

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

For the year ended 31 December 2019



Patron: Her Majesty The Queen
President: HRH The Earl of Wessex, KG, GCVO, CD, ADC(P)

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Message from the Chair of the Board

Vice Admiral Peter Wilkinson CB CVO BA

Our new Chief Executive Officer, Catherine Spencer, introduces herself opposite but it would be remiss of me, on behalf of the Trustees, staff and supporters, not to welcome her formally. We were all pleased when Catherine agreed to take on the new role of Chief Executive Officer in the summer of 2019. She has a strong background in Third Sector organisations having been on the Council of the Forces Pension Society, Chief Executive of the Army Families Federation and, most recently, a senior director of a medical charity in Bangladesh. There is no doubt that she recognises the type of challenges that are facing the maritime sector and is already putting her experience to good use.

The main purpose of Seafarers UK remains exactly the same as it has been for over 100 years: to award funds and support services to improve the lives of seafarers and their families. It sounds deceptively simple, doesn't it? The hard part is to balance a whole range of factors that we need to take into consideration including: having a sound understanding of the organisations with whom we work as delivery partners; balancing today's need against making provision for the future; measuring the impact of our grants and the number of people that will benefit and, of course, our own financial health. When the USA's Apollo space programme was in full swing, it was said that all the staff at NASA were so focused on the end result that if you asked any member of staff what they were doing, their answer would always be the same: "I'm helping put a man on the moon". I suggest that for all staff, supporters and Trustees, our attitude in Seafarers UK should be the same: "I'm helping to improve the lives of seafarers and their families". And I'm delighted to report that all the evidence I have seen in the last 10 years suggests that this is certainly the case and it reflects very creditably on the organisation.

The challenges undoubtedly remain however: public awareness, a difficult fundraising environment, increasing cost of care, reduced returns from our investments. I am confident, however, that in its second century, Seafarers UK is ready to rise to those challenges – and others that may emerge over time – and continue to be a major force in improving the lives of seafarers and their families.

Since the year end, the COVID-19 virus has had a devastating effect on business and on the charity sector.

The Seafarers UK General Council, recognising its responsibility to support seafarers facing hardship, decided in April 2020 to release £2,000,000 of its reserves to form an Emergency Fund. This will help the maritime charities sector deal with the financial and welfare issues seafarers face resulting from COVID-19. Its focus is Merchant Seafarers and British Fishers. The Fund will be used in addition to our normal annual grants budget. It is the largest Emergency Fund in the UK Maritime sector.

Financial markets have been adversely affected by the negative impact on the global economy caused by COVID-19, but our investment managers have worked very hard on our behalf and I am pleased to report that at 10 June 2020 the overall value of our investments had appreciated modestly since 31 December 2019.

Seafarers UK has a policy of ensuring it meets immediate need through the use of donated funds and utilises some of these funds to create a reserve to provide for future and unexpected emergencies. Thankfully this policy enables us to provide meaningful and essential support to the sector as it faces its biggest challenge since World War Two.

Seafarers UK is also forecasting a significant reduction in revenue from fundraising. We are reliant on 'challenge' events, including the Virgin London Marathon, which has been postponed, and other events which have been cancelled. The expected economic recession is also likely to reduce fundraising opportunities across all activities.

Seafarers UK is working remotely during the crisis, and has furloughed a small number of staff. We are not a delivery organisation, as such we have been able to alter the way we work to a remote model.

May I take this opportunity to thank all the staff for their continued commitment and hard work on behalf of the Trustees and our beneficiaries. This is my last report as a Trustee as I will be standing down at the 2020 AGM. It has been a huge privilege to be your Chairman and I wish everyone associated with Seafarers UK 'Fair winds and following seas'.

Introduction from the Chief Executive Officer

Catherine Spencer

2019 saw the retirement, after many years of loyal and inspirational service, of my predecessor, Director General Commodore Barry Bryant CVO RN. His ebullient enthusiasm for Seafarers UK and hunger to get the best deal for those who work at sea is reflected in the continued success of the organisation. All this in the context of challenging times for fundraising and at a time when the seafaring population has been shrinking. Barry steered the organisation to more fully support and understand the Merchant Navy, and more recently the Fishing Fleets, whilst continuing to support his alma mater, the Royal Navy, Royal Fleet Auxiliary and Royal Marines.

When I took the helm in the newly created role of Chief Executive Officer in July 2019, the organisation was therefore in good shape. However, this really is the end of an era. Vice-Admiral Peter Wilkinson CB CVO BA has been Chairman of the General Council since 2010. Renowned for his calm, measured and inclusive approach, he has been managing the diverse views of our trustees and Executive team to ensure a collaborative and effective organisation. We are sincerely thankful for his leadership and guidance in steering Seafarers UK through a wide range of challenges. It is no overstatement to say that he will be greatly missed. As I write, recruitment is underway for his replacement.

Since joining Seafarers UK, I have been thrilled to be closely involved in a number of interesting projects and success stories. Winning the Maritime UK National (STEM) Award for our 'Marine Engineering Pathway' project in partnership with Sea Cadets was very pleasing for the charity, as was the announcement of £250,000 in Government support for maritime careers promotion – following close collaboration with Maritime UK and other sector bodies, and the creation of the new 'Maritime Careers Taskforce', which I will chair.

Our research project into the Financial Resilience of Fishermen (funded in collaboration with The Fishmongers' Company Fisheries Charitable Trust, Defra and the Maritime Charities Group) is helping to demonstrate the fragility of our fishers' finances, but pleasingly has also highlighted how well maritime welfare charities are working together to provide fishers and their families with an holistic response in terms of advice, grants and access to other services. We are now considering the implications of the research findings and working out how best to influence and inform policy decisions and wider support work around greater financial resilience and support for fishers and their families.

Our 'Fly the Red Ensign for Merchant Navy Day' campaign resulted in over one thousand locations ashore across the UK raising the Red Ensign on 3 September to show their support for, and understanding of, the Merchant Navy. It's reassuring to see this level of support across our Island Nation including from the Prime Minister, with Boris Johnson writing: '2019 marks the centenary of King George V's grant of the title "Merchant Navy". I am delighted that, in honour of this milestone, the Red Ensign flag will fly above 10 Downing Street on this Merchant Navy Day.'

Our 'Impact of Technology on Crew Welfare' conference, hosted jointly with ISWAN (International Seafarers' Welfare & Assistance Network), Mission to Seafarers, Sailors' Society and Stella Maris during London International Shipping Week, was well attended and a great example of the further work we do to ensure that the unique needs and challenges of seafarers are understood by ship owners and policy makers. Inspired by this, in December we launched our very first ten-point manifesto (available on our website) which sets out our aspirations for seafarers' safety and welfare before, during and after their seafaring career.

Looking ahead, our quest to strengthen fundraising, encourage sector-wide improvement and increase knowledge of the challenges faced by seafarers will see us talking to people right across the maritime sector. This will inform the development of the charity's new strategy and help set our course for the next three years during which we will seek to strengthen both the organisation and the services provided to seafarers through our delivery partners.

Nigel Shattock, Director of Fundraising and Communications, announced his departure at the end of 2019 after nine years at Seafarers UK. We are very grateful to Nigel for his exceptional hard work and perseverance in challenging times. A new role of Director of Development will be recruited in 2020 with a remit to further increase our fundraising. Internally, we will also focus on continuing to drive down overheads to ensure that we get even more value from every pound raised.

Objectives and Activities

Who we are and what we do

Seafarers UK has been championing seafarers since 1917.

We support seafarers throughout their seafaring career: from first considering a career at sea, to working at sea, managing relationships at home while adapting to a seagoing life, then coming ashore and during retirement. We do this by giving grant funding to organisations and projects that make an impact on seafarers' lives.

Key aims

Our key aims are to improve the quality of life for seafarers and their families in times of need by securing more efficient aid and support for them, and to ensure the effective distribution of funds to those organisations that help them, so as to assist as many people as possible.

Royal Charter

Our governing document is our Royal Charter, first issued in 1920 and last amended in 2010. It describes our Objects as:

- The relief of seafarers, their families or dependants, who are in need;
- The promotion of safety at sea;
- The education and training of people of any age to prepare for work or service at sea;
- The promotion of efficiency and effectiveness within the maritime charitable sector.

All of these are achieved by providing support to organisations established within and occasionally outside the Commonwealth. This allows us to help a wide range of people from the maritime community, although both the Charter and resolutions made by the trustees exclude some specific activities. For example, we are unable to support the various charities and trusts promoting sailing activities.

We consistently review our activities so we can meet the fundamental aims of the Charter in the light of the changing maritime, defence and social environment of the 21st century. How we do this is described in the following sections of this report.

