

REGISTERED COMPANY NUMBER: 3320318 (England and Wales)
REGISTERED CHARITY NUMBER: 1069833 (England and Wales)
REGISTERED CHARITY NUMBER: SCO43085 (Scotland)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2019
FOR
STELLA MARIS**



STELLA MARIS

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Page
Report of the Trustees	1 to 15
Report of the Independent Auditors	16 to 17
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Cash Flow Statement	21
Notes to the Financial Statements	22 to 34

STELLA MARIS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 DECEMBER 2019. The trustees have adopted the provisions of 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 2015)

OBJECTIVES AND ACTIVITIES

Objectives and activities for the public benefit

The object of the charity is the promotion and advancement of the general and pastoral welfare of the People of the Sea worldwide, regardless of creed, gender or ethnic origin, in ways consistent with Christian principles and the recognised practices of the Catholic Church.

The People of the Sea include seafarers, fishermen and maritime personnel. Seafarers are those on-board merchant ships and all who for whatever reason are undertaking a voyage. Fishers are those on-board fishing vessels. Maritime Personnel includes those who work on production platforms offshore or in ports; it includes students preparing for this work and those who have retired from this work; it also includes their families and port workers.

Stella Maris is part of a worldwide network which operates under the oversight of the Vatican Dicastery for the Promotion of Integral Human Development (formerly the Pontifical Council for the Pastoral Care of Migrants and Itinerant People).

The charity's primary purpose is to provide welfare, pastoral and spiritual outreach to the thousands of seafarers, fishermen and other People of the Sea. International seafarers and fishermen work away from home for up to 12 months, facing loneliness and isolation, danger and even exploitation as they deliver the goods and resources we consume each day. Many of the People of the Sea are drawn from economically disadvantaged nations, working for low wages. They provide vital support to extended families at home, meaning that money is scarce. Despite ongoing improvements in internet provision and telecommunications, the majority of seafarers and fishermen are without access to communication facilities at sea, so there is a great premium on the provision of inexpensive communication facilities when in port so that they can contact families and friends at home.

Seafarers deliver over 90% of the goods bought and sold in Great Britain, yet to most people they are invisible. Ports are highly secure places, often in isolated locations, leaving seafarers with limited or no access to facilities ashore.

Stella Maris service provision closely matches the needs identified by the People of the Sea themselves as well as those needs identified in research commissioned by Stella Maris during 2016 and 2017 from the Benedict XVI Centre for Religion and Society at St. Mary's University, Twickenham. The findings of this research project are consistent with earlier research by the Maritime Charities Funding Group (renamed the Maritime Charities Group) and ongoing work carried out by the Seafarers' International Research Centre at Cardiff University.

Stella Maris contributes to the spiritual and physical well-being of the People of the Sea by providing a team of full and part-time paid ship-visiting chaplains, ably assisted by volunteers, whose task is to visit ships calling in ports in Great Britain. These individuals:

- o Listen to and counsel seafarers and fishermen on-board ships.
- o Support seafarers and fishermen in the practice of their Christian faith, for example, through the celebration of Mass and the sacraments of the Catholic Church, blessings, prayer, fellowship and contact with local parish groups.
- o Provide seafarers and fishermen with faith resources to support and facilitate the practice of their faith.

STELLA MARIS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

- o Provide practical assistance, particularly in the provision of inexpensive means of communicating with home (internet, phone and SIM cards), port information, news from home and transport to shops and seafarers' centres.
- o Comfort and support those who are bereaved and distressed, particularly because of death or injury to shipmates and/or family.
- o Develop a team of volunteers to widen the provision of support and to carry out vital support functions such as counselling, fellowship and transport of seafarers and fishermen.
- o Provide an example to seafarers, fishermen and the local community of Stella Maris chaplaincy as a practical expression of our Christian faith and the way in which we contribute to a better society by promoting social cohesion, particularly amongst families.
- o Cooperate with partner organisations in providing seafarers' centres so that seafarers and fishermen can rest and relax away from their ships, purchase affordable refreshments, toiletries and foreign exchange, access transport to and from the centres and local amenities, access inexpensive or free internet and telephone services and source free donated clothing, books and DVDs.
- o Provide support in times of crisis, through hospital and prison visiting. Also, to provide support with pay and conditions issues and refer to other specialist agencies where appropriate. Our chaplains and ship visitors can act as advocates for the People of the Sea when they have to deal with unfamiliar official authorities.
- o Advocate on behalf of the People of the Sea with national and international bodies and the shipping industry, particularly regarding human rights and welfare.

All Stella Maris services are provided free-of-charge (or at cost price for some internet, phone and SIM cards) and are provided regardless of any factor other than need. Stella Maris operates as broadly across Great Britain as resources allow. Service provision is not restricted by geography or ability to pay. Furthermore, service provision is available to all and is not restricted to those who adhere to the Catholic faith. A large proportion of the seafarers and fishermen who visit Great Britain are Catholics or from other Christian denominations. There is therefore a significant demand for our chaplains and volunteers to support these individuals in the practice of their faith.

Significant activities

During 2019 we continued to focus on three key areas: Mission, Governance and Operations.

Mission

Mission to the People of the Sea is integral to Stella Maris. Our core team of port chaplains continued to provide a comprehensive service to seafarers and fishermen visiting British ports.

Stella Maris is committed to delivery of services in a manner that consistently upholds and protects the safety and dignity of every person we work with. To this end, the Board of Trustees commissioned an independent expert to undertake a safeguarding review of all aspects of our work in Great Britain. Her report was reviewed by the Board in July. Its recommendations are being implemented by the executive team under the oversight of the newly created Safeguarding and Welfare Committee (see below).

We launched a new secure online database, using the Salesforce platform, on which our chaplains and volunteer ship visitors record all their activity. We believe this database will significantly enhance our internal and external communications.

In addition, but at no cost – financial or otherwise - to our mission in Great Britain, work began on the implementation of our International Strategy, referred to in our 2018 report.

