

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 2018
FOR
APOSTLESHIP OF THE SEA**



APOSTLESHIP OF THE SEA
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

| | Page |
|------------------------------------|----------|
| Report of the Trustees | 1 to 14 |
| Report of the Independent Auditors | 15 to 16 |
| Statement of Financial Activities | 17 |
| Balance Sheet | 18 |
| Cash Flow Statement | 19 |
| Notes to the Cash Flow Statement | 20 |
| Notes to the Financial Statements | 21 to 31 |

**APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 2018. 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 fishing vessels and all who for whatever reason are undertaking a voyage. Maritime Personnel includes those who work on production platforms offshore; it includes students preparing for this work and those who have retired from this work; it also includes their families and port workers.

The Apostleship of the Sea (AoS) is part of a worldwide association of the Apostleship of the Sea known by the People of the Sea as 'Stella Maris' which, in turn, 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 who visit British ports every year. 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.

AoS service provision closely matches the needs identified by the People of the Sea themselves as well as those needs identified in research commissioned by AoS 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.

AoS 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.

APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

- 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 AoS 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 AoS 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. AoS 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 2018 we continued to implement the results of our 2015 strategic review with a focus on three key areas: Mission, Governance and Operations.

Mission

Throughout the year, at all levels of the charity, we continued to give serious consideration to how we might further improve our mission to the People of the Sea. Of note is that a new, part-time regional port chaplain was appointed in the Western Isles, Scotland, to support our growing outreach to fishermen. Also, the appointment of a new Chair and Vice-Chair of Trustees, together with the appointment, by the Dicastery for Promoting Integral Human Development, of the National Director as European Regional Coordinator acted as a catalyst for the development of our International Strategy.

The core objective of this international strategy is to provide additional and enhanced infrastructure and support services so that the Stella Maris network can serve the People of the Sea worldwide with greater effectiveness as a global mission of the Church. We have identified two ways in which we will realise this objective: 1. A capacity building service for national Stella Maris organisations that seeks to improve their service to the People of the Sea through advice and support in one or more of the following areas: Governance, Finance, Fundraising, Communications, Formation and Training, Advocacy. 2. Project based overseas support that seeks to improve and enrich the lives of the People of the Sea. Our Vice-Chair of Trustees chairs a newly established sub-committee of the Board, the International Committee, which has responsibility for oversight of the delivery of our International Strategy.

In September, on or around the feast of Stella Maris (Our Lady, Star of the Sea), we continued to organise several diocesan commissioning Masses for our port chaplains and volunteer ship visitors. Celebrated by the diocesan bishop, these Masses firmly and visibly rooted our mission in the life of the Catholic Church.

Governance

Most notably we advertised externally for a new Chair of Trustees, to succeed the retiring Chair. Through this recruitment process a new Chair of Trustees was appointed in June, along with a new Vice-Chair of Trustees. Three other new trustees were recruited during 2018 to replace those who retired. All trustee appointments were informed by our trustees' skills and experience matrix. During each of our four board meetings we reviewed one of the 7 principles of the Charity Governance Code.

APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

Operations

During 2018 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). The restructure of our chaplaincy team, agreed in 2017, was implemented during 2018.

The days of renewal and commissioning Masses were an integral element of our strategic objective to support the local development of AoS, working with, and supporting our, volunteers and prospective volunteers in ports and parishes.

Internationally, we worked closely with the Dicastery for Promoting of Integral Human Development and the AoS regional coordinators. Partnership with our Stella Maris colleagues around the world, in particular in South Africa, the Ukraine, Canada and the Seychelles continued with the focus of our support being around governance, fundraising and communications to enhance effective in-country ministry. It is this global collaboration that has informed the development of our International Strategy, referred to above.

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.

**APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 2018.

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 2018 our chaplains and volunteer ship visitors visited 10,048 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 2018 AoS organised the celebration of 83 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 2,894 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.

AoS 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 2018 AoS chaplains and volunteers continued to provide much needed support to crews affected in this manner. We also helped 146 seafarers and fishermen who were hospitalised in Great Britain during the year.

