



**Annual Report and Accounts  
For the year ended  
31<sup>st</sup> December 2018**

**Address**

**Nautilus House  
Mariners' Park  
Wallasey  
CH45 7PH**

**Registered Office**

**1&2 The Shrubberies  
George Lane  
South Woodford  
London E18 1 BD**

**Charity number 218742**

**Nautilus Welfare Fund**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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REFERENCE AND ADMINISTRATION INFORMATION

**MANAGING TRUSTEE AND CHARITY ADMINISTRATOR**

Head Office

Nautilus International Council

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**CUSTODIAN TRUSTEE**

Nautilus Trustees Ltd  
1&2 The Shrubberies  
George Lane  
South Woodford  
London E18 1BD

**INVESTMENT ADVISER**

Tilney BESTINVEST  
Royal Liver Building  
Pier Head  
Liverpool L3 1NY

**INVESTMENT CUSTODIAN**

Pershing Securities Ltd  
Royal Liver Building  
Liverpool  
L3 1NY

**SOLICITOR**

Hill Dickinson  
1 St. Paul's Square  
Liverpool  
L3 9SJ

**AUDITORS**

haysmacintyre  
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London  
EC4R 1AG

**PRINCIPAL BANKER**

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Nine Brindley Place  
Birmingham B1 2HB

The Charity Bank Ltd  
Fosse House  
182 High Street  
Tonbridge  
TN9 1BE

## Nautilus Welfare Fund

### TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

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#### REFERENCE AND ADMINISTRATION INFORMATION (continued)

<b>Members of Nautilus International Council at Balance Sheet date</b>	U Jurgens W Van Hoboken I MacKenzie	Chair Vice Chair Deputy Vice Chair
	J Bowry J Cameron T Cardy R Cleland A Corrie M Dickinson R Downs B Doyle H Eijkenaar G Feikema D Gorshokov G Malcolm N Groen S Gudgeon W Jackson E Layfield	P Lees M Lloyd P Lok P McMillen P Minter S Schravenmade J Tyson J van der Zee J Wainman
<b>Secretary to Nautilus International Council</b>	AM Dickinson (General Secretary Nautilus International)	
<b>Members of Nautilus Welfare Fund Committee at Balance Sheet Date</b>	R C Thornton J Lang – Resigned June 2018 <a href="#">J McAuslan</a> – appointed June 2018	Chair Trustee Director Trustee Director
	M Dickinson C Hairsine J Hofton W Jackson M Lloyd N Martin P Minter D Morrison	M Reeves J Rickaby A Stewart J Stone M Watts L Whitehead W van Hoboken
<b>Secretary to Nautilus Welfare Fund</b>	R Cunningham	



**TRUSTEE'S REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Introduction**

The Trustee presents its Annual Report together with the financial statements for the year-ended 31 December 2018. The form and content of the report and financial statements complies with the Charities SORP *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)*, and with FRS102. The information on the preceding pages also forms part of this report.

**OBJECTIVES AND ACTIVITIES**

The charitable object of the Charity as set out its governing document is the relief of beneficiaries who are in need, hardship or distress by any of the following means:

- (1) Providing accommodation, and if required, residential or nursing care.
- (2) Making annual pensions or one off grants of money
- (3) Providing or paying for goods services or facilities
- (4) Making grants of money to other persons or bodies that provide goods, services or facilities to beneficiaries.
- (5) Developing new and enhanced services for beneficiaries by means of research or otherwise, and where appropriate in conjunction with other bodies or persons

During 2018 the Nautilus Welfare Fund continued to meet the challenge of its stated overarching objective: To Provide a High Quality Cost Effective Service to Needy Seafarers and Their Dependants.

This has been achieved through all of the means stated above.

The Trustee continue to review the operational objectives for the Nautilus Welfare Fund and the revised objectives are set out below.

- To ensure sufficient supply of good, modern accommodation to the highest standards laid down in relevant regulations and codes of practice.
- To ensure a responsive, comprehensive quality care offering across a whole range of needs.
- To develop an effective advice, information and grant support service to promote independent living to seafarers and their dependants.
- To work in partnership with other maritime charities and the wider statutory and voluntary sector organisations to meet the identified welfare needs of seafarers and their dependants.
- To ensure the Nautilus Welfare Fund remains financially viable.

**STATEMENT ON PUBLIC BENEFIT**

The Trustee confirms that it has complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Charity

**TRUSTEE'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**ACHIEVEMENTS AND PERFORMANCE**

The achievements in each of the objectives are summarised below

**TO ENSURE SUFFICIENT SUPPLY OF GOOD, MODERN ACCOMMODATION**

At the heart of the Nautilus Welfare Fund's work is Mariners' Park in Wallasey situated on the banks of the River Mersey. Opened 160 years ago to provide seafarers with good quality housing, care and companionship when they came ashore at the end of their working lives, Mariners' Park provides 124 apartments, bungalows and houses on a 16 acre site overlooking the iconic Liverpool waterfront. The key achievements in 2018 include.

The completion of two new two-bedroom bungalows. These were funded by the Aged Veterans Fund, and are reserved for veteran merchant mariners, those who have supported Her Majesty's Armed Forces in periods of conflict.

Significant progress was made in building 12 new apartments, finally completed in February 2019. This new apartment facility is to be called John Fay House, in memory of an ITF Seafarers Trust Trustee; the Trust made a generous donation to this modernisation project.

Progress was also made for the development of the Gibson House site. This will see the former home for widows and orphans be redeveloped for private sale plus the creation of two new apartment schemes on the expanded side. One of the schemes with 26 apartments will be for use by the Charity. The full planning application was submitted in June 2018, and planning was approved in February 2019

A range of improvements were made at Mariners' Park Care Home. New boilers were installed, a new glass balcony was completed for the viewing deck, a communal bathroom was refurbished, and a new automatic opening front door was fitted to improve access; this latter improvement with thanks to MNWB for a generous grant.

