1998) and the TS *Earl of Romney* (decommissioned in December 2004).

The Sea Cadet movement dates back to 1854 when sailors returning from the Crimean War started up 'Naval Lads Brigades' in ports around the country. In 1910 the Navy League started to sponsor a small number of independent Units and these received Admiralty recognition in 1919. In 1937 Lord Nuffield gave £50,000 to fund the re-launch and expansion of the Sea Cadet Corps (SCC), and five years later the Admiralty started to pay for uniforms, equipment, travel and training of the Corps. In 1976 the Navy League was renamed the Sea Cadet Association. The 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 The Marine Society & Sea Cadets.

PRINCIPAL OBJECTIVES

The activities broadly relate to those promoting Sea Cadet activity and those looking to enhance and support the maritime industry.

The charity supports the maritime industry through the provision of Marine Society activities, allowing seafarers access to lifelong learning opportunities, a ships library service, the provision of financial support to underpin professional advancement, and other work supporting maritime institutions and education.

The charity acts as the franchisor for Sea Cadet Units – local groups are constituted as separately registered charities. The charity sets Sea Cadet 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 onshore and offshore training, business support and Criminal Records Bureau (CRB) disclosure. The charity does not have overall control over the day to day operation of the individual Units.

STRATEGY

In 2009 the Trustees endorsed a paper establishing a framework for future direction. The paper set out the strategic vision for The Marine Society & Sea Cadets (MSSC) for the next five years. The strategic direction is consistent with the charity's objects which are reproduced on page 1.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2011

STRATEGY (CONTINUED)

The strategy recognised the partnering relationship with the Royal Navy (RN) under the terms of the Memorandum of Understanding (MOU) and the fundamental importance of the support both financial and in kind that the Charity receives from the RN as its principal stakeholder. The MOU formally expired in March 2010 however is being run on whilst negotiations over a new Memorandum of Understanding (MoU) are finalised.

Key to the strategy is the recruitment and retention of high quality Adult Volunteers (AVs), financial stability and an adequate level of funding from the Ministry of Defence (MoD). These are necessary conditions for continued success and underpin any potential for expansion in support of the charities and the MoD's wider youth strategies.

The fundamental challenge for the SCC is to remain relevant to young people and provide high quality training in good facilities supported by sufficient numbers of high quality adult volunteers. On that basis the Charity aims that cadet numbers will grow resulting in greater benefit to the UK, the RN, the merchant navy and other public services.

Whilst the relationship with the RN is key to the funding of the charity it is also essential that the MSSC is seen to support the wider maritime sector and to encourage young people to seek maritime careers. This is a requirement of our sponsors, meets our public benefit and charitable objects, and provides a sound platform for the future.

The key aspects of the strategy are to:

- a. achieve an increase in the MoD grant adhere to the same basis of funding as that given to the other cadet forces i.e. a level playing field;
- b. justify funding from key stakeholders and attract new ones;
- c. value and support our adult volunteers through active management and development programs;
- d. increase public awareness of the MSSC's purpose and achievements as well as the opportunities that the Charity can provide, particularly at the local level;
- e. support the RN and face the wider maritime community;
- f. modernise the Sea Cadet training programmes, facilities and equipment to ensure satisfactory standards of delivery at National, Area and Unit level;
- g. sustain management capability;
- h. encourage all elements of the Sea Cadet movement to work together;
- i. grow and encourage offshore training capacity ensuring coherence with the cadet programme;
- j. provide increased educational opportunities and library facilities for seafarers; and to
- k. maintain benchmark safeguarding child protection policies.

The management team is committed to implementing the strategy. Detailed plans have been put in place to support this.

The charity, under the direction of the new Chief Executive Martin Coles, is in the process of reviewing this strategy for the next five years to commence 1 April 2012.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2011

ACTIVITIES, ACHIEVEMENTS, PERFORMANCE & OBJECTIVES

Following the headings used to analyse expenditure in the Statement of Financial Activities (pages 24 & 25) the activities, achievements and performance of the charity for the year commencing 1 April 2010 (2010) are explained below. The management team has set clear objectives for delivery in the year commencing 1 April 2011 (2011) and these have been communicated widely throughout the charity. These are also outlined.

2010 ACTIVITIES, ACHIEVEMENTS & PERFORMANCE

1. Safeguarding and Supporting Sea Cadet activity

The MSSC provides the regulatory framework to the Sea Cadet Corps to ensure safe delivery of risk training. The charity also provides funds to Sea Cadet Units around the country both through grants and by providing staff and administrative infrastructure to ensure the Corps can continue operating. Total direct support grants amounted to £379,931 (2010: £417,258).

Central to the support is the Westminster database jointly developed with the Army Cadets.

Cadets

In May 2011 there were 13,449 (2010: 12,716) Cadets recorded on the Westminster database. During the year and in particular the summer and autumn period cadet numbers increased to approximately 14,000 throughout the UK. .

Volunteers

There are over 9,000 volunteers that run the Sea Cadet Corps. Supporting our volunteers forms a key aspect of our strategy for strengthening the work of the charity.

Volunteers are fundamental to the cadets' training. They run, obtain funding for and manage the Sea Cadet Units. They are heavily involved in organising major events, such as the annual Trafalgar Day celebrations and competitions at national and area levels together with managing the day to day business of Sea Cadet Units. Without the dedicated support of such volunteers the MSSC and Sea Cadet Corps would not be able to provide the extensive support to young people that it does.

In addition to providing training grants, the charity also provides grants to volunteers for the upkeep of their uniforms and to purchase new ones on promotion amounted to £70,341 (2010: £98,941). Direct purchases of clothing for volunteers and cadets amounted to £257,929 (2010: £192,881).

Unit numbers

There are 381 (2010: 376) units around the country. The stability of the numbers of units shows considerable resilience in the face of regulatory pressures, time and cost pressures on volunteers and the impact of the recession during the year. It has been noticeable during the year that several units have come under increasing pressure to obtain sufficient funds to continue to exist.

In 2010 the aim was to support units by:

- Continue to provide support and advice to Unit Management Committees on estate management, safeguarding, statutory requirements for charities and to develop and make available relevant training modules on these and other topics.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2011

1. Safeguarding and Supporting Sea Cadet activity

- Continue to review, streamline and simplify business processes to support the volunteers and the MSSC. This will include the monitoring and reviewing the introduction of the new insurance arrangements as well as enrolment processes and the personnel forms, the consolidation of Disclosure and Safeguarding checks at HQ.

In 2010 the following was achieved:

- The Area Business Management Directors (BMDs) continued to provide day to day advice and guidance to Unit Management Teams (UMTs) in particular on charity law, estate management, insurance and handling safeguarding allegations and complaints. In half-a-dozen units the BMDs supported the unit whilst Management Teams or Chairs were recruited.
- Tailored sessions at Area Conferences included a number of topics, covering business plans, fund-raising, project management, recruitment and behavioural management, often delivered by volunteers experienced in the field.
- Paper-based systems for Personnel and Training forms were reviewed and a number of Personnel forms were streamlined and reduced in number. A Career Management form dispensed with 4 different types of form and is now only managed electronically with decisions being made at the most appropriate level. This has made major savings in time, delays and reduced the numbers of decision-makers.
- Unit Insurance arrangements went live on Westminster, helping reduce the need for paper-based records and enabling Units to record, alter or change the assets that they need to be insured on-line. Heath Lambert now provides direct support to Units through its help-line services and is responsible for premium collection, including offering a free Direct Debit service.
- The quarterly publication "UMT matters" was published throughout the year and sent direct to each Unit Chairperson providing them with regular up-dates, support material and actions suggested on a range of relevant issues. These, together with the monthly "Ask the Captain" continued to receive good feedback and many suggestions to improve the SCC.
- Safeguarding and disclosure checks for Scotland and Northern Ireland were centralised at HQ.

Westminster

Westminster is the Cadet Management information system introduced in 2007 and jointly developed with the Army Cadets. It encompasses cadet and adult volunteer personnel management, the creation and running of courses and events, control and ordering of stores, and unit administration. Since its inception in May 2007, the Corps has steadily built up its use of Westminster until today and there are now more than 100,000 screen views made per day by over 12,000 SCC and Army Cadet users.