Providing public benefit

Under the Charities Act 2011, there is a requirement for charities to make formal statements in their reports concerning how their activities fall under one or more of the 13 definitions of providing public benefit. The trustees of Seafarers UK confirm that they have taken heed of the Charity Commission's guidance on this matter when reviewing their aims and objectives and in planning future activities. Seafarers UK is actively and positively involved in:

- The prevention and relief of poverty;
- The advancement of health;
- The relief of those in need by reason of youth, age, ill-health, disability, financial hardship and other disadvantages.

The charity also has connections to other definitions promoting amateur sport, religion and education, where these relate to nautical welfare. Indeed, we take great pride in having the ability, in principle, to relieve almost every aspect of the human condition, from cradle to grave, and irrespective of race, gender or orientation, so long as the beneficiary has satisfactory links with the UK and Commonwealth maritime community.

Strategic Plans

Strategy

In 2019, we started to review our strategy. This process will continue into 2020 and will result in a new strategic plan, including revised Vision, Mission and Values statements. We will work with external stakeholders, beneficiaries, existing partners, trustees and staff to create an organisation which is both future-proof and delivers more for our beneficiaries. This thorough process will include future scenario planning and, vitally, a 'Theory of Change' approach to identify the changes and actions we need to implement to enable more seafarers and their families to live better lives. Our new strategy will create a comprehensive plan implemented through collaborative working both within Seafarers UK and throughout our extensive network of partners and stakeholders.

Grants

We aim to drive improvement through sharing knowledge and expertise. We expect high-quality services and value for money from our expert delivery partners, who work with us to support our beneficiaries. Our new strategy will prioritise areas of need identified through research. With our delivery partners, we aim to identify innovative and proactive activities, and continue to support many of our existing areas of work. We will ensure a joined-up and collaborative approach across the organisation and throughout the maritime sector, which will produce positive impact through measurable outcomes. We know that we can achieve more by encouraging collaborative working and by insisting on continually improved standards from the organisations we support.

Fundraising

The organisation has changed dramatically over the last 20 years, moving from being heavily supported by Royal Navy and Royal Marine donations, through their equivalent of payroll-giving, to one that raises funds independently. Our new strategy, in conjunction with the appointment of a Director of Development, will seek to significantly increase our fundraised income. Fundraising across the Third Sector remains extremely challenging, but we will maximise our efforts to increase income available for grants by reviewing how we fundraise and creating a new strategy to drive success.

Advocacy

Our independence, heritage and standing within the maritime and wider community has provided a platform to educate and influence key decision makers. Our new strategy will increase our work in this area to complement the funding we give through grants. We recognise that proactive policies and programmes can support our maritime community, build resilience and help prevent seafarers and their families from getting into financial and other difficulties.

A recent example of our success has been the influence resulting from our 'Fishing for a Future' report. Widely regarded as key evidence, it has been used by Government in making policy decisions.

Groundwork on a better, more cohesive approach to recruitment into the maritime sector was provided by the Maritime Careers Promotion Forum. This has recently received a £250,000 boost in Government spending to create the Maritime Careers Taskforce with significant Department for Transport support to increase maritime recruitment.

Our work in 2020 and beyond will see continued collaboration with existing contacts and the development of new influencing opportunities.

Internal Optimisation

Good work is already underway in our internal operations to maximise efficiency and effectiveness. Our strategy will build on existing success, and will move forward to streamline and 'digitalise' our processes across the organisation. We will be reviewing all areas of our operations and investments to ensure that the charity is costing as little as possible whilst being run effectively. This will include reviewing our office space and considering whether moving offices would create cost savings. An external governance review commenced in 2019 and will report in early 2020. Recommendations from this will be implemented (an interim report has suggested that we are in good shape).

Performance and Achievements

Overview of Grant-making

In 2019, £2.2m was awarded to 43 organisations to provide a range of services to support the needs of seafarers. Seafarers UK's grant funding has, for many years, supported the core costs of organisations delivering bespoke services to seafarers and their families. Our approach to funding core costs is rare amongst grant makers, many of whom prefer to put their name to new and innovative projects. Instead, Seafarers UK believes that our approach to funding core costs provides maritime welfare charities with the ability to develop and enhance their existing services for seafarers. This enables them to respond to emerging needs of seafarers; both those working at sea and those who are now retired.

In 2019, £82,472 was raised for the Merchant Navy Fund – a joint grant fund between Seafarers UK and the Merchant Navy Welfare Board, and administered by Seafarers UK. A total of £80,556 was awarded in grants in the UK for services that were of direct benefit to people who have served in the UK Merchant Navy.

Strategic Objectives 2019

We set out a number of Strategic Objectives in the 2018 Annual Report, and the following is a report on how we performed against those key aims.

Grant-making

Through our grant-making work in 2019, our aims were to:

1. Create an influential £2m plus cycle by funding organisations to support the individual needs of seafarers and better utilising evidence of need to influence the wider maritime sector for the benefit of all seafarers;
2. Ensure that our grant-funding principles are well communicated to beneficiaries and embedded in all Seafarers UK grant-making processes, practices and communications;
3. Take forward and fund evidence-based solutions that have emerged from the 'Fishing for a Future' research report;
4. Continue to work on the recommendations made in the Directory of Social Change Strategic Review of our grant-making to improve our relationship management of grant applicants and recipients through enhanced communication and proactive support for strengthening the outcomes and impact achieved.

How we did:

The Grants Team continues to maintain good relationships with our long-term beneficiaries – through regular communications, including meetings, visits and telephone calls. This helps our understanding of the organisations' needs and how they can best respond to meet the needs of seafarers.

Grant applications provided evidence of the need for working seafarers to have access to an external, independent source for help and advice. We responded to this by providing grant funding for ship visitors, advice lines and caseworkers. A new development in 2019 was our funding of a Fishing Specialist Caseworker role, based at Greenwich Citizens Advice, to manage the Seafarers Advice and Information Line (SAIL), to provide extra support for fishers and to raise awareness of the service amongst the fishing industry.

We also supported CHIRP – a confidential reporting programme for seafarers to report unsafe practices at sea.

Older seafarers living in retirement homes have an increased need for grant funding to cover the increasing funding gap between the cost of delivering care and the financial support offered by local authorities.

The evidence of poor health care directly related to the business of fishing and the difficulty in obtaining both medical and dental appointments was revealed in our 'Fishing For a Future' research. This evidence directly led to grant funding for an innovative partnership between the Fishermen's Mission and Seafarers' Hospital Society to deliver dental care and preventative physical and mental health care for fishers in fishing ports.

Sector Efficiency & Effectiveness

In 2019, our aims were to improve sector efficiency and effectiveness through:

1. The staff support of the Maritime Charities Group (MCG), building on the previous Navigating Change research, and by developing and holding a further MCG conference for the sector in 2019;
2. The ongoing Aged Veterans Fund project, focusing on the often-neglected cadre of Merchant Navy Veterans for whom we have long sought proper recognition;
3. Continuing HR and Admin support for selected organisations. We have an enviable reputation for 'parenting' small organisations with a specific focus, either until the task is complete or they develop their own infrastructure;
4. Utilising the 'Fishing for a Future' research report to influence the scope and design of Defra's research into the social needs of fishers;
5. Grants to support the strategic aim of facilitating and encouraging an industry-led campaign to support the recruitment of new entrants into UK fishing industries.

How we did:

Seafarers UK continued to contribute towards strategic development in the maritime welfare charity sector via its membership and chairing of the MCG. It played a key part in promoting the findings of the Navigating Change research, in particular on impact reporting and the delivery of the very successful MCG 2019 conference.

Seafarers UK worked with its project partner Nautilus Welfare Fund (NWF) to deliver new apartments and bungalows specifically for Merchant Navy Veterans at Mariners' Park, Wallasey. The Aged Veterans Fund project has enabled NWF to extend its Caseworker Service to focus attention on the needs of Merchant Navy and Royal Fleet Auxiliary Veterans. This service has continued to achieve significant financial gains for Veterans. Research conducted by the Institute of Public Care, as part of the project for Seafarers UK, indicated that for some Merchant Navy Veterans the impact of supporting the Armed Forces in conflict zones had affected their mental health and wellbeing. Whilst most Merchant Navy Veterans are aware of their Veteran status and have the Veteran Badge, not all Merchant Navy Veterans self-identify as such.

Seafarers UK's 'Fishing For a Future' research has had a significant impact. It has been directly attributed by Defra as a contributory reason for taking forward their own research into the social needs of fishers. In addition to taking forward this new proposed research, Deborah Layde, Grants Director, has been invited to be a member of the governance panel steering the development of the research.

In 2019 conversations were held with interested parties, including engagement and attendance at the All Party Parliamentary Group on Fisheries, and with the fishing community, concerning the recruitment of new entrants. Already, a new project has been funded in Norfolk to promote fishing as a career amongst local schools and other opportunities for funding are being explored. But it is clear that the challenge is perceptions around careers in the seafood sector allied with the need to send a clearer message about the diverse and exciting roles on offer and thus there is more to be done by working with key influencers in the sector.