During 2018 our communications team collaborated with P&I Clubs, ship owners and chaplains around the world in 74 significant welfare cases. Such cases included deaths, hospitalisation, abandonment of crew, bullying, assault and non-payment of wages. Our communications to stakeholders in such difficult circumstances is as important as our regular fundraising and communications activity. This innovative, joined up approach between those providing pastoral care to the People of the Sea and those who have responsibility for communicating this work to stakeholders leads to better outcomes for the People of the Sea and a more integrated Stella Maris network, with the capacity to respond swiftly and effectively.

The work of AoS 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. During the year we increased the number of trained volunteer ship visitors, drawn from all sections of the community, to 115.

During the winter months our provision of practical support is of particular value to seafarers and fishermen. AoS is a trusted source of warm clothing and woolly hats. The trustees would like to record their thanks for the many woolly hats produced by our loyal supporters during the year. The Christmas season was celebrated by the provision of Christmas presents to seafarers in the principal ports where AoS operates. The trustees would like to express their deepest thanks to all those individuals and parishes who assisted with the donation, collection and distribution of Christmas presents.

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 AoS during 2018.

APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

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 AoS'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. |

APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

Investment Performance

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.

As previously reported, during 2016 the trustees decided to align our investment strategy more closely with our operational strategy. In particular the trustees decided to help 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.

FINANCIAL REVIEW

Fundraising

The trustees are satisfied with the fundraising performance in 2018. We are delighted with the highest ever income from general donations. Income from Sea Sunday, our primary source of income, held up. Legacy income also performed well. The overall increase in income was particularly pleasing as some of this income was used to support AoS in other countries. Our international work is an increasingly attractive proposition to grant funders and major donors. Overall 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. The trustees are aware that certain large budgeted expenditure items, most notably the Stella Maris magazine and the international grants, were not incurred during 2018, appearing to reduce the proportion of funds expended on beneficiaries relative to expenditure on fund-raising. This deferred expenditure will be incurred during 2019, along with the additional expenditure budgeted for in the International Strategy.

Fundraising strategic review

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 2018.

The key recommendations of the review for the period 2017-2019 were:

1. Continue effective planning and monitoring to sustain the current income through core streams.
2. Increase the number and motivation of parish contacts and supporting parishes.
3. Build our corporate and major donor programme.
4. Recruit donors from new sources.
5. Ensure data management risk is mitigated.
6. Share Fundraising & Communications experience through the twinning programme to build capacity overseas: donor recruitment, trust funding, communications, organisational and financial structure.

It is due to investment in our fundraising strategy in recent years that we can both expand our ministry in GB and finalise an International Strategy. We remain very much committed to continuing to increase spending on our beneficiaries.

**APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 AoS was compliant with the GDPR, effective from May 2018.

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. Integral to their support in 2018 were the 15 Stella Maris Masses held across the country, usually in Cathedrals, that gave them the chance to pray with us and hear something of our work.

A corporate strategy was prepared to document our approach to partnership with maritime companies and extend that work in a more structured way.

Fundraising assistance to AoS overseas

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

- AoS Canada – Our twinning with Canada continued, based upon a Memorandum of Understanding. Of note was the familiarisation visit to GB of their Vancouver port chaplain and our application for funding for a vehicle for his ministry. We have continued to support their online and PR growth to underpin future development.
- AoS Ukraine – Our communications team also facilitated the visit to GB of two colleagues AoS Ukraine in May. The purpose of the visit was to familiarise our colleagues with our ministry and organisational structure. Building on this, we were pleased at the end of the year to make a grant from our funds that will support 50% of their 2019 work.
- AoS Seychelles – we successfully applied for grants on their behalf for a replacement vehicle.
- AoS South Africa – Funding was secured to employ a new national director, which meant an increase in ship visiting in Cape Town and involvement in some significant welfare cases. Our AoS GB Director of Development provided mentor support to the new National Director, alongside colleagues in South Africa. We continued to grow the PR presence in the Catholic media in South Africa, which supported a significant increase in the Cape Town Sea Sunday collection. We also secured funding for their national conference and deployed one of our long-standing chaplains to give input to this. It is historic to note that the first ship detained under the newly implemented ILO Work in Fishing Convention was in Cape Town. The involvement of AoS in this detention and our presence in various ports in South Africa was facilitated by the twinning programme established by AoS GB.