Further modernisation of the Estate properties continued with new bathrooms and kitchens, as well as the provision of four new parking bays, plus over 40 properties being repainted

**TO ENSURE A RESPONSIVE, COMPREHENSIVE QUALITY CARE OFFERING.**

At Mariners' Park the Fund operates a residential and nursing home, and a domiciliary care service. The Care Home provides both long-term and respite care and includes a specialist dementia service. The Domiciliary Care service provides a 24/7 service in our extra care housing facility, as well as providing a Home Care service to residents on the wider Estate. Achievements in 2018 include

- A new electronic care planning system was introduced for Care Home residents
- CCTV was installed in the communal areas of the Care Home to enhance resident safety
- The Admiral Nurse post, a specialist dementia nurse, was extended for a further 12 months after a successful pilot project providing expert advice and support to both staff and family carers. The Charity is very grateful to the continued support of the Seafarers Hospital Society with this initiative.
- Funding was again successfully secured from Seafarers UK to help fund 'top ups' for Care Home residents wholly reliant on Local Authority funding.

**TRUSTEE'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**ACHIEVEMENTS AND PERFORMANCE (continued)**

- The 'Men in Sheds' project in partnership with Age UK Wirral was continued thanks to funding from Seafarers UK.
- The Physiotherapy post also continued due to a donation from the Merchant Navy Fund, supporting residents both in the Care Home and on Mariners' Park Estate

**TO DEVELOP AN EFFECTIVE ADVICE, INFORMATION AND GRANT SUPPORT SERVICE.**

The Fund operates a 'Caseworker' Service. Four caseworkers are employed in Merseyside, Glasgow, Hull and Southampton, visiting mariners in their own home and assisting with financial and other matters. The Fund also operates a one-off grant service for essential items needy mariners cannot afford. A regular grant of £624 per annum is also available for existing beneficiaries with on-going financial hardship. Achievements in 2018 included

The Caseworker service supported some 340 mariners and their dependants and generated some £664,550 in benefits and grants. This is a reduction compared to 2017 when 422 mariners were supported and £955,000 was secured. The reason is that for over half of 2018 the Merseyside caseworker was absent and only the impact of her work from January to March 2018 is recorded.

The Charity continues to provide one off grants to needy mariners and spent over £25,000 funding essential items to over 80 cases.

Throughout 2018 the Caseworkers worked hard to find 'hidden' veteran merchant mariners and ensure they receive all eligible benefits and services, as part of an initiative funded by the Aged Veterans Fund. Over 30 cases were identified and assistance provided.

The Charity's website was redeveloped in 2018 and is now easier to view on mobiles and tablets.

**TO WORK IN PARTNERSHIP WITH OTHER MARITIME CHARITIES AND THE WIDER STATUTORY AND VOLUNTARY SECTOR.**

The Nautilus Welfare Fund continues to work closely with the other maritime charities particularly Seafarers UK, Seafarers Hospital Society, Shipwrecked Mariners' Society, Trinity House and the Merchant Navy Welfare Board and those charities who attend the Older Peoples Families Working Group, led by the Merchant Navy Welfare Board. The Charity is also represented on the Maritime Charities Group. Achievements in 2018 include.

The Charity has continued to be an active member of the Maritime Charities Group and has helped shape the MCG's new focus on promoting collaboration across the maritime charitable sector.

The Charity has continued to work in partnership with Seafarers UK and the Institute of Public Care to both deliver services to veteran Mariners and help evaluate their impact. 2018 saw the publication of the interim report 'Understanding the Needs of Older Merchant Navy Veterans.'

The partnership with Trinity House has continued in 2018 with the continuation of a significant grant from Trinity House to support operational services at the Trinity House Hub extra care housing scheme.



## **Nautilus Welfare Fund**

### **TRUSTEE'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

2018 saw the further extension of the partnership with the Seafarers Hospital Society and Chapel House Dementia Community to establish and evaluate the impact of the Admiral Nurse project at Mariners' Park to provide extra support to families facing the challenge of dementia.

Outside of the Maritime Charity world, the Charity continues to be an active member of both the COBSEO Housing Cluster and in 2018 joined the COBSEO Care Home Cluster.

2018 saw the work of the Nautilus Welfare Fund recognised by ISWAN with the Charity winning the prestigious Welfare Organisation of the Year award for its 'exceptional levels of welfare services and facilities for seafarers.'

#### **ENSURE THE NAUTILUS WELFARE FUND REMAINS FINANCIALLY VIABLE.**

Ensuring the fund is financially viable centres on maximising income from the Charity's investments, ensuring high occupancy of the Mariners Park properties and the Care Home, plus maximising income from maritime charities and other charitable sources. In 2018 the following achievements are salient.

Securing new sources of grant funding remains an important element of the Charity's work, and two new significant grants were secured in 2017, £664,000 from the Aged Veterans' Fund, and £600,000 from the ITF Seafarers' Trust with significant drawdown in 2018.

Continued grant support from other maritime charities to support new and going services remained important. During 2018 the charity secured funding of £91,500 from Seafarers UK, £70,400 from Trinity House, £17,994 from MNWB, £13,500 from the Merchant Navy Fund and £20,460 from Seafarers Hospital Society

Ensuring good occupancy of both the Care Home and the Estate properties was maintained in 2018.

To comply with Charity Law, a full audit of the accounts was completed.

To encourage more donations and bequests to the Charity a 'just giving' facility has been added to the Charity's website and the new legacies leaflet has been developed.

Overall some 637 mariners and their dependants were supported by the Nautilus Welfare Fund in 2018, down from 724 in 2017. As already noted the main reason for the fall has been the absence of the Merseyside caseworker for over half of 2018. The Fund continues to be open to all former seafarers and their dependants who meet the Nautilus Welfare Fund criteria, which includes having a significant career at sea.

## **FINANCE REVIEW**

### **FINANCIAL MANAGEMENT**

Nautilus Welfare Fund operates under a scheme of authority delegation. Disbursement of the Charity assets must be properly authorised in accordance with agreed procedures.

