



THE MISSION TO SEAFARERS

**TRUSTEES' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

**A company limited by guarantee, registered in England and Wales no: 6220240
A charity registered in England and Wales no. 1123613**

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Introduction

During the time of this Annual Report's preparation Covid-19 has swept in, with profound impacts on us all. Seafarers have been at the front line in sustaining vital supply lines, including of food and medical goods. Working against a background of significantly enhanced challenges, they have been heroic and yet face a plethora of acute anxieties and issues which are explained elsewhere in this report. These come on top of all that they face day in day out even in normal times. It is, we hope, a moment in which the wider world will come to recognise their debt to this group of people and the acute challenges they face, both familiar and unfamiliar. It is also a moment when we have had to think in radically different ways as we adjust our service to meet the challenges of the hour, not least through enhanced digital support of crew. The Mission to Seafarers is proud to have been serving these extraordinary men and women for 164 years. Our work continues with very considerable dynamism right across the world. Our focus is on ensuring that we fulfil our historic charitable aims and our Christian purpose in a way which is relevant to today's seafarers and their families. We seek to ensure that our global leadership, governance and organisation effectively underpins those aims, and these have been the focus of considerable energy in 2019, as in the previous years of this strategic period.

The Mission to Seafarers continues to focus primarily on its global port-based welfare services and it also prioritises its developing project work, especially through Family Support Networks and other exciting programme developments, some launched in 2019. Our contribution to local and global advocacy, especially in relation to seafarers in the most abject distress, remains at the core of our output too. In all this we continue to sustain and build the strongest and most diverse of partnership networks across the world, not least to maximise the resources which together can be shared for seafarer benefit. We are constantly committed to listening to seafarers, including through our Happiness Index. 2019 has also been a year of hard work on future strategy. Much progress has been made but we recognise that Covid-19 is likely to impact us in ways which will involve elements of new thinking prior to our Board fully approving a new plan.

As Secretary General I am enormously proud of our chaplains, staff and volunteers across the world and, of course, of our team at IHQ. I am also extremely grateful to our myriad supporters and partners without whom our work could not continue. Finally, I wish to pay tribute to a hard-working, engaged and highly skilled Board of Trustees who have continued to provide the very best in support, guidance and oversight in this last year.

Andrew Wright
Secretary General

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The Mission to Seafarers Trustees' Annual Report (incorporating the Directors' reports) for the financial year ending 31 December 2019

Our Object

The object of The Mission to Seafarers ("the Mission"), as stated in the *Articles of Association*, and for which we are established for the public benefit, is:

"To promote the spiritual, moral and physical wellbeing of seafarers and their families worldwide"

Our Vision

Our vision for the world's 1.5 million seafarers of all ranks, nationalities and beliefs is to:

- operate a network of services where seafarers are valued and cared for in the ports where the need is greatest, thus improving and safeguarding their wellbeing;
- be in the right ports with the right resources offering support which is relevant, compassionate and life-enhancing; and
- meet the needs of all seafarers and their families, irrespective of faith or cultural background.

Our Mission

Our simple mission is **to care for the shipping industry's most important asset: its people.**

Throughout a long and distinguished history, the Mission has grown to become one of the largest port-based welfare operators in the world, with a presence in almost 200 ports. We provide a service 365 days a year, across 50 countries where 118 of these ports have a Flying Angel Centre. International Headquarters (IHQ) in London directly supports over 70 front-line staff in addition to an army of volunteers who visit ships, offer hospitality, drive minibuses and engage in a range of other welfare activities.

Our Values

- We behave with compassion
- We act with integrity
- We treat everyone with respect
- We believe in justice for all
- We value the resources we have been given

Covid-19 pandemic

On 11 March 2020 Covid-19 was declared a global pandemic, the resulting restrictions on populations and impact on economic activities has been far reaching.

Whilst the world relies more than ever on seafarers to transport food and goods, the pandemic has had a major impact on seafarers. Border closures and lack of airline capacity have made transit for seafarers very difficult. Many have been unable to go home at the end of their contracts and have had to work on. Others have been unable to join ships at the start of their contracts, bringing uncertainty and financial hardship. Some have been trapped in cities, having left ships but unable to repatriate. Seafarers now face heavy restrictions or a total ban on shore leave when in port, meaning a lack of access to facilities they normally enjoy, including shops, medical support and Seafarer Centres. In addition, many are very worried about their families and indeed about the disease itself. All this is feeding into significantly heightened stress and mental health issues.

The Mission has complied with local and national instruction and advice in all the countries in which it works. It is determined to protect seafarers and its staff and volunteers. Chaplains, staff and volunteers face heavy restrictions on their activities. Most seafarers' centres have had to temporarily close, although some have been able to maintain 24 hour unmanned access. Elements of ship visiting are being maintained where it is allowed, currently in about 60% of our ports.

Where it does take place, ship visiting has to be at distance, usually just at the gangway. We have also been able to continue with some supply delivery including the provision of special care packages. Our services have been limited with consequent impact on seafarers.

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Covid-19 pandemic continued

In response, and recognising the particular urgency of seafarer need at this time, the Mission has:

- Significantly enhanced its digital support of seafarers, building on the existing social media support networks of our front-line teams. We have developed a major new digital welfare service, in partnership with ICMA and ecumenical partners. The new 'Chat to a Chaplain' links seafarers directly with chaplains around the world, who work in shifts and provide a 24-hour service. This is focused on friendship, advice, support and signposting.
- Worked to sustain port work as much as has been possible, encouraging creative approaches, particularly in relation to gangway visits, supply delivery, care packages and communication facilitation. Hard work has been ongoing to ensure recognition of our teams as essential workers, under the terms of the Maritime and Labour Convention.
- Lobbied for seafarers to be regarded as essential workers and for governments to provide proper transit facilities so that seafarers can begin and end their contracts at the right time and that they have reasonable access to shore facilities as appropriate
- Provided financial help to seafarers unable to return home
- Provided food and supplies to seafarers in need.

Many of the Mission's plans for 2020 outlined on pages 11 - 12 will continue but others, especially those involving travel, and in particular the World Conference which had been planned for October 2020, have been cancelled. Budgets for the group entities have been revised to take into account these changed circumstances, with a view to reducing the previously agreed deficit. The Development team has adapted their plans by utilising digital media and developing on- line/virtual events.

As with many charities, the Mission faces a significant downturn in income across a number of funding streams. Steps have been taken, through prudent use of our reserves, to ensure we have enough cash to give us stability for a minimum of twelve months. Our IHQ has moved very successfully to full home working and there have been no interruptions in terms of effective management and delivery of our support service.

Strategy

2019 was the final full year of our current five-year strategic plan. That strategy has three key themes:

Review: Ensuring our front-line work is effective and that we have the right resources and models of working in the right places:

The provision of in-port welfare remains our core commitment utilising our very substantial global network. Alongside our ongoing work to modernise and support current port services, we continue to expand our network. Centres continue to play a significant role in seafarer welfare but we need to ensure that they provide quality services in welcoming and appropriate premises.

Alongside our port work, we have developed a range of projects. During 2019 these took very significant steps forward. Our Philippines Family Support Network was substantially upgraded during the year receiving new and expanded leadership, an effective office base and increased resource. The Seafarer Happiness Index has been boosted with major efforts to upgrade visibility and levels of response. The WeCare programme, formally launched during the year, is already impacting on thousands of seafarers and their families. Our Flying Angel Cadetship programme has also become well embedded. Other examples are covered in this report.

Regionalisation: The further "regionalisation" of our global work, providing strong regional leadership and governance, effective mechanisms of support and accountability and a sound basis for future sustainable development:

This year was the first full year of our ninth region, Latin America. We have seen strong development there – building on the existing work in Brazil. Port ministries in Argentina and Panama, which began in 2018, have become well established during 2019. In addition, work has commenced in Costa Rica and Peru as well as in an additional port in Argentina.

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Regionalisation: continued

Very significant work was done on improving global governance – with our three-year partnership with lawyers HFW providing an essential element. A major stakeholder exercise was launched with the regions in preparing the new strategy, culminating in an important meeting of all Regional Directors in September.

Reorganisation: Ensuring IHQ is structured and equipped to effectively support the global Mission while being resource-conscious:

2019 saw significant activity within our development/fundraising/communications team with a range of new appointments and strong work on future strategy. Efforts also began on exploring and locating potential new premises, as we are unlikely to be able to stay in our current building, our home for over 50 years, beyond the second quarter of 2021.

2021-2025 Strategy

During 2019, significant work was carried out in preparing the new strategy. Stakeholder consultation included the maritime industry, supporters, regions and staff. Most importantly, we have sought to keep seafarers at the heart of our thinking, using the breadth of means at our disposal, including the Happiness Index. A trustee Strategy Committee oversaw executive work and a draft strategy was agreed by the Board in October. This strategy has been handed down to the regions and teams within IHQ to produce detailed plans to achieve the strategy with an emphasis on clear anticipated outcomes. In addition, we reviewed and amended our values.

In 2020, the impact of Covid-19 has brought about profound changes in the approach required to our core work, together with much uncertainty regarding the long term impact of these changes and sources of funding. In order to ensure that the future strategy is relevant to sustainably meeting the needs of seafarers in changed circumstances and is implemented in a responsible way, the objectives for 2020 will be drawn from our existing strategic objectives. There will be organisation wide engagement on the future strategy during 2020 with the aim of implementing revised objectives in 2021.

Strategic Objectives

Our published plan for 2015-2020, “*Reaffirming the Past, Resourcing the Future*”, contained five strategic objectives as follows:

OBJECTIVE 1: CONTINUE TO SUPPORT SEAFARERS BY PROMOTING THEIR SPIRITUAL, MORAL AND PHYSICAL WELLBEING IN THE PORTS WHERE THE NEED IS GREATEST.

Activities

The Mission to Seafarers is a global maritime welfare charity that puts seafarers and their families at the heart of everything it does. The 1.5 million plus seafarers currently serving at sea make up a vibrant and diverse community from many countries. The Mission strives to meet the needs of all seafarers, irrespective of faith or cultural background. In addition to the 1.5 million seafarers on commercial ships, we began engagement with superyacht crews in 2019, following calls for welfare support and an increasing awareness of their needs and special circumstances. In some of our ports we also engage with commercial fishermen, an area of work which we hope to grow over time.

Specifically, we seek to tackle problems and issues that seafarers may face some of which include:

- Abandonment or detention in foreign ports
- Lack of communications with loved ones
- Fatigue
- Long contracts and lengthy periods away from home
- Piracy and the fear of piracy
- Mental health issues, including loneliness, isolation, depression and bullying
- Physical health issues, including difficult to discuss STDs
- Lack of access to places of worship, reflection, spiritual sustenance and counsel

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OBJECTIVE 1: CONTINUE TO SUPPORT SEAFARERS BY PROMOTING THEIR SPIRITUAL, MORAL AND PHYSICAL WELLBEING IN THE PORTS WHERE THE NEED IS GREATEST continued

The Mission is a vital lifeline to seafarers and reaches crew in almost 200 ports in 50 countries. In 2019 the Mission provided a range of vital outreach services to ensure the effective care and support of seafarers, aimed at the relief of suffering and the improvement of wellbeing. Our port working included some or all of the following elements:

- Advocacy and practical advice
- Communication facilities
- Emergency response
- Hospital and prison visiting
- Seafarers' centre hospitality
- Ship visiting
- Spiritual support
- Transport

Our work was delivered through a global network of chaplains, ship visitors and volunteers both in port and on ship and our work programmes were integrated with and supported by the extensive maritime shipping community, the International Maritime Organisation and international maritime stakeholders, and through the worldwide Anglican Communion which operates in 165 countries. Further details of where our global services are provided and the framework for their delivery are detailed in the 'Governance, Structure and Management' section of this report on pages 21 to 24.

Achievements and Performance

All of our employed and grant-funded chaplaincies provide monthly reports of their activities as follows:

- 28,660 ship visits (2018: 23,524) meeting more than 143,300 seafarers (2018: 117,600) on board
- 188,245 visits made to our seafarers' centres (2018: 91,931). (29 of our grant-funded or employed stations have centres.)
- 130,600 seafarers transported (2018: 60,385).
- 3,308 seafarers are registered with The Mission to Seafarers' Philippines Family Network (2018: 12,842), and through our network:
 - 656 sought pastoral support and counselling
 - 3 sought access to legal advice
 - 10 sought access to medical advice

The Family Network in Manila has seen its membership drop due to new GDPR legislation which required us to confirm that the details we held were still relevant. As a result the registered numbers have dropped across the nine chapters in the Philippines. This is a far more accurate picture of the work taking place and we now have a firm base from which to grow.

- 1.6 tons of volunteer knitted items (hats, gloves and scarves) were sent to our ports around the world.

The above outputs, when joined with our global family network, amounted to:

- 75,220 ship visits (2018:70,600), encountering approximately 376,000 seafarers (2018: 353,000) on board their ships
- 435,000 visits (2018: 673,000) made to our 121 (2018: 121) seafarers' centres
- 400,000 seafarers transported (2018: 439,000).

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OBJECTIVE 1: CONTINUE TO SUPPORT SEAFARERS BY PROMOTING THEIR SPIRITUAL, MORAL AND PHYSICAL WELLBEING IN THE PORTS WHERE THE NEED IS GREATEST

Achievements and Performance continued

The above figures are calculated from monthly Port Reports and daily ship visiting logs from our chaplaincies around the world. The numbers for visits to centres and seafarers transported reported by our employed and grant funded chaplaincies have increased in 2019 as reporting systems have been improved and include ports funded with one-off small grants. Conversely outputs from our global network have reduced following the closure of the Hong Kong centre for redevelopment.