In 2010 the aim was to:

- Significantly enhance the courses and events modules.
- Continue to make functionality improvements incorporating feedback from Corps users.
- Introduce role based SCC email.
- Make Westminster performance improvements to enhance response.
- Carry out a Penetration Test to ensure Westminster remains highly secure.
- Upgrade Westminster to the latest version of system software.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2011

1. Safeguarding and Supporting Sea Cadet activity

In 2010:

- Whilst some improvements were made to the Courses and Events module, there were no major changes. The issues are being reconsidered and changes deferred to 2011.
- Role based SCC email was not introduced since the promised e-mail server did not become available.
- Some 100 improvements incorporating feedback from Corps users were implemented.
- A penetration test was carried out and all recommendations implemented.
- The Westminster system software was updated to the latest releases.
- The new Stores module was completed and is currently under test for release in 2011.
- The SCC Unit Review process was successfully implemented.
- A User Satisfaction survey was carried out, which revealed that over 80% of respondents thought Westminster Good or Excellent, and less than 5% thought it was poor.

Safeguarding

Throughout the year the range of safeguarding policies and procedures was consolidated, implemented and promoted. A major programme of raising awareness of safeguarding (child protection) continued to all members of the SCC and MSSC. The aim of these policies and procedures is to protect and support volunteers and young people who join the Corps and to raise levels of awareness on such issues.

We follow statutory UK changes such as the requirements of the Independent Safeguarding Authority and the Protecting Vulnerable Groups Scheme, as well as good practice promoted by a number of organisations at both local and national level.

Units continue to complete risk assessments for Sea Cadet activities both within and out with their Units as directed by the MSSC Safety and Environmental Manual. Area staff continue to offer support and guidance to Units in this subject matter and assess each Unit during their annual assessments.

In 2010 the aim was to:

- To deliver safeguarding (child protection) awareness training sessions to volunteers throughout the SCC (Target: In excess of 95% of instructional staff and UMC Chairs and in excess of 80% of UMC members).
- To comply with the requirements of the Vetting and Barring Scheme in England, Wales and Northern Ireland and to adopt the Protecting Vulnerable Groups Scheme for Scotland from November 2010.
- To continue to ensure that Safeguarding (Child Protection) allegations and complaints are properly investigated.
- Respond to issues or recommendations on the assessment from the Sound Systems Accreditation Scheme.

In 2010 the following was achieved:

- In July the MSSC achieved national accreditation through the Sound Systems Accreditation Scheme, run under the auspices of the National Council for Voluntary Youth Services (NCVYS). The accreditation lasts for three years and marks the achievement of national standards for Safeguarding policies, practices and procedures throughout for all Sea Cadet Units.
- The BMDs continued the programme of delivering safeguarding (child protection) awareness training sessions to volunteers, with material that is updated to take account of the changes introduced with the new Independent Safeguarding Authority as well as material provided by Child Exploitation On-line Protection Centre (CEOP). By the end of 2010 over 75% of instructional staff and UMC Chairs had attended these sessions.
- All MSSC staff joining in relevant posts underwent awareness sessions or the two-day Safeguarding course, according to their role and responsibilities.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2011

1. Safeguarding and Supporting Sea Cadet activity

- ISA registration due for implementation from July 2010 was initially suspended by the Coalition Government in June 2010 and then scrapped as a result of its review published in February 2011. The Protecting Vulnerable Groups Scheme for Scotland (PVGS) was introduced in March 2011.
- The Safeguarding (Child Protection) Review Panel with two MSSC Trustees and a representative member of the National Sea Cadet Advisory Committee met biannually to provide trustee oversight of safeguarding arrangements, processes and procedures.

Infrastructure

In 2008/9 the charity commissioned external surveyors to review all Sea Cadet Units to determine their infrastructure requirements. The outcome of these surveys captured for the first time an assessment of the Sea Cadet estate and showed the extensive amount of work needed to address health and safety issues and critical issues, assessed at £9.6m out of an overall £31m project to secure units to an acceptable standard. Addressing and responding to the issues raised in these surveys has been a major priority.

In 2010 the aims were to:

- Implement the five-year estate management plan by completing Phase 1 and starting Phase 2 (covering period June 2010 to December 2011).
- To continue to work with relevant partners to share facilities or develop joint projects to make best use of the available funds.
- To support the Development Department in raising funds and to ensure that the allocation of funds meets the agreed criteria and maximises the best return on investment.

In 2010 the following was achieved:

- A five-year plan was developed and Phase 1 covering the period June 2009 to December 2010 was completed with all funds (£569,000) ear-marked for projects taking place or planned in nearly 100 Sea cadet units across the country. This funding directly addresses critical and health and safety issues and by May 2011 nearly 70% had been spent. The remaining is due to be used by the end of 2011. In most cases units also raise substantial match funding which together enables major infrastructure projects to be completed for the use and benefit of the Sea Cadets.
- Phase 2 is well under way, with a further £535,000 ear-marked for Sea Cadet units to use over the coming months.
- In addition a number of local and national initiatives continued, working with the Probation and Prison Service, with shipping companies such as Maersk, and with Portsmouth Naval Base who have provided RN working parties to provide practical help and support to a number of units in Southern Area to support refurbishment and infrastructure programmes.
- Co-operation also continues with organisations, such as St John Ambulance, the Scout Association and Girlguiding UK, as well as Local Authorities and the MoD and the Reserve Forces and Cadet Association (RFCAs) to share facilities or work together to promote joint projects, a number of which are making steady progress and will offer substantial benefit for sea cadets, Area and National facilities.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2011

2. Sea Cadet Corps training

Training policy

In 2010 the aims were to:

- Successfully embed the new cadet syllabus and the supporting adult training modules.
- Continue to modernise cadet training and make it more relevant to the needs and expectations young people in the 21st Century.
- Introduce the new Officer Development Programme.
- Roll out the Trinity 500 Pulling Boat, in line with current and future demand and seek to identify opportunities to market it outside of the Corps.
- Develop training programmes for Unit Management Teams.
- Increase opportunities for cadets and adults to gain externally recognised and valued qualifications through participation in Sea Cadet activities.
- Establish navigation and chart work as a new specialism with the Corps.

In 2010 progress against these aims was as follows:

- *Cadet Syllabus* - The introduction of the Cadet Syllabus has been subject to delay. Some draft training materials have been piloted in 20 units around the country and members of the Team visited all of those units to view the training sessions and discuss the materials with cadets and staff. The materials will be revised to reflect the feedback received.
- *Officer Development* - The proposed Officer Development Programme was modified to reflect feedback into a 3-phase process. Phase 1 (Area training & selection is now in place.
- *Trinity 500* - 308 boats were ordered and the majority delivered to Units and Areas by March 2011. There have been some initial minor defects which have been resolved including retrofit to existing boats. Analysis of the potential for a wider market has been completed but at present sales concentrate on Sea Cadets, MoD Sea Scouts and CCF.
- *Training Programmes for Unit Management Teams* - A training model for Unit Management Teams is under development which will be modular in nature enabling us to provide a basic 'toolkit' for newly appointed members together with a range of optional modules which will be offered according to individuals' members' specific responsibilities, existing skills and knowledge and their aspirations.
- *Increase opportunities for cadets and adults to gain externally recognised and valued qualifications through participation in Sea Cadet activities* - Over the course of the year we have strengthened our links with Royal Yachting Association (RYA), British Canoeing Union (BCU) and, most recently, British Rowing in order to increase national recognition of Sea Cadet Activities.
- *Navigation Specialisation* - Plans to separate chartwork from Seamanship and establish it formally as a new specialisation within the Corps were announced in May 2010. The new training programme will map onto the RYA Scheme and lead to externally recognised qualifications for more of our cadets and adults. We have appointed a Headquarters Staff Officer to lead the work to develop a new syllabus planned for launch in 2012.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2011

2. Sea Cadet Corps training

In addition:

- *SCC National Training* - A review of national training was undertaken in December 2010 leading to a rebalancing of capacity to match demand and make it easier to access training and to deliver adult courses locally by staff, mostly over weekends. This resulted in a reduction in the programme for 2011 of 33%, matching actual delivery in 2010. This reduces the national training programme enabling additional funding to be released to areas to permit increased investment in cadet training,
- *Adult Training* - We have rolled out the Youth Development Course and Basic Leadership Courses for adult volunteers and have been busy training the trainers who will deliver these courses in area.
- *Royal Marines Cadets* - We have introduced mandatory courses in Fieldcraft and Map Reading. Once again we have been busy training the trainers. The primary focus is on up-skilling adult volunteers to ensure that the training delivered to cadets is aligned to the parent Service, enjoyable, demanding and above all safe.
- *Overseas Exchanges* - The Training Development and Support Team also operates the Overseas Exchange Programme. Last year we sent 30 cadets and 8 adult volunteer escorts overseas. For the coming year 46 cadets and 10 adult volunteer escorts were selected and in the summer months we will be sending them to visit Sea Cadets in Australia, South Africa, Bermuda, Canada, Hong Kong, The Netherlands, Portugal, Russia, South Korea, Sweden and the USA.