The Nautilus Welfare Fund Committee receives regular Management reports and ensures that this is representative of the activities within the Charity. The Committee approved the year 2018 budget and Major Capital Expenditure subject to the approved tender process. The Committee approves and monitors the delivery of the Strategic Plan.

### **FINANCIAL PERFORMANCE**

The income and expenditure were £3,781,344 and £3,224,182 respectively. The Nautilus Welfare Fund Investments as at 31 December 2018 stood at a Market Value of £7,560,904 against a Book Cost of £6,890,754.

In 2018 the net income before investment movements was £557,162 compared to net Income of £155,151 in 2017. The net investment loss in 2018 amounted to £732,229 comprising a realised gain of £157,454 and an unrealised loss of £889,683.

Nautilus Welfare Fund receives income from the Investment portfolio, provision of services to both individuals and Local Authorities and support from Trinity House, Seafarers UK, Seamen's Hospital Society, the Merchant Navy Welfare Board, the ITF Seafarers Trust and others.

### **INVESTMENT POLICY AND PERFORMANCE**

The Trustee Act 2000 governs the investments held by the Charity.

The Trustee has delegated the management of the investment portfolio to Tilney BESTINVEST with the objective to maximise long total returns commensurate with a moderate degree of risk. Tilney BESTINVEST provides quarterly updates regarding the portfolio value, purchases and sales. Performance of the portfolio is monitored and its total returned measured quarterly against the CAPS median benchmark. The performance of the portfolio over the year was -6.41% against the benchmark -3.98%. The Investment Director at Tilney BESTINVEST is required to attend the NWF Committee meeting at least annually to discuss the performance of the investment portfolio. The investments are divided between UK and Overseas equities, gilts and investment trusts. The investment portfolio market value at the end of the year fell, broadly mirroring the decrease in the stock market during the year.

### **RISK MANAGEMENT**

Risk assessment is an integral part of the management process. The Nautilus Welfare Fund strategic objectives and the risks of failing to achieve them, drive the risk management process. The Trustee has in place a formal risk management process, which identifies the role for the Trustee as:

- Ensuring that the identification, assessment and mitigation of risk are linked to the achievement of the Charity's operational objectives.  
Ensuring the process covers all areas of risk e.g. financial, governance, operational and reputation and is focused primarily on major risks.

**TRUSTEE'S REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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- Ensuring the process covers all areas of risk e.g. financial, governance, operational and reputation and is focused primarily on major risks.
- Ensuring that the process seeks to produce a risk exposure profile that reflects the trustees' views as to levels of acceptable risk.
- Reviewing and considering the principal results of risk identification, evaluation and management.

To ensure that risk management is a continuous process and embedded in all management and operational procedure, a revision of the risk profile was completed in 2009 and includes positive confirmation that controls are in place to mitigate material risks. The risk profile is reviewed annually by the Nautilus Welfare Fund Committee and by the Council of Nautilus International. This was undertaken in November 2018 by the NWF Committee and the Council.

**PRINCIPAL RISKS AND UNCERTAINTIES**

A key business risk is a poor Care Quality Commission Inspection of the Care Home or Domiciliary Care Service. This could lead to a temporary suspension of placements or, at worse, being closed down. A poor report also brings reputational damage.

The Charity relies heavily on Local Authority funding and inadequate financial settlements, particularly in the light of the new Living Wage requirements, could impact significantly on income levels

Rental returns from the properties may be limited in the light of Government policy regarding the level of Housing Benefit payable. A review of the level of financial support for Supported Housing is currently underway, with the outcome expected by the end of the year

Mitigating these risks, and other risks, is included the Annual Risk Management Plan

**Business Continuity Plan**

The risk management process identified the need for a business continuity plan. During 2009 plans were developed which would enable the operation of the Welfare Fund to continue in a number of identified situations, for example in the event of a pandemic flu outbreak or major fire. These are reviewed annually by the Nautilus Welfare Fund Committee and by the Council. This was undertaken in March 2018.

**RESERVES POLICY**

The Trustee has built up the level of funds for three main purposes - all long term.

- The repair and maintenance of the 124 properties in Mariners' Park Estate.
- The building of new facilities such as in 2002 a new Care Home and 14 new flats in Gibson Terrace, in 2007-09 ten new bungalows were built, in 2014 the Trinity House Hub Extra Care scheme opened, 2 new bungalows were completed in 2015 and in 2016/17 the building of the Trinity House Seafarers UK wing
- To ensure adequate resources are available for the long term funding of the payments made each year to needy seafarers and their dependants. The reserves also allow for the smoothing out of investment movements.

At 31 December 2018, the charity held total funds of £24,114,221 and this is available for the general purposes of the charity. A notional value of £5,000 is assigned to endowed funds. This relates to a parcel of land which the charity must either hold in perpetuity or replace on disposal with a similar asset.

## **Nautilus Welfare Fund**

### **TRUSTEE'S REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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The balance of the charity's funds of £24,109,221 are therefore unrestricted and may be expended by the charity at the Trustee's discretions within the charitable objects. However, the Trustee has elected to designate funds to the value of the following:

- Tangible fixed assets. These assets are integral to the operation of the charity hence are not readily realisable.
- Long-term investments. The investments provide dividend and interest income to support the expenditure on charitable activities as well as providing for the long-term purposes referred to above

In 2016 the Nautilus Welfare Fund Committee reviewed the Fund reserves policy and the short term working capital reserves.

#### **RELATED PARTY**

The Nautilus Welfare Fund pays the Nautilus International General Fund for support and administration services provided by the staff employed by both the Nautilus International and the Welfare Fund. During 2018 this amounted to £75,500 (2017 - £75,500).