We were also very pleased with ongoing progress in relation to mutually beneficial internships. The Mission is financially supporting internships in the UK and USA and is co-operating and consulting on further internships more widely.

Port support

Planned activities for 2019 included	Achievements and Performance
Conclusion of our work to establish new port operations, with a focus on Latin America	Very significant further progress was made in the recently established work in Buenos Aires and Panama. This comes against a background of increased port security measures and the need to build confidence with port stakeholders. We have been heavily supported by key stakeholders in the maritime industry. Progress included the renewal of our ground-breaking agreement with the Panama Maritime Authority for the provision of seafarers' welfare support in that country, also home to the world's largest shipping flag. In addition, we have been able to commence work in Bahia Blanca (Argentina), in Costa Rica and - more tentatively - in Lima (Peru). We also saw the first steps in extending our work in Brazil to Manaus.
New port initiatives beyond Latin America	Establishment of effective work in Izmir (Turkey) against a background of problematic access to the ports. It was good news that significant progress was made in Quarter 4 with much improved access for our chaplain. Work continues to establish port work in China, home to the world's largest ports, with IHQ-funded consultancy continuing to take this forward. There are many challenges and we expect this to take some time. Methodical planning is ongoing to further develop our work in the Middle East and South Asia ("MESA") region. During 2019, we were able to register as an independent organisation within India, strengthening our ability to support our current India operations and providing a strong basis for future development. Active work is ongoing to develop new port chaplaincy in Port Said (Egypt), Port Walcott (Australia) and Port Klang (Malaysia)
Seafarer Centre Development	We continue our work to support and encourage our 118 global port hospitality centres in appropriate development within a changing maritime environment. 2019 saw the formal opening of our new Centre in Port Talbot, Wales. Other major projects include the advanced work of MtS Hong Kong to replace The Mariners' Club in partnership with a private developer.
Undertake a major review of our scattered and poorly supported work in the Caribbean	We have begun work to reconnect with former partners in the Caribbean especially in Trinidad and Tobago and Bermuda. Work will continue into 2020.

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OBJECTIVE 1: CONTINUE TO SUPPORT SEAFARERS BY PROMOTING THEIR SPIRITUAL, MORAL AND PHYSICAL WELLBEING IN THE PORTS WHERE THE NEED IS GREATEST continued

Reporting and Grants

Our work to improve monitoring and evaluation continues and in 2019 we developed new reporting mechanisms to make our grant-funded operations more accountable.

Our work is diverse, global and multilingual. Every port and every project we fund is different. In addition, despite much work to increase communication and cooperation between the Regions and International Headquarters, many of our teams are independent and self-financing. Such diversity places a unique set of demands on the way we measure our work, particularly when much of the work of a chaplain is confidential and, in many ways, unquantifiable. However, where we can, we monitor our seafarer reach through the use of technology and monthly reporting requirements. Our Justice and Welfare work is easily measured as often we are working with a crew for a considerable period of time where there are clear interventions required to effect a result.

In 2020, we will continue to work with the Regions to ensure that our monitoring and evaluation system is robust enough to quantify our impact while respecting the diversity of our global operations.

Reporting activities planned for 2019 included	Outcome
To see further take-up and effective use of the ShipVisitor App	All regions have access to the Shipvisitor app and are using it to varying degrees. We have maintained a dual reporting system as we move from monthly reporting, which is largely inhouse, to a tech-based solution.
To ensure that we are getting 100% reporting returns from all funded work	All grant-funded projects provide two reports a year along with copies of receipts and contracts for any capital purchases.
To see significantly enhanced reporting returns from wider, non-IHQ funded, Mission operations	We continue to work with those independent stations to include their outputs in our global figures.

We have provided grants totalling £813,000 (2018: £668,000) to sustain services to seafarers all over the world. The Grants Committee was established in 2017 to look at the way we deliver funding to the regions and independent programmes. This trustee-led body meets twice a year to look at new applications and to review the funding provided in previous years to ensure the project is meeting the objectives the team on the ground have set. In 2020, we will be working with the Committee to transform it into a Programme Committee which will have overall responsibility for all programme work, funded and non-funded, to ensure any work is in line with the organisation's strategic objectives.

OBJECTIVE 2: CHAMPION SEAFARERS WHO HAVE SUFFERED DUE TO INJUSTICE AND MISTREATMENT.

Activities

- **Advocacy**

The Director of Advocacy is the Head of the International Christian Maritime Association's ("ICMA") Delegation to the International Maritime Organisation, attending various committee meetings throughout the year on behalf of The Mission to Seafarers. The information gathered from these meetings and the input to high-level discussions ensures seafarers' views are factored into the inter-governmental debates on safety, working practices and welfare. It also has a direct impact in our work as necessary rule changes and instruments can be shared with front line teams to ensure compliance and identify training needs.

- **The Sea Newspaper**

We provide a high-quality, free newspaper to seafarers featuring maritime news and information on how to access services. The Sea is distributed by every one of our locations and enjoys a readership of approximately 315,000. In 2019, we chose to reformat the newspaper by removing the news section and replacing it with a health and wellbeing section. We have also planned to reduce the number of issues from six to four to reflect readers' demands for more in-depth content.

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OBJECTIVE 2: CHAMPION SEAFARERS WHO HAVE SUFFERED DUE TO INJUSTICE AND MISTREATMENT.

Activities continued

- **The Seafarers' Happiness Index**

2019 saw the Seafarers' Happiness Index continue to grow. The programme dedicated website saw an increase in traffic and we were shortlisted for several awards by organisations such as Safety at Sea and Crew Connect. The programme has highlighted significant issues affecting seafarers and the Mission's profile was raised through regular media articles and conference appearances. We increased our reach with seafarers by launching a new social media strategy and creating a bespoke animation to promote the work.

- **Counselling support**

The Mission was involved in 897 justice and welfare cases (2018: 410). Globally we worked on 2,616 justice and welfare cases (2018: 726).

New protections for seafarers suffering abandonment and non-payment of wages came into effect in 2017. As a result more seafarers have been able to challenge injustices in this area with our support. We expect our work in this area to decline over the coming years as shipowners comply with the new legislation despite the uplift in the short term. Whilst compliance has been widespread, we have seen a number of cases which have been particularly severe and required significant interventions by The Mission to Seafarers' teams. In addition, we have widened our definition of "justice and welfare" so the statistic is not just a reflection of the number of abandonments. Hospitalised seafarers requiring assistance/visitation, requests for advice and referrals to legal advice would be included in this area.

OBJECTIVE 3: WE WILL BE THE WORLD LEADER IN MARITIME WELFARE.

Activities

Working with new partners and developing new projects as follows:

- **WeCare**

Formally launched in 2018 in association with the UK P&I Club, the Mission's ground-breaking WeCare programme has made a significant contribution to seafarers and their families. The first strand of this programme involves training in "responsible use of social media communications", a major issue for today's seafarers. A comprehensive training programme has been developed and has been widely delivered, reaching more than 6,000 seafarers and family members. The second strand will support financial planning for seafarer families and will be rolled out in 2020.

- **Continuity of SeaCare**

This project offers tailored support to shipping companies, providing chaplaincy on board their ships that is specifically linked to our Family Support Networks. This project made slower progress in 2019 than had been hoped, owing to senior staff changes within the company that is our launch partner. However, this project is now in an advanced state of preparation and discussions are ongoing with shipping companies who might wish to sign up and take advantage of this wellbeing-focused programme.

- **Cadetship**

The Cadetship project, funded in association with the TK Foundation, continued with the sponsorship of ten cadets from needy families in the Philippines who will be "Flying Angel" Ambassador cadets. The cadets are based at the MOL/Magsaysay College in Cavite, Greater Manila and receive regular interactions with The Mission to Seafarers Philippines Team and in 2020 will receive our WeCare suite of programmes. We look forward to following their training and subsequent careers.

- **Superyachts**

During 2019 The Mission to Seafarers has been active in responding to the growing awareness of crew need in the superyacht sector. Following our 2018 partnership with ISWAN conducting the necessary exploratory research, we have been active participants in the working group which grew out of that project. Furthermore, we provided a trial three-month Superyacht chaplaincy in Palma, Majorca. This was well received and we have commissioned further research to establish options for our next steps in supporting crew.

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OBJECTIVE 3: WE WILL BE THE WORLD LEADER IN MARITIME WELFARE *continued*

Our extensive global services to seafarers, which are delivered via the regional network, continue to modernise and expand. We believe that these, combined with a fast-developing range of new elements of programme, place the Mission in a leading position in the maritime welfare sector. We have achieved this through our staff and volunteers and in partnership with other maritime organisations. It should be noted that our aspirations as an organisation are matched by our commitment to partnership which is exemplified through our leading membership of ICMA. We strongly believe that effective partnerships are vital in supporting the wellbeing of seafarers and their families and we are proud of the range of partner relationships we enjoy.

OBJECTIVE 4: WE WILL VALUE OUR COLLEAGUES AND HELP THEM SUCCEED.

Activities

- **Support of front-line teams**

The regional structures have helped front-line teams, who often work in remote and challenging circumstances, to feel connected and supported. This is done through regional conferences, visits and interim meetings using technology such as conference calls and video links.

- **Training**

The provision and development of training and conferences provide key opportunities for support and planning, providing personal development opportunities and helping to sustain unity and common purpose, thus preparing our colleagues to deliver a modern and relevant approach to our work.

Achievements and performance

Training activities planned for 2019 included	Achievements and Performance
Achieve demonstrable progress in the further development of front-line training	IHQ funded several participants during 2019 on the revamped Ship Ministry Training courses developed by ICMA During 2019, the Mission supported regional meetings in East Asia, Europe, MESA, Africa, Canada, Australia and Oceania. Over 20 participants were supported in their attendance at the ICMA World Conference in Taiwan. This offered a vital opportunity for partnership building, good practice sharing and training.
Development of a 'tool kit' for 'centre and chaplaincy review'	Work in progress – and will be contained within the developing new strategy.
Development of the Mission's Mental Health/Post Trauma training with a new emphasis on suicide prevention	Following delivery of our accredited (International Critical Incident Stress Foundation) courses in mental health/post trauma to every region, we have started delivery of our suicide awareness training, using the SafeTALK programme from Living Works This course has been delivered both to Regional Directors and to the Africa region and will be rolled out globally over a three-year period.
World Conference 2020	Our first world conference since 2006 was due to take place in October 2020. Much planning was done in 2019 to include substantial training elements but due to the Covid-19 pandemic it will now be held in 2022.
Overhaul of the Ministry Manual	This piece of work was substantially completed in 2019 as a basis for training. While it will exist in written form, as much of it as possible will be brought online and we plan to complete this work in 2020.

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OBJECTIVE 5: WORK TOWARDS A BALANCED BUDGET.

Activities

- **Planning for the next strategic period**

In 2018 the trustees decided to postpone this objective for the current strategic period as there continued to be many areas of seafarer need to be addressed and work continued to establish a global, regional structure. This change in policy was supported by the Mission's healthy level of reserves.

The new draft strategy, formed in 2019, challenges regions to seek self-sustainability by 2026. Current budgets are designed with ultimate sustainability as a medium-term focus, supported particularly by developing appropriate front-line models, effective and targeted support from IHQ and the creation of new income streams.

However, the strategic path and timescale to a balanced budget will now be reassessed following the impact of the Covid-19 pandemic on the Mission's operations and reserves. Work to inform this includes reforecasting of current budgets and scenario planning to assist trustees establish spending parameters and timescales to achieve this objective.

- **Fundraising**

Fundraising activities planned for 2019 included:	Achievements and Performance
Increase fundraising opportunities by strengthening relationships with funders around the world to develop funding opportunities worldwide	We have strengthened relationships with our funders by good stewardship, informing about the impact of our work and the opportunities to partner. The Singapore Awards Dinner increased in size with a surplus reversing a previous deficit. New and significant relationships have been started through the delivery of our WeCare programmes.
Support our regions to maximise opportunities to raise funds and awareness for the benefit of our regional operations	Training has been delivered to Australia, Oceania and Africa and the Development team continues to provide on-going support. We have started the journey which will continue during the development of the new global strategy.
Increase our visibility and connection with our churches through Sea Sunday and other church programmes.	Sea Sunday income increased in 2019, although costs were slightly higher due to consultancy fees. We reached more churches across the UK with an increase of 9% in churches participating and the average gift was also up by circa £2 per gift.
Professionally branded promotional materials available for our staff and volunteers around the world	We continue to provide resources for the regions but it will take time to develop and distribute them to all locations.
Increased levels of income both from the UK and regionally	Income has remained stable during 2019 despite many staff changes in the Development team.

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OBJECTIVES and ACTIVITIES for 2020 continued

Areas of work

• **Objectives for 2020**

Projects

A major focus of 2020 will be to consolidate and conclude the 2019 initiatives, ensuring measurable and high-quality delivery

- Build on success of WeCare and Cadetship projects, expanding as appropriate, to respond to the social welfare concerns of seafarers and their families. In 2020 we intend to work on a programme to train crews to recognise the signs of potential suicide intent.
- Following upgrade to the Philippine Family Support Network in support of high-quality outcomes, to focus activity on similar upgrade and development to the fledgling South India Family Support work.
- Building on the 2019 trial project, to complete a research project on next steps in Superyacht crew support - reviewing options, making decisions and raising resource from within the Superyacht sector.
- Further development of the Seafarers' Happiness Index, continuing to drive enhanced seafarer participation and improved levels of maritime industry engagement.