Campaigning & Influence

In 2019, we campaigned in order to:

1. Develop and build stronger relationships with Government and industry to support the welfare needs of seafarers; and to explore the possibility of opening up new sources of funding;
2. Influence the approach by Government, the industry and funders to the welfare and safety of fishers through supporting the development of a long-term strategy for fishers and their communities;
3. Make recommendations to Maritime UK for activities that effectively promote the whole range of maritime and marine employment opportunities for young men and women, with an emphasis on seafaring roles.
4. Raise public awareness of the vital need to support the UK's fishers and their coastal communities through our Seafarers Awareness Week campaign;
5. Increase year-on-year levels of participation and media coverage through our 'Fly the Red Ensign for Merchant Navy Day' campaign, to help raise public awareness of the UK's ongoing dependence on Merchant Navy seafarers.

How we did:

Seafarers UK has actively built and developed its relationships with the two Government departments that have the greatest influence over legislation and policy affecting seafarers. Meetings and discussions have been held with the Department for Transport regarding funding for the maritime welfare sector and with Defra concerning the development of a national survey of fishers. Defra has also provided financial support, and been an active participant in the development of Seafarers UK's new research into the financial resilience of fishers.

Seafarers UK was invited to join the Maritime & Coastguard Agency-led 'Safety Funding Group' for fishers in 2019, in order to assist with the distribution of £1m funding awarded by Government to the sector. This award was in response to campaigning by many leaders in the fishing sector, complemented by Seafarers UK's separate campaign,

backed by evidence from our 'Fishing for a Future' report. It is thus apt that the theme for Seafarers Awareness Week in 2020 is Seafarers' Safety, and this will take place in conjunction with the UK Government's Maritime Safety Week.

Two key recommendations by the Maritime Careers Promotion Forum to Maritime UK resulted in: increased participation in careers promotion events staged for professional 'influencers' (careers advisers, teachers, etc.) and young people themselves, including school children; and the employment of a full-time Careers & Outreach Manager. The latter will result in more effective promotion of the diverse range of maritime employment opportunities for UK residents, including seafaring roles. Recognising that the Forum constituted the 'Single Industry Body' referred to in the Government's 'Maritime 2050' Strategy, the Department for Transport made a grant of £250,000 for use by the Forum, now re-titled Maritime Careers Taskforce and chaired by Catherine Spencer.

Seafarers Awareness Week (8-14 July 2019) provided a timely opportunity to publicise the challenges facing UK fishers as they braced themselves for Brexit. A professional PR campaign aimed at broadcast and online media was undertaken. This included enlisting the support of Jerry Percy of the New Under Ten Fishermen's Association as a spokesman, who talked eloquently about the pros and cons of the various post-Brexit scenarios for UK-based fishers. Media interest was widespread, especially in coastal regions, with a total of 42 TV and 24 radio items, including our Grants Director being interviewed on BBC News, together with 26 audio features and nine online segments reaching a potential audience of over 14m people.

Effective promotion of our 'Fly the Red Ensign for Merchant Navy Day' campaign resulted in the British Merchant Navy's official flag being flown in more than one thousand places ashore on 3 September, including at 10 Downing Street! Local authorities and councils responded positively to our request to interest residents in our island nation's ongoing dependence on Merchant Navy seafarers. In addition to local flag-hoisting ceremonies, colourful media coverage ensured an increased level of public awareness.

Fundraising & Communications

Through fundraising and marketing communications work in 2019, we aimed to:

1. Review our Individual Giving programme and develop a more targeted, evidence-based strategy for income growth. This will include detailed data insight work and analysis and the use of test Direct Marketing campaigns to identify the potential for acquiring new supporters;
2. Explore new funding partnership opportunities, and launch Phase II of the Marine Engineering Pathway project in partnership with the Marine Society & Sea Cadets;
3. Build further on engagement work with the commercial shipping industry and the corporate sector as a whole, seeking increased support from companies and employees including via a new payroll-giving programme;
4. Continue to promote and grow the Merchant Navy Fund in partnership with the Merchant Navy Welfare Board, creating stronger links with our awareness-raising work;
5. Develop a more integrated marketing and digital communications strategy that supports the charity's strategic objectives and provides an effective feedback loop into our fundraising and campaigning work;
6. Seek to gain increased insight into our supporters (existing and potential) by improving our use of data reporting and targeting;
7. Strengthen our Legacy Marketing Programme by means of offering free Will-writing services (online and offline), and building increased links with regional solicitors' groups and other local organisations;
8. Seek out and encourage new partnership and collaboration opportunities with and between other maritime charities where fundraising and profile-raising is concerned.

How we did:

Greater focus was placed on our approach to Individual Giving during 2019, from analysing our supporter data to make our requests to supporters more targeted and relevant to them, to testing the use of a small amount of cold data for the potential to acquire new supporters. Both showed some success, and provided the charity with more information to consider in planning its future strategy.

We launched a payroll-giving scheme, a new lottery and a free online Will-writing service. We also upgraded our fundraising database subscription to the new NXT service offered by Blackbaud, providing fundraisers with greater levels of information and insight across the categories of supporters they engage with. At the same time, the Merchant Navy Fund (focused on British Merchant Navy seafarer support) continued to grow in terms of awareness levels and donations.

Our ability to use digital channels for effective campaigning, engagement, awareness-raising and fundraising work continued to evolve during 2019. The wider Fundraising & Communications Team worked collaboratively across both the Seafarers Awareness Week and Fly The Red Ensign for Merchant Navy Day campaigns, with both campaign websites on the way to full integration with the main Seafarers UK website as the year ended. There was also a greater focus during 2019 on the use of animated content in helping to promote our Appeals and events and get our message across more clearly via digital means.

Collaboration continued to be a core theme for the charity's Fundraising and Communications work in 2019. A key example of this was the launch in April of Phase II of the Marine Engineering Pathway project, in partnership with Sea Cadets. This was followed with the three-year joint venture collaboration winning the STEM (Science, Technology, Engineering & Maths) Award at Maritime UK's National Awards event in September.

Seafarers UK worked closely with ISWAN, Mission to Seafarers, Sailors' Society and Stella Maris to deliver a high-profile joint presence at London International Shipping Week. We also organised several meetings with a number of maritime charities during the year to discuss potential collaboration on fundraising and PR matters. These discussions are ongoing, but it is hoped that 2020 will provide an opportunity for one or two new partnership approaches where events and corporate engagement are concerned.

Governance & Administration

In 2019, we aimed to:

1. Ensure the skills and experience-based General Council operates at maximum effectiveness so as to be fully compliant with governance best practice;
2. Examine the benefits of closer working with other organisations, and take forward such activity;
3. Retain, enhance and motivate an appropriately skilled and Trusted Charity-assured (formerly PQASSO) staff and administrative structure able to support continuous improvement, internal progression, personal development and supply external services;
4. Continue to support, manage and produce the Annual National Service for Seafarers (ANSS), working closely with ANSS Trustees;
5. Update and embed our organisational policies and Risk Register so as to support greater diversity, equality and inclusion into staff and Trustee recruitment, training and promotion procedures;
6. Conduct a Board of Trustees Skills / Experience / Diversity Audit (invisible and visible).

How we did:

In 2019, we continued to support and encourage our General Council in its effective operation with timely governance updates, training opportunities and via planned discussions at Council, and associated meetings. We worked collaboratively with Council to ensure our Risk Register was continually tested and improved and undertook a review of our policies, with safeguarding, diversity, equality and inclusion in mind.

An external review of our governance was commissioned, involving an online survey and interviews for all Trustees and the Executive team, followed by face-to-face interviews; the results of which will be shared in 2020. However, given the focus on our strategic direction, we took the decision to postpone our Trustee Skills Audit and our re-accreditation of the NCVO Trusted Charity status; we aim to complete these in 2020. Our future focus will ensure we have a robust organisation that will succeed and benefit the seafaring community over the next decade and beyond.

Our Fundraising Practices

Seafarers UK is committed to fundraising in a legal, honest and transparent way. We aspire to do what is right for our supporters and remain fully committed to the principles laid out in 2017 in 'Our Fundraising Promise' (available on our website).

Seafarers UK carries out its core fundraising activities through a dedicated team at its London office and its representative in Scotland, as well as through a small number of regional committees who engage in small-scale fundraising activities across the UK.

Seafarers UK's Fundraising and Communications Team generates income through a mix of grants received from charitable trusts and foundations, corporate sponsorship, individual donations and legacies, as well as fundraising and challenge events.

General Data Protection Legislation (GDPR)

In anticipation of the new EU General Data Protection Regulation (GDPR), which came into effect in 2018, Seafarers UK undertook a substantial programme of work to ensure full compliance in the processing and sharing of personal data. This included contacting our data subjects to confirm that we could continue to hold their details. We removed anyone who did not respond or who asked for their details to be removed.

