

ANNUAL REVIEW 2018/19

SEA
CADETS

Welcome from the Chair



With the help of our partners across the maritime and youth development sectors, this has been a successful year in further building the future of Sea Cadets.

The renewal in December 2018 of our memorandum of understanding with the Royal Navy for the next ten years, setting out their ongoing support for our delivery of Sea Cadets as their main sponsored cadet force, is a significant step forward. This provides a firm foundation from which to further build over the next few years and underlines the strength of our close working relationship with the Royal Navy.

Many other friends and sponsors of the charity have provided strong support during the year, enabling us to continue to invest heavily in the development of our work for young people and support of the volunteers so vital to the delivery of the Sea Cadet Experience.

I am particularly interested to see the results of the hard work in our outreach work. This ranges from renewal of our Marine Engineering Pathway project for a further three years, the opening 28 new junior sections alongside a pilot to offer Sea Cadets to nine year olds and securing funding to launch an on the water programme to engage hard to reach young people at Royal Docks. All of these expand the reach of the young people we are able to impact.



Credit must go to our staff and incredible volunteers who make Sea Cadets such a worthwhile place to be for young people. And as we look forward to another year my thanks to our partners, individual donors and of course, our friends at the Royal

Navy for your support of our work, delivering nautical adventure that launches young people for life today.

Robert Woods
Chair, MSSC

Welcome from the CEO



As many of you who watch the news on a regular basis will realise, we live in uncertain times.

The Brexit debate dominates our national discussions, there are early signs of global economic slowdown, exacerbated by a USA/China trade war and all the time an ever-onward advance of technology reshapes all of our lives. It is easy to be unsettled and for our young people to worry about their futures. But it is at times like this that the work of Sea Cadets has never been more important. Offering young people nautical adventure to launch them for life today, giving them the confidence and resilience to succeed whatever the world throws at them.

It is no surprise then that Sea Cadets continues to grow. Cadet numbers are up 3% in the year and 20% over the last decade and now approaching 15,000. All are gaining key life skills, not to mention the 64,000 qualifications achieved by cadets in the year.

We continue to invest in Sea Cadets, with big strides in making our training programmes for cadets more interactive, in improving our training and support for volunteers, including better recognising their amazing contribution. Thanks to our sponsors we have also further modernise our offshore and inshore fleets. We also made good progress with our plans for new training facilities and



to fully leverage the value of our head office site in London through redevelopment.

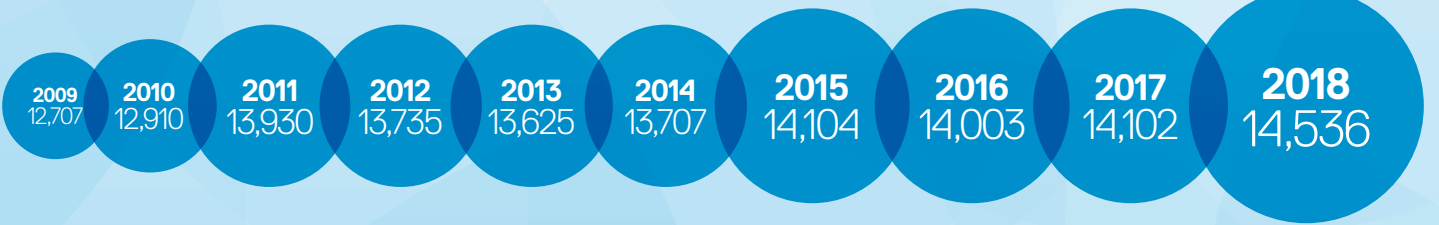
While we develop and strengthen for the future, Sea Cadets' history is being marked by measuring the impact we make. Building on the launch in October 2018 of our first ever impact report "How Sea Cadets Helps Young People Today", we have begun a multi-generational study to explore the impact gained by former Sea Cadets over seven generations.

With the work we've done in the last 12 months and planned for the coming year, together with the support of our amazing volunteers, staff and sponsors, Sea Cadets has never been better positioned to help equip young people to meet the challenge of whatever lies in store for us.

Martin J Coles
CEO, MSSC

Our year in numbers

NUMBER OF SEA CADETS



8,839
volunteers
up 4%

37,487
days cadets
served their local
community

344
units supported
with professional
fundraising advice

1,379
bursaries awarded
to cadets

63,595
qualifications
earned by cadets

82
grants awarded
to units

10,270
days spent by cadets
on offshore voyages

121
units supported with
professional property
advice

1,115
cadets achieved
a BTEC

937
achieved
Duke of Edinburgh
Awards

494,224
hours cadets spent
on the water

28
new junior
sections opened

18,261
boating qualifications
earned by cadets

63,595
qualifications earned
by cadets

Continuing to invest

We want our cadets to have the best possible opportunities to develop confidence, resilience to succeed in life, while earning qualifications and above all, having fun. So we've invested heavily to do more of just that!