Technology

To explore how to better use technology in supporting and delivering our work

- To seek further digitalisation of our welfare work including Chat to a Chaplain and *The Sea*,
- To review lessons learnt from 'Blockchain project' which was a trial aimed at safe, transparent and electronic storage of seafarers' certification.
- Explore the creation of a wellbeing app under which all of the Mission programmes of work would sit.

Training

We will continue work to develop our training, taking advantage of third-party and ecumenical opportunities where possible

- To ensure The Mission to Seafarers' participation in ICMA Senior Management Team training, including in Houston.
- To complete revision of the Ministry Manual and bring key elements online.
- Building on work in Australia to encourage regionally-based video course training.
- To support the Australia/Oceania ICMA training course.

Reporting

To be confident that Reporting and Impact Assessment continue to improve year on year

- To see further take-up and effective use of chaplaincy reporting App.
- To ensure that we are getting 100% reporting returns from all funded work.
- To see significantly enhanced reporting returns from wider, non-IHQ funded, Mission operations.

Partnership

Partnership building continues to be a priority – ensuring the very best support for seafarers and the very best use of resources

- To continue to explore partnership working with both maritime operators and welfare providers.

Fundraising

To continue to build corporate income through new partnerships

- To establish a new framework for digital donor acquisition.
- To maintain, steward and renew partnerships with our multi-year funders such as HFW who have provided key governance and registration advice along with funding for core costs.

**TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
STRATEGIC REPORT**

Thank you

The Mission to Seafarers could not exist without funding from individual donors, companies, trusts, public bodies and other associations, and we thank all of them for their support.

We would also like to record our thanks to all the chaplains, staff and volunteers of The Mission to Seafarers, who show so much dedication and commitment to their work and to the charity.

We would like to thank our Mission to Seafarers partners overseas who continue to share our global vision of improving the wellbeing of seafarers and their families across the world.

We are particularly grateful for the continued support of the International Transport Workers' Federation Seafarers' Trust, The Merchant Navy Welfare Board, Seafarers UK and HFW.

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The Consolidated Statement of Financial Activities is shown on page 29. The net operating result was a deficit of £997,000 (2018: £160,000). If gains from the disposal of property are excluded, the net operating deficit was higher at £1,107,000 (2018: £ 925,000) – an increase in the deficit of £182,000 compared to 2018.

The Mission's investment portfolio did exceptionally well with a gain of £4,353,000 (2018: loss of £463,000), contributing to an overall increase in reserves of £3,351,000 (2018: £603,000 decrease). However, unrealised investment gains and/or losses reflect market movements during the year and are not cash surpluses or deficits. They are not available to fund expenditure unless and until the investment is finally sold. Variations in the stock market can impact on the Mission's reserves as can be clearly shown in early 2020 when almost £2.2million of those gains were lost as the Covid-19 pandemic impacted on global stock markets.

The principal funding sources continue to be donations (including Gift Aid) £1,595,000 (2018: £1,420,000), legacies £758,000 (2018: £918,000) and investment income £827,000 (2018: £847,000) – together they represent 73% of the total income (2018: 65%) and they are a major contribution to funding the cost of the Mission's charitable activities of £4,348,000 (2018: £4,208,000). Donations are received from individuals, churches, fundraising committees, grant giving bodies, trusts and corporates. Some donations are linked to specific appeals such as the regular Lent, Summer, Christmas and Sea Sunday activities or specific events like the Festival of Nine Lessons and Carols. Others are a result of successful grant applications, or from our regular and committed donors via standing order and direct debit, or through relationships with organisations interested in supporting the welfare of seafarers. We are pleased to note that donations increased by £175,000 (+12% compared to 2018) and included the gift-in-kind of £89,000 (2018: nil) from the services provided by HFW.

Overall total income has decreased by £581,000 (12%) this year at £4,330,000 (2018: £4,911,000) with the principal decrease shown in Other income (which includes the proceeds from property sales) at £139,000 (2018: £773,000) where 2018 had included the substantial property sale of the former Southampton centre.

Total operating expenditure increased by £256,000 (5%) at £5,327,000 (2018: £5,071,000) with expenditure for charitable activities up by £140,000 (3%) to £4,348,000 (2018: £4,208,000) which also includes the £89,000 'cost' of the gift-in-kind services provided by HFW (2018: nil). The costs of Raising Funds also increased by £116,000 (13%) to £979,000 (2018: £863,000) due to increased staff costs and promotional activities to generate funds. An analysis of expenditure is given in note 8 to the Financial Statements. The proportion of total expenditure that the Mission considers to be of a charitable nature is 82% (2018: 83%).

The Mission participates in various pension schemes. Some are defined contribution schemes with no liabilities at the year end and others are multi-employer defined benefit schemes where the Mission has an ongoing liability at the year end of £118,000 (2018: £291,000). The 2019 contributions to reduce this liability are £80,000 (2018: £110,000) which represent 1.5% (2018: 2.17%) of total expenditure.

The net profit before investment and foreign exchange gains for the Mission's four (2018: four) subsidiaries is £8,000 (2018: loss £85,000). With their total reserves of £198,000 (2018: 173,000) the trustees confirm that none are in deficit. See notes 2 and 17.2 for further information about the subsidiaries.

2019 also saw a small foreign exchange gain of £5,000 (2018: gain £20,000)

Historical results

It is important to stress that the sustainability of the Mission's operations, both in the UK and as a resource provider to other parts of the worldwide Mission global family, depends on its ability to generate income, and below is a summary of the Mission's results for the last five years.

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Historical results continued

	2019	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>Restated</i> <i>2015</i>
	£'000	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Total Income	4,330	<i>4,911</i>	<i>3,964</i>	<i>4,458</i>	<i>4,441</i>
Income excluding Property and Investment Gains	4,220	<i>4,146</i>	<i>3,905</i>	<i>4,203</i>	<i>4,254</i>
Expenditure	5,327	<i>5,071</i>	<i>5,029</i>	<i>5,202</i>	<i>4,892</i>
Net (Loss) before Property and Investment/Other Gains	(1,107)	<i>(925)</i>	<i>(1,124)</i>	<i>(999)</i>	<i>(638)</i>
Balance Sheet					
All Fixed Assets	5,025	<i>5,141</i>	<i>5,206</i>	<i>5,316</i>	<i>5,926</i>
Investments	27,249	<i>23,668</i>	<i>24,042</i>	<i>24,064</i>	<i>21,216</i>
Net Current Assets	3,272	<i>3,559</i>	<i>3,811</i>	<i>2,956</i>	<i>2,965</i>
Defined benefit scheme Liability	(118)	<i>(291)</i>	<i>(379)</i>	<i>(275)</i>	<i>(449)</i>
Net Assets	35,428	<i>32,077</i>	<i>32,680</i>	<i>32,061</i>	<i>29,658</i>
Restricted	625	<i>624</i>	<i>609</i>	<i>555</i>	<i>571</i>
Designated	12,321	<i>12,367</i>	<i>12,607</i>	<i>12,460</i>	<i>13,000</i>
Unrestricted	22,482	<i>19,086</i>	<i>19,464</i>	<i>19,046</i>	<i>16,087</i>
Total reserves	35,428	<i>32,077</i>	<i>32,680</i>	<i>32,061</i>	<i>29,658</i>
Cash Flow					
Net cash outflow from operating activities	(2,089)	<i>(1,003)</i>	<i>(2,243)</i>	<i>(1,205)</i>	<i>(515)</i>

Reserves

The Mission's policy is to maintain general reserves to reflect the long-term nature of its work. As the temporary custodians of these reserves, trustees feel that it is essential that they leave The Mission to Seafarers in a state where it can continue for as long as seafarers need it, and there is no sign of this need diminishing.

Total Group reserves of £35.4 million (2018: £32.1million) are made up of;

Designated reserves	£12.3 million (2018: £12.4 million) which are not available for general purposes.(See note 21)
Restricted reserves	£625,000 (2018: £624,000) (see Note 20)
General reserves	£22.5 million (2018: £19.1 million)

The level of the unrestricted general reserves has provided some protection to the Mission and allows time to adjust to changing financial circumstances. This has limited the risk to service provision from operating deficits, such as the Mission has experienced in recent years, or an unexpected need for unbudgeted expenditure. Indeed, in 2020 this has provided protection and security for the Mission from the effects of the impact of Covid-19 as levels of income have fallen and the market value of investments has decreased.

Over the past five years, the cumulative operating deficit has been £4.8 million. It is only the performance of the Mission's investment portfolio, and the sale of some property assets, that has allowed the Mission to be in a better financial position than in the last five years.

**THE MISSION TO SEAFARERS
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Reserves continued

Further deficit operating budgets were anticipated for the period of the new strategy 2020-2025 to enable the implementation of the objectives outlined in the Strategic Report including the grants programme that features 3-year funding arrangements. However, the impact of the Covid-19 pandemic will entail a review of budgets and operating plans in the context of the overall levels of reserves, with a proviso that unrestricted reserves do not fall below £15m.

In the opinion of the trustees, this level of reserves continues to be required to meet future working and capital requirements having taken into account the following factors:

- The Mission seeks to operate in a proactive manner, to make commitments in terms of manpower and premises for the long term and to provide a reserve of funds sufficient to support operations at locations worldwide where it operates. There are continuing indications that some of the Mission's operations overseas, which endeavour to be self-funding, are struggling to maintain essential services. The Mission to Seafarers is committed to the principle of maintaining its worldwide support of seafarers and to retaining a sufficient level of funds to give stability to its work, including the provision of emergency financing where necessary for these activities.
- In 2019 legacy income was £758,000 (2018: £918,000). Whilst the Mission has benefited from legacies in the past and hopes to do so in the future, legacy income cannot be relied upon as a continuing and certain source of incoming resources. The trustees have, therefore, made allowance for the uncertainties that arise from legacy income.
- The Mission to Seafarers anticipates continuing net cash deficits arising from insufficient cash being raised. These deficits will be funded from investment reserves. The trustees have made allowance for the risk that future adverse movement in the market value of investments may impact on the ability to meet operating cash flow requirements. In particular, in April 2020 a transfer of £5 million was made from the equity investment portfolio to cash in order to cover foreseeable requirements for the short to intermediate term.
- Changes in law may impose costs, such as in the area of pensions, where obligations may arise to ensure that current and retired employees are not significantly disadvantaged.

The trustees consider that it is appropriate for the Financial Statements to be prepared on a going concern basis as they believe that the current level of reserves at the date of signing will enable the Mission to survive the exceptional and unexpected circumstances of the Covid-19 pandemic. They will also ensure that the Mission can continue to be able to support seafarers for the foreseeable future. With the transfer of £5million of reserves from equity investments to cash, the trustees reconfirm that the Financial Statements should be prepared on a going concern basis.

Risk Management

The Board of Trustees has overall responsibility for risk management and maintains a Risks Register. This is included in the remit of the Audit and Risk Committee and continually monitored by the Senior Management Team.

The Risk Register identifies risks which could have a serious impact on the viability or survival of the Mission, estimates the likelihood of such an event occurring, assesses the impact it would have if it occurred, identifies what controls are already in place to reduce the impact or probability of the event occurring, identifies what else could be done to reduce the probability or potential impact and, identifies the person(s) responsible for monitoring the risk and taking appropriate action. The Register is reviewed as needed, but as a minimum it will be looked at annually. Following a review in February 2020, it was reviewed again in April 2020 in light of the Covid-19 pandemic and the implications on the Mission and the wider environment. Some risks have been expanded and/or repositioned based on the score of each risk.

**THE MISSION TO SEAFARERS
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Risk Management continued

The principal risks that the Mission faces and the actions it takes to mitigate these risks are that:

- it is unable to raise sufficient funds to permit it to maintain or expand the services it offers to seafarers to meet the level of need identified

This has partly materialised with the Covid-19 pandemic with sources of income significantly impacted. In response the Development team has diversified some fundraising methodologies including on-line challenge events and has launched a targeted appeal for funds to support various areas of the Mission's Covid-19 response. Additionally, 2020-2021 budgets and income forecasts are being updated with an emphasis on reducing costs where possible and close financial monitoring is in place through forecasts, management accounts and oversight of the Audit and Risk committee.

- an employee, volunteer or any other individual who comes into contact with the Mission's work becomes subject to sexual harassment or abuse as a result.

The Mission's main resource in delivering services is its staff and volunteers who are subject to reference checks prior to engagement and DBS checks where appropriate. Staff and volunteer handbooks provide guidance and information on behaviour with training and on-going performance reviews to ensure that staff maintain the highest of standards. A Safeguarding and Professional Conduct Policy has been devised and implemented, supported by appropriate training. A Safeguarding Working group has been established with a Safeguarding lead trustee and deputy nominated. Adoption and implementation of this policy is a condition included in MOUs for all grants provided by the Mission. There are also contingency damage limitation plans in place and an Emergency Response committee.

Investment Policy

The Mission holds investments to help meet its current and future obligations and as a reserve against future shortfalls between income and expenditure. It is intended to hold reserves for the long term, as the need to provide support and care to seafarers is not diminishing and it is expected that the Mission will go on experiencing fundraising challenges and considerable expenses, including in respect of its long-term housing commitments to retired employees and Church of England pension obligations, for many years.

The Mission seeks to optimise returns over the longer term and thus provide a regular flow of funds to support fixed costs and operating activities both in the UK and overseas.

In the implementation of this policy, the trustees follow the Charity Commission guidance for the investment of charitable funds. Additionally, the Mission does not wish to profit directly from, or provide capital to, activities that are materially inconsistent with Christian values. This is ensured as the trustees also follow the guidelines of the Church of England's Ethical Investment Advisory Group which may prohibit or limit the investment in stocks with exposure to certain sectors, such as armament and tobacco.