During 2019, we continued to ensure that the data we held was GDPR compliant. We only contact supporters who have given unambiguous and explicit permission for the charity to contact them using their specified method, for marketing activity, including fundraising support. All of our communications to supporters include information on how to opt-out of any future communications. We believe that putting supporters' wishes at the heart of our fundraising communications, will help achieve a greater level of engagement, loyalty and value in the longer term.

Seafarers UK's policies relating to GDPR are reflected in the Data Protection Notice that is included in all direct communications with supporters, as well as the Privacy Policy which is displayed on Seafarers UK's website (seafarers.uk/privacy). We have signed up for the Fundraising Preference Service and Seafarers UK maintains its own suppression list. We ensure that all personal information that we need in running the charity is properly protected, correctly used and safely stored. All employees are mandated to complete training on GDPR as well.

Fundraising standards

Seafarers UK is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Codes of Practice. We ensure that our fundraising activity complies with the standards expected by today's public, and enshrined in the Code, with our methods being honest, open, transparent, respectful and accountable.

Seafarers UK is committed to providing the best supporter experience possible and appreciates all feedback, positive or otherwise. We believe that suggestions and complaints help inform our fundraising practice and support us in continually improving. We take all feedback and complaints very seriously and, if received, aim to resolve these via a personal response within three working days. If a satisfactory outcome to the complaint is not reached at the initial stage of response, we will escalate the matter to our Senior Management Team for investigation as a formal complaint and will document it for review.

Where a satisfactory resolution has not been reached following investigation and response by the Senior Management Team, we refer complaints to the Fundraising Regulator.

Throughout the complaints process, all communication will be dealt with fairly, thoroughly and in line with guidelines outlined by the Fundraising Regulator and Seafarers UK values of honesty and transparency.

There were no formal external complaints about our fundraising practices in the last 12 months, thus no requirement for escalation to the Regulator.

No suppression requests have been made to the Fundraising Preference Service since its establishment in July 2017.

We display the Fundraising Regulator badge on our website and in fundraising collateral to demonstrate our commitment to best practice.

Supporter data and working with third-party fundraisers

We will never sell or pass on any personal data to any third-party organisation for their own purposes. We do, however, sometimes ask third-party organisations to help process our data and work closely with a number external organisations who have specific fundraising expertise. We strive to ensure they share our goal of creating the very best interactions with supporters and the public and will only deal with reputable companies that take privacy and data protection as seriously as we do. This is supported by robust contracts specifying that individuals who carry out these activities should be trained to adhere to applicable laws and codes, such as the Fundraising Regulator's Code of Fundraising Practice and data protection laws.

We also expect these organisations to voluntarily subscribe to the Fundraising Regulator and to reflect our values when talking to supporters.

As part of our activities to recruit individual supporters, Seafarers UK engages with two specialist Professional Fundraising Organisations (CPFOs) to represent the charity through their Payroll Giving Schemes, as well a specialist direct marketing agency, independent event organisers and a mailing house. Data-sharing agreements are now in place with all third-party partner organisations who support Seafarers UK's fundraising activities. All such agreements are subject to legal contract, including how data is collected, stored, processed and shared.

Volunteers and regional committees

All Trustees give their services voluntarily and received no remuneration for their activities, other than travel and incidental expenses where claimed.

There are a few regional committees in England and Wales that continue to organise small fundraising events or activities in their local areas to support Seafarers UK. They do this under their own management with Seafarers UK offering support for event publicity as and when required.

Protecting vulnerable people

Our Fundraising Policies and procedures, along with Seafarers UK's Safeguarding Policy, ensure and outline how we protect people who might be vulnerable in our fundraising and supporter practices, including how we identify potential vulnerability and how we aim to respond in relevant circumstances.

We are committed to supporting people who may be in vulnerable circumstances in an appropriate way ensuring we adhere to the Treating Donors Fairly guidelines.

We monitor any third-party fundraising activities to ensure they comply with our guidelines.

Structure, Governance, Management & Risk

Legal Structure

Seafarers UK is a non-statutory body incorporated by Royal Charter. The Charter was originally granted in 1920 and, together with the Byelaws, provides the rules and guidelines under which Seafarers UK operates. After approval by the Privy Council, Supplemental Charters were granted in 1949, 1960, 1976, 1992 and 2010.

The Trustees are members of the General Council, which is the ultimate governing body. The General Council sets policy and is responsible for the conduct of Seafarers UK's affairs and for ensuring that the charity operates in accordance with the Royal Charter, the Byelaws and the law, as well as observing recognised good practice in all functional areas.

Organisational Structure and Operation

The General Council, which meets three times a year, has a formal schedule of matters specifically reserved to it for decisions. It has delegated authority to the following main Committees of Council Members which meet regularly during the year:

- Audit and Governance
- Finance and Investment
- Fundraising & Communications
- Grants.

Members of these Committees are shown on page 40. Committee Chairs, supported by the relevant Executive staff, report on Committee activities to each General Council meeting. The Chair of the Council also convenes informal groups of Trustees as required to discuss specialist matters.

The Council has overall responsibility for Seafarers UK's system of internal control and has an organisational structure with clearly defined lines of responsibility and delegation of authority. Information and reporting systems are in place for monitoring Seafarers UK's activities and performance. The Audit and Governance Committee reviews the effectiveness of Seafarers UK's internal control procedures and receives regular reports from management and the external auditors.

The Council believes that Seafarers UK's system of internal control provides reasonable, but not absolute, assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors and irregularities are either prevented or detected within a timely period.

Appointment of Trustees

New Trustees are co-opted as necessary during the year by the General Council and, subject to the approval of the Council membership are formally elected for a five-year term of office at the next Annual Meeting. They may subsequently serve one further term of five years.

Training of Trustees

Following co-option to the Council, each new Trustee is provided with an induction programme covering both their generic and specific responsibilities and the entire spectrum of Seafarers UK's business. Trustees also receive regular briefings on any emerging legislation affecting charities at their four-monthly meetings, along with the offer of opportunities to attend specialist training courses.

Statement of Responsibilities of the Trustees

Law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (Statement of Recommended Practice);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Seafarers UK Remuneration Policy

Seafarers UK Trustees meet annually to discuss and review the remuneration for all staff. The charity is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills in order to have the greatest impact in delivering our charitable objectives.

In 2018, we commenced an external review of the salary structure using specialists from Croner, acknowledged experts in this field. In 2019, it was found that in the vast majority of cases remuneration was very close to the recommended level. The General Council approved adjustments during 2019 to ensure fair treatment.

Future policy aims to see new recruits accepted at the entry quartile for any particular post, advancing to the median (recommended) level after three years' satisfactory performance.

Temporary interns may be employed, but at a fair rate of pay.

In accordance with the SORP (Statement of Recommended Practice), Seafarers UK:

- discloses all payments made to Trustees (N.B. no Trustees receive 'pay')
- discloses the number of staff in receipt of remuneration of more than £60,000 (in bands of £10,000).
- discloses the policy for pensions and other staff benefits

Trustees' Main Responsibilities in Relation to Remuneration are to:

- review the Seafarers UK salary structure against an agreed independent market benchmarking tool (as above) and make amendments as appropriate to ensure that Seafarers UK salaries remain competitive;
- determine the remuneration package of the Chief Executive Officer;
- approve any consolidated pay awards and staff salary increases outside the annual review process as recommended from time to time by the Chief Executive Officer;
- determine pension arrangements; and
- ensure that contractual terms on termination are fair to the individual and the charity, that poor performance is not rewarded, and a duty to mitigate loss is recognised.

Delivery of Seafarers UK's charitable vision and objectives is primarily dependent on our staff which, apart from grants, reflects the largest single element of expenditure. At the beginning of 2019, Seafarers UK awarded all staff a 2% cost of living uplift in salary.

Control of Risk

Seafarers UK understands that risk cannot be reduced to nil and there is no absolute assurance against it. We do believe, however, that we have the procedures and controls in place to mitigate and manage the risks we are exposed to.

A Risk Register is maintained that captures the nature of the risk, its likelihood, impact and controls in place to reduce the likelihood and/or impact. This is reviewed regularly by the Senior Management Team (SMT).

Trustees and the SMT appreciate and understand that Risk Management, across all activity areas, should be an integral part of planning processes and performance monitoring. At all times, Trustees must be satisfied that there are sufficient controls and processes in place to ensure that the key risks identified are being either mitigated or managed effectively. The Audit and Governance Committee reviews the Risk Register twice-yearly, and high-level risks are subsequently referred to the General Council for their evaluation.