Training budget utilisation

The overall sums spent on training Sea Cadets and volunteers amounted to £5,003,196 (2010: £5,007,533). Of this approximately £2.5m was spent on discretionary support of training, whether via the MSSC training schools, locally at unit level, or for district or areas events.

Further brief breakdown of how these monies were spent is as follows:

- Funding was provided for 59,054 (2010: 93,551) cadet training days and 37,309 (2010: 39,087) adult training days. The figures for cadet training have decreased; however, the comparability of the figures is difficult as all training related payments were migrated to the Westminster system at the start of the year.
- Payments were made to individuals with a value of £1,063,617 (2010: £1,234,096) for volunteer allowances, expenses and offshore bursaries; and
- Payments were made to Sea Cadet Units, Districts, Areas, Training Schools and other organisations to support training with a value of £358,337 (2010: £423,719).

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YEAR ENDED 31 MARCH 2011**

3. Offshore training

The Trustees, staff of MSSC and everyone within the Corps were deeply saddened by the death of Cadet Jonathan Martin in a tragic accident on board TS Royalist on 2 May 2010. Their thoughts continue to be with Jonathan's family and friends.

The offshore fleet comprises:

- the sail training brig TS Royalist (cadet capacity 24);
- powered training vessel TS John Jerwood (cadet capacity 12);
- powered training vessel TS Jack Petchey cadet capacity 12 but 16 if from a single Unit);
- three yachts, *TS City Liveryman*, *TS Vigilant* and *TS Leopold Muller* (cadet capacity 5 each).

In 2010 the aims were to:

- Conduct a full programme around the UK for all vessels; TS John Jerwood, *TS Vigilant* and *TS City Liveryman* operating with a focus on the west coast, *TS Royalist* on south coast operations, in addition to taking part in the second Tall Ships Race from Aalborg to Hartlepool, TS Jack Petchey to conduct an anti -clockwise passage around the UK to present maximum opportunity for Units and staff to view the new vessel;
- Settle *TS Jack Petchey* into service.
- Market Offshore voyage opportunities.

With regard to these aims:

- Extensive programmes was undertaken including:
 - TS John Jerwood, *TS Vigilant* and *TS City Liveryman* conducted training operations on the West and South coasts.
 - TS Royalist did not take part in the Tall ships Race but conducted training in the Channel and South Coast area before ending her season in September.
 - *TS Leopold Muller* continued to provide RYA training at TS Rebel (Walton-on-the-Naze).
- Bridgend Boat Company handed over TS Jack Petchey on 18 March 2010 and the vessel was commissioned on 13 April 2010. After commissioning, TS Jack Petchey circumnavigated the UK to demonstrate the new vessel to cadets and staff.
- Communication to the Corps on the value of Offshore experience has been progressed through briefings and direct marketing by the Courses Office
- During the 2010 season 7,499 (2009: 6,264) cadet berth days were taken up. An overall increase with the introduction into service of TS Jack Petchey but the early withdrawal of TS Royalist from operations with effect from September 2010 led to a loss of berth days with this vessel.

	2006	2007	2008	2009	2010
TS Royalist	3,078	3,450	3,630	3,060	2,707
TS John Jerwood	2,202	2,287	2,214	2,214	1,770
TS Jack Petchey	-	-	-	-	1,638
TS Vigilant & TS City Liveryman	630	816	1,434	996	1,384

Other matters

- A new safety management system was completed and implemented across the offshore fleet as part of the winter refit. TS Royalist had an extended refit period to reflect extensive work required reflecting her age.

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4. Professional seafarer education and support

In 2010 the aim was:

- Roll out the new brand for the Marine Society and drive more traffic to the new website.
- Launch an online bookshop and drive up sales of publications in a range of formats to seafarers and maritime corporates.
- Deliver a new suite of services for seafarers.

In 2010 we achieved the following:

- The new branding was successfully launched during the summer of 2010 with new ancillary services: website, revised publications, stationery.
- The online bookshop went live at msbookshop.org in September 2010. Since then we have been busy populating the site. The aim was to make this the main method for customers to make their purchases and every month since has seen an increase in online sales. It serves as an excellent shop window for the charity and as well as driving sales to individuals is proving helpful in generating the more lucrative business of maritime corporates.
- Several new educational services were developed during the year. To address the need for a Maths upskilling course and diagnostic test for applicants for a Slater scholarship we designed, developed and delivered the Maths@Sea project < www.mathsatsea.com >. Funding was provided by the trustees of the Slater fund. Changes were made to the administrative processes of the scholarship scheme that made it easier for scholars to focus on their studies and greater support was extended to them by incorporating Slater scholars in the main Integra database, thereby ensuring they benefitted from the same high level of learning support that is offered to the generality of our learners.
- During the year we worked with BP Shipping and The Open University to design, develop and deliver a pathway enabling sea-going marine engineers to get a Masters degree by distance learning and thence Chartered status through IMarEST. The result has been proclaimed a success by BP Shipping, which is proposing to use the pathway to sponsor around ten seafarers annually on a fast-track promotion scheme leading to shore-side ship management within the company. Going forward, Marine Society will work with Open University to package and market the pathway to the rest of the maritime sector, thus enabling many more to benefit.
- Changes were made to the offer of work-based learning degrees to maritime professionals that made the product more attractive. The period of time that had to be served as a Master Mariner in order to matriculate with full credit transfer was reduced from five to three years.
- Marine Society also re-packaged its higher education offer based on partnerships with Open University and Middlesex University so that maritime professionals could now enrol directly with Marine Society for the programme of their choice rather than having to deal directly with the institution. This would reduce the bureaucracy to which seafarers would be exposed, and encourage greater participation in the learning process.

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5. Communications

In 2010 the aim was:

- Continue to consolidate the identity of the organisation by implementing a strategic PR campaign built upon the platform of a successful rebrand launch.
- Identify new and innovative youth focussed marketing opportunities and materials, with a view to supporting youth recruitment and encouraging increased volunteer support by association.
- Continue to raise profile by identifying and creating suitable opportunities that will appeal to target media.
- Support other department's aspirations to communicate more effectively with their audiences, for example, Training Department via streamlined training materials template to new brand and Development Dept via coordinated pro-active fundraising campaigns.
- Establish regular national surveys of cadets opinions on a range of issues (external and internal to SCC) and link into key national awareness weeks to enable us to comment on a range of appropriate current media topics and so increase share of voice further.
- Continue to increase the advertising income of Seafarer by maintaining its improved look and content.
- Embed the brand at Unit level and persuade all Units move across to the new website template.