The Investment Committee oversees the choice and performance of the Investment Manager(s) and the investment methodology. It periodically reviews the performance, commercial terms and overall services of the Investment Manager(s) and, if appropriate, makes recommendations to the Board for any change.

Investment Portfolio

CCLA, which is regulated by the Financial Conduct Authority, is the investment manager for the Mission's funds. The assets have been invested with CCLA in the Church of England Investment Fund (Investment Fund) which is a multi-asset common fund worth over £1.1 billion and benefits from charitable status. Investment in the Investment Fund is based on the purchase of units that can be bought or sold at any time.

The prime objective of the Investment Fund is to protect and grow the real value of the capital invested and the income that it provides and it is managed in accordance with the policies of the Church of England's Ethical Investment Advisory Group and therefore fits with the Mission's investment policy.

**THE MISSION TO SEAFARERS
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Investment Performance

In 2019 the total return net performance for the Mission's investments managed by CCLA was a gain of 22.41% (2018: 1.81%). The Investment Fund returned 23.16% gross (2018: 2.42%) compared with the comparator return of 17.07% gross (2018: -3.51%).

(Comparator - composite: from 01.01.18 MSCI UK IMI 30%, MSCI World Ex UK 45%, MSCI UK Monthly Property 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%.)

Fundraising

The Development team at the London IHQ is responsible for fundraising, communications and marketing. We continue to build skills and efficiency in the staff who were largely new during 2019 and go into 2020 with a robust and cohesive team.

Total fundraised income at IHQ for 2019 was £2,098,000 (2018: £2,162,000) a decrease of £64,000 (3%), which was mainly due to a decrease in legacies with income of £758,000 (2018: £918,000).

Community fundraising declined slightly by £15,000 at £142,000 (2018: 157,000) but plans are to reverse this downward trend of the past two years, with fresh input and skill. We are pleased that Individual Giving income increased by £30,000 to £418,000 (2018: £388,000) through careful management of our data and segmentation. The consultancy for trusts and foundations performed less well in 2019, mainly due to a change in resource, with a drop of £111,000 at £371,000 (2018: 482,000).

Corporate income continued to grow, in 2019 by 89% (2018: 53%) and we see this growth continuing as it is a prime focus for our efforts. Corporate relationships have been further enhanced by the WeCare programme and the funding received from the UKP&I Club as part of their 150th Anniversary funding over two years (2019 and 2020). Our three-year partnership with HFW was boosted with a Global Day of Action involving several offices worldwide. We plan to expand this initiative during 2020.

The corporate communications consultancy was increased to assist in the change-over of staff and a new Digital Communications Officer was recruited who has significantly enhanced our profile in this direction. We continue to focus on Thought Leadership objectives where the Secretary General's writing skills are most beneficial.

As we enter 2020 and finalise the new Global strategy our support for the regions will increase as we roll out training and expertise as well as maintaining a global overview and sharing of best practice around the world.

The Mission is a contributor to the Fundraising Regulator who regulates fundraising in England and Wales with the aim of protecting donors to charities and ensuring that fundraising is respectful, open, honest and accountable to the public. In accordance with The Charities (Protection and Social Investment) Act 2016 we confirm that;

- The Mission carefully monitors all of its fundraising activities to ensure that they are compliant with the recognised standards of fundraising (as set out in the Code of Fundraising Practice) and that none were undertaken by a professional fund-raiser or commercial participator on behalf of the Mission
- The Mission is bound by and complies with the Fundraising Regulator's voluntary regulation scheme
- No complaints were received about our fundraising activities (2018: none)
- All fundraising activities are overseen by the Director of Development who ensures that the Mission's fundraising activities do not include
 - Unreasonable intrusion on a person's privacy
 - Unreasonable persistent approaches for the purpose of soliciting a donation or
 - Placing undue pressure on a person to give money or other property

**THE MISSION TO SEAFARERS
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CHARITY INFORMATION**

A charity registered in England and Wales, no.1123613
A company limited by Guarantee, registered in England and Wales no. 6220240

Patron

Her Majesty The Queen

President

Her Royal Highness The Princess Royal

Trustees

Thomas Boardley (Chairman)	[*GN]
Rosemary Alexander	[*A, I from Feb 2020]
The Ven Christopher Burke (Vice Chairman)	[*GN]
David Cockroft (retired January 2020)	[*R]
Robert Ferris OBE	[*A] [*G]
The Rt Revd Richard M C Frith (retired January 2019)	[*GN]
Stephen Lyon (retired January 2019)	[*R] [*GN]
William MacLachlan	[*I] [*GN] [R from Feb 2020]
David Moorhouse CBE (Vice Chairman)	[*I] [*GN]
Mark Patterson (retired January 2019)	
Neale Rodrigues MM (Vice Chairman)	[*R] [*GN]
Claire Sneddon	[*G], [*A from Feb 2020]
Sam Swire	[*G]
The Very Revd Andrew Tremlett	[*R]
Andy Winbow (retired December 2019)	[*A]
Peter Cottrell (appointed April 2019)	[*I from Feb 2020]
The Right Revd David Williams (appointed Oct 2019)	[*G from Feb 2020]

Company Secretary

Eileen Reilly (Director of Finance) until April 2019
Virginie Potbury (Governance Manager) from April 2019

Key Management Personnel

Secretary General

The Revd Canon Andrew Wright [*G] [*GN]

Director of Advocacy and Regional Engagement

Ben Bailey

Director of Development

Jan Webber

Director of Finance

Eileen Reilly [*I]

Director of Human Resources and Administration

Tomilayo Toluhi

Committees

***G. Grants Committee**

***GN. Governance and Nominations Committee**

***R. Remuneration Committee**

Su Morgan (External)

***I. Investment Committee**

Jim Aiken (External)

***A. Audit and Risk Committee**

Christine Freshwater (External)

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CHARITY INFORMATION**

Custodian Trustee

The Mission to Seafarers Trust Corporation Ltd acts as a custodian trustee on behalf of The Mission to Seafarers holding real estate property and investments.

Corporate Trustee

The Mission to Seafarers is a corporate trustee of;

- Humber Seafarers' Service, Charity No. 1159953
- Felixstowe and Haven Ports Seafarers' Service, Charity No. 272077
- Port of Bristol Seafarers Centre, Charity No. 286078

Registered Office

St Michael Paternoster Royal, College Hill, London, EC4R 2RL

External Advisers

Auditors

Price Bailey LLP, 7th Floor, Dashwood House, 69 Old Broad Street, London, United Kingdom, EC2M 1QS

Bankers

HSBC Plc, 20 Eastcheap, London, United Kingdom, EC3M 1ED

Investment Advisers

CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET.

Solicitors

Blake Morgan LLP, New Kings Court, Tollgate, Chandler's Ford, Eastleigh, United Kingdom, SO53 3LG

HFW, Friary Court, 65 Crutched Friars, London, EC3N 2AE

**THE MISSION TO SEAFARERS
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GOVERNANCE, STRUCTURE AND MANAGEMENT**

The Mission to Seafarers; the charity

The Mission is a charity, constituted as a company limited by guarantee and not having share capital. The Mission is governed by a Board of Trustees (the Board) which forms the Board of Directors, as constituted by the Mission's *Articles of Association*. Members of the Board are both trustees of the charity and directors of the company.

The charity's trustees and management

The Board is drawn from prominent leaders with wide experience of seafaring life, including the shipping industry and from London's financial centre, the City of London. The Mission also invites leading members of the clergy to serve as trustees. The procedure for the election and appointment of trustees is set out in the *Articles of Association of The Mission to Seafarers*. Trustees and management regularly review the skills and experience of the current members of the Board to try to identify new candidates who might strengthen particular areas.

Trustees may serve on the Board for two periods of four years, apart from those aged 70 years or more who have to be re-elected annually. The Chairman and Vice-Chairmen are elected for a four-year term. The Board requires a quorum of five trustees and normally meets four times a year. It is the governing council of the organisation.

Newly appointed trustees are given an induction which provides them with information on the work of the organisation and highlights their responsibilities as a trustee. Some trustees may also undergo specific training courses as required for their roles. Trustees are also required to sign a *Code of Conduct* and complete a *Register of Interests* on appointment and annually thereafter.

The Board has five permanent sub-committees:

- Audit and Risk
- Grants
- Governance and Nominations
- Investment
- Remuneration

Each of the above committees is made up of trustees and members of the executive staff. Where appropriate, the Board may co-opt independent and professional expertise from external sources, for the benefit of a committee's work.

The day to day management of the charity is delegated to the Secretary General who reports to the Board and leads the Senior Management Team. He also directly manages the Regional Directors for Europe, East Asia, Middle East and South Asia (formerly South Asia & The Gulf) and Latin America.

The Mission to Seafarers' International Headquarters disseminates information, conducts research, provides fundraising, brand and marketing services, and manages publications and digital media, including websites, for The Mission to Seafarers' global family. The Secretary General – amongst other duties – provides the spiritual leadership for the Ministry teams which support seafarers in need around the world. The Mission is entirely funded by voluntary donations and relies on the deep generosity of loyal supporters.

**THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
GOVERNANCE, STRUCTURE AND MANAGEMENT**

**Delivery structure of direct Mission activities
– global**

The Mission to Seafarers welfare services to seafarers in the UK, Europe, Asia, Africa, The Middle East, The Far East and North and South America, were provided through directly salaried, or grant-funded, port-based chaplaincy and/or ship visitor teams in the following areas, with 'memoranda of understanding' in place at 36 key locations:

Port/Area	Directly employed by the Mission	Grant Funded and directly managed by the Mission	Grant funded, managed by independent organisations/regions
Antwerp, Belgium	✓		
Aqaba, Jordan		✓	
Bahrain Port		✓	
Belem, Brazil		✓	
Belfast, N Ireland	✓		
Buenos Aires, Argentina		✓	
Busan, South Korea		✓	
Colombo, Sri Lanka		✓	
Dunkirk, France	✓		
Dubai, United Arab Emirates	✓		
Felixstowe, UK	✓		
Fujairah, United Arab Emirates	✓		
Great Yarmouth, UK		✓	
Hong Kong, China		✓	
Humber, UK	✓		
Izmir, Turkey		✓	
JNPT, India		✓	
Kobe, Japan			✓
Limassol, Cyprus		✓	
Milford Haven, UK	✓		
Mombasa, Kenya			✓
Oaklands, USA			✓
Panama	✓		
Philippines		✓	
Portbury, UK		✓	
Port Stanley, Falklands			✓
Port Walcott, Australia			✓
Ras Al Khaimah, UAE	✓		
Rotterdam, The Netherlands	✓		
Rouen, France			✓
Scottish Ports, UK	✓		
Seaham, UK		✓	
Seattle, USA			✓
Singapore		✓	
Southampton, UK	✓		
South Wales ports, UK	✓		
Suape, Brazil		✓	
Toronto, Canada			✓
Thailand		✓	
Tilbury, UK	✓		
Tuticorin, India		✓	
Wellington, New Zealand			✓
Yokohama, Japan			✓

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- Branches;

In addition to, and in conjunction with chaplaincy services, charitable activities were carried out by the Mission's 14 (2018: 13) branches, the majority of which provide centre-based facilities. They were directly controlled by the Mission through the excellent and committed work of local volunteer committees, governed by Branch Constitutions. The branches employ 8 (2018: 7) staff paid from IHQ and 11 (2018: 30) staff employed locally, excluding their six chaplains who are included in the table above. Their financial results are consolidated into the Financial Statements set out on pages 29 to 32 of this report and they operate in the following locations;

Aqaba, Jordan
Belfast, UK
Dubai, United Arab Emirates, UK
Falmouth, UK
Fowey, UK
Humber Ports, UK
Newport, UK
Panama, Latin America
Port Talbot, UK
South Shields, UK
South Wales ports, (Welsh Council), UK
Tees (North), UK
Tees (South), UK
Bangkok, Thailand

As part of the continued formalisation of the Africa region, the trustees agreed that the Mombasa branch would become a full voting member of the Mission to Seafarers Africa Region and a constitution between the Mission to Seafarers Mombasa station and the Africa Region was signed on 1 February 2019. Additionally, the Mission entered into an agreement with the branch to formalise its status as a separate entity registered in Kenya. The Mombasa entity will not form part of The Mission to Seafarers group and will have its own board of directors. The Mission transferred the former branch's assets (net book value £125,000 at 31 December 2018) to the new entity in 2019.

A Representative Office of the Mission was registered in Thailand during the year to facilitate the provision of its ship visiting and chaplaincy services in the country. It started operations in November 2019 with 2 members of staff.

A new branch of the Mission was also registered in Panama in August 2019 but at the date of the accounts, it had not yet formally commenced operations.

- The Mission group;

The Mission to Seafarers' group includes the following companies, which are classified as subsidiaries. Their financial results are consolidated into these accounts and they are wholly controlled by the Mission;

- The Dunkirk War Memorial Trust Ltd.
- The Flying Angel Belfast Ltd.
- The Mission to Seafarers Scotland Ltd.
- The Mission to Seafarers Trust Corporation Ltd.

The subsidiaries employ a total of 4 staff (2018: 5) with 3 (2018: 3) directly providing welfare and services to seafarers including centres, ship visiting and transportation. Please see Note 2 for further information about the above subsidiaries and their 2019 results.