During 2019 we created an International Committee of the Board of Trustees, chaired by the Chair of Trustees to oversee the implementation of this strategy. We were appointed as local agent for the Vatican Dicastery for Promoting Integral Human Development in respect of the organisation of the Glasgow 2020 World Congress. Also, we created a personnel structure for Stella Maris that enables delivery of our international strategy, appointing the National Director as Chief Executive Office and recruiting a Director of Chaplaincy.

Support was provided to other members of the Stella Maris network around the world, most notably in South Africa and the Ukraine. In response to identified welfare need, work also began to re-establish in Denmark and Northern Ireland.

Governance

In May 2019, our Chair of Trustees resigned. The Vice-Chair of Trustees succeeded him as Chair in July and a new Vice Chair was appointed. All trustee appointments are informed by our trustees' skills and experience matrix, which is reviewed at each board meeting. During each of our board meetings we continue the practice of reviewing one of the 7 principles of the Charity Governance Code.

In addition to the creation of the International Committee referred to above, the Board established a further two subcommittees. The first, the Safeguarding and Welfare committee, is tasked with overseeing the implementation of the safeguarding review which the board commissioned, and which was conducted during 2019, as well as with oversight of personnel and health and safety matters, including appointment of senior staff and trustees. The second, the Centenary Committee, is responsible for overseeing implementation of our plans to mark the centenary of Stella Maris, which begins in October 2020.

The Finance, Audit and Risk Committee (FARC) continues to oversee all matters under its responsibility.

Operations

During 2019, our port chaplains and volunteer ship visitors continued to respond to significant levels of welfare need (including arrested and detained ships, bereavements and contractual disputes). January 2019 saw the launch of our first Life at Sea report in the UK Parliament. The IMO Secretary General, Kitack Lim, and the then Shipping Minister, Nusrat Ghani MP, were the keynote speakers. This report marked the start of greater collaboration between Stella Maris and the shipping industry. As a result, our intervention in crisis situations almost doubled – from 45 incidents in 2017/18 to 80 in 2018/19. Whether it was hospital visits, dealing with abandoned crews or helping resolve contract issues, we supported seafarers and fishermen everywhere through some of the toughest times of their lives.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

**STELLA MARIS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

ACHIEVEMENT AND PERFORMANCE

Maritime Ministry - Monitoring achievement

In furthering the objects of the charity to the benefit of the public the trustees report on the activities and achievements for 2019.

The trustees' primary objective is to deliver a first-class service to the People of the Sea as part of the mission of the Catholic Church whilst, at the same time, maintaining a sustainable financial position now and into the future. The trustees concentrate on delivery of port chaplaincy services in the core port areas where demonstrable need has been identified. The trustees remain committed to working as closely and ecumenically as possible with other service providers.

During 2019 our chaplains and volunteer ship visitors visited 8,084 ships in over 50 ports in Great Britain. We helped many of these seafarers and fishermen to contact family and friends back home through the provision of internet and telecommunication facilities. This is critical to the spiritual, psychological and physical well-being of seafarers, fishermen and their families.

The trustees are pleased to report that during 2019 Stella Maris organised the celebration of 201 masses on board ships. In addition, we regularly arrange to transport seafarers and fishermen to the local Catholic Church where they can join the local community for their worship and parish activities. Provision of the sacrament of reconciliation, prayer, praise and worship are regular features of our maritime ministry. Christian faith resources were provided to approximately 2,724 ships. These included prayer cards, books, scripture booklets and bibles in different languages. We would like to thank the Bible Society for their generous provision of bibles. During 2019 we also launched 'Stella Maris', a magazine for seafarers and fishermen, which our port chaplains distribute in Great Britain and in an increasing number of ports globally. 23,398 copies of 'Stella Maris' were distributed, free of charge during 2019, in 73 ports worldwide.

Stella Maris chaplains and volunteers supported seafarers and fishermen in cases where the ship's owner had experienced financial difficulties and/or had abandoned the ship. Crews are particularly vulnerable at this time, awaiting repatriation, perhaps without wages. Crews can remain unpaid for some months. During 2019 Stella Maris chaplains and volunteers continued to provide much needed support to crews affected in this manner. We undertook 59 hospital visits to seafarers and fishermen who were hospitalised in Great Britain during the year.

During 2019 we collaborated with P&I Clubs, ship owners and chaplains around the world in a number of significant welfare cases. Such cases included deaths, hospitalisation, abandonment of crew, bullying, assault and non-payment of wages. Our communication with stakeholders in such difficult circumstances is vitally important in bringing relief and support to seafarers and fishermen. Additionally, in accordance with our international strategy it is part of our ongoing work to provide a more integrated Stella Maris network, with the capacity to respond swiftly and effectively when seafarers and fishermen are in need.

The work of Stella Maris would not be possible without the inspirational dedication of our many volunteers. We have a variety of volunteer roles including trained ship visitors, drivers, head office support, fundraising support, woolly hat knitters and parish contacts. We would like to express our deepest thanks to all those individuals who volunteer with us.

Cruise chaplaincy represents an important aspect of our ministry, thanks to the constructive working relationship established with Carnival UK. We continue to deploy chaplains on board P&O and Cunard ships at Christmas and Easter times, providing much needed support to the crew who are away from family and friends during these important seasons.

Taking together the ministry of our port chaplains, volunteer ship visitors and cruise chaplains we estimate that approximately one million people, comprising the People of the Sea, were supported, directly or indirectly, by Stella Maris during 2019.

STELLA MARIS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL REVIEW

Investment Policy

Scope of investment powers:

The trustees are empowered by the Articles of Association to invest any trust monies, as authorised by law, in such manner as they think fit.

Investment objectives:

The trustees have adopted a policy for the portfolio of investments that is designed to optimise returns over the longer term and thus provide a regular flow of funds to support Stella Maris's operating activities both in the UK and overseas.

Who can take investment decisions?

In managing our financial reserves and regularly assessing market risk, the trustees draw up the investment policy and this is reviewed annually.