In 2010 we:

- Grew the national and local media profile of the charity with national coverage in all major newspapers and broadcast.
- Consolidated the new branding across all areas of the charity and its functions.
- Delivered three operational websites.
- Delivered templates for unit websites.
- Increased advertising spend and reach for the MS to help support its position as an independent authority of maritime educational support for professional seafarers, and a leading seller of books,
- We did not communicate a single core position for the organisation which would support the achievement of business objectives across its platforms as this was not identified.
- Supported fundraising objectives with a data capture campaign: Were you a Sea Cadet?
- To ensure these approaches were deployed in a systematic way and their effectiveness assessed and reviewed, our evaluation and monitoring tools and established a new system.
- Provided better quality marketing materials, brand guidance, websites and offered direct support to units to support and aid the recruitment of new cadets and volunteers.
- Initiated a facebook page that enabled us to conduct mini surveys of the corps on mores attitudes to a range of subjects commencing with image.
- Supported Training and Offshore aspirations with a marketing campaign to promote courses.

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6. Development

In 2010 the aim was to:

- Vigorously pursue the campaign to replace TS Royalist.
- Seek further funding for Trinity 500 to increase the number of new subsidised pulling boats to a minimum of 250.
- Continue to support the 5 year strategic plan, resulting from the 2009 UKBS survey report, to improve unit infrastructure.
- Increase the number of Bursaries available for sea training in the offshore fleet.
- Encourage and increase individual giving through Membership and legacies.
- Further encourage and develop Corporate Membership.
- Fully implement and develop Integra, the Contact Management and Relationship System.
- Increase the support to the charity through The Royalist Regatta and Challenge Events.
- Continue to give advice to the individual Units.
- Support new initiatives as they may arise.

In 2010 we achieved:

- Reordering of the fundraising team to address departures and provide a clearer focus for the future. It is to the credit of the Development Department staff that we still had a 5% increase in fundraising revenue.
- Some further funding was received for the completion of Cadet Training Centre in Weymouth, TS Duke of York and to refurbish TS Boscawen, the adjacent Sea Cadet Unit.
- Further funding was sourced for the Trinity 500 rowing boats.
- The Annual Fund (Premises) was to raise £9.6 million for the development and refurbishment of unit premises, 50% to be raised by HQ and 50% by the units. In 2010 the unit fundraising was static at £1.59 million and HQ raised £1.48 million. The Annual Fund (Premises) has now been incorporated into the 'Flagship Appeal' for 2011 and beyond.
- A £7.5 million campaign for the replacement of TS Royalist was significantly slowed in 2010 whilst we awaited the outcome of the inquiry into the death of Cadet Jonathan Martin on board TS Royalist. £500,000 has been committed to the appeal which is actively ongoing.
- Membership fell to £16,710 as very few new Members were recruited and a number of existing Members either died or did not renew. As membership is not an effective fundraising mechanism we will not actively pursue Membership in the future.
- The HSBC Global Educational Trust has been wound up and so they made a final contribution of £100,000 in 2010 to complete their commitment. £250,000 has been added to the Flagship Appeal to replace this funding.
- In addition to the extra funding from the HSBC Global Education Trust there was a 26% increase in Bursary funding as a result of a concerted effort by Development Department staff through applications made to Trusts and Foundations.
- There was a significant jump in income for the Royalist Regatta to £45,452.
- We are now using Integra to record all donations and relationship records.
- Legacy income fell slightly to £78,278 with a further £50,000 to be received in 2011.
- The department continued to provide advice to Areas and Units when requested.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2011

2011 OBJECTIVES

In 2011 we plan to:

1. Review our vision & define a clear plan for 2015 with objectives for its delivery.
2. Optimise Sea Cadet training by:
 - Increasing cadet activity and improving course take up by 50%
 - Undertaking 25% of adult training courses in Area
 - Delivering a new cadet syllabus, officer development module and UMT programme
 - Providing new training on communication, navigation, cadet leadership and use of Westminster
3. Improve Sea Cadet boating by:
 - Providing greater focus on boating safety
 - Ensuring effective power boat regimes
 - Delivering four deployable windsurfers
 - Completing plans for upgrade of four boating facilities and implement at least one
4. Enhance Marine Society services by:
 - Increasing students by 10%
 - Developing work based learning for the Royal Navy
 - Becoming a centre of excellence for advice and guidance
 - Adding 5% to exchange library income
 - Delivering 10% profit on book sales
 - Digitising Marine Society records
5. Develop our communications by:
 - Management and Trustees to visit a minimum of two Units or events in the year
 - Further raising online communication channels for the Corps, delivering at least one specific development
 - Delivering at least two new national PR opportunities for Cadets
 - Measurably improve school understanding & support for cadet activities
 - Review and update Seafarer magazine format and deliver one new communication idea for the Marine Society
6. Drive fundraising and income generation by:
 - Completing restructuring of the development team
 - Improving fundraising activity, delivering 30% of the tall ship fund
 - Increasing offshore & inshore training income and related bursary access
7. Better manage our sponsors by:
 - Delivering improved corporate relationship plans
 - Designing a shopping basket of opportunities for key sponsors

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2011

8. Match our safety culture with our safeguarding efforts by:

- Implementing and training for the new safety management systems for offshore boating
- Reviewing and devising a new safety management system for the whole organisation
- Showing evidence of improvement in safety culture

9. Further improve Westminster by:

- Delivering an online payment system for booking courses and an email system for volunteers
- Achieving security accreditation
- Westminster and Bader (Air Cadets) teams to work together to share best practices

10. Improve our IT systems by:

- Renewing IT infrastructure
- Designing an integrated web plan for the future delivery of content
- Delivering an intranet and method of producing and managing content

11. Improve our premises by:

- Improving advice and support for common estate matters
- Creating a Sea Cadet 'base' unit design modules
- Driving financial support from the Annual Fund and seeking cost savings through 'pooled' purchasing

12. Improve our delivery and address statutory changes by:

- Leveraging the outcome of the Area Review
- Exploring merchandising via Stores
- Responding to statutory changes on pensions and CRB checks

As a result by 2012 we will have:

Overall:

- Improved communications, fundraising, IT systems, premises guidance and administrative processes for all
- A clear, measurable strategic plan

Marine Society:

- A greater range of well managed, quality assured learning programmes to suit all ages, abilities and aspirations
- An enhanced footprint within the maritime sector so more become aware of our services to support seafarers

Sea Cadets:

- Increased cadet activity with improved courses to enhance the cadet experience and support volunteers
- Improved safety management systems
- Improved boating experience for cadets; more access to better boats and facilities.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2010**

PUBLIC BENEFIT

The Trustees 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 as outlined above and have given due consideration to guidance issued by the Charity Commission on this subject.

The aim of Sea Cadet activities is to promote the development of young people in achieving their physical, intellectual and social potential as individuals and responsible citizens in a safe environment. In order to achieve this Units take young people from all backgrounds, including where possible those with disabilities and develops their skills and abilities by:

- Regular and structured activities with a nautical theme.
- Allowing young people to take part in activities connected with the wider Sea Cadet movement such as seaborne activities, events and competitions at district, area and national levels.
- Availability of formal educational achievements whilst taking courses to earn badges and promotions.

Fees are kept low in order to ensure all those who wish to take part in Sea Cadet activities may do so. Where further support is required, which mainly applies to offshore activities, a wide range of bursaries are available to support cadets on low incomes.

The charity offers support to the wider maritime community through provision of education via the College of the Sea services, administration of the Slater grant scheme and the provision of specific grants such as those available via the Worcester scholarship scheme. The provision of Seafarer libraries offers support to Seafarers at sea in order to enhance their wellbeing.

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

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2011

FINANCIAL REVIEW

Incoming resources

Total incoming resources amounted to £12,810,807 (2010: £12,791,865). Whilst overall the figure was broadly static variances within the component elements of this figure were:

- Increased donations of £250,000 including those supporting the new pulling vessel (the Trinity 500), TS Jack Petchey and supporting unit premises.
- The MoD support overall reduced by £100,000, despite receiving an additional grant of £300,000 to support unit premises received during the year.
- Onshore and offshore training income reduced £170,000. This is largely due to loss of training weeks due to technical issues with the offshore fleet, closure of two training schools (Holyhead and Inskip) offset by the opening of Weymouth and also due to reduced demand due to economic circumstances. The charity is closely monitoring income streams to maximise these where possible; bursary monies raised have assisted in this task.

We are grateful for the continued support provided by the MoD in helping finance Sea Cadet activities.