- regional network

The Mission to Seafarers' regional network is made up of nine regions:

- | | |
|-------------|---|
| • Europe | • Middle East and South Asia |
| • East Asia | • Panama, Latin America |
| • USA | • Canada |
| • Australia | • Oceania (New Zealand and South Pacific Islands) |
| • Africa | |

**THE MISSION TO SEAFARERS
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- regional network continued

Four of these regions, Europe, East Asia, Middle East & South Asia and Latin America, are responsible to the Mission trustees.

The remaining five are made up of independent Mission charities with their own governing councils (except for the USA, where size does not justify). They work closely with the Mission and co-operate on matters of welfare provision and communications. They are responsible for their own financial affairs and statements. These regions provide a dynamic and responsive welfare service for seafarers, working in partnership with the four Mission regions. In 2019 the Mission continued to provide grant-funding to all independent regions to support regional development.

Through the regional network, the Mission was able to give support and advice at around 150 ports through the independently run Mission to Seafarers' charities and organisations as part of the global Mission family. Part-time honorary chaplains appointed by the Mission also provided support for seafarers and were a point of contact for emergencies. The role of the honorary chaplain varies with the port and country in which the chaplain is located, but it is a key voluntary support system, which taps into local maritime knowledge and skills.

- ecumenical

Many of the global family of charities, seafarers' centres and organisations work in partnership through local ecumenical networks, and in some cases co-owned property, via their membership of the International Christian Maritime Association (ICMA). In the UK, the Mission participates in Ecumenical centres where it is a joint trustee and directly involved in their management. Further information is provided in note 23.

Remuneration

We recognise that we are accountable to our donors, supporters and beneficiaries and we are committed to ensuring maximum value in the use of resources. We also take our duty to provide a high quality and effective service very seriously. It is dependent upon our ability to attract and retain suitably qualified employees with the right knowledge, skills and experience.

The Remuneration Committee, which consists of three trustees and one external member, has delegated responsibility from the Board to provide governance oversight on the principles and policies for setting pay and benefits within the charity. The Committee conducts an annual salary review based on forecast charity pay awards which are linked to the Retail Price Index (RPI), the Consumer Prices Index (CPI) and Average Weekly Earnings (AWE). Any inflationary awards or salary adjustments are subject to affordability.

All job descriptions are evaluated based on The Mission to Seafarers' Job Factor Framework, which consists of seven agreed organisation-wide criteria, to establish the grade of the role based on the job size, complexity and level of responsibility. The salaries of chaplaincy staff employed from IHQ are set in line with the Church of England National Stipend Benchmark.

Lay staff salaries within the UK are benchmarked against the Croner Charity Rewards annual survey. Locally employed chaplains and lay staff are paid a fair wage based on local levels. The Remuneration Committee has adopted a policy of paying median salaries compared to charities of a similar size and nature, to ensure competitiveness. The Committee approved a policy of paying all staff above the Real Living Wage which was implemented from 2015. The Committee is also responsible for setting the salary of the Secretary General. Accordingly, the trustees consider that the remuneration policy of the charity is fair and transparent.

Public Benefit

The activities, achievements and plans relating to the Mission's work are detailed in pages 2 to 13 of this report and the trustees confirm that they are carried out, in line with its charitable object and objectives, for the benefit of the public. They further confirm that the impact of our work on service users is a key criterion when deciding what activities to undertake and how best to achieve our mission. The Mission to Seafarers' trustees therefore confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

**THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of The Mission to Seafarers for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS 102;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved and authorised for issue by the Board on 14 July 2020 and signed on its behalf by:



Thomas Boardley
Chairman of the Board



Rosemary Alexander
Chairman Audit and Risk Committee

**THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF THE MISSION TO SEAFARERS**

Independent Auditor's Report to the Members of The Mission to Seafarers

Opinion

We have audited the financial statements of The Mission to Seafarers (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise of the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

**THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF THE MISSION TO SEAFARERS**

Other information continued

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF THE MISSION TO SEAFARERS**

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with. Our audit work has been undertaken so that we might state to the charitable company's members and its 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors

7th Floor Dashwood House
69 Old Broad Street
London
United Kingdom
EC2M 1QS

27 July 2020

THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
AT 31 DECEMBER 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000
Income from:							
Donations and legacies	3	2,427	324	2,751	2,337	345	2,682
Charitable activities (Provision of services to seafarers)	4	412	-	412	458	-	458
Other trading activities (Commercial Trading)	5	197	-	197	148	-	148
Investments	6	831	-	831	850	-	850
Other	7	139	-	139	773	-	773
Total income		4,006	324	4,330	4,566	345	4,911
Expenditure on:							
Raising Funds (commercial trading and Fund raising activities)		979	-	979	863	-	863
Charitable activities (Provision of services to seafarers)		4080	268	4,348	3,933	275	4,208
Total Expenditure	8	5,059	268	5,327	4,796	275	5,071
Net (expenditure)/income from operational activities for the year		(1,053)	56	(997)	(230)	70	(160)
Net gains/(losses) on investments		4,353	-	4,353	(463)	-	(463)
Net income/(expenditure) for the year		3,300	56	3,356	(693)	70	(623)
Transfers between funds	20	55	(55)	-	55	(55)	-
Other recognised (losses)/gains							
Foreign Exchange (losses)/gains		(5)	-	(5)	20	-	20
Net Movement in Funds		3,350	1	3,351	(618)	15	(603)
Reconciliation of Funds							
Total funds brought forward		31,453	624	32,077	32,071	609	32,680
Total Funds Carried Forward	21	34,803	625	35,428	31,453	624	32,077

All activities are continuing. Notes 1 to 31 form part of these Financial Statements.

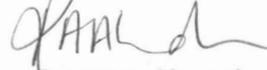
**THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2019**

Company Number 6220240

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Intangible fixed assets	16	-	-	-	3
Fixed Assets					
Tangible assets	16	4,522	503	5,025	5,138
Investments	17	27,249	-	27,249	23,668
Total fixed assets		31,771	503	32,274	28,809
Current Assets					
Stocks		32	-	32	30
Debtors	18	733	-	733	621
Investments – short term deposits		1,743	-	1,743	2,144
Cash at bank and in hand		969	122	1,091	1,162
Total current assets		3,477	122	3,599	3,957
Liabilities					
Creditors falling due within one year	19	327	-	327	398
Net current assets		3,150	122	3,272	3,559
Net assets excluding pension liability		34,921	625	35,546	32,368
Defined benefit pension scheme liability		118	-	118	291
Total net assets		34,803	625	35,428	32,077
Charity Funds					
Unrestricted general	21	22,482	-	22,482	19,086
Unrestricted designated	21	12,321	-	12,321	12,367
Restricted income funds	20	-	625	625	624
Total Charity Funds		34,803	625	35,428	32,077

Approved and authorised for issue by the Board on 14 July 2020. Signed on its behalf by:


Thomas Boardley
Chairman of the Board


Rosemary Alexander
Chairman Audit and Risk Committee

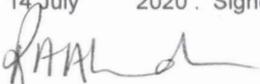
Notes 1 to 31 form part of these Financial Statements.

THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
COMPANY BALANCE SHEET AT 31 DECEMBER 2019
 Company Number 6220240

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Fixed Assets					
Tangible assets	16	4,404	503	4,907	5,112
Investments	17	27,156	-	21,156	23,590
Total fixed assets		31,560	503	32,063	28,702
Current Assets					
Stocks		21	-	21	21
Debtors	18	865	-	865	706
Investments – short term deposits		1,743	-	1,743	2,144
Cash at bank and in hand		770	122	892	991
Total current assets		3,399	122	3,521	3,862
Liabilities					
Creditors falling due within one year	19	265	-	265	369
Net current assets		3,134	122	3,256	3,493
Net assets excluding pension liability		34,694	625	35,319	32,195
Defined benefit pension scheme liability		118	-	118	291
Total net assets		34,576	625	35,201	31,904
Charity Funds					
Unrestricted general		22,482	-	22,482	19,142
Unrestricted designated		12,094	-	12,094	12,138
Restricted income funds	20	-	625	625	624
Total Charity Funds		34,576	625	35,201	31,904

Approved and authorised for issue by the Board on 14 July 2020. Signed on its behalf by:


 Thomas Boardley
 Chairman of the Board


 Rosemary Alexander
 Chairman Audit and Risk Committee

Notes 1 to 31 form part of these Financial Statements.

**THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
CONSOLIDATED STATEMENT OF CASH FLOWS AT
31 DECEMBER 2019
Company Number 6220240**

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities:			
<i>Net cash used in operating activities</i>	28	(2,089)	(1,003)
Cash flows from investing activities:			
Dividends and interest from investments		831	850
Proceeds from the sale of assets		206	890
Purchase of assets		(226)	(174)
Proceeds from sale of investments		811	3,100
Purchase of investments		-	(3,400)
Net cash provided by investing activities		1,622	1,269
Change in cash and cash equivalents in the reporting period		(467)	266
Cash and cash equivalents at the beginning of the reporting period		3,306	3,020
Change in cash and cash equivalents due to exchange rate movements		(5)	(20)
Cash and cash equivalents at the end of the reporting period		2,834	3,306

Notes 1 to 31 form part of these Financial Statements.

**THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
NOTES TO FINANCIAL STATEMENTS FOR
YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES

The Mission to Seafarers (the Mission) a company limited by guarantee (No. 6220240) and a charity (No. 1123613) both registered in England and Wales. The registered address is St Michael Paternoster Royal, College Hill, London, EC4R 2RL.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the Financial Statements are shown below and the presentational currency of the financial statements is Sterling.

1.1 Basis of preparation

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: *Statement of Recommended Practice* applicable to charities preparing their accounts in accordance with the *Financial Reporting Standard* applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (SORP (FRS102)) and the *Companies Act 2006*.

The Mission to Seafarers meets the definition of a public benefit entity under FRS102. The Financial Statements have been prepared in sterling under the historical cost convention (modified to present investments at market value) and in accordance with applicable UK accounting standards.

1.2 Going concern

At the balance sheet date the trustees consider that there are no material uncertainties about the Mission's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with estimating legacy income and pension liability. With regard to 2019, the most significant area of uncertainty for the Mission is the level of donation income which needs to be raised each and every year. This is covered in more detail in the Financial Review section of the Trustees' Annual Report.

This opinion has been reviewed post the balance sheet date as the Covid-19 pandemic in the Spring of 2020 has impacted on the Mission's operations (most of which have been suspended) as well as on income generating activities. Also, the pandemic impact on global stock markets has seen the value of the Mission's investments decrease by around £2.2 million. However, the trustees feel that the level of reserves provides resilience and that, together with the current amount of cash in hand (£5million) plus plans to reduce the 2020 deficit, there are no material uncertainties that the Mission can continue as a going concern.

1.3 Group Financial Statements

The Financial Statements consolidate the results of the charity and its wholly owned subsidiaries detailed in note 2 on a line-by-line basis and by eliminating intra-group transactions. No separate Statement of Financial Activities has been presented for the Company alone, as permitted by section 408 of the *Companies Act 2006*. A summary company 'Statement of Financial Activities' (SoFA) can be found at note 31. The Company's Balance Sheet on page 31 includes the assets and liabilities of the branches detailed on page 23.

1.4 Fund accounting

Unrestricted funds are available to spend on activities that further any of the charitable objectives of the Mission.

Designated funds are unrestricted funds which the trustees have decided at their discretion to set aside to use for specific purposes. The aim and purpose of each designated fund is set out in note 21.

Restricted Funds represent capital grants received together with donations for specific purposes. Restricted funds may only be used to fulfil the donor's restriction which must also further the charitable activities of the Mission. Details of restricted funds are set out in note 20. Transfers to unrestricted funds represent the release for the year of these grants or donations. For capital grants, a transfer is made to unrestricted funds over the estimated useful lives of the assets to which they relate, matching depreciation charged to the unrestricted funds.

**THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
NOTES TO FINANCIAL STATEMENTS FOR
YEAR ENDED 31 DECEMBER 2019**

1.5 Income

The value of all income is recorded in the Statement of Financial Activities (SoFA) as soon as the Mission is legally entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. Where income has related expenditure, the income and expenditure are reported gross in the SoFA.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the Mission is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income and accrued in debtors.

Legacies are recognised at the earlier of actual receipt or on receipt of Estate accounts which confirm the Mission's entitlement to receive the legacy, the probability of receipt and provide an accurate measure of the legacy. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the Mission.

The Mission maintains a legacy pipeline system which, in addition to accrued legacies, includes further estimated legacies of which the Mission is aware but which do not meet the above criteria and are therefore not included within these accounts. The estimated value of those legacies in the pipeline is £16,000 (2018 £21,000).

Event income received in advance for a future fundraising event or a grant received relating to the following year are deferred until the criteria for income recognition are met.

Interest on deposit funds and dividends on investments are recognised when the amounts can be measured reliably which is normally upon notification of the amount paid or payable by the bank or when the dividend yield has been notified by our investment advisors.

Sponsorship from events, fundraising and events registration fees are recognised in income when the event takes place.

Trading income, including primary purpose sales to seafarers, is recognised at the point of sale.

1.6 Expenditure and irrecoverable VAT

Expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Operating lease costs are charged on a straight line basis over the lease term.

Irrecoverable VAT is charged to support costs which are then reallocated to the headings on the SoFA. See note 8 for a further analysis of expenditure.