#### **PLANS FOR FUTURE PERIODS**

2019 promises to be another significant year for the Welfare Fund as it continues to offer a comprehensive range of services and financial support to needy mariners and their dependants. Plans for 2019 include

##### **On the Estate**

- The opening of John Fay House with 12 new apartments and a guest apartment in March 2019.
- Work commencing in April 2019 to refurbish Gibson House.
- Provision of new street lighting and extended CCTV coverage to further improve security.

##### **In the Care Home.**

- Refurbish the hair salon
- Refurbishment of another communal bathroom.
- Replacement of safety flooring in the basement
- Installation of new double glazing
- Secure funding for Physiotherapy post

##### **Care and Support Service**

- Support residents to move to John Fay House
- Secure funding to continue the 'Men in Sheds' post

##### **Caseworker Service**

- Appoint a fifth caseworker post in Belfast
- Appoint replacement caseworker for Merseyside
- Secure future funding for Hull and Southampton Caseworker posts
- Evaluate the impact of Caseworker Service with veteran Mariners.

##### **Financial Viability**

- Secure income from the sale of Gibson House
- Explore further development appropriate at Mariners' Park

##### **Staff Support**

- Ensure all staff have up to date job descriptions
- Establish Staff Forum
- Ensure all staff are trained in new Competency Framework

## **Nautilus Welfare Fund**

### **TRUSTEE'S REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

The Nautilus Welfare Fund is registered as charity number 218742 and operates in accordance with a Charity Commissioners Scheme dated October 2009.

### **Recruitment, selection and induction of Trustees**

The Nautilus International Council is the Managing Trustee and consists of up to 32 full members of Nautilus International plus the General Secretary all elected by all full members of the Union. The Nautilus International Council has delegated certain functions, some executive, to the Nautilus Welfare Fund Committee.

A number of members of the Nautilus Welfare Fund Committee are also elected members of the Nautilus International Council. Additional members of the Nautilus Welfare Fund Committee are recruited from the general membership of Nautilus International on the basis of their seafaring knowledge and other relevant skills.

New members of the Council and of the Nautilus Welfare Fund Committee are provided with relevant background information and training is made available.

### **Organisation**

The Nautilus Welfare Fund Committee is appointed by the Nautilus International Council, (as Managing Trustee) and reports to the Council. The General Secretary of Nautilus International is responsible for appointing a Secretary to the Committee. The Secretary of the Committee is responsible for the operational management of the Nautilus Welfare Fund.

The Secretary operates within the authority levels delegated by the Nautilus International Council. The Scheme of Delegation is designed to set financial and operational parameters for the management of the Nautilus Welfare Fund. The Council reviewed the Scheme of Delegation in December 2017.

### **Managing Organisational Performance**

During 2018, four meetings of the Nautilus Welfare Fund Committee were held at which the Strategic Plan and the Operational and Capital Budgets were approved and monitored. Investment Performance was reviewed at each meeting, with an in depth review of investments carried out in June 2018. The Committee also received regular operational reports from service managers and the outcome of inspections by the Care Quality Commission. The Committee approved new levels of fees for the provision of accommodation, nursing and residential care services and approved applications for accommodation. The Committee also continued the ongoing review of the MCFG Report, Supporting Seafarers and their Families: Challenges for the Future and how the relevant recommendations can be implemented.

### **Key management personnel and their pay and remuneration**

The day to day operation of the charity is delegated to employed staff. Staffs include key management working at the Wallasey site together with the key management of Nautilus International who provide more strategic input. The pay and remuneration of the key management is determined by market rates and regular pay increase negotiations with the staff Union representative.

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Training and Staff Development**

The organisation's Training and Development Plan is produced in line with the Strategic Plan and reflects job functions and Personal Development Plans.

During 2018 a range of training was delivered. Training has helped supervisors to develop into managerial roles. Training has also helped to develop and improve the quality of the support services.

In 2018 a particular focus was increasing staff awareness and skills relating to supporting those with dementia in particular, understanding the Mental Capacity Act and issues relating to Deprivation of Liberty. Essential training activities such as First Aid, Moving and Handling and Health and Safety are supplemented by developmental learning.

The Nautilus Welfare Fund alongside Nautilus International was reassessed in 2017 for the Investors in People award which sets national standards in training, development and staff support. The Fund, and the wider Nautilus International organisation, was successfully re-accredited.

**STATEMENT OF THE NAUTILUS INTERNATIONAL COUNCIL AND GENERAL SECRETARY'S RESPONSIBILITY**

Rule 12 of the Nautilus International Rules provides that the Council is responsible for the absolute control and administration of the affairs and property of the Union and thus for safeguarding the assets of the Union and of the NAUTILUS Welfare Fund. Rule 22.5 provides that the General Secretary shall provide Council with such financial statements as it may require.

The General Secretary is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Union and hence reasonable steps for the prevention and detection of fraud and other irregularities.

The Nautilus Welfare Fund is accounted for separately under the same Rules as of the Union, set out above. The General Secretary is thus responsible in ensuring that the financial statements comply with the Charities Act 2011.

**STATEMENT OF TRUSTEE'S RESPONSIBILITIES**

The assets of the Union and the Welfare Fund are held on Trust by Nautilus Trustees Limited, the Custodian Trustee of the Charity and the Managing Trustee is the Nautilus International Council, appointed in accordance with the Charity Commission's Schemes.

The Directors of the Trustee Company are J. Lang (resigned June 2018), H. Lafèbre, L Mercer, J McAuslan and Stephen Clinch (appointed June 2018). The current members of the Nautilus International Council can be seen on page 2 of this report.

Law applicable to charities in England and Wales requires the trustee to prepare financial statement for each financial year that give a true and fair view of the charity's activities during the year and its financial position at the end of the year. In preparing those financial statements, the trustee is required to,

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable 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 statement on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

**AUDITORS**

The auditors, haysmacintyre are willing to continue to act as auditors to the Nautilus Welfare Fund.