Resources expended

Resources expended amounted to £12,695,934 (2010: £11,886,905).

The main reasons for the increase related to:

1. £550,000 additional spend on the offshore fleet. Apart from inflationary factors £365,000 of this related to the cost of the introduction of TS Jack Petchey during the year, £50,000 for additional technical support and £65,000 of offshore bursaries.
2. £282,000 to cover the recent actuarial valuation in the Merchant Navy Officers Pension Scheme.

Support costs (see note 6) increased to £1,420,709 from £1,266,912. The main reasons for the increase were one additional post in the Finance Department, the VAT rate increasing to 20% and increased legal fees & consultancy costs.

Net incoming resources

In 2010/11 the charity had overall net incoming resources of £114,873 (2010: £904,960).

The net outgoing resources on unrestricted funds (excluding restricted and endowed funds movements) amounted to £336,011 (2010: deficit £1,693), £282,000 of which related to an unbudgeted charge against the deficit of the Merchant Navy Officers' Pension Scheme during the year.

It has been the policy of the charity, based on the investment policy, to set aside long term gains for current expenditure from its expendable endowment. This allocation amounted to £35,581 (2010: £37,993 based on a 3.5% agreed return set with trustees in light of advice given by the investment managers.

Based on the unrestricted surplus, the total return allocation referred to above and treating the MNOFF deficit as exceptional the charity made an overall deficit on unrestricted funds of £18,430 (2010: £36,300) as compared to a breakeven budget that had been set for the year. Restricted funds increased by £450,884 (2010: £906,653). The reason for the increase were funds raised for the replacement of Royalist and funds raised for unit premises & training yet to be unconditionally committed.

Fundraising events made a surplus of £20,768 (2010: £12,212).

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2011**

FINANCIAL REVIEW (continued)

Balance sheet

Overall net assets have increased from £16,379,685 to £17,233,556. Net incoming resources amounted to £114,873 (2010: £904,960). The charity is showing net current assets in the current year of £702,936 (2010: £136,178).

RESERVES POLICY

The Charity does not retain MoD grant monies as part of its reserves. The reserves policy of the Charity has been to hold 3 months expenditure (approximately £2.5m) in income funds rather than capital. At the end of the year there were no free reserves due to investment in fixed assets (2010: surplus of £545,923). It remains an aspiration of the Charity to increase its free reserves however this will be particularly difficult given the ongoing pressing commitments, these mainly relating to:

- upgrading Sea Cadet facilities, including finalising the programme of support for electrical upgrading;
- facilitating the introduction of the new pulling vessels.

A breakeven budget has been set in the current year. In light of the commitments it is unlikely the charity will be able to hold 3 months expenditure 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 draw downs 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 2011**

INVESTMENT POLICY

Rensburg Sheppards manage the investment portfolio and WM Performance Services independently monitor investment performance.

The overall objective of the policy is to create sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained. The MSSC's objective is to achieve, over the medium term, a total return of at least 4.5% (net of fees and inflation). Both capital and income may be used at any time for the furtherance of the Charity's aims.

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

	% ranges set	% year end	% previous year end
UK Equities	35-65	49.1	56.7
Non-UK Equities	10-35	29.1	19.9
Fixed Interest	10-30	15.0	15.7
Property	5-10	5.1	4.7
Hedge funds	0	0	0
Other	0	1.3	1.4
Cash *	0-30	0.4	1.6

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

* Cash can be held tactically in the portfolio but not as an asset class.

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 anytime. The portfolio should have a minimum of 35 separate stocks held at any one time, either within packaged products or held directly.

The objectives are to be achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a recognised investment exchange and unit trusts and OEICs (open ended investment companies) which are authorised under the Financial Services and Markets Act 2000. The performance of each asset class is measured against relevant market indices. The overall performance is compared with the long term return expected (4.5% plus inflation and fees). The current market volatility is being monitored by trustees and a formal review of cash balances was also held.

Ethical considerations

The trustees reserve the right to apply ethical considerations to the investment policy where appropriate. None, however, are applied at the moment. An annual review of the policy is undertaken.

Performance

The fund achieved an annual performance return of 10.3% (2010: return of 40.9%) against the 4.5% target, net of fees and inflation.

The performance measured by WM against a benchmark set based on charities with a similar asset allocation to ourselves indicated exceeding benchmark by 2.0% for the year and 5.4% since the portfolio were managed by the current managers. This places the portfolio in the top quarter of funds managed both measured annually and over 3 years.

The trustees are continuing to monitor investment performance and are grateful for the assistance of the investment managers, Rensburg Sheppards.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2011

ORGANISATIONAL STRUCTURE AND GOVERNANCE

The Charity is governed by a Board of unpaid non-executive Council Members who act as trustees. The Board of Trustees meets at least quarterly and is supported by members of the senior management team. Responsibility for reviewing key areas of activity is delegated to committees which report back to the Council meetings. The committees, with specific terms of reference, may also include specialist co-opted members as well as Trustees to ensure that expert opinion is available. The day to day management of the charity and the exercising of executive responsibility is delegated to the Chief Executive Officer and senior management team. The current committees and their primary purposes are:

- *Finance, Investment, Audit & Remuneration Committee* – a committee which oversees the financial affairs of the MSSC, including management accounts, budgeting and the preparation of statutory accounts. Formulates investment policy and oversees the management of Investment assets and executive remuneration.
- *Policy, Development and Risk Committee* – a committee which develops strategies and policies for the optimum use of MSSC resources in order to fulfil its objects. Ensures the proper evaluation of risks to the Charity are undertaken and appropriate plans in place to reduce or mitigate risk in accordance with legislation and best practice. Reviews the membership of the Council.
- *Merchant Navy and Education Working Group* – a body which oversees and monitors the aims and objectives of the MSSC and its activities as they relate to the support of education and training for and within the MN, SCC and the wider maritime sector.
- *National Sea Cadet Advisory Council* (previously the Sea Cadet Advisory Group) – a body, primarily composed of representatives and volunteers of the SCC and MSSC management team, which supports the aims and objectives of the SCC and provides advice to its principal national sponsors.

Appointment, induction and training of trustees

The 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 trustee, 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 trustees 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 variety of different ways including recommendation from all interested parties.

The induction process for a new trustee comprises initial meetings with the chairman and other members of the board, followed by meetings with the Chief Executive Officer 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 trustees with the information necessary to ensure that they are fully equipped to contribute to the organisation within their powers. Trustees 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 around 1,100 members who pay an annual subscription to the Charity. The MSSC has 8 (2010: 9) branches within the United Kingdom – one each in Scotland, Wales and Northern Ireland and five in England - made up of members of the charity who reside within the 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 Cadet Units and MSSC initiatives. These branches are an active and welcome force in spreading the charity's message at a local level.

REPORT OF THE COUNCIL YEAR ENDED 31 MARCH 2011

GRANT MAKING POLICY

Grants awarded in 2010/11 amounted to £2,848,474 (2009/10: £2,469,871). Individual Sea Cadet 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. An annual grant is also provided to Sea Cadet Units based on their declared Cadet numbers.

RISK MANAGEMENT

The trustees are responsible for management of the risks faced by the Charity assisted by senior staff. Risks have been identified, assessed and controls established. A formal review of risk management processes is undertaken on a regular basis. The key 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

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

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

Charity law requires the Council members as trustees to prepare accounts for each financial year which give a true and fair view of the Charity's state of affairs at the end of the year and of its profit or loss for the period. In preparing those accounts the Council members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The Council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities. The Council members 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. So far as the trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware. The trustees have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE COUNCIL
YEAR ENDED 31 MARCH 2011**

THANKS

We would like to thank the outgoing Chief Executive, Mike Cornish, the previous Chair of the Trustees, Vice Admiral Sir Tom Blackburn KCVO CB plus former Trustee Rear Admiral Sir Jeremy de Halpert KCVO CB for many years of service to the charity for which we are very grateful.