INTERACTIVE TRAINING

Working with cadets and volunteers we have progressed the huge task of adding more interactive session ideas to our Cadet Training Programme.

STAYING SAFE

In response to cadet feedback we have introduced a staying safe 'blue card' for all cadets with related training sessions tailored for junior and senior cadets.

GOING DIGITAL

We have also launched three key digital projects this year for delivery in 2019/2020 – to build a Junior Cadet syllabus, an online cadet registration process and a new exciting cadet portal for cadets to track their progress and planned activity, search and express interest in future opportunities within the Corps and receive communications and general news updates.

GROWING THE FLEET

We added six new keelboats (RS21) to our fleet, to bridge the gap between dinghy sailing and our offshore yachts, with the second Rustler 42 yacht TS Sir Stelios also named and commissioned in year. In addition, a further 300 new dinghies – RS Quests and Zests – plus more power boats and other craft are in active use at centres and units around the country, taking the Sea Cadets fleet – from kayak to tallship – to over 8,200 vessels.

UPGRADING FACILITIES

Work has also begun and ground has been broken on a brand new residential boating station at Port Edgar in Scotland – due for completion in early 2020, while it's pleasing to see planning permission granted for a new Midlands boating station in Birmingham as well, targeted for construction in 2020.

Supporting our volunteers

Volunteers are pivotal to the delivery of Sea Cadets and this year we begun significant work to better recognise, value, support and equip all who volunteer for Sea Cadets. We know we have a lot to do here but we have started!

SAYING THANK YOU

Our volunteers, whether instructing, assisting, or as trustees of a local unit, give over 4 million hours of their time a year to help Sea Cadets. To make sure we say thank you, we introduced a recognition programme for every volunteer, including certificates of appreciation for every six years of service as well as lapel badges for non-uniformed volunteers. We also rolled out the new Queens Cadet Commission for our Officers in the Sea Cadet Corps.

LISTENING

We made improvements to the volunteer joining process, but recognise that we have much more work to do. We have responded to feedback and engaged volunteers heavily in our planning, design and development of new programmes and tools. We have also begun preparation of a volunteering strategy to guide how we can better inspire, support and engage volunteers within Sea Cadets in the future.

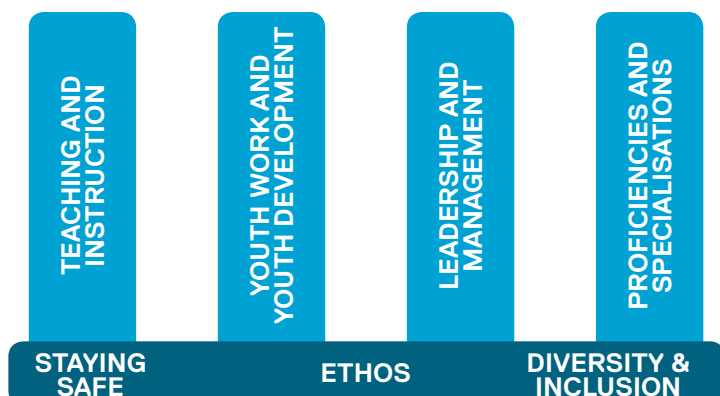
IMPROVING TRAINING

We have continued to review our training programme for volunteers, under the title of Corps Education. This seeks to deliver flexible, appropriate role based training, fully recognising prior learning and equipping volunteers to make an early, active and positive contribution. We have developed an initial outline framework and are currently focussing on reviewing initial training. From there we will look to effectively support the higher levels of expertise.



C2V TRANSITIONING

Recognising the huge value of our older cadets becoming volunteers when they turn 18, we have been working on a cadet to volunteer transition programme. Called C2V, this is designed to better support, encourage and equip more young people to become volunteers, recognising the particular issues and challenges of moving from being a cadet to an adult volunteer. C2V is now being piloted ahead of planned launch in early 2020.



Outreach

Alongside ongoing support to our 400 Sea Cadet units we have continued to invest in opening up the Sea Cadet experience to more and more young people.



EXPANDING IN SCHOOLS

As our part of the government's Cadet Expansion Programme we have now opened 24 new Sea Cadet units in schools, with a further three planned for the coming year.

DEVELOPING JUNIORS

With the support of Youth United Foundation, we planned for the opening of 28 new Junior Sections in Spring 2019, each to pilot the extension of the Junior age range to include 9 year olds. These are proving very popular. As part of the project we also refreshed our Junior programme including development of a new science, technology, engineering and mathematics (STEM) badge. This is planned for launch in autumn 2019.