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

AoS 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 AoS. 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 quarterly trustees' meeting. The Director of Development is a qualified fundraiser with a Masters in Voluntary Administration from London South Bank University.

Fundraising complaints

During 2018 no fundraising complaints were received.

Thanks for particular support

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

Principal Funding Sources

33% 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. 34% is from regular donations from active supporters of our work. 9% is from trusts and grant making foundations and 15% came from legacies.

APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

Reserves policy

The consolidated reserves fund stands at £4,744,635 (FY2017 £5,138,366) of which £128,440 is represented by the fixed assets and £4,121,529 by investments within general funds. Total restricted reserves at the year-end were £140,712 (FY 2017 £92,804). The trustees set the challenge of a balanced budget for 2018, which has been achieved. The trustees' objective is to deliver a balanced budget in 2019 although the trustees are prepared to incur additional expenditure from our reserves where this will deliver a demonstrable benefit for the People of the Sea.

AoS 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 robust plans are agreed. 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.
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 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.

APOSTLESHIP OF THE SEA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

FUTURE PLANS

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 agree a modular based programme of spiritual and theological formation for our port chaplains, volunteer ship visitors, staff and trustees. This programme will operate alongside the more practical training courses and resources, most of which are provided by the MNWB, for which we are most grateful.
 - To send two port chaplains to the Philippines for an immersion experience into Filipino life and culture, the lives of Filipino seafarers, fishermen and their families. Upon their return these chaplains will share this experience with their colleagues. Representing over 25% of the global seafaring population Filipino seafarers represent the largest single nationality bloc. Our ministry will be enhanced with a better understanding of the lives and culture of Filipino nationals.
 - To review the line management structure for port chaplains.
 - To launch our ship visit recording App with our port chaplains and volunteer ship visitors. Appropriate training and support will be provided.
 - To undertake a Safeguarding review and provide Safeguarding training for all port chaplains, staff and trustees.
2. **To cooperate more closely with Stella Maris/AoS 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, in particular with the Regional Coordinators during their March 2019 meeting.
 - To raise enough funds from corporate donations, grant applications and investment income to support the implementation of our International Strategy. Proposals will be submitted to the International Committee for approval.
3. **To legally change our name to ‘Stella Maris’ by the Glasgow World Congress in October 2020 in accordance with the recommendation of the Regional Coordinators in June 2018** More particularly:
 - To agree an implementation plan by Sea Sunday 2019.
 - To support the Regional Coordinators and national Stella Maris organisations with the change of name.
4. **To implement the governance actions agreed in June 2015.** More particularly:
 - To review our trustee induction process, taking into account feedback from new trustees, in particular the Chair and Vice-Chair.
 - 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 People of the Sea.
 - To apply the board code of conduct agreed in 2016, providing training and support where necessary.
 - To apply the Charity Governance Code.
5. **To continue preparations for our Centennial World Congress in October 2020 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 National Director as the Dicastery's liaison officer and the creation of a Scotland-based World Congress organising committee.
 - To consult widely with supporters, volunteers, chaplains, staff and trustees on plans for our GB centenary year. To establish a GB Centenary planning committee.
6. **To use technology more effectively to promote and advance the welfare of the People of the Sea.** More particularly:
 - To continue to refine and improve the Stella Maris seafarers' App in response to user feedback.

**APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

- To use our new online ship visit reporting platform to further improve communication between chaplains and ship visitors, here and overseas, on the pastoral and practical support of the People of the Sea. Also, to explore ways to use this platform to improve the quality and frequency of internal and external communications.
- To further explore how we might use multi-media platforms, for example the Stella Maris App, our website and Facebook, to evangelise the People of the Sea, support their physical and emotional wellbeing and provide helpful welfare information and signposting.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Apostleship of the Sea (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>). The Apostleship of the Sea 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.

APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Trustees are appointed by the relevant Standing Committees of the Catholic Bishops' Conferences. Trustees are appointed on the basis of suitable qualifications and experience, including senior clergy experienced in maritime chaplaincy and those with knowledge of the global maritime industry. Trustees are given in-service support by the Charity Commission and other charity publications and regular e-mail updates by the National Director.

The members of the trustee board are also directors and members under the terms of the Companies Act.

The members of the trustee board have no beneficial interest in the charity or any other company or charity with whom the Apostleship of the Sea works in collaboration or cooperation.

The main trustee board meets four times a year and takes reports and recommendations from the Finance Committee. Trustees are represented on the Chaplains' Pastoral Committee which also reports to the main trustee board through the National Director and the chair of the Chaplains' Pastoral Committee.

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 AoS. However, the trustees have determined that the liability of AoS should be limited by advising that centre trustees operate a balanced budget or within their own reserves.

AoS 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.

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 AoS 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.

APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

Risk Assessment

The principal risks which exercised us during the year related to the need to ensure full compliance with GDPR, ensuring that parishes continue to support AoS, hence the development of our parish mission strategy, and development of our international strategy to more clearly indicate how we plan to deploy our reserves in furtherance of this strategy.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
3320318 (England and Wales)

Registered Charity number
1069833 (England and Wales)
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Registered office
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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

| | |
|----------------------------------|---|
| Reverend Doctor Stephen Morgan | Retired 3 rd March 2019 |
| Right Reverend Bishop Paul Mason | |
| Right Reverend Stephen Robson | |
| Mr Juvenal Shiundu | Retired 27 th March 2018 |
| Captain Kevin Doyle | Retired 6 th July 2018 |
| Mrs Louise Carter | |
| Mr James Brennan | Retired 30 th November 2018 |
| Monsignor Richard Madders | Retired 16 th April 2019 |
| Dr Marcus Jones | Retired 17 th February 2018 |
| Mr Robert Ashdown | |
| Mrs Helen Brennan | |
| Mr James Gosling | |
| Mrs Theresa Crossley | Appointed 27 th March 2018 |
| Mr Simon O'Toole | Appointed 19 th June 2018 and retired 2 nd May 2019 |
| Mr Esteban Pacha | Appointed 19 th June 2018 |
| Miss Luisa Campbell | Appointed 1 st December 2018 |
| Mr William Azuh | Appointed 1 st December 2018 |

Chief Executive

Mr Martin Foley

APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

Auditors

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Office 9/10 Angel Court
London
EC2R 7AB

Clydesdale Bank Plc
122 Leadenhall Street
London
EC3V 4AB

Investment Fund Managers

Waverton Investment Management Ltd
16 Babmaes Street,
London,
SW1Y 6AH

UBS AG
1 Curzon Street
London
W1J 5UB

APOSTLESHIP OF THE SEA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Apostleship of the Sea (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.

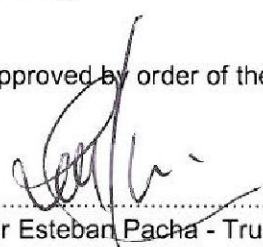
In so far as the trustees are aware:

- 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 on16/7/2019..... and signed on its behalf by:


.....
Mr Esteban Pacha - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF APOSTLESHIP OF THE SEA

Opinion

We have audited the financial statements of Apostleship of the Sea (the 'charitable company') for the year ended 31 December 2018 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 APOSTLESHIP OF THE SEA

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

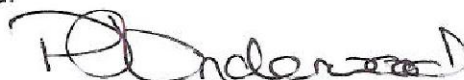
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is 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: 15 August 2019