Approved by and on behalf of the Nautilus International Council on 11 April 2019

U Jurgens (Chair)

A M Dickinson (General Secretary)

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF NAUTILUS WELFARE FUND

FOR THE YEAR ENDED 31 DECEMBER 2018

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### Opinion

We have audited the financial statements of Nautilus Welfare Fund for the year ended 31 December 2018 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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.

### Responsibilities of the trustee for the financial statements

As explained more fully in the trustee's responsibilities statement set out on page 12, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends 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

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

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

### 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has 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 twelve months from the date when the financial statements are authorised for issue.



## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF NAUTILUS WELFARE FUND**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Other information**

The trustee is responsible for the other information. The other information comprises the information included in the Trustee's Report. 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 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity 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.

### **Use of our report**

This report is made solely to the charity's trustee, in accordance with 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 trustee 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's trustee for our audit work, for this report, or for the opinions we have formed.

**haysmacintyre**  
**Statutory Auditors**

**10 Queen Street Place**  
**London**  
**EC4R 1AG**

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Nautilus Welfare Fund**
**STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
<b>INCOME:</b>						
<i>Donations and legacies</i>						
Legacies		25,000	-	-	25,000	27,986
Grants	5	70,900	1,078,916	-	1,149,816	811,994
Gifts and donations		192,340	-	-	192,340	206,964
<i>Income from charitable activities:</i>						
Care Home		1,271,086	-	-	1,271,086	1,203,953
Mariners' Park Estate		910,562	-	-	910,562	790,527
Investment income		232,542	-	-	232,542	195,199
<b>Total Income</b>		<b>2,702,430</b>	<b>1,078,916</b>	<b>-</b>	<b>3,781,346</b>	<b>3,236,623</b>
<b>EXPENDITURE</b>						
<i>Investment management costs</i>		49,558	-	-	49,558	53,311
<b>Charitable Expenditure</b>						
Accommodation for people living independently		929,665	1,859	-	931,524	908,820
Accommodation for people requiring residential or nursing care		1,518,645	70,460	-	1,589,105	1,481,215
Enabling retired merchant mariners and their dependants		520,383	-	-	520,383	531,448
Developing services for older people and their dependants		49,972	83,640	-	133,612	106,678
<i>Total charitable expenditure</i>	3	<b>3,018,665</b>	<b>155,959</b>	<b>-</b>	<b>3,174,624</b>	<b>3,028,161</b>
<b>Total Expenditure</b>		<b>3,068,223</b>	<b>155,959</b>	<b>-</b>	<b>3,224,182</b>	<b>3,081,472</b>
<b>Net income before gains and losses on investments</b>		<b>(365,793)</b>	<b>922,957</b>		<b>557,164</b>	<b>155,151</b>
(Losses) / gains on investments		(732,229)	-	-	(732,229)	532,832
<b>Net (expenditure) / income</b>		<b>(1,098,022)</b>	<b>922,957</b>	<b>-</b>	<b>(175,065)</b>	<b>687,983</b>
<b>Transfers between funds</b>		<b>949,161</b>	<b>(949,161)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Movement in Funds</b>		<b>(148,861)</b>	<b>(26,204)</b>	<b>-</b>	<b>(175,065)</b>	<b>687,983</b>
<b>Reconciliation of funds</b>						
Fund balances brought forward	10	24,258,082	26,204	5,000	24,289,286	23,601,303
<b>Fund balances carried forward</b>	10	<b>24,109,221</b>	<b>-</b>	<b>5,000</b>	<b>24,114,221</b>	<b>£24,289,286</b>
		=====	=====	=====	=====	=====

The Charity had no recognised gains and losses other than those included above. All the above results are derived from continuing activities. The notes numbered 1 to 10 form part of these accounts.

**Nautilus Welfare Fund**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2018**

		<b>2018</b>		<b>2017</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Tangible assets	6		15,575,801		14,063,020
Investments	7		7,560,906		8,336,738
			<u>23,136,707</u>		<u>22,399,758</u>
<b>CURRENT ASSETS</b>					
Debtors	8	243,789		397,514	
Cash at bank and in hand		1,003,624		1,785,871	
		<u>1,247,413</u>		<u>2,183,385</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	(269,899)		(293,857)	
<b>NET CURRENT ASSETS</b>			<u>977,514</u>		<u>1,889,528</u>
<b>NET ASSETS</b>			<u>24,114,221</u>		<u>£24,289,286</u>
			=====		=====
<b>Represented by:</b>					
Unrestricted funds	10		24,109,221		24,258,082
Restricted funds	10		-		26,204
Endowment	10		5,000		5,000
			<u>£24,114,221</u>		<u>£24,289,286</u>
			=====		=====

Approved by and authorised for issue by the Nautilus International Council on

U Jurgens (Chair)

AM Dickinson (General Secretary)

The notes numbered 1 to 12 form part of these accounts.

**Nautilus Welfare Fund**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>		<b>2017</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash provided by operating activities</b>		770,797		322,577
<b>Cash flows from investing activities</b>				
Investment income	232,542		195,199	
Payment to acquire tangible fixed assets	(1,826,140)		(1,888,318)	
Payments to acquire investments	(1,083,585)		(1,947,345)	
Proceeds from sales of investments	1,180,441		4,250,615	
Decrease/increase) in investment cash balances	(56,302)		525,097	
		(1,553,044)		1,135,248
<b>Increase/(Decrease) in cash for the year</b>		£ (782,247)		£1,457,825
		=====		=====
<b>RECONCILIATION OF NET EXPENDITURE TO NET CASH USED IN OPERATING ACTIVITIES</b>			<b>2018</b>	<b>2017</b>
			<b>£</b>	<b>£</b>
Net income			(175,065)	687,983
Depreciation			313,359	306,879
Investment income			(232,542)	(195,199)
Deduct: Net investment (gains)			735,279	(532,832)
Decrease in debtors			153,724	73,907
(Decrease) in creditors			(23,958)	(18,161)
<b>Net cash used in operating activities</b>			£770,797	£322,577
			=====	=====
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
	<b>At</b>		<b>At</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2017</b>	<b>Cash flow</b>	<b>2018</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	
Cash at bank and in hand	£1,785,871	£ (782,247)	£1,003,624	
	=====	=====	=====	

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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### 1. FORMAT OF THE ACCOUNTS

The accounts comprise three principal statements supported by notes. These statements are:

#### **Statement of Financial Activities**

This analyses all capital and income resources and expenditure and shows all movements in the Funds for the year.