INSPIRING YOUNG ENGINEERS

We continued to deliver our hugely successful Marine Engineering Pathway (MEP) programme to a further 120 schools across the UK, inspiring thousands of students aged 11 -14 about marine engineering careers and Sea Cadets through hands on STEM workshops. As winners of the 2019 STEM Award at the Maritime UK Awards our partnership with our sponsors Seafarers UK continues to thrive, with the launch of a further 3 year programme to engage an additional 37,500 pupils about marine engineering as well as many more Sea Cadets.

ENGAGING HARD TO REACH

And thanks to seed funding from Stelios Philanthropic Foundation, we've also launched a three years "On The Water" programme, which is targeted at children who have often been hard to reach from disadvantaged backgrounds. The first programme of water-based activities for 500 young people commenced at our Royal Docks boat station in East London in summer.

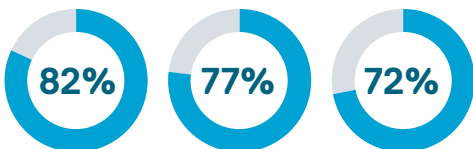
Impact

In October 2018 Sea Cadets published its first ever Impact report 'How Sea Cadets helps young people today'¹ based on a number of existing sources— our Outcomes and Measurement Framework, quantitative and qualitative research.

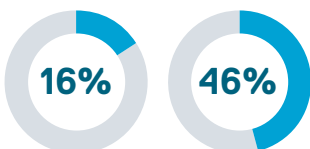
We also commissioned a new survey looking into Sea Cadets experience of 'Life outside Sea Cadets'. The focus of the survey was on understanding what is going on in the lives of young people, the concerns they have and how Sea Cadets is helping. After friends or parents cadets said (40%) they are most likely to talk to volunteers at Sea Cadets about their concerns. Two percent of respondents said they had nobody else to go to apart from 'volunteers at Sea Cadets' and 6% had no other adult to go to apart from at Sea Cadets. This is truly humbling and shows the value to young people of our amazing volunteers.

Together with administrative data we now have a strong evidence base of the impact Sea Cadets has on young people's lives.

Over the next year we will build on this base, expanding our evaluation work to both drive continuous improvement of our services, and better engage with key external stakeholders to help them understand the work we do.



82% of parents, **77%** of volunteers and **72%** of cadets would recommend Sea Cadets to a friend or another young person

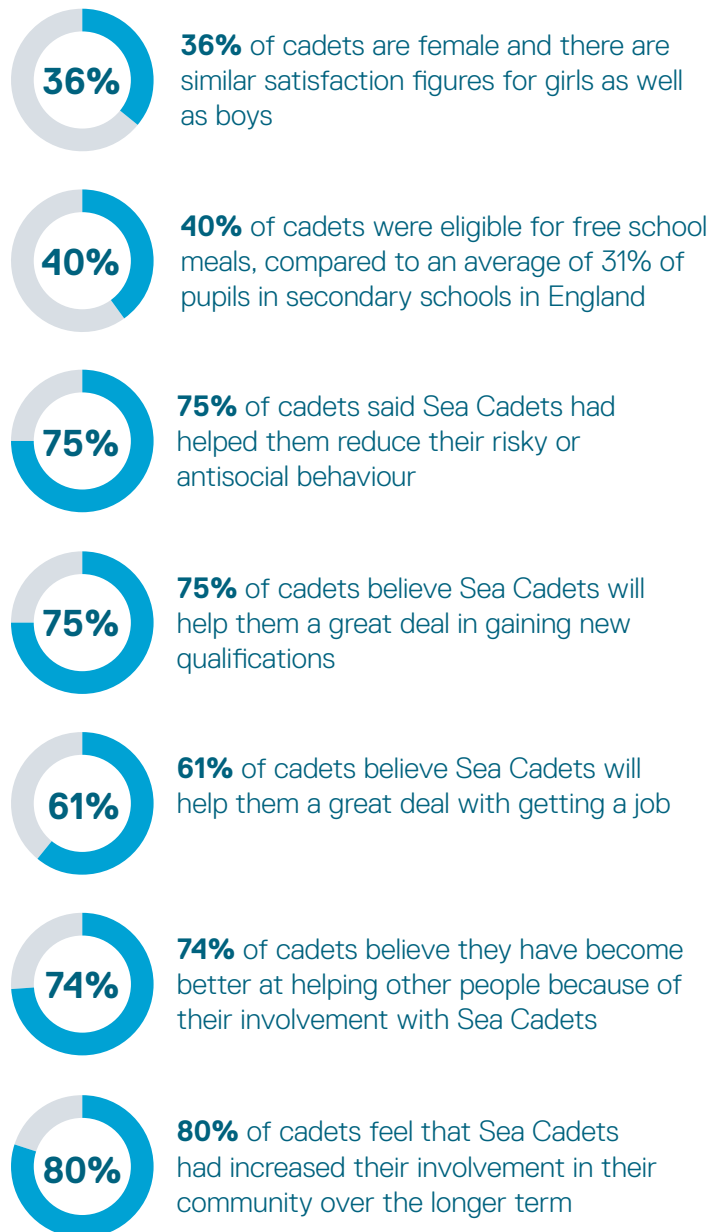


16% of cadets nationwide and **46%** of cadets in London identify as being an ethnic minority (13% of UK population identify as being an ethnic minority as of 2011 census)

THE BEST THING ABOUT SEA CADETS IS...