APOSTLESHIP OF THE SEA

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | Unrestricted funds £ | Restricted funds £ | 2018 Total funds £ | 2017 Total funds £ |
|------------------------------------|-------|-------------------------|-----------------------|--------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 1,369,566 | 190,490 | 1,560,056 | 1,517,372 |
| Investment income | 3 | 136,254 | - | 136,254 | 96,994 |
| Other income | | <u>292</u> | <u>-</u> | <u>292</u> | <u>195</u> |
| Total | | 1,506,112 | 190,490 | 1,696,602 | 1,614,561 |
| EXPENDITURE ON | | | | | |
| Raising funds | 4 | 475,142 | - | 475,142 | 416,282 |
| Charitable activities | 5 | | | | |
| Pastoral care to seafarers | | <u>1,087,831</u> | <u>142,582</u> | <u>1,230,413</u> | <u>1,206,020</u> |
| Total | | 1,562,973 | 142,582 | 1,705,555 | 1,622,302 |
| Net gains/(losses) on investments | | <u>(384,778)</u> | <u>-</u> | <u>(384,778)</u> | <u>250,823</u> |
| NET INCOME/(EXPENDITURE) | | (441,639) | 47,908 | (393,731) | 243,082 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | <u>5,045,562</u> | <u>92,804</u> | <u>5,138,366</u> | <u>4,895,284</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u>4,603,923</u> | <u>140,712</u> | <u>4,744,635</u> | <u>5,138,366</u> |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.


APOSTLESHIP OF THE SEA
(REGISTERED COMPANY NUMBER: 3320318)
BALANCE SHEET
AT 31 DECEMBER 2018

| | Notes | 2018 £ | 2017 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 128,440 | 114,982 |
| Investments | 13 | <u>4,121,529</u> | <u>4,536,770</u> |
| | | 4,249,969 | 4,651,752 |
| CURRENT ASSETS | | | |
| Debtors | 14 | 125,371 | 169,202 |
| Cash at bank and in hand | | <u>477,333</u> | <u>411,057</u> |
| | | 602,704 | 580,259 |
| CREDITORS | | | |
| Amounts falling due within one year | 15 | <u>(108,038)</u> | <u>(93,645)</u> |
| NET CURRENT ASSETS | | <u>494,666</u> | <u>486,614</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>4,744,635</u> | <u>5,138,366</u> |
| NET ASSETS | | <u>4,744,635</u> | <u>5,138,366</u> |
| FUNDS | 16 | | |
| Unrestricted funds | | 4,603,923 | 5,045,562 |
| Restricted funds | | <u>140,712</u> | <u>92,804</u> |
| TOTAL FUNDS | | <u>4,744,635</u> | <u>5,138,366</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 16/7/2019 and were signed on its behalf by:


H Brennan - Trustee


Mr Esteban Pacha - Trustee

APOSTLESHIP OF THE SEA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | 2018 £ | 2017 £ |
|---|-------|-----------------------|-----------------------|
| Cash flows from operating activities: | | | |
| Cash generated from operations | A | <u>(25,676)</u> | <u>(117,024)</u> |
| Net cash provided by (used in) operating activities | | <u>(25,676)</u> | <u>(117,024)</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (75,057) | (47,890) |
| Purchase of fixed asset investments | | (1,571,136) | (4,629,154) |
| Sale of tangible fixed assets | | - | - |
| Sale of fixed asset investments | | 1,601,599 | 4,198,925 |
| Interest received | | 292 | 195 |
| Dividends received | | 136,254 | 96,994 |
| | | <u> </u> | <u> </u> |
| Net cash provided by (used in) investing activities | | <u>91,952</u> | <u>(380,930)</u> |
| Change in cash and cash equivalents in the reporting period | | 66,276 | (497,954) |
| Cash and cash equivalents at the beginning of the reporting period | | <u>411,057</u> | <u>909,011</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>477,333</u></u> | <u><u>411,057</u></u> |

APOSTLESHIP OF THE SEA
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

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

| | 2018 £ | 2017 £ |
|---|-----------------|------------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (393,731) | 243,082 |
| Adjustments for: | | |
| Depreciation charges | 61,600 | 66,373 |
| Losses/(gain) on investments | 384,778 | (250,823) |
| Interest received | (292) | (195) |
| (Increase)/Decrease in debtors | 43,830 | (94,200) |
| Increase/ (Decrease) in creditors | 14,393 | 15,733 |
| Dividends received | (136,254) | (96,994) |
| Net cash provided by (used in) operating activities | <u>(25,676)</u> | <u>(117,024)</u> |

APOSTLESHIP OF THE SEA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 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.