#### **Balance Sheet**

This summarises the working assets used by the Charity to achieve its objective of providing welfare support and accommodation to needy seafarers and their dependants.

As set out in a Charity Commission scheme issued in 2009 the fund structure of the charity is as follows:

**Endowment Fund** – this represents a capital fund arising from a cash gift associated with Andrew Gibson House

**Restricted Funds** – these are funds donated for specific purposes specified by donors. The funds are extinguished when spent on those purposes Details are given in note 10.

**Unrestricted funds** – these funds are expendable at the discretion of the Trustee in line with the general objects of the charity. It should be noted that the majority of these funds are tied up in fixed assets and investments.

#### **Cashflow**

This provides an analysis of the movement in cash over the year reconciling the movements in the Statement of Financial Activities and Balance Sheet.

### 2. ACCOUNTING POLICIES

#### **Entity Status**

The charity is registered with the Charity Commission and is an unincorporated body. See further details on page 1. The charity meets the definition of a public benefit entity under FRS 102.

#### **Basis of accounting**

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 2017) - (Charities SORP (FRS 102)), and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). All financial instruments are considered to be basic financial instruments.

#### **Income**

All income from voluntary donations, legacies and grants is accounted for as and when criteria of entitlement, probability and measurability are met. Investment income and maintenance charges receivable from residents is accounted for on a receivable basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2018

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**2. ACCOUNTING POLICIES (continued)**

**Fund accounting**

Income and expenditure have been classified in line with fund structure described above. Transfers from restricted to unrestricted arise where capital grants included in restricted income are duly spent on fixed assets.

**Tangible Fixed Assets and Depreciation**

The book value of the freehold buildings comprises the original gifted value plus the cost of subsequent building developments.

Items of furniture, apparatus, and equipment costing less than £1,000 are charged against income in the year of purchase.

Depreciation is provided on the straight line basis at twenty five per cent on short life equipment and ten percent on long life equipment to reduce by annual instalments the cost less estimated residual value, over the estimated useful life. Depreciation is not provided on the historic cost of freehold buildings which are maintained to such a standard that their residual value is considered to be not less than their book value. However, the Care Home and flats have been depreciated at two per cent per annum.

**Investments**

Listed investments are shown at market value. The unrealised gains or losses are accounted for in the Statement of Financial Activities as are any realised gains and losses.

**Expenditure**

Expenditure is included on an accruals basis inclusive of irrecoverable VAT.

Enabling retired merchant mariners and their dependents consists of grants which are accounted for when paid together with an allocation for support costs.

Provision of accommodation for those people living independently and provision of accommodation for people requiring residential or nursing care represent the direct costs incurred on each activity together with an allocation of support costs.

**Support costs**

Support costs, which include governance costs, comprise all services supplied centrally, identifiable as wholly or mainly in support of direct charitable purposes and include an appropriate proportion of general overheads.

General overheads are allocated to operational functions on the basis of their use of central support services with the aim of ensuring that those costs remaining within administration relate to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Governance costs comprise direct costs for the statutory and governance of the charity together with an allocation of support costs.

**Nautilus Welfare Fund**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2018**

**3a. CHARITABLE ACTIVITIES**

	<b>Provision of accommodation for those people living independently £</b>	<b>Provision of accommodation for people requiring residential or nursing care £</b>	<b>Enabling retired merchant mariners and their dependants £</b>	<b>Developing services for older people and their dependants £</b>	<b>2018 TOTAL £</b>	<b>2017 TOTAL £</b>
Direct costs of charitable activities	423,778	1,373,151	238,963	120,325	2,156,217	1,992,109
Charitable grants	-	-	201,341	-	201,341	230,110
Other costs of charitable activities:						
Support and governance costs	180,862	109,867	80,079	13,287	384,095	366,800
Major repairs and renewals	101,373	18,239	-	-	119,612	132,264
Depreciation of buildings and equipment	225,511	87,848	-	-	313,359	306,878
	<u>931,524</u>	<u>1,589,105</u>	<u>520,383</u>	<u>133,612</u>	<u>3,174,624</u>	<u>3,028,161</u>
	=====	=====	=====	=====	=====	=====
<b>Prior year comparative</b>						
	<b>Provision of accommodation for those people living independently £</b>	<b>Provision of accommodation for people requiring residential or nursing care £</b>	<b>Enabling retired merchant mariners and their dependants £</b>	<b>Developing services for older people and their dependants £</b>	<b>2017 TOTAL £</b>	<b>2016 TOTAL £</b>
Direct costs of charitable activities	394,906	1,283,573	221,327	92,303	1,992,109	1,820,739
Charitable grants	-	-	230,110	-	230,110	303,187
Other costs of charitable activities:						
Support and governance costs	171,902	100,512	80,011	14,375	366,800	393,597
Major repairs and renewals	117,243	15,021	-	-	132,264	166,586
Depreciation of buildings and equipment	224,769	82,109	-	-	306,878	230,216
	<u>908,820</u>	<u>1,481,215</u>	<u>531,448</u>	<u>106,678</u>	<u>3,028,161</u>	<u>2,914,325</u>
	=====	=====	=====	=====	=====	=====

## Nautilus Welfare Fund

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### YEAR ENDED 31 DECEMBER 2018

#### 3a. CHARITABLE ACTIVITIES (continued)

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Support costs and governance costs are allocated in accordance with the accounting policy stated in note 2.

All grants awarded were to individuals.