'I don't know why, but it makes me more committed to my schoolwork. Ever since I started here my schoolwork grades have gone up. Maybe it just the feeling that I'm doing something with my life.'

Cadet, Holyhead unit



THE BEST THING ABOUT SEA CADETS IS...

I enjoy all of the activities that we do which will help us qualify for jobs and it has inspired me to possibly join the navy. I really like making lots of friends of all different ages who i wouldn't have met if it wasn't for the Sea Cadets.'

Cadet, Derby unit

¹ NPC report 'How Sea Cadets helps young people today' 2018



VALUE

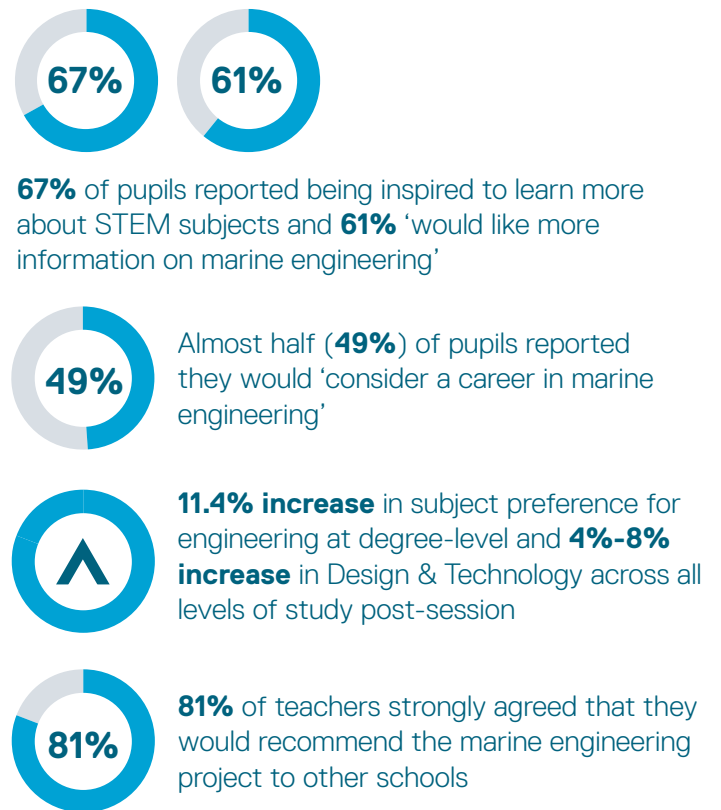
Through a mixture of economic analysis and understanding of our social return on investment we can see Sea Cadets' impact in monetary terms.²



- MSSC expenditure
- Social return on investment on cadets wellbeing 2018
- Economic value of MSSC's volunteers 2018

OUTREACH

Our Award winning Marine Engineering Pathway project, in partnership with Seafarers UK, (see page 5) also demonstrates real impact of our outreach programmes. Key findings from the evaluation report:³