APOSTLESHIP OF THE SEA

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

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.

APOSTLESHIP OF THE SEA

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

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

| | 2018 £ | 2017 £ |
|------------------------|------------------|------------------|
| Donations | 575,259 | 538,211 |
| Legacies | 256,125 | 117,766 |
| Grants | 154,865 | 268,898 |
| Sea Sunday collections | 554,647 | 566,663 |
| Ports levy | 19,160 | 25,834 |
| | <u>1,560,056</u> | <u>1,517,372</u> |

3. INVESTMENT INCOME

| | 2018 £ | 2017 £ |
|--------------------------|----------------|---------------|
| Dividends | 136,254 | 96,994 |
| Deposit account interest | - | - |
| | <u>136,254</u> | <u>96,994</u> |

Investment income of £44,952 (2017: £35,483) is derived from assets held in the United Kingdom. Investment income of £91,302 (2017: £61,511) is derived from assets held outside of the United Kingdom.

APOSTLESHIP OF THE SEA

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

4. RAISING FUNDS

Raising donations and legacies

| | 2018 £ | 2017 £ |
|--------------------------|----------------|----------------|
| Staff costs | 151,327 | 107,987 |
| Other direct costs | 155,744 | 146,172 |
| Investment managers fees | 34,962 | 32,499 |
| Support costs | <u>133,109</u> | <u>129,624</u> |
| | <u>475,142</u> | <u>416,282</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>724,010</u> | <u>40,988</u> | <u>465,415</u> | <u>1,230,413</u> |

6. GRANTS PAYABLE

| | 2018 £ | 2017 £ |
|----------------------------|---------------|---------------|
| Pastoral care to seafarers | <u>40,988</u> | <u>27,687</u> |

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

| | 2018 £ | 2017 £ |
|--|---------------|---------------|
| Seaham Seafarers Club | 1,000 | 1,000 |
| Bristol Seafarers | 8,500 | 8,500 |
| Contribution to rent at Montrose Centre | - | 145 |
| AOS Seychelles | 877 | - |
| Humber Seafarers | - | 42 |
| AOS Durban | 629 | 3,000 |
| Merchant Navy Welfare Board Contribution | 15,000 | 15,000 |
| AOS Vancouver | 2,011 | - |
| AOS Santos | 1,223 | - |
| AOS Cebu | 3,518 | - |
| AOS Ukraine | 7,790 | - |
| Gente di Mar Society | <u>440</u> | <u>-</u> |
| | <u>40,988</u> | <u>27,687</u> |

7. SUPPORT COSTS

| | Management £ | Governance costs £ | Totals £ |
|--------------------------------------|-----------------|--------------------------|----------------|
| Costs of generating voluntary income | 133,109 | - | 133,109 |
| Pastoral care to seafarers | <u>442,194</u> | <u>23,221</u> | <u>465,415</u> |
| | <u>575,303</u> | <u>23,221</u> | <u>598,524</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:

APOSTLESHIP OF THE SEA

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

7. SUPPORT COSTS - continued

Management

| | | | 2018 | 2017 |
|---------------------------|--|------------------------------------|--------------------------|--------------------------|
| | Costs of generating voluntary income £ | Pastoral care to seafarers £ | Total activities £ | Total activities £ |
| Staff Costs | 96,346 | 263,323 | 359,669 | 377,671 |
| Recruitment and training | 3,309 | 56,871 | 60,180 | 88,705 |
| Establishment costs | 11,763 | 35,288 | 47,051 | 47,801 |
| Motor and travel expenses | 1,755 | 7,022 | 8,777 | 7,140 |
| Administrative expenses | 12,503 | 49,956 | 62,459 | 35,081 |
| Professional fees | 7,433 | 29,734 | 37,167 | 43,447 |
| | <u>133,109</u> | <u>442,194</u> | <u>575,303</u> | <u>599,845</u> |