Charitable expenditure comprises expenditure directly relating to the objects of The Mission. It includes:

- Employment and associated costs of chaplains including recruitment and training
- Advice to the Mission family and linked organisations worldwide
- Services to seafarers such as providing transport, communication facilities and access to centres or specific projects to address the needs of seafarers.
- The costs of educational material and information for seafarers together with the newspaper for seafarers *the Sea*

**THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
NOTES TO FINANCIAL STATEMENTS FOR
YEAR ENDED 31 DECEMBER 2019**

1.6 Expenditure and irrecoverable VAT continued

Support costs such as irrecoverable VAT, depreciation and governance costs (including secretarial and administrative support from the Mission's International Headquarters) are allocated to Charitable Activities and Costs of Raising Funds on the basis of head count at International Headquarters. (See note 9)

Governance costs comprise amounts related to constitutional and statutory requirements and include Staff costs, audit fees, professional fees and trustees' expenses.

1.7 Donated services

Donated services or facilities are recognised when the Mission has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

1.8 Volunteers

Volunteers make a valuable contribution to the charitable activities of the charity. With approximately 200 volunteers working in centres, transporting seafarers and ship visiting, they complement and enhance the work of our chaplains and staff in serving seafarers. No financial value is included in these accounts as it is impossible to measure but their priceless contribution to the Mission is further referred to throughout in the *Trustees' Annual Report and Accounts* and specifically in 'Our Mission' on page 2.

1.9 Fixed assets

Intangible fixed assets are non-monetary assets which will be amortised on a straight-line basis over the useful life of the asset.

- Licence: deemed to have an indefinite life and its value will be reviewed for impairment annually

Intangible and Tangible fixed assets are stated in the Balance Sheet at historical cost less amortisation/depreciation. Assets with a cost of less than £1,000 are written off in the year of purchase.

Depreciation is provided on a straight line basis over the anticipated useful life of fixed assets as follows:

- Motor vehicles: four to six years
- Fixtures and equipment: between five and ten years
- Short leasehold buildings: over the term of the lease
- Computer equipment: three years
- Freehold land and properties: Where the trustees consider that the expected useful life of freehold land and buildings is in excess of 50 years and the carrying value in the Financial Statements is not more than the estimated recoverable amount, no depreciation is charged

The trustees have carried out and will continue to carry out annual reviews of impairment for land and property. An asset will be considered impaired if the deemed value in use or the net realisable value is lower than the carrying value. Its carrying value will be written down to the deemed impaired value. For impaired assets, evidence of increased value up to a maximum of the historic cost will be recognised in the accounts.

1.10 Revaluation of tangible fixed assets

The Mission has not adopted the revaluation model for freehold property and those assets are recognised at the lower of their historical cost or impaired value.

1.11 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the bid-market rate, as reported by the investment managers. The trustees confirm that the difference in the value of investments between their valuation policy and the closing market valuation required by SORP (FRS102) is immaterial. Net gains and losses on revaluation and disposals throughout the year are shown in the SoFA.

The Mission does not acquire put options, derivatives or other complex instruments.

**THE MISSION TO SEAFARERS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2019
NOTES TO FINANCIAL STATEMENTS FOR
YEAR ENDED 31 DECEMBER 2019**

1.11 Investments continued

All gains and losses are taken to the SoFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the 1 January. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the SoFA .

The main form of financial risk faced by the Mission is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors.

1.12 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.13 Debtors

Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

1.14 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Creditors

Creditors are recognised where the Mission has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.16 Concessionary loan

The Mission has taken advantage of section 34 of FRS (102) to recognise the loans to its trading subsidiaries as concessionary loans as the subsidiaries and the Mission form a public benefit entity group. The loans are recognised and measured at the amount paid. The carrying amount will be adjusted to reflect any repayments or any accrued interest and adjusted if necessary for any impairment. Note 18 details all concessionary loans.

1.17 Financial instruments

The Mission only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and investments are recorded at fair value, being the closing bid price. All other assets and liabilities are recorded at cost which is their fair value. Investments are also recorded at fair value and note 17 details all unrealised gains and losses.

1.18 Pension costs

All employees are entitled to join a pension scheme. The Mission to Seafarers makes contributions to defined benefit and defined contribution 'money purchase' schemes. The defined benefit schemes are two Church of England multi-employer pension schemes, as described in Section 28 of FRS102, and are now only open to ordained chaplains. Although it is not possible to separately identify the assets and liabilities of the schemes attributable to the Mission a recovery plan with agreed deficit recovery payments has been put in place. Details of the Mission's liability for both schemes of £118,000 (2018: £291,000) are given in note 15.

The money purchase plan is managed by Royal London (formerly Scottish Life) and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The fund is then converted into a pension upon the employee's chosen retirement age. The Mission has no liability beyond making its contributions and the deductions for the employee's contributions.

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1.18 Pension costs continued

Following the implementation of The Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010, The Mission to Seafarers commenced auto-enrolment from 1 March 2015, deferred to 1 June 2015 using NOW. However, following the April 2019 increase of the employee's minimum contribution to 5%, this scheme was closed and staff were eligible to join the Royal London scheme.

1.19 Foreign currency translation

With the exception of investments, transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Foreign currency investment transactions are recorded at an average rate. For overseas branches and subsidiaries, income and expenditure is recorded at an average rate for the year. Monetary assets and liabilities are shown in the balance sheet at the sterling rate ruling at the balance sheet date.

Exchange gains and losses are recognised in the Statement of Financial Activities.

1.20 Taxation

The Mission to Seafarers is considered to pass the tests set out in Paragraph 1 Schedule 6 of the *Finance Act 2010* and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Mission is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the *Corporation Tax Act 2010* or Section 256 of the *Taxation of Chargeable Gains Act 1992*, to the extent that such income or gains are applied exclusively to charitable purposes.

1.21 Judgements and key sources of estimation uncertainty

No judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies.

The trustees make estimates and assumptions concerning the future based on their knowledge of the Mission and the environment in which it operates. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual outcome.

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2. SUBSIDIARY AND CONNECTED UNDERTAKINGS

2.1 The Dunkirk War Memorial Trust Ltd Company No. 185130, Charity No. 236806

The Dunkirk War Memorial Trust Limited (DWMT) was set up in 1922 as a charity to provide premises and facilities for the use of seafarers within the port of Dunkirk, France. DWMT is effectively controlled by virtue of the directors being trustees or senior employees of The Mission to Seafarers.

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Donations	72	45
Other trading	-	2
Investment Income	3	3
Charitable activities	175	139
Total Income	250	<i>189</i>
Raising funds	(6)	(5)
Charitable activities	(254)	(264)
Total Expenditure	(260)	<i>(269)</i>
Net expenditure	(10)	(80)
Net gain/(loss) on investments	14	(1)
Foreign exchange gain/(loss)	2	(2)
Net Gain/(Loss) Retained in Subsidiary	6	<i>(83)</i>

2.2 Flying Angel Marketing Enterprises Ltd (FAME) Company No. 00933115

The Mission to Seafarers owns the whole of the issued share capital of FAME. One trustee and a current director of the Mission sit on the board of FAME but receive no remuneration for doing so.

FAME is a retailer and distributor of Christmas cards and novelties, and is party to any commercial agreement that is not considered a charitable activity of The Mission to Seafarers. Any taxable profit from trading is gifted to The Mission to Seafarers.

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Turnover	2	2
Cost of Sales	-	-
Gross Profit	2	<i>2</i>
Administration	(2)	(2)
Donation to The Mission to Seafarers	-	-
Net Gain Retained in Subsidiary	-	<i>-</i>

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2.3 The Flying Angel Belfast Ltd Company No. NI605252

The Flying Angel Belfast Ltd was set up to operate catering services in The Mission to Seafarers' Belfast premises. All the shares in this company are owned by The Mission to Seafarers. Any taxable profit is gifted to The Mission to Seafarers.

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Turnover	16	<i>21</i>
Cost of sales	(9)	<i>(13)</i>
Gross Profit	7	<i>8</i>
Administration	(7)	<i>(8)</i>
Donation to The Mission to Seafarers	-	<i>-</i>
Net Gain Retained in Subsidiary	-	<i>-</i>

2.4 The Mission to Seafarers Scotland Ltd Company No. SC389483, Charity No. SCO41938

The Mission to Seafarers Scotland Ltd was set up as a company limited by guarantee and a registered charity in Scotland to raise funds and deliver services to seafarers and their families in Scotland. The Mission to Seafarers is the sole member

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Donations	114	<i>92</i>
Charitable activities	40	<i>29</i>
Other trading	1	<i>1</i>
Total Income	155	<i>122</i>
Raising Funds	(3)	<i>-</i>
Charitable activities	(125)	<i>(123)</i>
Total Expenditure	(128)	<i>(123)</i>
Net Gain/(Loss) Retained in Subsidiary	27	<i>(1)</i>

2.5 The Mission to Seafarers Trust Corporation Ltd (MTSTC) Company No. 38498

MTSTC holds real property and investments as custodian trustee on behalf of The Mission to Seafarers. It has no transactions on its own account. All the shares are owned by the Mission.

3. DONATIONS AND LEGACY INCOME

	Unrestricted	Restricted	2019	<i>Unrestricted</i>	<i>Restricted</i>	<i>2018</i>
	Funds	Funds	£'000	<i>Funds</i>	<i>Funds</i>	<i>£'000</i>
	£'000	£'000	Total	<i>£'000</i>	<i>£'000</i>	<i>Total</i>
General donations	1,582	13	1,595	<i>1,321</i>	<i>99</i>	<i>1,420</i>
Legacies	758	-	758	<i>918</i>	<i>-</i>	<i>918</i>
General grants	-	311	311	<i>-</i>	<i>246</i>	<i>246</i>
Vote 4 (<i>Pension note 15</i>)	87	-	87	<i>98</i>	<i>-</i>	<i>98</i>
Total	2,427	324	2,751	<i>2,337</i>	<i>345</i>	<i>2,682</i>

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4. CHARITABLE ACTIVITIES INCOME

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Provision of services to seafarers	412	458
Total	412	<i>458</i>

There was no restricted Charitable Activity income in 2019 or 2018.

5. TRADING ACTIVITIES INCOME

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Trading activities	126	53
Fundraising events	28	47
Property rental	43	48
Total	197	<i>148</i>

There was no restricted Trading activity income in 2019 or 2018.

Rental Income represents monies received from properties held as fixed assets that are not fully occupied for The Mission to Seafarers' own activities and are let out in furtherance of our charitable activities or because they are temporarily surplus to operational requirements.

6. INVESTMENT INCOME

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Listed investments:		
Dividends – equities	827	847
Bank deposit interest	4	3
Total	831	<i>850</i>

There was no restricted Investment income in 2019 or 2018. Income from unlisted investments is shown gross, including tax reclaimable.

7. OTHER INCOME

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Surplus on disposal of properties	110	765
Surplus on disposal of other assets	28	1
Other	1	7
Total	139	<i>773</i>

There was no restricted Other income in 2019 or 2018.

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8. ANALYSIS OF EXPENDITURE

	Direct Costs £'000	Support £'000	Total 2019 £'000	<i>Direct Costs £'000</i>	<i>Support £'000</i>	<i>Total 2018 £'000</i>
Raising Funds:						
Appeals and events	634	253	887	485	262	747
Commercial trading; sale of Christmas cards and catering	20	1	21	23	2	25
Investment management	-	-	-	19	10	29
Promotional materials and media	51	20	71	40	22	62
Total Raising Funds	705	274	979	567	296	863

Charitable activities:

Ship visiting and ministry to seafarers	1,305	267	1,572	1,401	285	1,686
Advocacy and welfare	212	40	252	136	24	160
Seafarer transportation	164	31	195	183	30	213
Branch and centre operations	1,098	141	1,239	1,072	136	1,208
Grants to support ministry around the world	813	179	992	668	174	842
<i>the Sea</i> publication for seafarers	80	18	98	83	16	99
Total Charitable Activities	3,672	676	4,348	3,543	665	4,208

Total expenditure	4,377	950	5,327	4,110	961	5,071
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Analysis by department 2019:

	Ministry £'000	Comms £'000	Regions £'000	Fund Raising £'000	Support £'000	Total 2019 £'000
Staff Costs (note 11)	427	37	1,114	359	474	2,411
All other costs	129	121	1,844	346	476	2,916
Total expenditure	556	158	2,958	705	950	5,327

Analysis by department 2018:

	<i>Ministry £'000</i>	<i>Comms £'000</i>	<i>Regions £'000</i>	<i>Fund Raising £'000</i>	<i>Support £'000</i>	<i>Total 2018 £'000</i>
Staff Costs (note 11)	397	30	1,422	273	419	2,541
All other costs	98	103	1,493	294	542	2,530
Total expenditure	495	133	2,915	567	961	5,071

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9. ANALYSIS OF SUPPORT COSTS

Support costs not directly attributable to the headings on the Statement of Financial Activities are reallocated on the basis of headcount at the Mission's International Headquarters as follows;

2019	Basis of apportionment	Management & admin £'000	Finance £'000	HR £'000	IT £'000	Property £'000	Governance £'000	2019 Total £'000
Cost of Charitable activities	Headcount at IHQ	247	160	92	43	46	88	676
Raising funds	Headcount at IHQ	105	57	39	19	20	34	274
Support costs total		352	217	131	62	66	122	950

2018	Basis of apportionment	Management & admin £'000	Finance £'000	HR £'000	IT £'000	Property £'000	Governance £'000	2018 Total £'000
Cost of Charitable activities	Headcount at IHQ	278	152	76	47	81	35	669
Raising funds	Headcount at IHQ	120	62	36	22	39	13	292
Support costs total		398	214	112	69	120	48	961

Audit fees included in governance costs for the group amount to £21,000 (2018: £21,525) and other fees paid to the auditors for non-audit services total £1,650 (2018: £6,750) as shown below;

	2019 £	2018 £
Non-audit services consist of:		
Tax services for HMRC PAYE Settlement Agreement	-	1,800
Advice regarding VAT	1,650	-
Advice regarding investment in a subsidiary	-	4,950
Total	1,650	6,750

Depreciation costs total £135,000 (2018: £149,000). Operating lease payments total £52,700 (buildings £50,000 and other £2,700), (2018: total £22,700; buildings £20,000 and other £2,700).