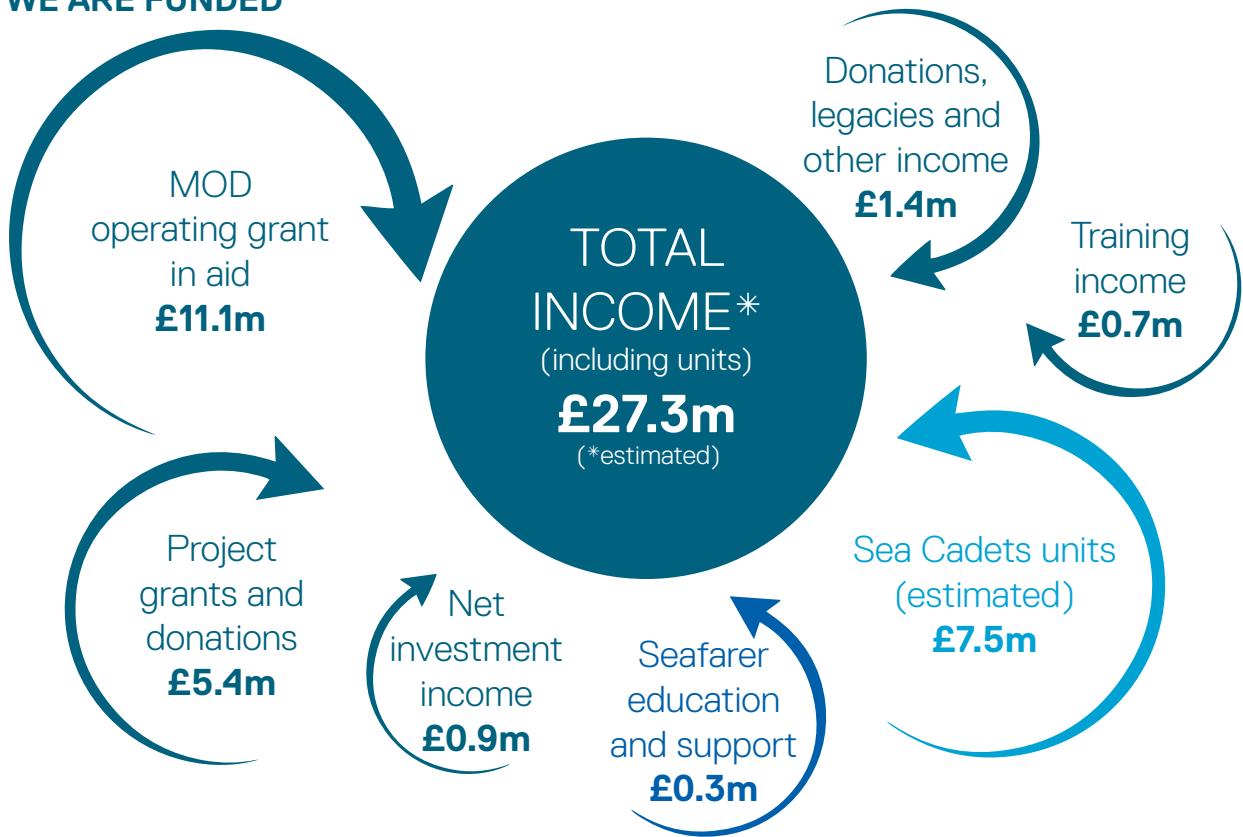


2. NPC report 'An estimated value of volunteering can be calculated as the number of volunteers multiplied by the average number of hours multiplied by the average hourly wage. Applying this to Sea Cadets (assuming 8227 volunteers giving c.550 hours per year, and a median hourly wage of £13.08)' and 'Using large UK survey data to identify a) the effect of life factors on subjective wellbeing and b) the value of increased income on subjective wellbeing. Using this approach, one researcher estimated that going to youth clubs improved subjective wellbeing equivalent to an increase in income of £2,300. Extrapolating this across the 14,000 cadets, we can estimate the value on participants' wellbeing is £32,200,000'