Governance costs

| | 2018 Pastoral care to seafarers £ | 2017 Total activities £ |
|--|--|----------------------------------|
| Trustees' and board meeting expenses | 4,013 | 798 |
| Auditors' remuneration – fee for statutory audit | 8,813 | 8,820 |
| Insurance | 6,572 | 4,626 |
| Sundries | 1,145 | 467 |
| Legal fees | <u>2,678</u> | <u>11,609</u> |
| | <u>23,221</u> | <u>26,320</u> |

8. NET INCOME/(EXPENDITURE)

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

| | 2018 £ | 2017 £ |
|-----------------------------|---------------|---------------|
| Auditors' remuneration | 8,813 | 8,820 |
| Depreciation - owned assets | <u>61,600</u> | <u>66,373</u> |

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Trustees' expenses

During the year four trustees (2017: two) were reimbursed out of pocket expenses for travelling and subsistence totalling £1,439 (2017: £798).

APOSTLESHIP OF THE SEA

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

10. STAFF COSTS

| | 2018 | 2017 |
|-----------------------|------------------|----------------|
| | £ | £ |
| Wages and salaries | 888,025 | 815,404 |
| Social security costs | 84,715 | 77,205 |
| Other pension costs | <u>69,672</u> | <u>45,753</u> |
| | <u>1,042,412</u> | <u>938,362</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 £163,821 (2017: £158,958)

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

| | 2018 | 2017 |
|-------------|-----------|-----------|
| Chaplaincy | 21 | 19 |
| Fundraising | 7 | 8 |
| Support | <u>4</u> | <u>2</u> |
| | <u>32</u> | <u>29</u> |

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

| | 2018 | 2017 |
|-------------------|----------|----------|
| £70,000 - £80,000 | <u>2</u> | <u>2</u> |

The charity paid contributions to pension scheme for two (2017: two) of those employees with emoluments in excess of £60,000.

| 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>639,978</u> | <u>250,200</u> | <u>152,234</u> | <u>1,042,412</u> |
| 2017 | Chaplaincy £ | Fundraising £ | Support £ | Total £ |
| Salaries and wages | 402,797 | 292,786 | 119,821 | 815,404 |
| Social security costs | 34,828 | 31,466 | 10,911 | 77,205 |
| Pension costs | <u>15,185</u> | <u>15,843</u> | <u>14,725</u> | <u>45,753</u> |
| Total | <u>452,810</u> | <u>340,095</u> | <u>145,457</u> | <u>938,362</u> |

APOSTLESHIP OF THE SEA

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

11.

COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|--|----------------------------|--------------------------|-------------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 1,339,749 | 177,623 | 1,517,372 |
| Investment income | 96,994 | - | 96,994 |
| Other income | <u>195</u> | <u>-</u> | <u>195</u> |
| Total | 1,436,938 | 177,623 | 1,614,561 |
| EXPENDITURE ON | | | |
| Raising funds | 416,282 | - | 416,282 |
| Charitable activities | | | |
| Pastoral care to seafarers | <u>998,327</u> | <u>207,693</u> | <u>1,206,020</u> |
| Total | 1,414,609 | 207,693 | 1,622,302 |
| Net gains/(losses) on investments | <u>250,823</u> | <u>-</u> | <u>250,823</u> |
| NET INCOME/(EXPENDITURE) | 273,152 | (30,070) | 243,082 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | <u>4,772,410</u> | <u>122,874</u> | <u>4,895,284</u> |
| TOTAL FUNDS CARRIED FORWARD | <u>5,045,562</u> | <u>92,804</u> | <u>5,138,366</u> |