On the basis of their recent assessment across a wide range of activity, the Trustees consider Cyber-crime as one area presently requiring closest attention. Cyber-crime can result in financial loss, disclosure of personal or sensitive information or reputational damage. A number of mitigating actions have been taken including staff training and awareness, robust IT network, scaled authority levels, segregation of duties and dual authorisations. Through the management of these controls, the impact and likelihood are sufficiently reduced. An ongoing review of financial performance and risk is performed throughout the year by the SMT and Finance and Investment Committee.

In 2018, Staff Succession and Resource Planning was identified as a key area requiring closest attention, particularly in regards to the retirement of the Director General. The change was managed successfully through careful planning and selection process and a well-orchestrated handover and induction to the new Chief Executive Officer.

The Trustees believe that the controls and staff actions being implemented at this time provide a strong mitigating effect in both these and other areas where risk has been assessed. They remain firmly of the view, however, that it is the responsibility of the SMT to undertake continuous review, and to ensure that Council is fully informed.



Financial Review

The financial statements are presented in the standard format required by SORP FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. The Statement of Financial Activities (SOFA) shows the gross income from all sources and the split of activity between restricted and unrestricted funds, and endowment funds.

Overview

It can be seen from the SOFA on page 19 that income for 2019 is £2,362k, compared with £3,166k for 2018, a decrease of 25.4%, primarily due to significantly lower legacies and lower income yield on the investment portfolios.

Total expenditure in 2019 amounted to £4,242k compared to £4,675k for 2018, primarily due to a reduced value of grants.

Net expenditure for the year amounted to £1,880k compared to £1,509k for 2018.

Details of Grants awarded, Fundraising and Campaigning work can be found on pages 8-9 and 10-11 respectively.

Assistance to Other Organisations

During 2019, several organisations were supported with financial grants and administration support, including (ANSS, Cobseo, MCG and the Armed Forces Covenant Fund (AFCFT)).

The cost of assisting other organisations was £23.7k compared to £76k in the previous year, which was a combination of administration charges and recouping costs.

Investment Portfolio

The end of year market value of the investment portfolio is £39.8m compared to £37.5m in 2018, an increase of £2.3m after withdrawals of £1.0m for cashflow requirements.

Investment markets showed a positive reaction to improving industrial activity, increasing hopes of a trade deal between China/US and a deal to exit the European Union agreed by the Conservative party.

During 2019, the FTSE All Share Index produced a total return of 19.2%.

Three investment managers are mandated to manage the Charity's investment funds, namely Ruffer LLP, Veritas Investment Management LLP and UBS.

Ruffer aims to maintain the investment value on a 12 months rolling basis and also to outperform cash returns. In 2019, Ruffer produced a positive total return of 7.6%.

Veritas aims to protect and grow the capital value to achieve a total return of RPI plus 4% on an annual basis. For 2019, Veritas produced a total return of 15.3%.

We also have an investment in a fund managed by UBS which is in the process of wind-down with funds being returned to investors. The market value of UBS decreased by £162k over the year to £602,852 following distributions made during the year of £132,219.

Investment Policy

The investments are maintained for current and future seafarers' needs. The investment policy balances the need for capital protection with the desire to secure investment returns. With the demographics information available and an overview of funds held within other maritime organisations, the General Council has chosen to reduce Seafarers UK's funds over the medium term as part of the charity's agreed Reserves Policy.

The Investment Managers are set targets to utilise their professional expertise. The Finance & Investment Committee take an overview of the total impact and individual portfolio performances. Investment managers report and discuss actual performances at each Finance & Investment Committee; this is conveyed to each General Council. The investment managers are allowed to use derivatives for protection purposes, after prior approval from the Finance & Investment Committee.

Seafarers UK promotes the health of seafarers and does not invest in any company which derives 10% or more of their income from tobacco products.

Property

The investment portfolio also includes rental properties. These are residential flats at 7 Hatherley Street and an office on the ground floor. The residential properties are let through agents and the offices are let directly to Armed Forces Covenant Fund Trust Ltd. Rental income received is £111K vs £91k in 2018 due to lower vacancies and a slight rent increase.

These properties were professionally valued in 2018, resulting in the fair value of £2.63m at the end of 2019.

Freehold land and buildings were professionally valued in 2018 and have a fair value of £2.24m at the end of 2019.

Reserves Policy and Going Concern

The Reserves Policy forms an integral part of the Charity's financial strategy. The Trustees review the Reserves Policy each year to ensure that it meets the needs of beneficiaries both today and in the future, in addition to supporting the operational expenditure of the charity.

As at 31 December 2019, the charity held £41.721m total funds. The majority of the charity's funds are held in long-term investments, which generate an income stream to support the charity's operations. The Trustees consider that this approach effectively mitigates against external fundraising risk while maintaining sufficient capital to generate a sustainable income source for the charity.

The total amount of reserves held is £41.721m. This amount consists of the following components:

- £33.348m is held in unrestricted reserves;
- £7.334m is held as Permanently Endowed Funds;
- £1.039m in Restricted Funds is utilised in line with the express purpose stated by the individual donors.

Unrestricted reserves consist of the following:

- i. £26.358m in designated funds;
- ii. £914k Property Revaluation Reserve; and
- iii. £6,076k is General Funds.

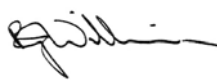
Much has happened since the end of our financial year, which has caused us to reflect on our designated funds. We are anticipating that, in the coming year, we will refresh these and it is likely that we will retain £17m in investments to generate income to support charitable activities, £7m to support the implementation of our strategic objectives and £2m to support the maritime welfare sector respond to and recover from the coronavirus pandemic.

Cash reserves

Cash reserves are held for immediate cash requirements, i.e. grants payable plus a minimum of eight weeks for other expenditure. As at 31st December 2019, our grants payable were £990k and eight weeks average expenditure is £316k, a total of £1,306k. Cash held was £626k, a shortfall of £680k. The current shortfall is within our acceptable tolerance, with over half of the grants being paid in quarterly instalments during 2020. Trustees and senior staff are content with the current shortfall. In 2018, cash held was £1,111k with grants payable at £1,063k and eight weeks' average expenditure was £342k.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The Trustees' annual report has been approved by the trustees on 30 June 2020 and signed on their behalf by:



P.J. Wilkinson, CB, CVO
Chairman



Mr D. Bain
Chairman, Finance and Investment Committee



Mr J. Monroe
Chairman, Audit and Governance Committee

Statement of Financial Activities

for the year ended 31 December 2019

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2019 Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	2018 Total £'000
Income from:									
Donations and legacies	2	1,168	244	-	1,412	1,583	329	-	1,912
Other trading activities	3	185	-	-	185	262	25	-	287
Investments	4	609	156	-	765	771	196	-	967
Total income		1,962	400	-	2,362	2,616	550	-	3,166
Expenditure on:									
Raising funds		1,173	-	23	1,196	1,150	25	130	1,305
Charitable activities									
Port-based welfare services		804	24	-	828	546	331	-	877
Health care services		489	64	-	553	524	66	-	590
Hardship and poverty grants		388	202	-	590	595	34	-	629
Maritime training / safety & support		339	147	-	486	490	149	-	639
Advice & information services		422	-	-	422	445	8	-	453
Accommodation & supported housing		167	-	-	167	132	50	-	182
Total expenditure	5	3,782	437	23	4,242	3,882	663	130	4,675
Net (expenditure) before net gains / (losses) on investments		(1,820)	(37)	(23)	(1,880)	(1,266)	(113)	(130)	(1,509)
Net gains / (losses) on investments	13,14	2,924	95	618	3,637	(233)	(17)	(138)	(388)
Net income / (expenditure) before other recognised gains and losses		1,104	58	595	1,757	(1,499)	(130)	(268)	(1,897)
Gains on revaluation of fixed assets	12	-	-	-	-	1,016	-	-	1,016
Net movement in funds		1,104	58	595	1,757	(483)	(130)	(268)	(881)
Reconciliation of funds:									
Total funds brought forward		32,244	981	6,739	39,964	32,727	1,111	7,007	40,845
Total funds carried forward	20a	33,348	1,039	7,334	41,721	32,244	981	6,739	39,964

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20 to the financial statements.