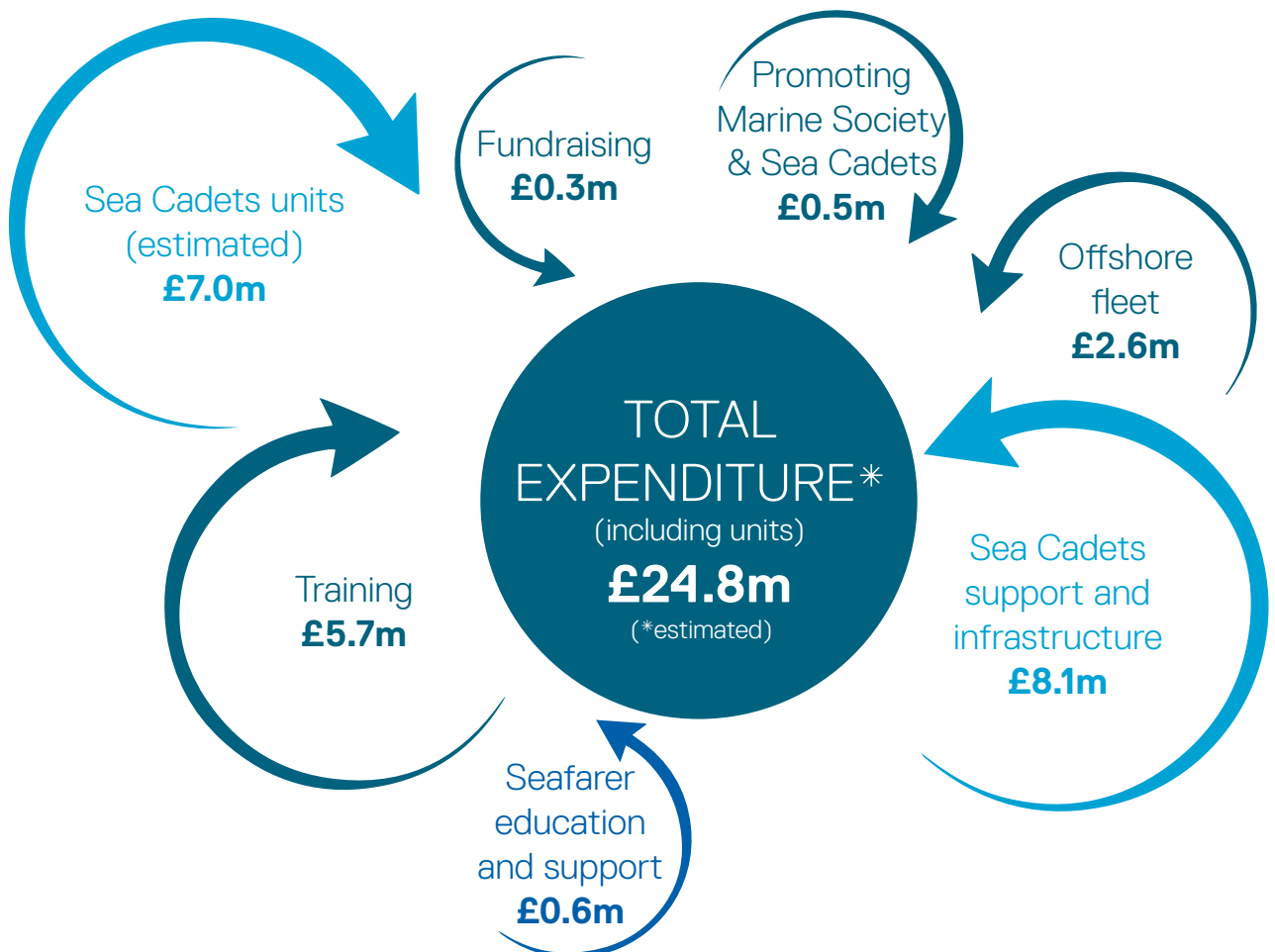
3. DCS report, 2018

Financial review 2018/19

HOW WE ARE FUNDED



HOW WE SPEND IT



Finances of Sea Cadet activities

Raising funds is vital for supporting our 400 Sea Cadet units, each of which is a charity in its own right.

Total estimated income for the Marine Society & Sea Cadets activities as a whole in 2018/19, including figures for the independent Sea Cadet units (based upon latest available results), was £27.3m, including funds for expenditure in 2019/20 and beyond on capital and other projects.

MSSC was also provided with 11 Royal Navy personnel on loan from the Ministry of Defence (MOD), with an estimated value to the charity of £0.6m.

Total estimated expenditure activities as a whole was £24.0m, with 95% of this expenditure going on Sea Cadet activity.

INCOME

Total income of MSSC charity, excluding units, increased to £19.8m (2018: £18m). Project grants and donations increased by £0.7m (15%) due to increased in funding for the Cadet Expansion Programme, Marine Engineering Pathways and International Foundation for Aids to Navigators projects. Other income including donations and legacies increased by £0.2m (17%). The MOD operating grant was increased to £11.1m (2018: £10.5m).

EXPENDITURE

Total expenditure of MSSC charity was £17.8m (2018: £16.5m). Expenditure on Sea Cadet safeguarding, support and infrastructure was up by £1.0m (14%) due to a general increase in all areas. Sea Cadet training costs increased by £0.2m (4%) reflecting the expansion of the Marine Engineering Pathways (MEP) programme.

BALANCE SHEETS AND RESERVES

Total net assets/reserves of the MSSC charity, excluding units at 31 March 2019 were £33.4m (2018: £30.8m). Of this £9.0m, (2018: £9.2m) was in tangible fixed assets – 80% of which was the offshore fleet. Cash balances of £3.0m (2018: £6.0m) with cash invested in investments during the year accounting for the drop in cash. There were £2.1m (2018: £1.6m) of unit cash funds.

£16.4m (2018: £15.9m) was in endowment fund investments, providing long term income towards the running costs of the charity.

MSSC does not retain MOD monies as part of its reserves. It remains the aspiration of the charity to increase its level of free reserves to safeguard its activities in the event of any shortfall in public funding. However the charity remains primarily focused on its ongoing commitments, which include importantly the continued upgrade of Sea Cadets facilities.

THANK YOU

MSSC would like to thank the many unit chairs, treasurers and other committee members, who together with our instructional volunteers and our many supporters, raised an estimated:

£7.0m

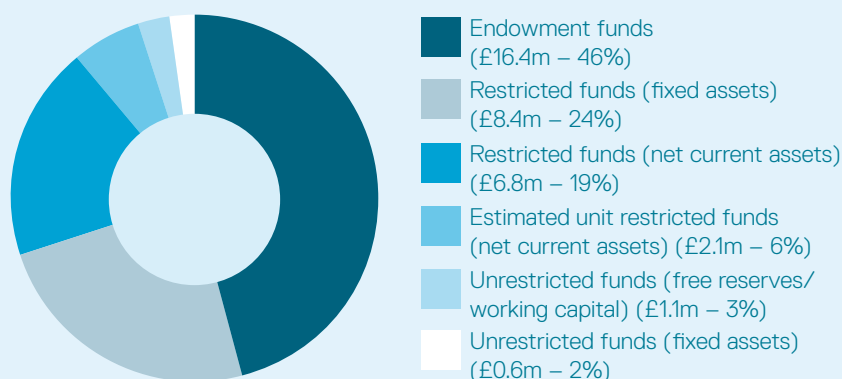
to support individual Sea Cadets units

£15m of restricted funds (2018: £13m). Unrestricted funds stood at £1.8m (2018: £1.6m), of which £0.6m were fixed assets, leaving free reserves of just £1.2m (2017: £1.0m).