APOSTLESHIP OF THE SEA

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

12. TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|-----------------------------|-------------------------------|------------------------|----------------------------|----------------|
| COST | | | | | |
| At 1 January 2018 | 38,737 | 12,903 | 383,964 | 62,113 | 497,717 |
| Additions | - | - | 70,708 | 4,349 | 75,057 |
| Disposals | - | - | - | - | - |
| At 31 December 2018 | <u>38,737</u> | <u>12,903</u> | <u>454,672</u> | <u>66,462</u> | <u>572,774</u> |
| DEPRECIATION | | | | | |
| At 1 January 2018 | 29,373 | 12,903 | 279,394 | 61,065 | 382,735 |
| Charge for year | 4,045 | - | 55,799 | 1,756 | 61,600 |
| Eliminated on disposal | - | - | - | - | - |
| At 31 December 2018 | <u>33,418</u> | <u>12,903</u> | <u>335,193</u> | <u>62,821</u> | <u>444,335</u> |
| NET BOOK VALUE | | | | | |
| At 31 December 2018 | <u>5,319</u> | <u>-</u> | <u>119,479</u> | <u>3,641</u> | <u>128,439</u> |
| At 31 December 2017 | <u>9,364</u> | <u>-</u> | <u>104,570</u> | <u>1,048</u> | <u>114,982</u> |

13. FIXED ASSET INVESTMENTS

| | Listed investments £ |
|-----------------------|----------------------------|
| MARKET VALUE | |
| At 1 January 2018 | 4,536,770 |
| Additions | 1,571,136 |
| Disposals | (1,601,599) |
| Revaluations | <u>(384,778)</u> |
| At 31 December 2018 | 4,121,529 |
| NET BOOK VALUE | |
| At 31 December 2018 | <u>4,121,529</u> |
| At 31 December 2017 | 4,536,770 |

Analysis of investments by type:

| | 2018 £ | 2017 £ |
|---|------------------|------------------|
| Equities | 3,089,589 | 3,561,220 |
| Fixed interest securities | 527,073 | 513,274 |
| Property funds | 193,763 | 137,032 |
| Other investments | 154,646 | 295,911 |
| Cash held within the investment portfolio | <u>156,458</u> | <u>29,333</u> |
| | <u>4,121,529</u> | <u>4,536,770</u> |

APOSTLESHIP OF THE SEA

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

Geographical analysis of investments:

| | 2018 | 2017 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Held inside the United Kingdom | 1,208,282 | 816,470 |
| Held outside the United Kingdom | <u>2,913,247</u> | <u>3,720,300</u> |
| | <u>4,121,529</u> | <u>4,536,770</u> |

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|---------------|----------------|----------------|
| | £ | £ |
| Other debtors | 84,849 | 141,685 |
| Prepayments | <u>40,522</u> | <u>27,517</u> |
| | <u>125,371</u> | <u>169,202</u> |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|---------------------------------|----------------|---------------|
| | £ | £ |
| Trade creditors | 33,768 | 17,692 |
| Social security and other taxes | 30,084 | 29,782 |
| Other creditors | 23,500 | 23,500 |
| Accrued expenses | <u>20,686</u> | <u>22,671</u> |
| | <u>108,038</u> | <u>93,645</u> |

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds | Restricted funds | 2018 Total funds | 2017 Total funds |
|---------------------|--------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Fixed assets | 49,646 | 78,794 | 128,440 | 114,982 |
| Investments | 4,121,529 | - | 4,121,529 | 4,536,770 |
| Current assets | 540,786 | 61,918 | 602,704 | 580,259 |
| Current liabilities | <u>(108,038)</u> | <u>-</u> | <u>(108,038)</u> | <u>(93,645)</u> |
| | <u>4,603,923</u> | <u>140,712</u> | <u>4,744,635</u> | <u>5,138,366</u> |

APOSTLESHIP OF THE SEA

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

17. MOVEMENT IN FUNDS

| | 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>5,138,366</u> | <u>(393,731)</u> | <u>4,744,635</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>1,696,602</u> | <u>(1,705,555)</u> | <u>(384,778)</u> | <u>(393,731)</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 AOS 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.

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 £69,672 (2017: £45,753). At the balance sheet date the amount due to the pension scheme administrators was £6,614 (2017: £5,724). The expected cost to the Charity in the coming year is expected to be in line with that of 2018.

APOSTLESHIP OF THE SEA

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

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2018.

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 2018 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 1% share of the residual estate. The Charity does not have an estimate for this legacy.

An Estate where the Charity is entitled to ½% share of the residual estate. The Charity does not have an estimate for this legacy.

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.