Balance Sheet

as at 31 December 2019

	Note	£'000	2019 £'000	£'000	2018 £'000
Fixed assets:					
Tangible assets	12		2,297		2,326
Investment properties	13		2,630		2,630
Investments	14		37,170		34,848
			42,097		39,804
Current assets:					
Debtors	15	207		447	
Cash at bank and in hand		626		1,111	
		833		1,558	
Liabilities:					
Creditors: amounts falling due within one year	16	(1,209)		(1,398)	
Net current (liabilities)/assets			(376)		160
Total net assets	19a		41,721		39,964
The funds of the charity:					
	20a				
Permanently endowed funds			7,334		6,739
Restricted income funds			1,039		981
Unrestricted income funds:					
Designated funds		26,358		25,223	
Revaluation reserve		914		945	
General funds		6,076		6,076	
Total unrestricted funds			33,348		32,244
Total charity funds			41,721		39,964

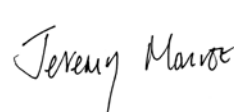
Approved by the trustees on 30 June 2020 and signed on their behalf by:



P. J. Wilkinson, CB, CVO.
Chairman



Mr D Bain
Chairman, Finance and Investment Committee



Mr J. Monroe
Chairman, Audit and Governance Committee

Statement of Cash Flows

for the year ended 31 December 2019

	Note	£'000	2019 £'000	£'000	2018 £'000
Cash flows from operating activities					
Net (expenditure) for the reporting period (as per the statement of financial activities)		(1,880)		(1,509)	
Depreciation charges		47		23	
Dividends, interest and rent from investments		(765)		(967)	
(Increase)/decrease in debtors		240		667	
Increase/(decrease) in creditors		(189)		(1,033)	
Net cash (used in) operating activities			(2,547)		(2,819)
Cash flows from investing activities:					
Dividends, interest and rents from investments		765		967	
Purchase of fixed assets		(18)		(35)	
Proceeds from sale of investments		16,249		16,289	
Purchase of investments		(14,934)		(14,967)	
Net cash provided by investing activities			2,062		2,254
Change in cash and cash equivalents in the year			(485)		(565)
Cash and cash equivalents at the beginning of the year			1,111		1,676
Cash and cash equivalents at the end of the year			626		1,111

Notes to the Financial Statements

for the year ended 31 December 2019

1	Accounting Policies	12	Tangible fixed assets
2	Income from donations and legacies	13	Investment properties
3	Income from other trading activities	14	Listed investments
4	Income from investments	15	Debtors
5	Analysis of expenditure	16	Creditors
6	Grant-making	17	Pension Scheme
7	Net income / (expenditure)	18	Financial instruments
8	Analysis of staff costs, trustee remuneration and expenses and the costs of key management personnel	19	Analysis of net assets between funds
9	Staff numbers	20	Movements in funds
10	Related party transactions	21	Operating lease commitments
11	Taxation	22	Subsidiary undertaking

1 Accounting Policies

A Statutory information

Seafarers UK (King George's Fund for Sailors) is an unincorporated charity registered with the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

The registered office address and principal place of business is 8 Hatherley Street, London, SW1P 2QT.

B 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 (FRS 102) (effective 1 January 2019) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

C Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

D Going concern

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

E Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any

Notes to the Accounts (continued)

for the year ended 31 December 2019

1. Accounting Policies (continued)

performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

F Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised, so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

G Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

H Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

I Expenditure and irrecoverable VAT

Expenditure 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. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in seeking donations, legacies, generating funds and investments.
- Expenditure on charitable activities includes the costs of grant-making and related activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Notes to the Accounts (continued)

for the year ended 31 December 2019

1 Accounting Policies (continued)

J Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

K Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

L Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

M Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Freehold buildings	2%
Fixtures and fittings	10%
Computer equipment	20%
Office equipment	15%
Freehold land is not depreciated.	

N Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities.

Investments in subsidiaries

Investments in subsidiaries are at cost.

Notes to the Accounts (continued)

for the year ended 31 December 2019

O Debtors

Trade and other 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. Prepayments are valued at the amount prepaid net of any trade discounts due.

P Short-term deposits

Short-term deposits include cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

Q 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.

R Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

S Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

T Pensions

The Fund operates a defined contribution scheme with Aviva PLC for employees who choose to participate in the scheme. Contributions are recognised in the SOFA in the year they were incurred.

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

2 Income from Donations and Legacies

	Unrestricted £'000	Restricted £'000	2019 Total £'000	Unrestricted £'000	Restricted £'000	2018 Total £'000
Gifts	205	224	429	268	314	582
Legacies	963	20	983	1,315	15	1,330
	1,168	244	1,412	1,583	329	1,912

3 Income from other Trading Activities

	Unrestricted £'000	Restricted £'000	2019 Total £'000	Unrestricted £'000	Restricted £'000	2018 Total £'000
Fundraising events	159	-	159	225	25	250
Corporate sponsorship	2	-	2	8	-	8
Recharges to other organisations	24	-	24	29	-	29
	185	-	185	262	25	287

4 Income from Investments

	Unrestricted £'000	Restricted £'000	2019 Total £'000	Unrestricted £'000	Restricted £'000	2018 Total £'000
Dividends and interest	521	133	654	698	178	876
Rental income	88	23	111	73	18	91
	609	156	765	771	196	967

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

5a Analysis of Expenditure (current year)

Charitable activities

	Port-based welfare services £'000	Health care services £'000	Hardship and poverty grants £'000	Maritime training/safety & support £'000	Advice & information services £'000	Accommodation & supported housing £'000	2019 Total £'000	2018 Total £'000
Staff costs (Note 8)	65	41	45	45	31	10	237	231
Grant-making	621	406	435	330	302	97	2,191	2,464
Campaigns, communications and events	46	46	46	46	46	46	276	324
Other	12	5	5	5	2	2	31	33
	744	498	531	426	381	155	2,735	3,052
Support costs	37	24	25	26	18	5	135	151
Governance costs	47	31	34	34	23	7	176	167
Charitable expenditure 2019	828	553	590	486	422	167	3,046	
Charitable expenditure 2018	877	590	629	639	453	182		3,370

Raising funds

	Cost of generating voluntary income £'000	Cost of fundraising events £'000	Costs of managing investments £'000	Charitable activities (see above) £'000	Governance costs £'000	Support costs £'000	2019 Total £'000	2018 Total £'000
Staff costs (Note 8)	193	89	1	237	160	419	1,099	1,115
Other staff costs	4	2	-	-	6	-	12	11
Event and fundraising costs	54	96	-	-	4	40	194	277
Investment management costs	-	-	352	-	-	-	352	352
Grant-making	-	-	-	2,191	-	-	2,191	2,464
Campaigns, communications and events	28	19	-	276	-	-	323	377
Other	5	-	16	31	19	-	71	79
	284	206	369	2,735	189	459	4,242	4,675
Support costs	164	64	1	135	95	(459)	-	-
Governance costs	29	31	48	176	(284)	-	-	-
Total expenditure 2019	477	301	418	3,046	-	-	4,242	
Total expenditure 2018	510	343	452	3,370	-	-		4,675

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

5b Analysis of Expenditure (prior year)

	Charitable activities						
	Port-based welfare services £'000	Health care services £'000	Hardship and poverty grants £'000	Maritime training/safety & support £'000	Advice & information services £'000	Accommodation & supported housing £'000	2018 Total £'000
Staff costs (Note 8)	63	40	44	44	30	10	231
Other staff costs	-	-	-	-	-	-	-
Event and fundraising costs	-	-	-	-	-	-	-
Investment management costs	-	-	-	-	-	-	-
Grant-making	664	434	465	474	323	104	2,464
Campaigns, communications and events	54	54	54	54	54	54	324
Auditor's remuneration	-	-	-	-	-	-	-
Trustee costs incl. annual meeting	-	-	-	-	-	-	-
Other	10	6	6	6	4	1	33
	791	534	569	578	411	169	3,052
Support costs	41	27	28	29	20	6	151
Governance costs	45	29	32	32	22	7	167
Charitable expenditure 2018	877	590	629	639	453	182	3,370

	Raising funds						
	Cost of generating voluntary income £'000	Cost of fundraising events £'000	Costs of managing investments £'000	Charitable activities (see above) £'000	Governance costs £'000	Support costs £'000	2018 Total £'000
Staff costs (Note 8)	188	87	1	231	156	452	1,115
Other staff costs	5	3	-	-	3	-	11
Event and fundraising costs	80	149	-	-	6	42	277
Investment management costs	-	-	352	-	-	-	352
Grant-making	-	-	-	2,464	-	-	2,464
Campaigns, communications and events	32	21	-	324	-	-	377
Auditor's remuneration	-	-	-	-	-	-	-
Trustee costs incl. annual meeting	-	-	-	-	-	-	-
Other	15	2	19	33	10	-	79
	320	262	372	3,052	175	494	4,675
Support costs	171	61	49	151	62	(494)	-
Governance costs	19	20	31	167	(237)	-	-
Total expenditure 2018	510	343	452	3,370	-	-	4,675

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

6 Grant-making

Details of all grant awards in 2018 and 2019 can be found on the Seafarers UK website at: www.seafarers.uk/helping-you/grant-funding/grants-awarded

7 Net Income / (Expenditure) for the Year

	2019 £'000	2018 £'000
Depreciation	47	23
Operating lease rentals receivable:		
Property	111	91
Auditor's remuneration (excluding VAT):		
Audit	14	26

8 Analysis of Staff Costs, Trustee Remuneration and Expenses, and the Cost of Key Management Personnel

	2019 £'000	2018 £'000
Staff costs were as follows:		
Salaries and wages	899	885
Redundancy and termination costs	16	45
Social security costs	91	89
Employer's contribution to defined contribution pension schemes	70	71
Other forms of employee benefits	23	25
	1,099	1,115

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	No.	No.
£60,000 – £69,999	3	1
£70,000 – £79,999	1	1
£80,000 – £89,999	-	-
£90,000 – £99,999	-	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £322,406 (2018: £272,349).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £2,027 (2018: £1,430) incurred by five (2018: six) members relating to attendance at meetings of the trustees.