Attitude to risk:

Our investment strategy is to accept a level of medium risk with a balance sought between realising a target income and achieving capital growth. Investments are divided amongst equities, bonds, cash and alternatives. The portfolio is externally managed by investment managers who are regulated by the Financial Conduct Authority.

How investments will be managed and reporting requirements for investment managers:

Updates on the value of the portfolio are provided to us monthly. Once a year we discuss the performance of the investments with our investment manager, the prevailing and anticipated economic conditions, a forecast of future trends and we look at our future cash requirements to be funded by these investments.

Types of investment, including ethical considerations:

In the implementation of this policy, the trustees follow the Charity Commission guidance for the investment of charitable funds. We are mindful of our status as an official agency of the Catholic Bishops' Conference of Scotland and the Catholic Bishops' Conference of England and Wales when investing the charity's assets. Our investment portfolio should be consistent with, and reflect, Catholic teaching. We will not invest in businesses that conduct activities contrary to Catholic Church teaching. The following examples illustrate our approach:

Restriction	Notes
Sanctity of Life	Companies engaged in the provision and/or practice of abortion, embryo research and euthanasia are excluded. Also excluded are companies engaged in the manufacture of contraceptives.
Labour Standards	Companies that fail to comply with International Labour Organisation (ILO) labour standards are excluded.
Pornography	Companies with over 10% of turnover resulting from adult entertainment related products and services are excluded.

STELLA MARIS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

Investment Performance

The trustees are empowered by the Articles of Association to invest any trust monies, as authorised by law, in such manner as we think fit.

The trustees previously decided to align our investment strategy more closely with our operational strategy. We resolved to fund any future international projects by utilising our investment portfolio to provide a higher income. We recognised that a higher income increases the risk in our portfolio but given the fact we have not withdrawn any capital from the portfolio since 2008 we concluded we could ably cope with short-term volatility as long as we received a sustainable (and growing) income.

As explained in Note 23 to the financial statement, since the year end, the charity has withdrawn £350,000 cash from the investment portfolio in May 2020 and is likely to withdraw at least a further £250,000 before the end of 2020, in order to offset the shortfall in donations resulting from Covid 19. This will reduce the future income streams from the investment portfolio until such time as there are surplus funds to enable further investment to be made.

FINANCIAL REVIEW

Fundraising

The trustees are satisfied with the fundraising performance in 2019. We are pleased with the increase in donations and grants compared with 2018. The reduction in Sea Sunday income is noted, as is the significant reduction in legacies. In respect of the latter, whilst there is always a certain volatility to legacy income, this was exacerbated in 2019 due to a backlog of cases at the probate courts. This has been widely reported in the fundraising press and has affected all charities

Our fundraising performance continues to support our agreed strategy to focus on key income streams and develop our core support within the Catholic Church and maritime sector.

Fundraising strategic outlook

At the beginning of 2017 a comprehensive fundraising strategic review was undertaken. The implementation of this review informed the work of the Fundraising and Communications team during 2019.

It is due to investment in our fundraising strategy in recent years that we have been able to both expand our ministry in the United Kingdom and launch an International Strategy. We remain very much committed to continuing to increase spending on our beneficiaries, here and overseas. However, we believe our fundraising strategy will be severely impacted in 2020 and beyond by the Covid-19 pandemic, not least by a reduction in both Sea Sunday and investment income. We recognise we may have to adapt our plans accordingly.

**STELLA MARIS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

General Data Protection Regulation (GDPR).

All our supporters received a copy, in plain English, of our privacy policy. This policy was also updated on our website. We actively worked to confirm consent from our supporters for both postal and email communications, recording and acting on these instructions. These actions meant that Stella Maris was compliant with the GDPR.

Major Gifts

We continued to provide a more tailored relationship with our major donors, as we have long recognised that they are very much part of the team delivering our mission.

A Head of Corporate Engagement and Partnerships was appointed during 2019 to deliver on the implementation of our corporate strategy.

Fundraising assistance to Stella Maris overseas

In line with the 2017 fundraising strategy the following assistance was given to Stella Maris colleagues overseas:

- Stella Maris Ukraine – in continuation of our support in 2018, a grant was given in January 2019 covering 50% of the core costs of their ship visiting activities.
- Stella Maris South Africa – Stella Maris GB continues to provide mentoring, training and support to colleagues in South Africa to boost their governance and fundraising capacity. Financially, Stella Maris GB assisted in the following ways:
 - Secured two grants from IMarEST's Guild of Benevolence to support crews abandoned in South African ports
 - Through an appeal to UK supporters in September, provided the funds for a new vehicle to assist seafarers in Cape Town
- Stella Maris USA – Hosted the Regional Coordinator for North America for formation, training and exchanging of ideas in June.
- A grant was secured from the ITF Seafarers Trust to provide MiFi units to Stella Maris chaplains in the following ports: Durban and Cape Town, South Africa, Vancouver and Montreal, Canada and Abidjan, Ivory Coast. This was a trial to see the value and impact of providing mobile internet services to seafarers across the world. The trial will continue into 2020.

Fundraising complaints

During 2019 no fundraising complaints were received.

Our work with, and oversight of, any commercial participators/professional fundraisers

Stella Maris does not contract out any of its fundraising to commercial participators or professional fundraisers.

Our monitoring of fundraising carried out on our behalf

The trustees have delegated the day to day management of fundraising to a team of experienced fundraisers, employed by Stella Maris. This delegation is clearly documented with job descriptions, clear lines of reporting and accountability and an annual fundraising plan that is monitored monthly, which includes a progressive review of the Institute of Fundraising code of conduct to ensure this is embedded in practise. A detailed fundraising and communications report is submitted to each trustees' meeting.

Thanks for particular support

We would like to express our gratitude for the continued support of, Seafarers' UK, the ITF Seafarers' Trust, and the Merchant Navy Welfare Board.

Principal Funding Sources

31% of total income is from the annual voluntary Sea Sunday collection held in Catholic parishes in England, Wales and Scotland on the second Sunday in July. 38% is from regular donations from active supporters of our work. 14% is from trusts and grant making foundations and 6% came from legacies.