Expenditure borne by restricted fund was: provision of accommodation for those people living independently £nil (2017: £nil); provision of accommodation for people requiring residential or nursing care £72,319 (2017: £113,230); enabling retired merchant mariners and their dependants £nil (2017: £ nil); and developing services for older people and their dependents £83,640 (2017: £56,166).

#### 3b. GOVERNANCE COSTS

External auditors remuneration

– current year provision (excluding VAT £20,900; 2017 £20,100)

Membership and committee

<b>2018 TOTAL £</b>	<b>2017 TOTAL £</b>
25,080	24,120
8,960	6,800
<hr/>	<hr/>
34,040	30,740
=====	=====



**Nautilus Welfare Fund**
**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**YEAR ENDED 31 DECEMBER 2018**
**4. INFORMATION REGARDING EMPLOYEES AND TRUSTEE**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,408,674	1,358,373
Social security costs	115,861	109,287
Pension costs	96,487	87,617
Agency staff costs	162,874	92,304
	<u>1,783,896</u>	<u>1,647,581</u>
	=====	=====

No employees earned £60,000 p.a. or more (2017: nil). The Trustee was not paid during the year (2017 £Nil) and was not reimbursed any expenses (2017 £Nil). The Key Management Personnel relates to 5 staff whose total remuneration was £186,247 (2017: £175,134).

The average number of employees, full time and part time together, was  
Charitable activities

84	84
=====	=====

**5. GRANTS FROM EXTERNAL CHARITIES**

Merchant Navy Welfare Board	17,994	26,700
Seafarers UK – Hub, Centenary Wing	(1,912)	294,982
Seafarers UK - ITF	600,000	-
Seafarers UK - Aged Veteran Funds	333,624	292,182
Seafarers UK - Merchant Navy Fund	13,500	13,000
Seafarers UK - Hospital Society	20,460	10,230
Seafarers UK - Caseworking service & Care home	91,500	104,000
Trinity House	70,400	70,400
Other	4,250	500
	<u>£1,149,816</u>	<u>£811,994</u>
	=====	=====

Of the above total £766,094 was restricted (2017: £1,132,413)

**6. TANGIBLE FIXED ASSETS**

	<b>Freehold Land and Buildings</b>	<b>Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1st January 2018	14,917,476	390,289	14,312	15,322,077
Additions	1,743,958	82,182	-	1,826,140
	<u>16,661,434</u>	<u>472,471</u>	<u>14,312</u>	<u>17,148,217</u>
	=====	=====	=====	=====
<b>Depreciation</b>				
At 1st January 2018	1,056,976	187,769	14,312	1,259,057
Charge for the year	274,761	38,598	-	313,359
	<u>1,331,737</u>	<u>226,367</u>	<u>14,312</u>	<u>1,572,416</u>
	=====	=====	=====	=====
Net book value				
At 31st December 2018	15,329,697	246,104	-	15,575,801
	=====	=====	=====	=====
At 31st December 2017	13,860,500	202,520	-	14,063,020
	=====	=====	=====	=====

**Capital commitments**

Authorised but not contracted for	£nil
Contracted but not provided in the accounts	£260,000

The net book value at 31 December represents Fixed Assets used for direct charitable purposes. The analysis between the Funds is as shown in note 10.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2018

## 7. FIXED ASSET INVESTMENTS

- a) Tilney Bestinvest is responsible for the day-to-day management of the Charity's investments. A nominee company, Pershing Securities Limited, is responsible for the custody of the related documents of title.
- b) The cost of fund raising (i.e. investment management charges) was £49,558. (2017: £53,311)
- c) The following is a summary of the investments for all the Funds and the income therefrom.

	CAPITAL		INCOME	
	Market value as at 31 12 18 £	Market value as at 31 12 17 £	2018 £	2017 £
Investments listed on recognised UK Stock Exchanges	7,460,266	8,295,767	225,475	213,810
Investment cash	100,638	40,971	-	-
	<u>7,560,904</u>	<u>£8,336,738</u>	<u>£225,475</u>	<u>£213,810</u>
	=====	=====	=====	=====
d) Movement in market value of investments				
Market value at 1st January			8,336,738	10,632,273
Less: Proceeds of disposals			(1,180,441)	(4,250,615)
Add: Acquisitions			1,083,586	1,947,345
(Decrease)/ increase in the investment cash balance			52,300	(525,097)
Net (losses)/gains on revaluation at 31 December			<u>(735,278)</u>	<u>532,832</u>
			=====	=====
Market value at 31st December			£7,560,904	£8,336,738
			=====	=====
			<b>2018</b>	<b>2017</b>
			<b>£</b>	<b>£</b>
Realised/unrealised (losses)/gains on investments:				
Realised			157,454	1,022,489
Unrealised			(889,682)	(489,657)
			<u>£(732,228)</u>	<u>£532,832</u>
			=====	=====
<b>Historical cost as at 31 December</b>			<b>£6,890,754</b>	<b>£6,745,576</b>
			=====	=====
<b>8. DEBTORS</b>			<b>2018</b>	<b>2017</b>
			<b>£</b>	<b>£</b>
Prepayments and accrued income			168,284	310,655
Other debtors			75,505	86,858
			<u>£243,789</u>	<u>£397,513</u>
			=====	=====
<b>9. CREDITORS: amounts falling due within one year</b>			<b>2018</b>	<b>2017</b>
			<b>£</b>	<b>£</b>
Expense creditors			87,060	72,451
Accruals and deferred income			182,839	221,406
			<u>£269,899</u>	<u>£293,857</u>
			=====	=====