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

9 Staff Numbers

The average number of employees (head count based on number of staff employed) during the year was 20 (2018: 20).

	2019 No.	2018 No.
Staff are split across the activities of the charity as follows (full-time equivalent basis):		
Raising funds	6	6
Charitable activities	5	5
Governance and support	9	9
	20	20

10 Related Party Transactions

Some members of the General Council are trustees of charities to which the Fund makes grants. The Grants Committee's procedures require all such interests to be declared and for these members to abstain from voting. Within the General Council, no single member exercises control or influences over any particular grant approval.

Trustee/Staff name	Nature of interest	Transaction involved	Organisation involved
Barker Roger	Trustee	£75,000 grant	Shipwrecked Fishermen & Mariners' Society
Carden Mark	Council Member	£47,000 grant – Port Vehicle Replacement Project	Merchant Navy Welfare Board
Carden Mark	Council Member	£100 grant	Merchant Navy Welfare Board – MN medal fund
Dickinson Mark	Managing Trustee	£65,208 grant	Nautilus Welfare Fund
Dickinson Mark	Managing Trustee	£114,000 grant	Nautilus Welfare Fund
Dickinson Mark	Vice Chair & Director	£47,000 grant – Port Vehicle Replacement Project	Merchant Navy Welfare Board
Dickinson Mark	Vice Chair & Director	£100 grant	Merchant Navy Welfare Board
Greenwood Robert	Trustee	£75,000 grant	Shipwrecked Fishermen & Mariners' Society
Strouts Evelyn	Caseworker	£5,000 grant	Officers' Association
Peter Tomlin	Chief Executive Officer	£47,000 grant – Port Vehicle Replacement Project	Merchant Navy Welfare Board
Peter Tomlin	Chief Executive Officer	£100 grant	Merchant Navy Welfare Board
Peter Tomlin	Global Programme Director, Int'l Port Welfare Prog	£69,000 grant	International Seafarers Welfare Awareness Network
Catherine Spencer	Council Member	£47,000 grant – Port Vehicle Replacement Project	Merchant Navy Welfare Board
Catherine Spencer	Council Member	£100 grant	Merchant Navy Welfare Board

During the year, legal advice was sought from Wilsons Solicitors LLP amounting to £621 (2018: £1,379). The firm's partner Mr Gerald Kidd served as a Trustee and is also member of the General Council. All balances were settled in the year (2018: £nil).

Seaservers Limited is the trading subsidiary of Seafarers UK, see Note 22 for details of transactions between Seaservers Limited and Seafarers UK.

Aggregate donations from related parties were £660 (2018: £135).

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

12 Tangible Fixed Assets

	Freehold property £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation:			
At the start of the year	2,270	190	2,460
Additions in year	-	18	18
Disposals in year	-	-	-
At the end of the year	2,270	208	2,478
Depreciation			
At the start of the year	-	134	134
Charge for the year	31	16	47
Eliminated on disposal	-	-	-
At the end of the year	31	150	181
Net book value			
At the end of the year	2,239	58	2,297
At the start of the year	2,270	56	2,326

The above freehold land and buildings are 8 Hatherley Street, London which is occupied and carrying out the operations of the Fund. The property was revalued as at 31 December 2018 by Arnold and Baldwin Ltd Chartered Surveyors using the Royal Institute of Chartered Surveyors appraisal valuation.

The original historical cost value (from 2012) was £1,325k. At 31st December 2019, the carrying value of the property would have been £1,254k. Land with a value of £735,000 (2018: £735,000) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

13 Investment Properties

	2019 £'000	2018 £'000
Fair value at the start of the year	2,630	2,140
Revaluation during the year	-	490
Fair value at the end of the year	2,630	2,630

7 Hatherley Street, London was revalued as at 31 December 2018 by Arnold and Baldwin Ltd Chartered Surveyors using the Royal Institute of Chartered Surveyors appraisal valuation.

The Fund also owns an investment property in the Bahamas. The value of this property was reduced to £1 in 2018.

14 Listed Investments

	2019 £'000	2018 £'000
Fair value at the start of the year	34,848	37,048
Additions at cost	14,934	14,967
Disposal proceeds	(16,249)	(16,289)
Net gain / (loss) on change in fair value	3,637	(878)
Fair value at the end of the year	37,170	34,848

	2019 £'000	2018 £'000
Investments comprise:		
Interest bearing stocks	12,185	13,122
Equities	23,519	19,885
Cash	1,466	1,841
	37,170	34,848

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

15 Debtors

	2019 £'000	2018 £'000
Trade debtors	28	59
Amounts due from subsidiary undertakings	55	50
Prepayments	58	70
Accrued income	66	268
	207	447

16 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	13	33
Taxation and social security	32	44
Grants payable	990	1,063
Amounts due to subsidiary undertakings	2	2
Accruals	172	253
Deferred income	-	3
	1,209	1,398

17 Pension Scheme

Seafarers UK operates a defined contribution scheme for all employees. The assets of the schemes are held in separate funds administered by independent pension providers. The total cost of pensions for the year incurred by Seafarers UK was £70.5k (2018: £71k).

18 Financial Instruments

	2019 £'000	2018 £'000
Financial assets measured at fair value through profit and loss		
Investments	37,170	34,848

19a Analysis of Net Assets between Funds (current year)

	General unrestricted £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	2,297	-	-	2,297
Investment properties	2,630	-	-	2,630
Investments	28,797	1,039	7,334	37,170
Net current liabilities	(376)	-	-	(376)
Net assets at 31 December 2019	33,348	1,039	7,334	41,721

19b Analysis of Net Assets between Funds (prior year)

	General unrestricted £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	2,326	-	-	2,326
Investment properties	2,630	-	-	2,630
Investments	27,128	981	6,739	34,848
Net current assets	160	-	-	160
Net assets at 31 December 2018	32,244	981	6,739	39,964

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

20a Movements in Funds (current year)

	At 1 January 2019 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 December 2019 £'000
Permanently endowed funds:					
Endowed general purposes	903	83	(3)	-	983
Inglis fund	837	78	(3)	-	912
Merchant Navy South Africa scholarship	226	21	(1)	-	246
Royal Navy War Libraries fund	238	21	(1)	-	258
South African Women's Auxiliary service	436	39	(1)	-	474
Arthur T. Jeffess fund	2,968	274	(10)	-	3,232
David Richards Trust	881	81	(3)	-	959
Henry Herbert Wills fund	250	21	(1)	-	270
Total permanently endowed funds	6,739	618	(23)	-	7,334
Restricted funds:					
Restricted income from endowment funds	-	135	(135)	-	-
Royal Naval Officers fund	375	18	(100)	-	293
van de Kastele fund	117	1	-	-	118
Beryl Joyce Threadkell legacy	58	3	(11)	-	50
Sheila Constance Woods legacy	325	7	-	-	332
Merchant Navy fund	29	96	(81)	-	44
Restricted activities	77	115	-	-	192
Projects	-	120	(110)	-	10
Total restricted funds	981	495	(437)	-	1,039
Unrestricted funds:					
Designated funds:					
Individual regular welfare grants	2,413	456	-	-	2,869
Port-based welfare services	5,357	1,068	(1,062)	-	5,363
Health and care services	1,515	306	(386)	-	1,435
Hardship and poverty grants	1,106	209	(232)	-	1,083
Welfare support services	1,722	347	(425)	-	1,644
Maritime education and training	3,334	676	(645)	-	3,365
Children and youth welfare	2,504	473	-	-	2,977
Advice and information services	3,762	719	(623)	-	3,858
Accommodation and supported housing	3,510	632	(378)	-	3,764
Total designated funds	25,223	4,886	(3,751)	-	26,358
Revaluation reserve	945	-	(31)	-	914
General funds	6,076	-	-	-	6,076
Total unrestricted funds	32,244	4,886	(3,782)	-	33,348
Total funds	39,964	5,999	(4,242)	-	41,721

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

20b Movements in Funds (previous year)