STELLA MARIS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

Reserves policy

The consolidated reserves fund stands at £5,262,494 (FY2018 £4,744,635) of which £88,592 is represented by the fixed assets and £4,752,779 by investments within general funds. Total restricted reserves at the year-end were £128,485 (FY 2018 £140,712). The trustees' ongoing objective is to deliver balanced budgets although we are prepared to incur additional expenditure from our reserves where this will deliver a demonstrable benefit for the People of the Sea.

Stella Maris holds reserves for 4 principal reasons:

1. To support our International Strategy, referred to above. The scale of necessary investment remains to be determined, such that it is prudent to maintain current reserve levels with the expectation that a significant proportion will be deployed for international work once the implementation plan is fully operational. We can also use the income generated from our reserves to support our international work. In the event of significant overseas maritime emergencies, for example tsunamis in areas of artisanal fishing or a new upsurge in piracy, an unforeseen call on reserves may be required at very short notice.
2. To cope with an unexpected downturn in budgeted income, particularly Sea Sunday. The charity has relied on reserves to meet the shortfall in budgeted income in 2020 resulting from Covid 19.
3. To meet our financial commitments to jointly run seafarers' centres if support cannot be provided from in-year income. Applications would be considered by the trustees on their merits on a case by case basis.
4. To build up the income base: the trustees are conscious of the need to generate income from as many diverse sources as possible and feel that it is prudent to build up the reserves for this purpose in line with Chapter 5 of Charity reserves: building resilience (CC19).

The balance of the reserves will be retained within general funds as a contingency against stock market falls, operational commitments, associated liabilities and wind-up costs.

STELLA MARIS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

FUTURE PLANS

Covid-19 has severely restricted our operational performance in Great Britain and overseas. Ship visiting has not been possible. Volunteer ship visitors have been instructed to cease all welfare activity until further notice, both for the protection of their own health and the health of our beneficiaries. However, chaplains – both in the UK and overseas – have continued to provide support to the People of the Sea. Local laws and port regulations have been followed at all times and PPE provided. Examples of welfare support include gangway ministry and remote support via video conference and social media. For example, we have been providing remote video support to cruise ship crew confined on board their ships in UK ports due to Covid-19. We have also helped raise funds to support the work of our partners in the Stella Maris network, most notably in Manila, the Philippines where, amongst other things, the local Stella Maris team has established an outreach programme to the families of Filipino seafarers.

As previously stated, Covid-19 will also have a significant impact upon our financial performance during 2020 and beyond. Most notably, the postponement of Sea Sunday in England and Wales to December 2020 places additional pressure on our cash flow and our investment income is likely to be lower due to the turbulence of financial markets. However, the trustees remain committed to our operational plans, as detailed below, recognising the need to be as flexible as possible during these unprecedented times and where, necessary, to utilise our reserves in accordance with our reserves policy. We continue to explore all options to both increase income (including via borrowing) and reduce expenditure where possible.

1. **To ensure all our port chaplains and ship visitors in Great Britain continue to be properly resourced - spiritually, practically and financially – so that they can to serve the People of the Sea with ever greater effectiveness.** More particularly:
 - To undertake a chaplaincy review, led by the newly appointed Director of Chaplaincy, and encompassing all aspects of our chaplaincy, including training and formation.
 - To roll out the new database to all volunteer ship visitors. To provide appropriate training and support to both port chaplains and volunteers.
 - To implement the recommendations of the Safeguarding Review, including the provision of training and support for all.
2. **To cooperate more closely with Stella Maris/Stella Maris colleagues overseas to further improve their pastoral outreach and communicate their work more effectively to the People of the Sea, the Church, the maritime industry and wider society.** More particularly:
 - To agree a plan for implementation of our International Strategy, following consultation with interested stakeholders
 - To appoint a Project Manager for the new online database to promote and implement it with Stella Maris colleagues overseas as an integral element of our international strategy.
3. **To complete implementation of our change of name to ‘Stella Maris’ by the commencement of our Centenary year in October 2020 in accordance with the recommendation of the Regional Coordinators in June 2018.** More particularly:
 - To launch a new website.
 - To promote Sea Sunday 2019 as ‘Stella Maris’.
 - To support the Regional Coordinators and national Stella Maris organisations with the change of name through the provision of a Brand Kit.
4. **To implement the governance actions agreed in June 2015.** More particularly:
 - To ensure that trustee recruitment, retirement and succession follows our trustee recruitment policy and that, as far as possible, our board is representative of the stakeholders with whom we work.
 - To apply the Board code of conduct agreed in 2016, providing training and support where necessary.
 - To apply the Charity Governance Code.
5. **To help organise our Centennial World Congress in October 2021 and our GB Centenary year from October 2020 to October 2021.** More particularly:
 - To support the Dicastery for Promoting Integral Human Development with the planning and organisation of the Glasgow World Congress, principally through the appointment of the Chief Executive Officer as the Dicastery’s liaison officer.
 - To implement the plans agreed by the Centenary Committee.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Stella Maris (Great Britain) is an agency of both the Catholic Bishops' Conference of England and Wales (<http://www.catholicchurch.org.uk>) and the Catholic Bishops' Conference of Scotland (<http://www.bpsconfscot.com>). Stella Maris is a Registered Charity in England and Wales No 1069833, a Registered Charity in Scotland No SC043085 and a Company limited by Guarantee No 3320318. The Articles of Association were agreed in 1997 and amended by Special Resolutions dated 24 July 2002, 6 June 2005, 1 April 2008, 9 June 2011, 15 March 2012 and 4 December 2014.

STELLA MARIS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Trustees are appointed by the Bishop Promoters of Scotland and England and Wales by joint decision, each Bishop Promoter in making such decision acting for and on behalf of the Bishops' Conference of which he is a member. Trustees are appointed on the basis of suitable qualifications and experience, including senior clergy experienced in chaplaincy and those with knowledge of the global maritime industry. Trustees are invited to undertake regular training and CPD provided by our solicitors and specialist third party providers. We are also given in-service support by the Charity Commission and other charity publications and updates from the Chief Executive Officer.