**Nautilus Welfare Fund**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2018**

**10a. ANALYSIS OF FUND MOVEMENTS 2018**

	<b>Brought Forward 2018 £</b>	<b>Income/ Gains £</b>	<b>Expenditure\ Loss £</b>	<b>Transfers £</b>	<b>Carried Forward 2018 £</b>
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Andrew Gibson Memorial Home	388,795	-	-		388,795
Other long term funds	22,010,963	-	-	736,949	22,747,912
	<u>22,399,758</u>	<u>-</u>	<u>-</u>	<u>736,949</u>	<u>23,136,707</u>
<b>Free funds</b>					
Free Funds	1,858,324	2,702,430	(3,800,453)	212,212	972,513
	<u>24,258,082</u>	<u>2,702,430</u>	<u>(3,800,453)</u>	<u>949,161</u>	<u>24,109,220</u>
<b>Total Unrestricted Funds</b>					
<b>Restricted funds</b>					
Seafarers Hub Development	-	(1,912)	-	1,912	-
Care Home	-	36,500	(36,500)	-	-
Case working	-	83,640	(83,640)	-	-
Physiotherapy role costs	-	13,500	(13,500)	-	-
Gulf	1,204	-	-	(1,204)	-
MNWB	-	17,994	(1,859)	(16,135)	-
Admiral Nurse	-	20,460	(20,460)	-	-
Seafarers ITF	-	904,984	-	(904,984)	-
Other specified projects	25,000	3,750	-	(28,750)	-
	<u>26,204</u>	<u>1,078,916</u>	<u>(155,959)</u>	<u>(949,161)</u>	<u>-</u>
<b>Endowment funds</b>					
Andrew Gibson endowment	5,000	-	-	-	5,000
	<u>24,289,286</u>	<u>3,781,346</u>	<u>(3,956,412)</u>	<u>-</u>	<u>24,114,220</u>
	=====	=====	=====	=====	=====

The designated funds of the charity reflect those funds which, although unrestricted, are not readily realisable in the short term and/or are generating income upon which the charity depends.

Restricted funds represent grants for purposes specified by the donors all funds have been spent in the year.

# Nautilus Welfare Fund

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2018

### 10b ANALYSIS OF FUND MOVEMENTS 2017

	Brought Forward 2017 £	Income/ Gains £	Expenditure/ Loss £	Transfers £	Carried Forward 2017 £
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Andrew Gibson Memorial Home	388,795	-	-	-	388,795
Other long term funds	22,720,059	-	-	(709,096)	22,010,963
	<u>23,108,854</u>	<u>-</u>	<u>-</u>	<u>(709,096)</u>	<u>22,399,758</u>
<b>Free funds</b>					
Free Funds	461,245	3,003,361	(2,912,076)	1,305,794	1,858,324
	<u>23,570,099</u>	<u>3,003,361</u>	<u>(2,912,076)</u>	<u>596,698</u>	<u>24,258,082</u>
<b>Restricted funds</b>					
Seafarers Hub Development	-	294,982	-	(294,982)	-
Care Home	-	90,000	(90,000)	-	-
Case working	-	56,166	(56,166)	-	-
Physiotherapy role costs	-	13,000	(13,000)	-	-
Gulf	1,204	-	-	-	1,204
MNWB Nurse Call System	-	26,700	-	(26,700)	-
Admiral Nurse	-	10,230	(10,230)	-	-
Seafarers Aged Veterans Fund	-	275,016	-	(275,016)	-
Other specified projects	25,000	-	-	-	25,000
	<u>26,204</u>	<u>766,094</u>	<u>(169,396)</u>	<u>(596,698)</u>	<u>26,204</u>
<b>Endowment funds</b>					
Andrew Gibson endowment	5,000	-	-	-	5,000
	<u>23,601,303</u>	<u>3,769,454</u>	<u>(3,081,472)</u>	<u>-</u>	<u>24,289,286</u>
	=====	=====	=====	=====	=====

The designated funds of the charity reflect those funds which, although unrestricted, are not readily realisable in the short term and/or are generating income upon which the charity depends.

Restricted funds represent grants for purposes specified by the donors. The Gulf Fund is for the purpose of making grants to eligible seafarers where the unspent balance is carried forward to be expended in future periods.

Other specified projects originally related to lighting in the Dementia Wing of the Care Home but discussions are being held with the grantor in order to authorise the use of the funds for alternative purposes.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2018

## 11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<b>Tangible fixed assets £</b>	<b>Investments £</b>	<b>Net current Assets £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Unrestricted funds					
<i>Designated</i>	15,575,801	7,560,906	-	23,136,707	22,399,758
<i>Free</i>	-	-	972,514	972,514	1,858,324
Restricted funds	-	-	-	-	26,204
Endowed funds	-	-	5,000	5,000	5,000
	<u>15,575,801</u>	<u>7,560,906</u>	<u>977,514</u>	<u>24,114,221</u>	<u>24,289,286</u>
	=====	=====	=====	=====	=====

## ANALYSIS OF NET ASSETS BETWEEN FUNDS – Prior year comparative

	<b>Tangible fixed assets £</b>	<b>Investments £</b>	<b>Net current Assets £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Unrestricted funds					
<i>Designated</i>	14,063,020	8,336,738	-	22,399,758	23,108,854
<i>Free</i>	-	-	1,858,324	1,858,324	461,245
Restricted funds	-	-	26,204	26,204	26,204
Endowed funds	-	-	5,000	5,000	5,000
	<u>14,063,020</u>	<u>8,336,738</u>	<u>1,889,528</u>	<u>24,289,286</u>	<u>£23,601,303</u>
	=====	=====	=====	=====	=====

Included within tangible fixed assets is an element of land which must be retained for housing accommodation under the terms of the Scheme. This is not considered to be a material restriction given that the provision of housing accommodation is one of the core objects of the charity.

## 12. RELATED PARTY TRANSACTIONS

At 31 December 2018 £8,415 (2017: £4,844) was owed by Nautilus International, the trade union under common control by Nautilus International Council. Nautilus International provided support and administration services to Nautilus Welfare Fund amounting to £75,500 (2017: £75,500).

A donation of £149,000 was received from Oceanair Services Limited (2017: £162,000) a company under the control of Nautilus International. Oceanair Services Limited provided building services for the construction of the Hub building and other building projects at Mariners Park totalling and invoiced £1,745,477 in the year (2017: £1,755,775).