AUDITORS

A resolution to reappoint Crowe Clark Whitehill LLP will be tabled at the Annual Court.
On behalf of the Board



Nigel Palmer
Council Member and Chairman
22 July 2011

We have audited the financial statements of The Marine Society and Sea Cadets for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 44 of the Charities Act 1993. 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2011 and of its 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 1993.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report 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.

Crowe Clark Whitehill LLP
Crowe Clark Whitehill LLP
Statutory Auditor
Date *12 September 2011*

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Endow- ment Funds £	2011 Total £	2010 Total £
INCOMING RESOURCES FROM GENERATED FUNDS						
Voluntary income						
Donations, Legacies and Other Income	2	210,035	1,786,916	-	1,996,951	1,739,283
Activities for generating funds						
Events		73,731	-	-	73,731	59,511
Investment income	3	469,733	7,156	-	476,889	449,711
Incoming resources from charitable activities						
Ministry of Defence grants (for Sea Cadet activity)		-	9,290,053	-	9,290,053	9,395,486
Seafarer education and support		273,525	149,141	-	422,666	428,463
Sea Cadet Corps training		270,183	-	-	270,183	390,454
Offshore fleet income		280,334	-	-	280,334	328,957
		824,042	9,439,194	-	10,263,236	10,543,360
TOTAL INCOMING RESOURCES		1,577,540	11,233,266	-	12,810,807	12,791,865
Cost of Generating Funds						
Investment management costs		45,537	-	-	45,537	54,034
<i>Fundraising trading:</i>						
Events		52,963	-	-	52,963	47,238
<i>Voluntary income:</i>						
Donations and Legacies		186,445	-	-	186,445	186,894
		284,945	-	-	284,945	288,166
NET INCOMING RESOURCES AVAILABLE FOR CHARITABLE ACTIVITIES		1,292,596	11,233,266	-	12,525,862	12,503,699

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
YEAR ENDED 31 MARCH 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2011 Total £	<i>2010 Total £</i>
Charitable activities						
Safeguarding & supporting Sea Cadet activity and infrastructure		258,653	4,043,444	-	4,302,097	<i>4,330,708</i>
Sea Cadet Corps training		358,224	4,644,972	-	5,003,196	<i>5,007,532</i>
Offshore fleet		302,701	1,702,154	-	2,004,855	<i>1,453,055</i>
Professional seafarer education and support		562,911	149,141	-	712,052	<i>381,850</i>
Promoting The Marine Society & Sea Cadets		45,316	242,671	-	287,987	<i>326,295</i>
Total charitable activity costs		1,527,805	10,782,382	-	12,310,187	<i>11,499,440</i>
Governance costs	7	100,802	-	-	100,802	<i>99,299</i>
TOTAL RESOURCES EXPENDED	4	1,913,552	10,782,382	-	12,695,934	<i>11,886,905</i>
Net (outgoing)/ incoming/ resources for the year		(336,011)	450,884	-	114,873	<i>904,960</i>
Investment gains/ (losses)	10	-	-	738,998	738,998	<i>2,949,455</i>
Transfers between funds	14	35,581	-	(35,581)	-	-
NET MOVEMENT IN RESERVES		(300,430)	450,884	703,417	853,871	<i>3,854,415</i>
TOTAL FUNDS AT 1 APRIL 2010		1,380,785	4,268,599	10,730,301	16,379,685	<i>12,525,270</i>
TOTAL FUNDS AT 31 March 2011		1,080,355	4,719,483	11,433,718	17,233,556	<i>16,379,685</i>

The notes on pages 28 to 38 form an integral part of these accounts.

BALANCE SHEET

31 MARCH 2011

	Notes	£	2011 £	2010 £
FIXED ASSETS				
Tangible assets	9		4,637,765	4,667,995
Investments	10		11,892,855	11,575,512
			<u>16,530,620</u>	<u>16,243,507</u>
CURRENT ASSETS				
Stocks		162,630		165,598
Debtors	11		844,619	643,814
Cash at bank and in hand		1,240,882		880,893
		<u>2,248,131</u>		<u>1,690,305</u>
CREDITORS: amounts falling due within one year	12		<u>(1,545,195)</u>	<u>(1,554,127)</u>
NET CURRENT ASSETS/ (LIABILITIES)			<u>702,936</u>	<u>136,178</u>
			<u>17,233,556</u>	<u>16,379,685</u>
RESERVES				
Unrestricted Funds			1,080,355	1,380,785
Restricted Funds	13		4,719,483	4,268,599
Endowment Funds	14		11,433,718	10,730,301
	15		<u>17,233,556</u>	<u>16,379,685</u>

Approved by the Trustees on 22 July 2011
and signed on their behalf:



Captain Nigel Palmer OBE
Council Member and Chairman

The notes on pages 28 to 38 form an integral part of these accounts.

CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
Net cash outflow from charitable activities	(157,628)	(567,916)
Returns on investment and servicing of finance		
Interest received	6,609	913
Investment Income	470,284	448,798
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(380,931)	(1,414,637)
Purchase of investments	(1,356,618)	(1,358,960)
Proceeds from sale of investments	1,778,273	1,800,234
	<hr/>	<hr/>
Increase/ (decrease) in cash at bank and in hand	<u>359,989</u>	<u>(1,091,568)</u>

NOTES TO CASH FLOW STATEMENT

(a) Reconciliation of net outgoing resources to net cash outflow from charitable activities

Net incoming resources	114,873	904,960
Depreciation	407,398	209,851
Loss on disposal of fixed assets	3,759	88,156
Decrease/ (increase) in stocks	2,968	(39,644)
(Increase)/ decrease in debtors	(200,805)	(125,414)
Decrease in creditors and accruals	(8,932)	(1,156,114)
Investment income	(476,889)	(449,711)
	<hr/>	<hr/>
	<u>(157,628)</u>	<u>(567,916)</u>

(b) Analysis of change in liquid resources (cash at bank or in hand)

Cash at bank and in hand 1 April 2010	880,893	1,972,461
Net cash inflow/ (outflow)	<u>359,989</u>	<u>(1,091,568)</u>
	<hr/>	<hr/>
Cash at bank and in hand 31 March 2011	<u>1,240,882</u>	<u>880,893</u>

The notes on pages 28 to 38 form an integral part of these accounts

NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Companies Act 2006, Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2010), applicable accounting standards and the governing document.

b) Donations, legacies and other income

Donations, legacies and grants receivable are accounted for as soon as their amount and receipt are reasonably certain. In the case of unsolicited donations this is usually only when they are received, while fundraising results are accounted for when the commitment is made by the donor, subject to fulfilment.

c) Resources expended

Resources expended are classified by direct allocation of costs and best estimates of usage of costs where relevant.

Allocation of Costs

(1) Cost of generating funds:

The cost of generating funds comprises costs associated with raising funds from all sources and includes fundraising costs and costs of events.

(2) Charitable expenditure:

Direct costs are allocated to functional cost headings based on supporting cost centre analyses. Overheads (including VAT) are included in support costs, are allocated to functional cost headings on the basis of headcount (see note 6). VAT is included in support costs as an overhead cost. Governance costs are those of the central management including constitutional and governance matters.

d) Recognition of liabilities

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 condition of those grants have been met.

e) Definition of liquid resources

Liquid resources included on the cash flow statement are those held as cash in bank or 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. 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.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES (CONTINUED)

g) Fixed Assets

Capital items with a value over £1,000 are treated as fixed assets. Depreciation 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%	Yachts - 10%
Freehold improvements – 10%	Motor vehicles - 25%
Leasehold improvements – over the term of the lease	Furniture, Fixtures & Fittings - 20%
Training ships - 5%	Computer equipment - 25%

h) Investments

Investments are included in the Balance Sheet at market value. Realised investment gains and losses represent the difference between the market 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 obtain third party valuations every 3 years.

i) Stocks

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

j) Endowment and Restricted Funds

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

Endowed 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 255 year history. Many of these are housed at the National Maritime Museum in Greenwich. These assets are retained for their historical and cultural significance in relation to the work of the Society, 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 prior to 2000 and the implementation of Financial Reporting Standard 15.