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10. MINISTRY AND PROJECT GRANTS

Grant recipient	Port/Country	2019 £'000	2018 £'000
The Mission to Seafarers Africa Region	Africa	106	88
Centro de Capitanes de Ultramar	Buenos Aires, Argentina	31	38
The Australian Council of the Mission to Seafarers	Australia	80	62
Bahrain Anglican Church Council	Bahrain	20	20
Bermuda Seafarers Home	Bermuda	5	-
Ordem de Sao Patricio	Belem, Brazil	30	19
Associacao Anglicana do Nordeste	Suape, Brazil	47	20
The Mission to Seafarers Canada	Canada	37	22
The Mission to Seafarers Southern Ontario	Canada	-	10
The Mission to Seafarers Colombo	Colombo	21	19
The Episcopal Church of Costa Rica	Costa Rica	1	-
The Diocese of Cyrus and The Gulf	Limassol, Cyprus	36	37
Trustees Stanley Seamen's Mission	Falklands	3	3
Assn Rouennaise Amis Des Marins	Rouen, France	6	6
The Sailor's Home and Mission to Seafarers	Hong Kong	-	5
Church of South India Synod, South India	India	10	6
Thoothukudi Nazareth Diocese Trust	Tuticorin, India	30	32
The Mission to Seafarers Mombasa	Mombasa, Kenya	15	-
Mission to Seafarers Oceania Region	Oceania	30	38
Luis Alejandro Rivera de la Torre	Panama	-	3
Homer Foundation Inc	Philippines	63	-
Philippine Independent Church	Philippines	45	53
NE Plus Ultra Holdings Inc	Philippines	7	-
Sesinando Suntayanna	Philippines	3	-
The Mission to Seafarers Singapore	Singapore	5	5
Daehan Sungkunghoe Yuji Jaeden	Busan, South Korea	58	63
The Anglican Church in Thailand	Thailand	24	32
The Diocese in Europe	Izmir, Turkey	10	10
Merchant Navy Welfare Board	UK	-	4
Good Work (Norfolk and Waveney Industrial Mission Ltd)	Great Yarmouth, UK	-	6
Port of Bristol Seafarers Centre	Portbury, UK	9	9
The Seaham Seafarers Centre	Seaham, UK	4	4
Seaman Relief Fund ASOL	Ukraine	-	17
The Mission to Seafarers Seattle	USA	48	28
North American Maritime Ministry Association	USA	9	9
Seafarers Ministry of the Golden Gate	USA	10	-
Baltimore International Seafarers Centre	USA	10	-
Total		813	668

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10. MINISTRY AND PROJECT GRANTS continued

The Mission to Seafarers makes grants to maritime organisations whose work will fulfill our charitable objectives. Grants are to support direct maritime ministry, the development of maritime ministry or seafarer welfare projects. Amounts are agreed annually and the terms and amounts will be set out in a Memorandum of Understanding (MoU). Funded organisations are required to report to The Mission to Seafarers annually to ensure that the terms of the MoU have been met.

11. STAFF COSTS

Staff costs 2019:

	Charitable Activities £'000	Raising Funds £'000	Support £'000	Total 2019 £'000
Wages and salaries	1,087	273	287	1,647
Social security costs	128	27	29	184
Other pension costs	5	13	20	38
Other Staff costs	347	57	138	542
Total	1,567	370	474	2,411
Average head count	45	8	9	62
Full time equivalent	37	7	8	52

Staff costs 2018:

	<i>Charitable Activities £'000</i>	<i>Raising Funds £'000</i>	<i>Support £'000</i>	<i>Total 2018 £'000</i>
<i>Wages and salaries</i>	<i>1,152</i>	<i>222</i>	<i>265</i>	<i>1,639</i>
<i>Social security costs</i>	<i>132</i>	<i>26</i>	<i>26</i>	<i>184</i>
<i>Other pension costs</i>	<i>128</i>	<i>9</i>	<i>18</i>	<i>155</i>
<i>Other Staff costs</i>	<i>428</i>	<i>25</i>	<i>110</i>	<i>563</i>
Total	1,840	282	419	2,541
<i>Average head count</i>	<i>64</i>	<i>11</i>	<i>8</i>	<i>83</i>
<i>Full time equivalent</i>	<i>54</i>	<i>8</i>	<i>8</i>	<i>70</i>

Other staff costs include recruitment, compensation for loss of office, training, welfare of overseas employees, temporary staff and travel related costs. There were no redundancy payments made in 2019 (2018: none).

Employees with remuneration (excluding benefits in kind) in excess of £60,000:

- £60,000 to £70,000 3 (2018: 3)
- £80,000 to £90,000 1 (2018: 1)

12. KEY MANAGEMENT PERSONNEL REMUNERATION AND BENEFITS

The 2019 Senior Management Team comprised the Secretary General, the Director of Development, the Director of Finance, the Director of Human Resources & Administration and the Director of Advocacy and Regional Engagement.

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12. KEY MANAGEMENT PERSONNEL REMUNERATION AND BENEFITS – continued

The team's total remuneration and benefits package consisted of an amalgam of salary, pension contributions, health insurance and the tax thereon. No Director received every type of benefit (2018: none).

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Total salary paid to Senior Management Team	346	339
Total of other benefits	42	38
Employer social security costs on salary and benefits	45	44
Total	433	<i>421</i>

13. TRANSACTIONS WITH TRUSTEES

No trustee (2018: none) received remuneration during the current year.

During the year £6,897 of expenses (2018: £4,738) were reimbursed directly to 7 trustees (2018: 7 trustees) and £3,803 (2018: £3,436) to third parties for travel and subsistence to attend meetings of and on behalf of The Mission to Seafarers. £175 was also spent on trustee leaving gifts (2018: £403). The total amount paid was £10,875 (2018: £8,577).

14. RELATED PARTY TRANSACTIONS

During the year there were three payments to related parties (2018: 3). The payments were made to Barlow Interventions Ltd where trustee Stephen Lyon is a director at £77 for travel to attend board meetings (2018: £524 for travel to attend board meetings) and International Christian Maritime Association where the Secretary General Andrew Wright is a trustee at £7,500 membership fee and £3,220 for registration fees for the ICMA World Conference 2019 (2018: £9,700 membership fee and £2,446 for Seafarers' Ministry training course). There were no other related party transactions and no outstanding balances (2018: none) due at 31 December.

15. PENSIONS

15.1 Defined Benefit Schemes

The Mission to Seafarers participates in two of the Church of England's Defined Benefits Schemes administered by the Church of England Pensions Board. These are;

- The Church of England Funded Pensions Scheme (**CEFPS**) for the clergy
- The Church of England Defined Benefits Scheme (**CEDBS**) for lay employees of Church of England organisations

The assets of both schemes are held separately from those of The Mission to Seafarers. The Church of England Pensions Board has stated that it is unable to identify the Mission's share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the schemes.

The Mission to Seafarers has treated these schemes as multi-employer schemes as described in Section 28 of FRS102. This means that contributions are accounted for as if the Schemes were defined contribution schemes. Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends. The legal structure of the scheme is such that if another Responsible Body fails, The Mission to Seafarers could become responsible for paying a share of that Responsible Body's pension liabilities.

The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in the year, plus any impact of deficit contributions.

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15.2 CEFPS

A valuation of the CEFPS was carried out as at 31 December 2018 and the initial results revealed a shortfall of assets of £57million with assets of £1,818m and a funding target of £1,875m.

A recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The Mission's liability and movement in the provision with effect from 1 January 2018 are set out in the table below.

The liability at the year end is the fair value of the liability and represents the present value of the deficit contributions which have been valued using the assumptions, also shown below, set by reference to the duration of the deficit recovery payments;

Deficit liability – CEFPS

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Balance sheet liability at 1 January	237	<i>241</i>
Deficit contributions paid	(26)	<i>(29)</i>
Interest cost	5	<i>3</i>
Change to balance sheet liability	(98)	<i>22</i>
Balance sheet liability at 31 December	118	<i>237</i>
Assumptions:		
Discount rate	1.1% pa	<i>2.1% pa</i>
Price Inflation	2.8% pa	<i>3.1% pa</i>
Increase to total pensionable payroll	1.3% pa	<i>1.6% pa</i>

Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

All of The Mission to Seafarers' employed chaplains are currently funded by the Archbishops' Council under Vote 4 provisions. Employer's contributions of £87,000, representing current contributions and the deficit repair contributions above, (2018: £98,000) were paid by the Mission to the CEFPS and are included in Staff costs (note 11). This amount was reimbursed by the Archbishops Council and is included in Donations (note 3).

15.3 CEDBS (also known as the Church Workers Pension Fund)

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

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15.3 CEDBS (also known as the Church Workers Pension Fund) continued

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme.

A valuation of DBS is carried out once every three years. The most recent was carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased The Mission to Seafarers' contributions that would otherwise have been payable. The overall deficit in DBS was £26.2m.

Following the valuation, The Mission to Seafarers has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 31.1% of pensionable salary and expenses of £2,900 per year. In addition deficit payments of £108,337 per year have been agreed for 1.25 years from 1 April 2018 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within The Mission to Seafarers' financial statements.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

The liability at the year end is the fair value of the liability and represents the present value of the deficit contributions which have been valued using the assumptions, also shown below, set by reference to the duration of the deficit recovery payments;

Deficit liability – CEDBS

	2019	2018
	£'000	£'000
Balance sheet liability at 1 January	54	138
Deficit contributions paid	(54)	(81)
Change to the liability	-	(3)
Balance sheet liability at 31 December	-	54
Discount rate	0.00%pa	0.00%pa

The legal structure of the scheme is such that if another employer fails, The Mission to Seafarers could become responsible for paying a share of that employer's pension liabilities.

The next valuation of the scheme is currently being carried out as at December 2019.

During the year The Mission to Seafarers paid pension contributions and expenses of £12,000 (2018 £11,000). The Mission currently has one (2018: 1) active member and 6 (2018:6) deferred pensioners. Overall the scheme has 272 active members (2018: 272) and 1,669 deferred pensioners (2018:1,669).

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15.4 Defined Contribution Schemes

a) Royal London. A scheme for staff was set up in 2008 with Royal London (formerly Scottish Life). Contributions to this scheme are funded 3% by the employee and 7% by The Mission to Seafarers. There are 26 (2018: 15) members of staff in this scheme at 31 December 2019. Employer contributions to this scheme in 2019 were £56,000 (2018: £41,000) with nothing due to be paid at the year end (2018; £5,000).

b) NOW. Following the implementation of The Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010, The Mission to Seafarers commenced auto-enrolment from 1 March 2015, deferred to 1 June 2015 using NOW. There were four members of staff in this scheme at 25 June 2019 (31 December 2018: 3). Employer contributions to this scheme in 2019 were £1,000 (2018: £2,000). The scheme was terminated on 25 June 2019 and all staff remaining in the scheme have now joined the Royal London scheme.

Amounts paid in respect of unfunded pensions during the year were £3,500 (2018: £1,600).

16. FIXED ASSETS

16.1 Intangible fixed assets

	Group	Licence £'000	Company	Licence £'000
Cost 1 January 2019		3		-
Disposals		(3)		-
Net book value		<u> </u>		<u> </u>
31 December 2019		<u> </u>		<u> </u>
<i>31 December 2018</i>		3		-

The licence was acquired to enable activities at the Seafarers centre in Dunkirk.

16.2 Tangible fixed assets

Group	Property £'000	Motor Vehicles £'000	Fixtures & Equipment £'000	Total £'000
Cost				
1 January 2019	6,065	680	882	7,627
Additions	69	158	19	246
Disposals	(122)	(183)	(10)	(315)
31 December 2019	<u>6,012</u>	<u>655</u>	<u>891</u>	<u>7,558</u>
Depreciation				
1 January 2019	1,149	508	832	2,489
Provided during the year	50	61	24	135
Disposals	-	(124)	(2)	(126)
Impairment charges/(gains)	35	-	-	35
31 December 2019	<u>1,234</u>	<u>445</u>	<u>854</u>	<u>2,533</u>
Net book value 31 December 2019	4,778	210	37	5,025

31 December 2018	4,916	172	50	5,138
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The value of one property (2018: one) was found to be impaired at £35,000 (2018: impairment gain £14,000)

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16.2 Tangible fixed assets continued

The Company	Property £'000	Motor Vehicles £'000	Fixtures & Equipment £'000	Total £'000
Cost				
1 January 2019	6,065	644	790	7,499
Additions	-	129	15	144
Disposals	(122)	(183)	(10)	(315)
Exchange difference	-	-	-	-
31 December 2019	5,943	590	795	7,328
Depreciation				
1 January 2019	1,149	483	755	2,387
Provided during the year	50	57	18	125
Disposals	-	(124)	(2)	(126)
Impairment charges/(gains)	35	-	-	35
31 December 2019	1,234	416	771	2,421
Net book value 31 December 2019	4,709	174	24	4,907
31 December 2018	4,916	161	35	5,112

Property

The properties held are split between categories as follows:

	2019 £'000	<i>2018 £'000</i>
Freehold	3,953	3,922
Long term leasehold	825	994
Total	4,778	4,916

Freehold and leasehold property represents the book value of Staff houses, pensioners' houses, and club and office premises. Premises and club leases are long term with many at peppercorn rent. All assets are used by the charity for its charitable purposes or rented out if surplus to current operational requirements.