The members of the Board of Trustees are also directors and members under the terms of the Companies Act.

The members of the Board of Trustees have no beneficial interest in the charity or any other company or charity with whom Stella Maris works in collaboration or cooperation.

The main Board of Trustees meets three/four times a year and takes reports and recommendations from the Finance, Audit and Risk Committee, the International Committee, the Safeguarding and Welfare Committee and the Centenary Committee. As well as trustees, The Finance, Audit and Risk Committee and the International Committee include co-opted committee members who are not trustees but who bring relevant subject matter specialisms to those committees. Trustees are also represented on the Chaplains' Pastoral Committee which also reports to the main Board of Trustees through the Chief Executive Officer.

All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related transactions are disclosed in the notes to the accounts. Trustees are required to disclose all relevant interests at each meeting.

Related Charities and Organisations

The charity acts as a 'founding society' trustee for the seafarers' centres at Bristol, Seaham, Felixstowe and the Humber (Immingham). Limited financial support is provided to the Bristol, Seaham and Montrose centres and operating deficits can bring liability to Stella Maris. However, the trustees have determined that the liability of Stella Maris should be limited by advising that centre trustees operate a balanced budget or within their own reserves.

Stella Maris is an active member of the International Christian Maritime Association (ICMA).

Key management remuneration

Pay and Remuneration policy

The charity benchmarks the pay and remuneration of the key management personnel against the pay and remuneration of their counterparts in similar size charities in the Catholic Church and maritime sector. Salaries are reviewed on an annual basis. During 2019 we instructed an external specialist to undertake a salary benchmarking exercise. The results of this exercise will inform future decisions on remuneration.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees' risk assessment and risk management programme covers all material aspects of the operation and conduct of the charity. The process is managed through a risk register. It is a board document, which is reviewed by the full trustee board at least once a year.

The risk evaluation process encompasses the following factors:

- o **Strategic:** Risks that endanger the sustainable delivery of the objects of the charity. The assessment is mindful of our responsibilities to our main partner organisations: other maritime charities, seafarers' centres, our Stella Maris colleagues overseas, the Dicastery for the Promotion of Integral Human Development and ICMA.
- o **Operational:** Risks that endanger the safe and continued delivery of the support services provided by the charity to seafarers. These risks include activities undertaken by the trustees, officers of the charity, port and cruise chaplains and their volunteers.

o **Financial:** Risks that endanger the financial good health of the charity. These include investment performance, revenue from fundraising activities, cost control, sustainability, accounting controls, liability as a founding society centre trustee, security and anti-fraud controls.

Risk Assessment

The principal risk which exercised us during the year related to the need to manage safeguarding more effectively – considered to be both a strategic and operational risk - hence the commissioning of a safeguarding review. We also continued to monitor full compliance with GDPR.

STELLA MARIS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

3320318 (England and Wales)

Registered Charity number

1069833 (England and Wales)

SCO43085 (Scotland)

Registered office

39 Eccleston Square

London

SW1V 1BX

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Right Reverend Bishop Hugh Gilbert	Appointed 2 nd April 2020
Right Reverend Bishop Paul Mason	
Right Reverend Bishop Stephen Robson	Retired 2 nd April 2020
Mr Robert Ashdown	
Mrs Helen Brennan	
Mr James Gosling	
Mrs Theresa Crossley	
Mr Esteban Pacha	(Chair from [16 July 2019])
Miss Luisa Campbell	
Mr William Azuh	
Reverend Doctor Stephen Morgan	Retired 3 rd March 2019
Mrs Louise Carter	Retired 10 th June 2019
Monsignor Richard Madders	Retired 16 th April 2019
Mr Simon O'Toole	Retired 2 nd May 2019

Chief Executive Officer

Mr Martin Foley

STELLA MARIS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

Auditors

Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
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PO9 1QU

Solicitors

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13 Queen Square
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Bankers

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Clydesdale Bank Plc
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London
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Investment Fund Managers

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16 Babmaes Street,
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STELLA MARIS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Stella Maris (Great Britain) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 7th July 2020 and signed on its behalf by:



.....
Mr Esteban Pacha - Chairman

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STELLA MARIS

Opinion

We have audited the financial statements of Stella Maris (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STELLA MARIS

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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. We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants, Statutory Auditors
Station House
North Street
Havant
Hampshire, PO9 1QU

Date:

STELLA MARIS

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2019**

		Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,287,694	205,454	1,493,148	1,560,056
Investment income	3	135,823	-	135,823	136,254
Other income		<u>8,177</u>	<u>-</u>	<u>8,177</u>	<u>292</u>
Total		1,431,694	205,454	1,637,148	1,696,602
EXPENDITURE ON					
Raising funds	4	503,050	-	503,050	475,142
Charitable activities	5				
Pastoral care to seafarers		<u>1,064,675</u>	<u>217,681</u>	<u>1,282,356</u>	<u>1,230,413</u>
Total		1,567,725	217,681	1,785,406	1,705,555
Net gains/(losses) on investments		<u>666,117</u>	<u>-</u>	<u>666,117</u>	<u>(384,778)</u>
NET INCOME/(EXPENDITURE)		530,086	(12,227)	517,859	(393,731)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>4,603,923</u>	<u>140,712</u>	<u>4,744,635</u>	<u>5,138,366</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>5,134,009</u></u>	<u><u>128,485</u></u>	<u><u>5,262,494</u></u>	<u><u>4,744,635</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