	At 1 January 2018 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 December 2018 £'000
Permanently endowed funds:					
Endowed general purposes	939	-	(36)	-	903
Inglis fund	871	-	(34)	-	837
Merchant Navy South Africa scholarship	235	-	(9)	-	226
Royal Navy War Libraries fund	247	-	(9)	-	238
South African Women's Auxiliary service	453	-	(17)	-	436
Arthur T. Jeffess fund	3,087	-	(119)	-	2,968
David Richards Trust	916	-	(35)	-	881
Henry Herbert Wills fund	259	-	(9)	-	250
Total permanently endowed funds	7,007	-	(268)	-	6,739
Restricted funds:					
Restricted income from endowment funds	-	169	(169)	-	-
Royal Naval Officers fund	453	25	(103)	-	375
van de Kastelee fund	129	1	(13)	-	117
Beryl Joyce Threadkell legacy	64	3	(9)	-	58
Sheila Constance Woods legacy	356	9	(40)	-	325
Centenary	-	-	-	-	-
AVF	-	-	-	-	-
Merchant Navy fund	109	110	(190)	-	29
Family appeal	-	56	-	-	56
Event sponsorship	-	25	(4)	-	21
Projects	-	152	(152)	-	-
Total restricted funds	1,111	550	(680)	-	981
Unrestricted funds:					
Designated funds:					
Individual regular welfare grants	2,536	244	(367)	-	2,413
Port-based welfare services	5,946	572	(1,161)	-	5,357
Health and care services	1,703	164	(352)	-	1,515
Hardship and poverty grants	1,163	112	(169)	-	1,106
Welfare support services	1,936	186	(400)	-	1,722
Maritime education and training	3,770	362	(798)	-	3,334
Children and youth welfare	2,631	253	(380)	-	2,504
Advice and information services	4,012	385	(635)	-	3,762
Accommodation and supported housing	3,514	338	(342)	-	3,510
Tangible fixed assets	-	-	-	-	-
Investment property	-	-	-	-	-
Total designated funds	27,211	2,616	(4,604)	-	25,223
Revaluation reserve	-	945	-	-	945
General funds	5,516	560	-	-	6,076
Total unrestricted funds	32,727	4,121	(4,604)	-	32,244
Total funds	40,845	4,671	(5,552)	-	39,964

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

20c Movement in Funds – purposes of funds

Purposes of restricted funds

Royal Naval Officers' Fund

To assist officers of the Royal Navy in need or distress

Beryl Joyce Threadkell Legacy

Funds made available for the Felixtowe Committee

van de Kastele Fund

For the education of children of any UK seafarer

Sheila Constance Wood Legacy

To assist Naval Officers' Widows

Event Sponsorship

To assist in the cost of hosting or running the event

Merchant Navy Fund

Funds for Merchant Navy

Trusts

Trust donations restricted as per the trust fund's request

Projects

Projects are various grants restricted as per the donor's request

Purposes of Endowment funds

Endowed General Purposes

To relieve sickness, poverty and distress of seafarers

Inglis Fund

Merchant Navy South Africa

Scholarship Fund

Royal Naval War Libraries Endowment Fund

South African Women's Auxiliary Service

To further the educational and future career needs of seafarers' children

Arthur T. Jeffress Fund

David Richards Trust

Henry Herbert Wills Fund

To assist officers and men of the Royal navy, the Merchant Navy and the fishing fleet in need or distress

21 Operating Lease Commitments Payable as a Lessee

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods:

	2019 £'000	2018 £'000
Less than one year	74	110
One to five years	121	140
	195	250

Notes to the Financial Statements (continued)

for the year ended 31 December 2019

22 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Seaservers Limited, a company registered in England. The company number is 00890342. The registered office address is 8 Hatherley Street, London, SW1P 2QT.

The subsidiary is used for non-primary purpose trading activities. The accounts of Seaservers have not been consolidated into these financial statements on the grounds of immateriality. Available profits are distributed under Gift Aid to the parent charity.

The trustees Vice Admiral P.J. Wilkinson, Mr J.J.M. Monroe and Mrs C.V. Spencer are also directors of the subsidiary.

A summary of the results of the subsidiary is shown below:

Turnover	15	39
Cost of sales	(21)	(39)
Gross (loss) / profit	(6)	-
Administrative expenses	-	-
(Loss) / profit on ordinary activities before taxation	(6)	-
Taxation on profit on ordinary activities	-	-
(Loss) / profit for the financial year	(6)	-
Retained earnings		
Total retained earnings brought forward	7	7
(Loss) / profit for the financial year	(6)	-
Distribution under Gift Aid to parent charity	-	-
Total retained earnings carried forward	1	7
The aggregate of the assets, liabilities and reserves was:		
Assets	64	56
Liabilities	(63)	(49)
Reserves	1	7

Amounts owed to and from the parent undertaking are shown in notes 15 and 16.

Included within administrative expenses above is a management charge of £250 (2018: £250) from the parent entity.



Independent Auditor's Report to the Trustees of Seafarers UK (King George's Fund for Sailors)

Opinion

We have audited the financial statements of Seafarers UK (King George's Fund for Sailors) (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charity 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 charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

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. The trustees are responsible for the other information. 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. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sayer Vincent LLP

Date: 30 June 2020

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Reference and Administrative Details

Name and Registered Office

Seafarers UK (King George’s Fund for Sailors) is a registered charity, number 226446, in England and Wales, incorporated under Royal Charter, and registered in Scotland under number SC038191. The registered office is 8 Hatherley Street, London, SW1P 2QT. Seaservers Limited is a wholly-owned subsidiary of the charity through which *Seaview* magazine is published and sponsorships and commercial events are operated.

The Officers of Seafarers UK

Members of the General Council

- | | |
|--|---|
| <ul style="list-style-type: none">• President:
HRH The Earl of Wessex KG GCVO CD ADC(P) | <ul style="list-style-type: none">• Chairman:
Vice Admiral P. J. Wilkinson CB CVO BA |
| <ul style="list-style-type: none">• Deputy Chairman:
Captain R. H. Barker FNI MNM (G) | |
| <ul style="list-style-type: none">• Mr D. Bain FCA (*Fi) | <ul style="list-style-type: none">• Mr W. Lawes (Fi) (Fr) |
| <ul style="list-style-type: none">• Mr P. Butterworth (A) (*Fr) | <ul style="list-style-type: none">• The Lord Mountevans (A) |
| <ul style="list-style-type: none">• Surgeon Commodore P. J. Buxton OBE RN (*G) | <ul style="list-style-type: none">• Mr C. Marr (G) resigned 24 May 2019 |
| <ul style="list-style-type: none">• Mr M. Carden (G) | <ul style="list-style-type: none">• Mr J. J. Monroe (*A) |
| <ul style="list-style-type: none">• Mr M. Dickinson (G) | <ul style="list-style-type: none">• Mr W. Reid (Fi) |
| <ul style="list-style-type: none">• Mr P. French (Fr) | <ul style="list-style-type: none">• Ms N. Shaw FCIPD (Fi) |
| <ul style="list-style-type: none">• Mrs C. Gould (G) | <ul style="list-style-type: none">• Ms D. Sterling (G) (Fr) |
| <ul style="list-style-type: none">• Mr R. Greenwood (G) | <ul style="list-style-type: none">• Mrs E. A. Strouts (G) (Fr) |
| <ul style="list-style-type: none">• Mr G. Kidd (A) | <ul style="list-style-type: none">• Mr P. Tomlin (G) |

Key to General Council sub-committee membership:

- A** Member of the Audit and Governance Committee
Fi Member of the Finance and Investment Committee
Fr Member of the Fundraising and Communications Committee
G Member of the Grants Committee
* Chair of Committee

• **Management at 31 December 2019**

- Chief Executive Officer: Catherine Spencer
- Grants Director: Deborah Layde
- Director of Fundraising & Communications:
Nigel Shattock BSc
- Head of Finance: Indira K Ondhia FCCA
- Head of Internal Operations: Cheryl Gallop

• **Vice Presidents**

- The Chaplain of The Fleet
- Admiral of the Fleet Sir Benjamin Bathurst GCB DL
- Admiral Sir Jock Slater GCB LVO DL
- Admiral Sir Brian Brown KCB CBE
- Vice Admiral Sir Donald Gosling KCVO
RNR (deceased September 2019)
- Sir John Ritblat FRICS
- F. M. Everard CBE
- Captain D. C. Glass OBE MNM
- Rt Rev & Rt Hon Dame Sarah Mullally DBE
- The Rt. Hon. The Lord Mayor of the City of London
- The Rt. Worshipful The Lord Mayor of Westminster

• **Bankers**

National Westminster Bank plc
280 Bishopsgate
London, EC2M 4RB

• **Auditors**

Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London, EC1Y 0TL

• **Solicitors**

Pothecary Witham Weld Solicitors
70 St George's Square
London
SW1V 3RD

• **Investment Managers**

Ruffer LLP
80 Victoria Street
London, SW1E 5JL

Veritas Investment Management LLP
90 Long Acre
London, WC2 9RA

UBS AG –
Wealth Management Division
5 Broadgate
London, EC2M 2AN

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We support seafarers throughout their seafaring career: from first considering a career at sea, to working at sea, managing relationships at home while adapting to a seagoing life, then coming ashore and during retirement.

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