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17. INVESTMENTS

17.1 Listed Investments

	2019		2018	
	Group £'000	Company £'000	<i>Group £'000</i>	<i>Company £'000</i>
Market value 1 January	23,668	23,590	23,835	23,755
Additions	27	27	3,400	3,400
Disposals	(682)	(682)	(3,314)	(3,314)
Unrealised gain/(loss) for the year	4,236	4,221	(253)	(251)
Market value 31 December				
Listed investments	27,249	27,156	23,668	23,590
Cash held by Investment Managers	-	-	-	-
Total	27,249	27,156	23,668	23,590
Historical Cost at 31 December	23,025	22,946	23,681	23,602

Investment managers' fees were nil (2018: £7,000) with no other fees or charges (2018: an exit fee credit of £1,500 and other fees including intermediary charges £13,500). The CCLA's annual charge in relation to the CBF Church of England Investment Fund (Investment Fund) was approximately 0.55%, (2018: 0.7%) although this was not directly charged to the Mission but against the capital of the Investment Fund.

Analysis of investments

	2019		2018	
	Group £'000	Company £'000	<i>Group £'000</i>	<i>Company £'000</i>
Holdings in multi asset funds	27,237	27,144	23,656	23,578
Fixed interest securities	12	12	12	12
Total	27,249	27,156	23,668	23,590

As part of a multi asset Investment Fund, significant individual holdings cannot be identified, however the significant class of holdings (over 5%) at 31 December were:

	2019	2018
Overseas Equities	57%	50%
UK Equities	13%	16%
Infrastructure and Operating assets	12%	11%
Cash and near cash	5%	6%
Private Equity & other	5%	-

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17.2 Investments in subsidiaries

The Company controls the following principal active subsidiaries, the results of which have been consolidated.

Name of Company	Country of in-corporation	% Holding/Control	No of shares held and value	Net Income 2019 £'000	Net Assets as at 31/12/19 £'000	Nature of Business
The Dunkirk War Memorial Trust Ltd	UK	100	12 shares; held by the Mission 8, a trustee 1 and Mission directors 3 £12	6	74	Provision of spiritual and practical welfare for all seafarers
Flying Angel Marketing Enterprises Ltd	UK	100	6 shares £6	-	1	Sales of promotional goods
The Flying Angel Belfast Ltd	UK	100	1 share £1	-	-	Sales of catering services and promotional goods
The Mission to Seafarers Scotland Ltd	UK	100	Company limited by guarantee, sole member	27	131	Provision of spiritual and practical welfare for all seafarers
The Mission to Seafarers Trust Corporation Ltd	UK	100	11 shares £11	-	-	Holds property as custodian trustee on behalf of the Mission

18. DEBTORS

	2019 Group £'000	2018 Group £'000	2019 Company £'000	2018 Company £'000
Amounts owed by group/associated undertakings;				
Flying Angel Marketing Enterprises Ltd (FAME)	-	-	3	15
The Flying Angel Belfast Ltd (FAB)	-	-	19	21
The Dunkirk War Memorial Trust Ltd (DWMT)	-	-	139	64
Trade debtors	434	246	412	242
Prepayments and accrued income	245	325	243	323
Other debtors	54	50	49	41
Total	733	621	865	706

The prepayment and accrued income includes accrued legacies £79,000 (2018: £165,000).

Amounts due from FAB include a £10,000 concessionary loan made to FAB which is secured and carries a market rate of interest and is repayable on demand.

Amounts due from DWMT include a £50,000 concessionary loan to undertake essential repairs to the centre in Dunkirk. The loan is repayable on the sale of other surplus property owned by DWMT ideally within a two year period and is at a zero interest rate.

A proportion of legacies receivable may be received after more than 1 year, but this figure cannot be determined with any accuracy due to the inherent uncertainty in the timing of legacy income receipt.

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19. CURRENT LIABILITIES

	2019 Group £'000	<i>2018 Group £'000</i>	2019 Company £'000	<i>2018 Company £'000</i>
Trade creditors	74	148	69	144
Social security and tax	62	22	36	2
Accruals and other creditors	191	228	160	223
Total	327	<i>398</i>	265	<i>369</i>

20. RESTRICTED FUNDS

Restricted funds 2019	Opening Balance £'000	Income £'000	Expenditure £'000	Transfer £'000	Closing Balance £'000
Baltic Charitable Trust (vehicles running costs)		15	(15)	-	-
Belfast (Property Costs)	408	-	-	(15)	393
Burgess Yachts (Superyacht crew welfare)		8	(8)		-
David Pellet ((Vlissingen)		10	-		10
Garfield Weston (Diversity & growth of volunteer support base)		10	(10)		-
International Transport Workers' Federation (New Zealand/Australia maritime conference)		25	-	-	25
International Transport Workers' Federation (Welfare worker, Dubai)	-	43	(43)	-	-
International Transport Workers' Federation (ILO training re MLC 2006)		10	(5)	-	5
Merchant Navy Welfare Board (Vehicles for use in UK Ports)	76	30	-	(33)	73
Merchant Navy Welfare Board (Newport centre disabled facilities)	8	2	(10)	-	-
Port Talbot building costs; Merchant Navy Welfare Board; Garfield Weston The Austin Bailey Foundation, Maurice & Hilda Laing Charitable Trust	44	-	-	(7)	37
Seafarers UK (Port costs)	-	110	(110)	-	-
Trinity House (Tilbury intern)	3	-	(3)	-	-
TK Foundation (cadetship project)	42	42	(41)	-	43
TK Foundation (Repairs to Rouen centre)		15	-	-	15
UK P&I Club (Family project, Philippines)	12	-	(12)	-	-
Others	31	4	(11)	-	24
Total	624	324	(268)	(55)	625

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20. RESTRICTED FUNDS continued

Restricted funds 2018	Opening Balance £'000	Income £'000	Expenditure £'000	Transfer £'000	Closing Balance £'000
<i>Augustea (Vehicle for Manila, Philippines)</i>		15	(15)	-	-
<i>Belfast (Property Costs)</i>	424	-	-	(16)	408
<i>International Transport Workers' Federation (Seafarer's hospital fees)</i>	13		(13)	-	-
<i>International Transport Workers' Federation (Welfare worker, Dubai)</i>	-	43	(43)	-	-
<i>International Transport Workers' Federation (ILO training re MLC 2006)</i>		4	(4)	-	-
<i>Merchant Navy Welfare Board (Vehicles for use in UK Ports)</i>	48	60	-	(32)	76
<i>Merchant Navy Welfare Board (Newport centre disabled facilities)</i>		8	-	-	8
<i>Port Talbot building costs; Merchant Navy Welfare Board; Garfield Weston The Austin Bailey Foundation £1,000 Maurice & Hilda Laing Charitable Trust £5,000</i>	45	6	-	(7)	44
<i>Seafarers UK (Port costs)</i>	-	130	(130)	-	-
<i>Trinity House (Tilbury intern)</i>	18	-	15	-	3
<i>TK Foundation (cadetship project)</i>		42	-	-	42
<i>UK P&I Club (Family project, Philippines)</i>	20	30	(38)	-	12
<i>The Big Lottery Fund; Newport Heritage Project</i>	8	-	(8)	-	-
<i>Others</i>	33	7	(9)	-	31
Total	609	345	(275)	(55)	624

Restricted funds represent capital grants (note 1.4) received together with donations for specific purposes. Transfers to unrestricted funds represent the release for the year of these grants or donations.

21. UNRESTRICTED FUNDS

Unrestricted funds 2019	Opening Balance £'000	Income £'000	Expenditure £'000	Transfer/ Disposals £'000	Closing Balance £'000
Designated funds					
Fixed assets	4,613	216	(44)	(263)	4,522
Branch and subsidiary reserves	6,400	1,721	(1,622)	-	6,499
African Region Fund	354		(54)	-	300
Commitments to Retired Chaplains	1,000	-	-	-	1,000
Total designated funds	12,367	1,937	(1,720)	(263)	12,321
General Funds	19,086	6,422	(3,081)	55	22,482
Total unrestricted funds	31,453	8,359	(4,801)	(208)	34,803

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21. UNRESTRICTED FUNDS continued

<i>Unrestricted funds 2018</i>	<i>Opening Balance</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfer</i>	<i>Closing Balance</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Designated funds					
<i>Fixed assets</i>	5,000	-	-	(387)	4,613
<i>Branch and subsidiary reserves</i>	6,200	1,695	(1,495)	-	6,400
<i>African Region Fund</i>	407		(53)	-	354
<i>Commitments To Retired Chaplains</i>	1,000	-	-	-	1,000
Total designated funds	12,607	1,695	(1,548)	(387)	12,367
General Funds	19,464	2,871	(3,691)	442	19,086
Total unrestricted funds	32,071	4,566	(5,239)	55	31,453

The Fixed Asset reserves represent the cost value, net of depreciation, of the investment in fixed assets owned by The Mission to Seafarers.

The Reserves of the branches, subsidiary companies and the African region fund are held for the purpose of delivering services in the relevant geographical locations.

Any chaplain employed prior to 1983 with a minimum service of 30 years is entitled to be provided with housing for the remainder of their life. Although there are no further properties to be purchased, the Mission has an on-going commitment to retired chaplains' property costs including maintenance and council tax.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2019	Unrestricted General £'000	Unrestricted Designated £'000	Restricted £'000	Total £'000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	4,522	503	5,025
Investments	22,255	4,994	-	27,249
Net current assets	345	2,805	122	3,272
Long term liability	(118)	-	-	(118)
Total	22,482	12,321	625	35,428
2018				
<i>Intangible fixed assets</i>	-	3	-	3
<i>Tangible fixed assets</i>	-	4,610	528	5,138
<i>Investments</i>	15,914	7,754	-	23,668
<i>Net current assets</i>	3,463	-	96	3,559
<i>Long term liability</i>	(291)	-	-	(291)
Total	19,086	12,367	624	32,077

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23. ECUMENICAL CENTRES

Financial details of organisations in which the charity is a joint trustee and involved in the management are:

	Humber Seafarers' Service Ltd Charity No 1159953	Felixstowe Charity No 272077	Port of Bristol Charity No 286078
Proportion of controlling influence	33.3%	33.3%	33.3%
Proportion of net assets on dissolution:			
Property	-	33.3%	33.3%
Other	-	33.3%	33.3%
Last published accounts date	31/03/19	31/03/19	31/03/19
Net Surplus/(Deficit) in £000s	1	(46)	41
Net Assets in £000s	104	506	209

24. CAPITAL COMMITMENTS

At 31 December 2019 the Board had contracted to purchase a chaplain's vehicle at a cost of £31,000 (2018: £22,000). There is no other contracted capital expenditure for the Group or Company.

25. FINANCIAL COMMITMENTS

At 31 December 2019 the Group and Company had total commitments under non-cancellable operating leases which expire as set out below:

	Land and Buildings 2019 £'000	<i>Land and Buildings 2018 £'000</i>
Not later than 1 year	53	31
Later than 1 year and not later than 5 years	181	205

26. CONTINGENT LIABILITIES

As explained in note 23 above, The Mission to Seafarers supports other ecumenical centres. Although these centres operate independently of the Mission, there would be certain obligations on The Mission to Seafarers if any of them were to run into financial difficulty. The Mission to Seafarers appoints one or more of their trustees, normally a Mission Trustee or senior member of staff, to these centres and, as far as they are aware, there are currently no material matters that would give rise to a liability.

27. CONTINGENT ASSET

The Mission to Seafarers has been notified in May 2020 of a legacy distribution that did not meet the criteria for recognition as of the balance sheet date. The value of this distribution is £300,000.

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28. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £'000	2018 £'000
Net income for the reporting period <i>(as per the statement of financial activities)</i>	3,356	(623)
Adjustments for:		
Depreciation charges	170	135
(Gains)/loss on investments	(4,353)	463
Dividends and interest	(858)	(850)
Profit on sale of fixed assets	(46)	(766)
(Increase) in stocks	(2)	(3)
(Increase)/decrease in debtors	(112)	611
(Decrease)/increase in creditors	(244)	30
Net cash provided by operating activities	(2,089)	(1,003)

29. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £'000	2018 £'000
Cash in hand	1,091	1,162
Notice deposits (less than 3 months)	1,743	2,144
Cash held by investment managers	-	-
Total cash and cash equivalents	2,834	3,306

30. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN DEBT

	2019 £	2018 £
Net increase (decrease) in cash and cash equivalents in the year	(472)	286
Cash flow from (increase)/decrease in debt financing	-	-
Change in net debt resulting from cash flows	472	286
Movement in net debt in the year		
Net debt at the start of the year	-	-
Net debt at the end of the year	-	-

31. SUMMARY SOFA FOR THE MISSION TO SEAFARERS COMPANY NO. 622024

	2019 £'000	2018 £'000
Income	4,044	4,946
Gains/(loss) on investments	4,339	(462)
Expenditure	(4,953)	(5,021)
Net income/(expenditure)	3,430	(537)
(Loss)/gain on foreign exchange	(8)	22
Total funds brought forward	31,904	31,790
Funds transferred out from the Mombasa branch to a separate entity registered in Kenya (see page 23)	(125)	-
Funds transferred in from The Mission to Seafarers DMCCO Dubai	-	629
Total funds carried forward	35,201	31,904