STELLA MARIS
(REGISTERED COMPANY NUMBER: 3320318)
BALANCE SHEET
AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	12	88,592	128,440
Investments	13	<u>4,752,779</u>	<u>4,121,529</u>
		4,841,371	4,249,969
CURRENT ASSETS			
Debtors	14	167,510	125,371
Cash at bank and in hand		<u>362,097</u>	<u>477,333</u>
		529,607	602,704
CREDITORS			
Amounts falling due within one year	15	<u>(108,484)</u>	<u>(108,038)</u>
NET CURRENT ASSETS		<u>421,123</u>	<u>494,666</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,262,494</u>	<u>4,744,635</u>
NET ASSETS		<u><u>5,262,494</u></u>	<u><u>4,744,635</u></u>
FUNDS	16		
Unrestricted funds		5,134,009	4,603,923
Restricted funds		<u>128,485</u>	<u>140,712</u>
TOTAL FUNDS		<u><u>5,262,494</u></u>	<u><u>4,744,635</u></u>

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

The financial statements were approved by the Board of Trustees on 7th July 2020 and were signed on its behalf by:

.....
Mrs Helen Brennan – Trustee



Mr Esteban Pacha - Trustee

STELLA MARIS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	A	<u>(294,103)</u>	<u>(25,676)</u>
Net cash provided by (used in) operating activities		<u>(294,103)</u>	<u>(25,676)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(75,057)
Purchase of fixed asset investments		(1,005,975)	(1,571,136)
Sale of tangible fixed assets		7,850	-
Sale of fixed asset investments		1,040,842	1,601,599
Interest received		327	292
Dividends received		135,823	136,254
		<u> </u>	<u> </u>
Net cash provided by (used in) investing activities		<u>178,867</u>	<u>91,952</u>
Change in cash and cash equivalents in the reporting period		(115,236)	66,276
Cash and cash equivalents at the beginning of the reporting period		<u>477,333</u>	<u>411,057</u>
Cash and cash equivalents at the end of the reporting period		<u><u>362,097</u></u>	<u><u>477,333</u></u>

STELLA MARIS

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

A. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	517,859	(393,731)
Adjustments for:		
Depreciation charges	39,847	61,600
Losses/(gain) on investments	(666,117)	384,778
(Profit)/loss on disposal of fixed asset	(7,850)	-
Interest received	(327)	(292)
(Increase)/Decrease in debtors	(42,138)	43,830
Increase/ (Decrease) in creditors	446	14,393
Dividends received	<u>(135,823)</u>	<u>(136,254)</u>
Net cash provided by (used in) operating activities	<u>(294,103)</u>	<u>(25,676)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, being investments which are included at market value.

Going Concern

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

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- o the date on which the charity is aware that probate has been granted;
- o the estate has been finalised and notification has been made by the executor(s) to the Estate that a distribution will be made; or
- o 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 executors' 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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes to the accounts.

Donated Goods and Services

Goods donated for on-going use by the charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the SOFA.

STELLA MARIS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Individual fixed assets costing £500 or more are capitalised at cost.

Taxation

The charity is exempt from corporation tax on its charitable activities.

STELLA MARIS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these instruments is detailed below.

Investments

Investments are stated at market value inclusive of accrued income as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value or purchase date if later. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and opening market value, or purchase date if later. Realised and unrealised gains are not separated in the statement of financial activities.

2. DONATIONS AND LEGACIES

	2019 £	2018 £
Donations	615,770	575,259
Legacies	99,997	256,125
Grants	239,023	154,865
Sea Sunday collections	514,405	554,647
Ports levy	<u>23,953</u>	<u>19,160</u>
	<u>1,493,148</u>	<u>1,560,056</u>

3. INVESTMENT INCOME

	2019 £	2018 £
Dividends	135,823	136,254
	<u>135,823</u>	<u>136,254</u>

Investment income of £52,603 (2018: £44,952) is derived from assets held in the United Kingdom. Investment income of £83,220 (2018: £91,302) is derived from assets held outside of the United Kingdom.

STELLA MARIS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

4. RAISING FUNDS

Raising donations and legacies

	2019 £	2018 £
Staff costs	161,107	151,327
Other direct costs	171,267	155,744
Investment managers fees	34,865	34,962
Support costs	<u>135,811</u>	<u>133,109</u>
	<u>503,050</u>	<u>475,142</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities (See note 6) £	Support costs (See note 7) £	Totals £
Pastoral care to seafarers	<u>735,644</u>	<u>10,377</u>	<u>536,335</u>	<u>1,282,356</u>

6. GRANTS PAYABLE

	2019 £	2018 £
Pastoral care to seafarers	<u>10,377</u>	<u>40,988</u>

The total grants paid to institutions during the year was as follows:

	2019 £	2018 £
Seaham Seafarers Club	1,000	1,000
Bristol Seafarers	8,500	8,500
STELLA MARIS Seychelles	-	877
STELLA MARIS Durban	-	629
Merchant Navy Welfare Board Contribution	-	15,000
STELLA MARIS Vancouver	-	2,011
STELLA MARIS Santos	-	1,223
STELLA MARIS Cebu	-	3,518
STELLA MARIS Ukraine	-	7,790
Gente di Mar Society	441	440
STELLA MARIS Malta	<u>436</u>	-
	<u>10,377</u>	<u>40,988</u>

During the year, the Charity secured grants from IMarEST's Guild of Benevolence and the ITF Seafarers Trust for South Africa, Canada and the Ivory Coast. These grants were paid by the grant provider directly to the recipient and are therefore not disclosed here.

7. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Costs of generating voluntary income	135,811	-	135,811
Pastoral care to seafarers	<u>507,260</u>	<u>29,075</u>	<u>536,335</u>
	<u>643,071</u>	<u>29,075</u>	<u>672,146</u>

Basis of allocation

Wages, social security, pensions and recruitment and training - Staff time, Establishment costs – Staff time, Motor and travel, administrative and professional fees - Usage

Support costs, included in the above, are as follows: **STELLA MARIS**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. SUPPORT COSTS - continued

Management

			2019	2018
	Costs of generating voluntary income £	Pastoral care to seafarers £	Total activities £	Total activities £
Staff Costs	97,526	314,804	412,330	359,669
Recruitment and training	6,265	79,945	86,210	60,180
Establishment costs	15,515	46,543	62,058	47,051
Motor and travel expenses	2,065	8,209	10,274	8,777
Administrative expenses	10,064	40,256	50,320	62,459
Professional fees	4,376	17,503	21,879	37,167
	<u>135,811</u>	<u>507,260</u>	<u>643,071</u>	<u>575,303</u>

Governance costs

	2019 Pastoral care to seafarers £	2018 Total activities £
Trustees' and board meeting expenses	5,612	4,013
Auditors' remuneration – fee for statutory audit	8,813	8,813
Insurance	6,282	6,572
Sundries	1,061	1,145
Legal fees	7,307	2,678
	<u>29,075</u>	<u>23,221</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019 £	2018 £
Auditors' remuneration	8,813	8,813
Depreciation - owned assets	<u>51,412</u>	<u>61,600</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Trustees' expenses

During the year three trustees (2018: four) were reimbursed out of pocket expenses for travelling and subsistence totalling £1,473 (2018: £1,439). Additionally, £3,626 (2018: £2,407) of expenses were paid on behalf of the trustees by the charity.

STELLA MARIS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. STAFF COSTS

	2019 £	2018 £
Wages and salaries	892,659	888,025
Social security costs	84,997	84,715
Other pension costs	<u>66,828</u>	<u>69,672</u>
	<u><u>1,044,484</u></u>	<u><u>1,042,412</u></u>

Key Management Personnel

The key management personnel of the charity comprise the Trustees, National Director and Development Director. The total employee benefits of the key management personnel of the charity were £168,723 (2018: £163,821)

The average monthly number of employees during the year was as follows:

	2019	2018
Chaplaincy	20	21
Fundraising	7	7
Support	<u>4</u>	<u>4</u>
	<u><u>31</u></u>	<u><u>32</u></u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	2018
£70,000 - £80,000	<u><u>2</u></u>	<u><u>2</u></u>

The charity paid contributions to pension scheme for two (2018: two) of those employees with emoluments in excess of £60,000.

2019	Chaplaincy £	Fundraising £	Support £	Total £
Salaries and wages	563,133	218,484	111,042	892,659
Social security costs	49,149	23,960	11,888	84,997
Pension costs	<u>43,930</u>	<u>15,391</u>	<u>7,507</u>	<u>66,828</u>
Total	<u><u>656,212</u></u>	<u><u>257,835</u></u>	<u><u>130,437</u></u>	<u><u>1,044,484</u></u>
 2018	 Chaplaincy £	 Fundraising £	 Support £	 Total £
Salaries and wages	547,735	215,884	124,406	888,025
Social security costs	48,497	23,024	13,194	84,715
Pension costs	<u>43,746</u>	<u>11,292</u>	<u>14,634</u>	<u>69,672</u>
Total	<u><u>639,978</u></u>	<u><u>250,200</u></u>	<u><u>152,234</u></u>	<u><u>1,042,412</u></u>

STELLA MARIS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

11.

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,369,566	190,490	1,560,056
Investment income	136,254	-	136,254
Other income	<u>292</u>	<u>-</u>	<u>292</u>
Total	1,506,112	190,490	1,696,602
 EXPENDITURE ON			
Raising funds	475,142	-	475,142
Charitable activities			
Pastoral care to seafarers	<u>1,087,831</u>	<u>142,582</u>	<u>1,230,413</u>
Total	1,562,973	142,582	1,705,555
Net gains/(losses) on investments	<u>(384,778)</u>	<u>-</u>	<u>(384,778)</u>
NET INCOME/(EXPENDITURE)	(441,639)	47,908	(393,731)
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>5,045,562</u>	<u>92,804</u>	<u>5,138,366</u>
 TOTAL FUNDS CARRIED FORWARD	<u><u>4,603,923</u></u>	<u><u>140,712</u></u>	<u><u>4,744,635</u></u>

STELLA MARIS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2019	38,737	12,903	454,672	66,462	572,774
Additions	-	-	-	-	-
Disposals	-	-	(19,757)	-	(19,757)
At 31 December 2019	<u>38,737</u>	<u>12,903</u>	<u>434,915</u>	<u>66,462</u>	<u>553,017</u>
DEPRECIATION					
At 1 January 2019	33,418	12,903	335,193	62,821	444,335
Charge for year	2,784	-	35,831	1,232	39,847
Eliminated on disposal	-	-	(19,757)	-	(19,757)
At 31 December 2019	<u>36,202</u>	<u>12,903</u>	<u>351,267</u>	<u>64,053</u>	<u>464,425</u>
NET BOOK VALUE					
At 31 December 2019	<u>2,535</u>	<u>-</u>	<u>83,648</u>	<u>2,409</u>	<u>88,592</u>
At 31 December 2018	<u>5,319</u>	<u>-</u>	<u>119,479</u>	<u>3,641</u>	<u>128,439</u>

13. FIXED ASSET INVESTMENTS

	Listed investments £	
MARKET VALUE		
At 1 January 2019	4,121,529	
Additions	1,005,975	
Disposals	(1,040,842)	
Revaluations	<u>666,117</u>	
At 31 December 2019	4,752,779	
NET BOOK VALUE		
At 31 December 2019	<u><u>4,752,779</u></u>	
At 31 December 2018	4,121,529	
Analysis of investments by type:		
	2019 £	2018 £
Equities	3,558,791	3,089,589
Fixed interest securities	579,510	527,073
Property funds	191,724	193,763
Other investments	341,175	154,646
Cash held within the investment portfolio	<u>81,579</u>	<u>156,458</u>
	4,752,779	4,121,529

STELLA MARIS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

Geographical analysis of investments:

	2019 £	2018 £
Held inside the United Kingdom	1,322,186	1,208,282
Held outside the United Kingdom	<u>3,430,593</u>	<u>2,913,247</u>
	<u><u>4,752,779</u></u>	<u><u>4,121,529</u></u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other debtors	113,177	84,849
Prepayments	<u>54,333</u>	<u>40,522</u>
	<u><u>167,510</u></u>	<u><u>125,371</u></u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	47,362	33,768
Social security and other taxes	31,587	30,084
Other creditors	8,500	23,500
Accrued expenses	<u>21,035</u>	<u>20,686</u>
	<u><u>108,484</u></u>	<u><u>108,038</u></u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Fixed assets	43,878	44,714	88,592	128,440
Investments	4,752,779	-	4,752,779	4,121,529
Current assets	445,836	83,771	529,607	602,704
Current liabilities	<u>(108,484)</u>	<u>-</u>	<u>(108,484)</u>	<u>(108,038)</u>
	<u><u>5,134,009</u></u>	<u><u>128,485</u></u>	<u><u>5,262,494</u></u>	<u><u>4,744,635</u></u>

STELLA MARIS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. MOVEMENT IN FUNDS

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
Unrestricted	4,603,923	530,086	5,134,009
Restricted funds			
Merchant Navy Welfare Board	78,794	5,934	84,728
Pontifical Council for the Promotion of Integral Human Development (International Fund)	61,918	(18,161)	43,757
Other restricted grant income	-	-	-
	<u>140,712</u>	<u>(12,227)</u>	<u>128,485</u>
TOTAL FUNDS	<u><u>4,744,635</u></u>	<u><u>517,859</u></u>	<u><u>5,262,494</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted	1,431,694	(1,567,725)	666,117	530,086
Restricted funds				
Merchant Navy Welfare Board	40,000	(34,066)	-	5,934
Other restricted grant income	154,923	(154,923)	-	-
Pontifical Council for the Promotion of Integral Human Development	<u>10,531</u>	<u>(28,692)</u>	<u>-</u>	<u>(18,161)</u>
	<u>205,454</u>	<u>(217,681)</u>	<u>-</u>	<u>(12,227)</u>
TOTAL FUNDS	<u><u>1,637,148</u></u>	<u><u>(1,785,406)</u></u>	<u><u>666,117</u></u>	<u><u>517,859</u></u>

Merchant Navy Welfare Board - grants received for the purchase of motor vehicles, seafarers' room refurbishment and chaplains' computer equipment and peripherals.

Pontifical Council for the Promotion of Integral Human Development (International Fund) – funds to be used to support Stella Maris activities around the world.

Other restricted grant Income - grants received from a number of generous sources have been designated to specific expenditure for which they were provided.

STELLA MARIS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

MOVEMENT IN FUNDS

Comparatives for period ending 31 December 2018

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
Unrestricted	5,045,562	(441,639)	4,603,923
Restricted funds			
Merchant Navy Welfare Board	70,386	8,408	78,794
Pontifical Council for the Promotion of Integral Human Development (International Fund)	22,418	39,500	61,918
Other restricted grant income	-	-	-
	<u>92,804</u>	<u>47,908</u>	<u>140,712</u>
TOTAL FUNDS	<u><u>5,138,366</u></u>	<u><u>(393,731)</u></u>	<u><u>4,744,635</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted	1,506,112	(1,562,973)	(384,778)	(441,639)
Restricted funds				
Merchant Navy Welfare Board	48,000	(39,592)	-	8,408
Other restricted grant income	95,490	(95,490)	-	-
Pontifical Council for the Promotion of Integral Human Development	<u>47,000</u>	<u>(7,500)</u>	<u>-</u>	<u>39,500</u>
	<u>190,490</u>	<u>(142,582)</u>	<u>-</u>	<u>47,908</u>
TOTAL FUNDS	<u><u>1,696,602</u></u>	<u><u>(1,705,555)</u></u>	<u><u>(384,778)</u></u>	<u><u>(393,731)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

18. PENSION COMMITMENTS

The Charity operates a defined contribution scheme which is administered independently of the Charity. The cost to the Charity for the year was £66,828 (2018: £69,672). At the balance sheet date the amount due to the pension scheme administrators was £7,888 (2018: £6,614). The expected cost to the Charity in the coming year is expected to be in line with that of 2019.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2019.

20. ULTIMATE CONTROLLING PARTY

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company.

21. MATERIAL LEGACIES

Legacy income is only included in incoming resources where the legacy has been received or both the receipt and the amount is probable. As at 31 December 2019 the Charity had been notified of the following legacies which have not been recognised as income in these accounts:

An Estate where the Charity is entitled to $\frac{1}{40}$ share of the residual estate. The Charity does not have an estimate for this legacy.

An Estate where the Charity is entitled to $\frac{1}{9}$ share of the residual estate. The Charity does not have an estimate for this legacy.

An Estate where the Charity is entitled to $\frac{1}{10}$ share of the residual estate. The Charity does not have an estimate for this legacy.

An Estate where the Charity is entitled to $\frac{1}{10}$ share of sales proceeds of property. The Charity does not have an estimate for this legacy.

Additionally, as at 31 December 2019 the charity had been notified of a legacy for an estate where the Charity is entitled to $\frac{1}{16}$ share of the residual estate. The charity has been notified that the legacy should amount £40,500 however due to the uncertainty of this balance being received it has not been recognised as income in these accounts.

22. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

23. POST BALANCE SHEET EVENTS

The Covid-19 global pandemic has had a significant impact upon both our operations and income. Ship visiting has been suspended with our charitable services to the People of the Sea being delivered on the quayside or remotely, via video and social media.

Due to the closure of Catholic Churches as a result of the pandemic, the Sea Sunday collection, scheduled for 12 July in England and Wales, was postponed until December. In Scotland there has

always been more flexibility about the timing of the collection. The precise date for the Sea Sunday collection is to be determined and is also subject to Churches being fully reopened by December for public services.

Based on previous years' performance we forecast that postponement of the Sea Sunday collection to December will deprive the charity of approximately £540,000 income during 2020. As a result of turbulence in the global financial markets our investment managers forecast that investment income for 2020 will be 20%-30% lower than in 2019.

To offset the impact of this reduction in income on cash flow the charity realised £350,000 cash from its investment portfolio in May 2020. At the time of writing the charity is about to realise a further £250,000 from its investment portfolio. Further funds will be withdrawn from our investment portfolio as circumstances dictate.