We also continue to remain sincerely grateful for the continued strong support provided by the MOD in helping to finance Sea Cadets, as well as our many other supporters, a number of whom are listed later in this review.

This financial review is intended to give an understanding of the overall summary financial position of MSSC for the 2018/19 financial year, and is based upon the audited accounts for the year ended 31 March 2019. These are available for download from our website mssc.org or from the Director of Finance at MSSC head office.

TOTAL FUNDS OF THE CHARITY INCLUDING UNITS (£32.4m)



Fundraising aims and achievements

Thanks to the support of many volunteers, donors, funders and partners we've achieved so much this year. We're so grateful to everyone who has helped make our work possible – bringing new possibilities and adventure on water to youth across the nation. From the simple cake sale to a large grant, each has had a direct impact on helping our cadets experience and achieve more – another step closer to preparing them for life ahead.

We would particularly like to recognise the contributions of the Royal Navy, Ministry of Defence and HM Treasury, who have supported us this year towards operational costs, together with a number of specific projects including our part in the cadet expansion programme, new training dinghies, seed funding our cadet portal project and funding for some foul weather jackets.

Our thanks to Seafarers UK, our partner in delivering our marine engineering outreach programme.

Our thanks also to the Stelios Philanthropic Foundation for their tremendous support to our second new offshore yacht, to a fleet of RS21 keel boats and seed funding for our On The Water programme.

We're also grateful to have received significant support from the Michael Uren Foundation, the TK Foundation and Trinity House.

This year we developed an exciting portfolio of challenge events and fundraising opportunities available raising vital funds for the charity's work.

This included new events and launching two virtual events, **My Mighty Marathon** and **#ScrapPlastic** which



lead to increasing national fundraising and engagement from units, volunteers, families and corporate supporters.

Sea Cadets launched **#ScrapPlastic** this summer, aimed at bringing cadets and communities together to clear up the waterways of Britain from rubbish.

We'd begun to see that drifting plastic in the water was making it impossible to deliver safe and enjoyable waterbased activities to young people.

Throughout the month of August units, individuals and corporate supporters took on activities to collect, reduce, reuse and recycle single-use plastics all whilst fundraising and campaigning for Sea Cadets. 300 individuals came forward, allowing us to build on this and develop further engagement in 2019.

Thank you to all MSSC supporters

Our thanks to all our donors, without your generosity and understanding we could not continue our life changing work with young people.

Your donations provide opportunity, training and support to young people across the UK, no matter what their background and at some of the most challenging times of their lives.

From us and on behalf of all the young people we work with, thank you.

TRUSTS AND FOUNDATIONS

The Worshipful Company
of Coachmakers
The Worshipful Company
of Shipwrights
Hampshire County Council
HM Treasury
Privy Purse C T
Lee-on-the-Solent and
Stubbington Branch
ASTO
Frederick and Phyllis Cann Trust
Douglas Compton James
Charitable Trust
Gosling Foundation Ltd
Greenwich Hospital
Swire Charitable Trust
Square Rigger Club
Seven Seas & Baxter
The Band Trust
Norman Family Charitable Trust
Seafarers UK
Baltic Charitable Fund
The Ulysses Trust
Jack Petchey Foundation
The Coulthurst Trust
Michael Uren Foundation
William Allen Young Charitable Trust
The Portishead Nautical Trust
Lord Faringdon Charitable Trust
Annie Tranmer Charitable Trust
Smith Charitable Trust
29th May 1961 Charitable Trust



Stelios Philanthropic Foundation
Trinity House
TK Foundation
Royal Society of St George
Square Rigger Club
Walwyn Chapman Charitable Trust
Ufi Charitable Trust
Ted Fort Foundation
MacRobert Trust
Joseph Boaz Trust
Phillip & Rubens Charitable Trust
Charles Skey Charitable Trust
Mrs Jane de Halpert Charitable Trust
The Brian Shaw Memorial Trust
The Adrian Swire Charitable Trust
Felixstowe Master Mariners Club
The Alice Ellen Cooper Dean
Charitable Foundation
The Lord Belstead Charitable Trust
Catherine Cookson Charitable Trust
The Inchcape Foundation
Sir George Martin Trust
Floating Christian Endeavour UK
International Foundation for
Aids to Navigation (IFAN)
Youth United Fund

CORPORATE AND PHILANTHROPY

BAE Systems plc
Clarksons Platou
Hays Travel

INDIVIDUAL DONORS

Conrad Blakey
Eric Pollard
Ron Livesy
Lord Jeffrey Mountevans
David and Andrea Golton
Sir Jack Petchey CBE
Admiral Sir Mark Stanhope
GBC OBE DL

Although we are grateful to all who have donated to Sea Cadets, those listed above have made significant donations of £5k or more.