It is not the policy of the charity to obtain further artefacts but to preserve the ones it owns, which it does with the help of the National Maritime Museum. No material artefacts have been acquired in the last five years.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

2. DONATIONS, LEGACIES AND OTHER INCOME

	2011	2010
	£	£
Personal fundraising subscriptions	26,955	25,534
Donations	64,422	47,267
Legacies	78,278	91,141
Closed unit funds	-	138,462
Grants – Seafarers UK	100,000	150,000
Grants – Trinity House Maritime Charity	95,000	95,000
Grants – John Ellerman Trust	-	50,000
HSBC Education	100,000	50,000
Other restricted funds	230,512	235,000
Pulling Boat (Trinity 500) Appeal ¹	459,740	160,000
Weymouth Redevelopment Appeal	-	360,000
TS Royalist Appeal ²	128,400	18,963
TS Jack Petchey Appeal ³	195,100	50,225
Year of the Sea Project	17,500	19,150
Offshore Bursaries ⁴	120,204	10,000
Areas and other income	380,840	238,811
	<u>1,996,951</u>	<u>1,739,553</u>

¹ Pulling Boat appeal – includes £100,000 from Gosling Foundation, £50,000 from Trinity House and £50,000 from the Marathon Trust.

² TS Royalist Appeal – includes £100,000 from Greenwich Hospital & £25,000 from the Swire Charitable Trust.

³ TS Jack Petchey Appeal – includes £100,000 from the London Marathon Trust, £70,000 from Lloyds Registers and £25,000 from the Iliffe Family.

⁴ Offshore Bursaries – includes £35,000 from the Dulverton Trust, £24,332 from ASTO (Association of Sail Training Organisations), £15,000 each from the Gannochy Trust and the Whirlwind Trust and £10,000 from the Petchey Foundation.

3. INVESTMENT INCOME

	2011	2010
	£	£
Investment income	331,524	312,007
Rental income	145,365	137,704
	<u>476,889</u>	<u>449,711</u>

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

4. ANALYSIS OF EXPENDITURE

	Grants	Direct salary costs	Other	Support costs * (see note 6)	Total
2010/11 analysis of costs					
Investment management fees	-	-	45,537	-	45,537
Fundraising	-	172,989	24,455	41,964	239,408
Safeguarding & supporting Sea Cadet activity and infrastructure	796,805	2,215,910	708,748	580,634	4,302,097
Sea Cadet Corps training	1,937,917	1,262,931	1,277,219	525,129	5,003,196
Offshore fleet	97,024	613,410	1,114,428	179,993	2,004,855
Professional seafarer education and support	16,728	490,744	173,081	31,499	712,052
Promoting Sea Cadet activity	-	77,973	156,917	53,097	287,987
Governance	-	61,958	30,451	8,393	100,802
	2,848,474	4,895,915	3,530,836	1,420,709	12,695,934
2009/10 analysis of costs					
Investment management fees	-	-	54,034	-	54,034
Fundraising	1,732	172,687	37,223	22,490	234,132
Safeguarding & supporting Sea Cadet activity and infrastructure	685,866	2,293,667	901,384	449,791	4,330,708
Sea Cadet Corps training	1,634,965	1,264,493	1,575,821	532,253	5,007,532
Offshore fleet	129,201	493,469	657,965	172,420	1,453,055
Professional seafarer education and support	18,107	240,117	101,137	22,489	381,850
Promoting Sea Cadet activity	-	83,014	183,309	59,972	326,295
Governance	-	57,767	34,035	7,497	99,299
	2,469,871	4,605,214	3,544,908	1,266,912	11,886,905

* Included within Support costs are salary costs of £663,215 (2010: £617,580).

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

5. GRANTS PAYABLE

Grants payable were paid as follows:

	2011 £	2010 £
Grants to institutions	1,784,857	1,235,775
Grants to individuals	1,063,617	1,234,096
	<u>2,848,474</u>	<u>2,469,871</u>

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

6. SUPPORT COSTS

The support costs of the charity consists of five elements, management, finance and information technology, premises, company secretarial (incorporating Human Resources) and the Reception and Print Room. 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:

	Manage -ment	Finance and IT	Premises	Other *	Total	2010
Fundraising	5,680	20,427	8,040	7,817	41,964	22,490
Safeguarding & supporting Sea Cadet activity and infrastructure	78,593	282,634	111,252	108,155	580,634	449,791
Sea Cadet Corps training	71,080	255,616	100,617	97,816	525,129	532,253
Offshore fleet	24,363	87,615	34,488	33,527	179,993	172,420
Professional seafarer education and support	7,187	25,846	10,173	9,891	53,097	22,489
Promoting Sea Cadet activity	4,264	15,333	6,035	5,867	31,499	59,972
Governance	1,136	4,085	1,609	1,563	8,393	7,497
	<u>192,303</u>	<u>691,556</u>	<u>272,214</u>	<u>264,636</u>	<u>1,420,709</u>	<u>1,266,912</u>
2011						
2010	<u>161,329</u>	<u>619,488</u>	<u>271,875</u>	<u>214,220</u>	<u>1,266,912</u>	

VAT costs included within Support costs amounted to £150,058 (2010: £132,155).

* Other represents Company Secretarial, HR, Reception and Print Room costs.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

7. GOVERNANCE COSTS	2011	2010
	£	£
Salaries	61,958	57,767
Audit fees	25,839	25,150
Trustees expenses	2,180	2,739
AGM	2,431	6,146
Overhead allocation	8,394	7,497
	100,802	99,299
<hr/>		
8. STAFF COSTS	£	£
Wages and salaries	4,528,046	4,456,091
Social security costs	424,432	424,498
Pension fund contributions	529,873	301,919
Health insurance	76,780	40,286
	5,559,130	5,222,794
<hr/>		

The full time equivalent number of employees were:

Fundraising	5	3
Supporting Sea Cadet activity and infrastructure	69	60
Sea Cadet training	63	71
Offshore fleet	21	23
Promoting Sea Cadet activity	4	3
Seafarer education and support	6	8
Governance	1	1
	169	169
<hr/>		

The Trustees did not receive any remuneration from the charity during the period but are re-imbursed for an element of long distance travel. 6 Trustees claimed travelling expenses totalling £2,180 (2010: £2,739).

1 (2010: 2) employee(s) earned over £60,000. The MSSC contributed £3,525 (2010: £16,932) towards the pension of this(these) member(s) of staff.

The bandings were as follows:

	2011	2010
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
£90,000 - £100,000	-	-
£100,000 - £110,000	-	1

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

9. TANGIBLE FIXED ASSETS

	Freehold Building	Building Improvements	Ships & boats	Furniture & Fittings	Motor Vehicles	Computers	Total
COST							
At 1 April 2010	776,430	958,418	5,149,388	322,941	196,630	121,914	7,525,721
Additions in period	-	74,169	275,201	1,840	5,810	23,906	380,926
Disposals in period	-	(5,370)	-	(15,159)	(57,467)	-	(77,996)
At 31 March 2011	776,430	1,027,217	5,424,589	309,622	144,973	145,820	7,828,651
DEPRECIATION							
At 1 April 2010	510,747	163,140	1,808,380	130,964	191,025	53,470	2,857,726
Provision in period	12,889	84,983	220,656	54,832	5,245	28,792	407,397
Disposals in period	-	(1,611)	-	(15,159)	(57,467)	-	(74,237)
At 31 March 2011	523,636	246,512	2,029,036	170,637	138,803	82,262	3,190,886
Net book value							
At 31 March 2011	252,794	780,705	3,395,553	138,985	6,170	63,558	4,637,765
Net book value							
At 31 March 2010	265,683	795,278	3,341,008	191,977	5,605	68,444	4,667,995

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

10. INVESTMENTS

	Investment portfolio	Properties	Cash	Total
Market Value as at 1st April 2010:	10,508,144	870,000	197,368	11,575,512
Additions at Cost:	1,513,777	-	(157,159)	1,356,618
Disposal proceeds	(1,778,273)	-	-	(1,778,273)
Gains for the year:	<u>738,998</u>	<u>-</u>	<u>-</u>	<u>738,998</u>
Market Value as at 31 st March 2011	<u>10,982,646</u>	<u>870,000</u>	<u>40,209</u>	<u>11,892,855</u>

All investments are held in the UK. No single investment formed over 5% of the portfolio.

No amounts were invested directly in overseas equities.

11. DEBTORS

	2011 £	2010 £
Trade debtors	168,413	249,216
Seafarer loans	46,186	73,896
Other taxation and social security	67,758	26,895
Other debtors	62,103	69,194
Prepayments and accrued income	500,159	224,613
	<u>844,619</u>	<u>643,814</u>

12. CREDITORS: Amounts falling due within one year

Trade creditors	181,837	65,052
Grants received in advance	-	50,204
Other taxes and social security	163,160	136,408
Grants payable	523,711	384,079
Other creditors	239,208	503,324
Accruals and deferred income	437,279	415,060
	<u>1,545,195</u>	<u>1,554,127</u>

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

13. RESTRICTED FUNDS		Balance	Movement of Funds			Balance
Donor	Purpose	1 April 2010 £	Resources Arising £	Resources Used £	Investment Income £	31 March 2011 £
MOD	Support training	-	8,989,783	8,989,783	-	-
MOD	Supporting units	201,694	300,000	196,855	-	304,839
Jerwood Foundation	TS John Jerwood	680,733	-	67,871	-	612,862
New Ship Appeal	TS Jack Petchey SCA quarterly newsletter	2,262,004	195,100	124,292	-	2,332,812
HSBC Education	International Exchange	22,546	-	7,362	-	15,184
HSBC Education	Offshore disadvantaged	50,000	100,000	25,552	-	124,448
Year of the Sea Project	youth	17,676	17,500	25,850	-	9,326
Dulverton Trust	Offshore bursaries	-	35,000	-	-	35,000
Seafarers UK	Sea Cadet Unit grants	51,545	100,000	36,132	-	115,413
Trinity House	Sea Cadet Unit grants	1,020	95,000	39,811	-	56,209
Shipwrights	Sea Cadet Unit grants	450	12,000	11,650	-	800
John Ellerman Trust	Sea Cadet Unit grants	34,743	-	30,692	-	4,051
Closed unit funds	Use in nearby areas or generally for sea cadets	138,462	-	35,462	-	103,000
MacRoberts Trust	Sea Cadet Unit grants	5,900	10,000	6,950	-	8,950
Robertson Trust	Scotland offshore bursaries	10,000	-	8,970	-	1,030
Various	Seafarer education	92,903	1,070	-	-	93,973
Various	Weymouth redevelopment	410,220	21,020	37,069	-	394,171
Learning and Skills Council	College of the Sea Supporting Project	-	149,141	149,141	-	-
ACFA	Westminster	-	140,000	140,000	-	-
Various	New pulling boat	86,758	459,740	507,248	-	39,250
Various	Royalist replacement	19,065	128,400	6,445	-	141,020
Thomas Gray Memorial Trust	Maritime Technology & Science	8,270	-	-	1,931	10,201
Corbyn Memorial Fund	Grants to members of London Nautical School	10,421	-	-	4,024	14,445
Destitute Sailors Fund	Assisting merchant seamen	5,734	-	-	1,201	6,935
ASTO	Offshore bursaries	-	24,332	21,420	-	2,912
Gannochy Trust	Offshore bursaries	-	10,000	1,300	-	8,700
Whirlwind Trust	Offshore bursaries	-	15,000	10,515	-	4,485
Petchey Foundation	Offshore bursaries	-	10,000	8,520	-	1,480
Petchey Foundation	London area units	21,688	30,300	39,900	-	12,088
Area raised monies	To support area training	105,621	290,266	184,454	-	211,433
Worshipful Company of Tinplate Makers	London area activities	-	10,000	10,000	-	-
Sundry < £10,000		31,146	82,458	59,138	-	54,466
Total		4,268,599	11,226,110	10,782,382	7,156	4,719,483

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net current assets £	Total £
Restricted Funds	2,860,206	-	1,859,277	4,719,483
Endowment Funds	-	11,433,718	-	11,433,718
Unrestricted Funds	1,777,559	459,137	(1,156,341)	1,080,355
Total	4,637,765	11,892,855	702,936	17,233,556

16. CLOSED UNITS

Funds from closed Units are credited to Accumulated Funds. These funds may be used, at the Trustees' discretion, to assist neighbouring Units or Units that re-open.

17. TAXATION

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

18. PENSION SCHEME

Two current and a number of former employees of the former Marine Society and former employees of the Sea Cadet Association are members of the Merchant Navy Officers Pension Fund (New Section). The fund is active however the MSSC has a share of the net deficit in the scheme.

The triennial valuation as at 31st March 2009 valued assets in the scheme at £1,547m and the liabilities at £2,287m giving a rise to a scheme wide deficit of £740m.

The trustees have put a recovery plan in place involving additional contributions from 30th September 2011 to 30th September 2022.

The MSSC share of the liability is being paid by annual instalments and the liability was £365,986 as at 31st March 2011 (2010: £156,746) which is accrued in these accounts.

19. SUBSIDIARY CHARITY

The accounts of the dormant Sea Cadet Association are consolidated within these accounts. The organisation is retained as it is counterparty to a number of leases held by Sea Cadet Units and also acts as a vehicle for the receipt of occasional legacies.

COUNCIL MEMBERS AND EXECUTIVE MANAGEMENT
YEAR ENDED 31 MARCH 2011

PRESIDENT: Admiral Sir Peter Abbott GBE KCB

COUNCIL MEMBERS

The Council members who served during the year were:

Vice Admiral Sir Tom Blackburn KCVO CB * # (Chairman) (retired 13/10/10)
Captain Nigel Palmer OBE * # < (appointed Chairman from 14/10/10)
Andrew Given * # (Vice Chairman)

Dr Louise Bennett * #
Rear Admiral John Borley CB MA CEng MIEE
Rear Admiral Sir Jeremy de Halpert KCVO CB ** (retired 13/10/10)
Dr Sheila Fitzpatrick
Max Gladwyn * # (vice Chairman to 13/10/10)
David Jeffcoat * (elected 13/10/11)
Chris Ledger MBE * #
Alex Marsh #
Dame Mary Richardson DBE
Richard J. Sayer FICS (elected 13/10/10)
Colin Wilcox * # >
Robert Woods CBE #

Committee membership – the above list denotes committee membership among Council Members.

* Member of the Finance, Investment, Remuneration and Audit Committee
Member of the Policy, Development & Risk Committee
< Member of the Merchant Navy Liaison Committee
> Chair of the National Sea Cadet Advisory Council

** Also a Vice President

EXECUTIVE MANAGEMENT

Chief Executive	Mike Cornish	Retired 31/10/10
	Martin Coles FRICS ACI Arb	From 01/11/10
Captain Sea Cadets & Director of Operations:	Captain Mark Windsor RN	
Company Secretary	Claire Barnett ACIS	
Director of Business Management	John Parker-Jones	
Director of Development	Frances Lloyd	Retired 08/07/10
	Sian Mexsom	From 09/07/10 to 17/12/10
	Alun Evans	From 07/03/2011
Director of Professional Seafarer Operations	Brian Thomas	
Director of Finance	Piers Vimpany FCA DChA	
Director of IT	Peter Freeman	
Director of Training	Michael O'Sullivan	

**PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2011**

The principal professional advisers during the year were:

Auditors:	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Bankers:	Royal Bank of Scotland plc 62-63 Threadneedle Street London EC2R 8HP National Westminster Bank plc 250 Regent Street London W1A 4RY
Investment Advisers and Custodians:	Rensburg Sheppards Quayside House Canal Wharf Leeds LS11 5PU
Legal advisers:	Farrer & Co 65-66 Lincoln's Inn Fields London WC2A3LH Forsters LLP 31 Hill Street London W1J 5LS Maples Teesdale 21 Lincoln's Inn Fields London WC2A 3DU
Insurance Brokers & Pension Advisers:	Heath Lambert Limited Friary Court Crutched Friars London EC3P 2NP
Registered Address:	202 Lambeth Road London SE1 7JW