People, honours and committees

President

Admiral Sir Mark Stanhope GCB OBE DL

Council members

Robert Woods CBE (Chair)

Ms Liz Cassidy (Vice Chair)

Mr Tony Allen (retired 10 Oct 2018)

Dr Louise Bennett

Mr Andrew Bull

Mr Simon Figgis

Dr Sheila Fitzpatrick MBE

Lt Cdr (SCC) Jason Kinghorn RNR

Mr Alan Marsh MBE FICS

Mr Alex Marsh

Mr Nick Mason

Sir Alan Massey KCB CBE

Mr John May DL

Captain Ian McNaught CVO MNM

Mr Jeremy Penn

Mrs Kathryn Stone OBE

(retired Jan 19 2019)

Commodore Bill Walworth CBE MNM RFA

Vice Admiral Sir Jonathan Woodcock

KCB OBE

Committees

Finance, Investment, Remuneration & Audit Committee (Chair: Simon Figgis)

Policy, Development & Nominations Committee (Chair: Jeremy Penn)

Safety, Safeguarding and Risk Committee
Chair: Mr John May DL

National Sea Cadet Advisory Council
(Chair: Lt Cdr (SCC) Jason Kinghorn RNR
(from 18 July 2018)

Vice Presidents

Mr Tony Allen

Sir Christopher Benson FRICS JP DL

Vice Admiral Sir Tom Blackburn KCVO CB

Rear Admiral John Borley CB MA

CEng MIEE

Sir John Bourn KCB

Colonel Paul Cautley CMG OBE DL

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Mr Clive de Rougemont

Mr Michael Everard CBE BA DSc

Commodore Ian Gibb MBE MNM FNI

MRIN FRSA FRGS

Mr Andrew Given

The Rt Hon The Lord Greenway Bt

Mr Eric Hutchinson

Mr David Jeffcoat

Commander John Ludgate RD*DL RNR

Vice Admiral Sir Fabian Malbon KBE

Dr Chris May MA DPhil MNM (retired 2019)

Captain Nigel Palmer OBE MNM

Professor Sarah Palmer BA PhD FR Hist S
(retired 2019)

Vice Admiral Sir Neville Purvis KCB
(Retired 2019)

Dame Mary Richardson DBE

Captain David Robinson MBE FNI FRSA

The Earl of Romney

Mr Richard Sayer FICS

Rear Admiral David Snelson CB FNI

Commodore David Squire CBE MNM
FNI FCMI RFA

Vice Admiral Sir David Steel KBE DL

Mr Patrick Stewart MBE LLB WS

Mr Peter Swan OBE FCA

(deceased 16 May 2019)

Vice Admiral Sir Patrick Symons KBE

Mr Mike Tapper FRSA

Mr Christopher Thornton

Mr Henry Thornton

Vice Admiral Sir Jonathan Tod KCB CBE

Mr John Whitworth

Executive management

Chief Executive: Martin Coles FRICS ACI Arb

Captain Sea Cadets:

Captain Philip Russell RN

Director of Finance, IT and Trading, and

Company Secretary: Mark Hallam BSc MNI

FCA (retired Aug 29 2019),

Jenny Howard (from Aug 30 2019)

Director of HR: Petrina Brooker

Director of Volunteer and Business Support:

Paul Wilkinson

Director of Fundraising and Communications:

Daniel McAllister

Director of Sea Cadet Learning:

Heather Williams

Director of Policy and Young People Support:

Veronika Neyer

Interim Director of Seafarer Learning:

Darrell Bate (from Aug 27 2019)

Queen's Birthday Honours 2018

Mrs Susan Catterill MBE

Lt (SCC) Andre Bonjour MBE RNR

Mrs Jennifer Harrison BEM

New Year's Honours 2019

Mr Malcolm "George" Bone MBE

Mr Alan Marsh MBE

Mrs Johanna Rohan CBE

Captain Ian McNaught MNM CVO

JOIN US!

Do you want to help your local Sea Cadets? Then why not join us as a member? You can support us directly or through one of our five branches. Call now to find out more: 020 7654 7000.





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Visit: ms-sc.org

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Admiral of the Sea Cadet Corps:
HRH The Duke of York KG
President of MSSC:
Admiral Sir Mark Stanhope GCB OBE DL