



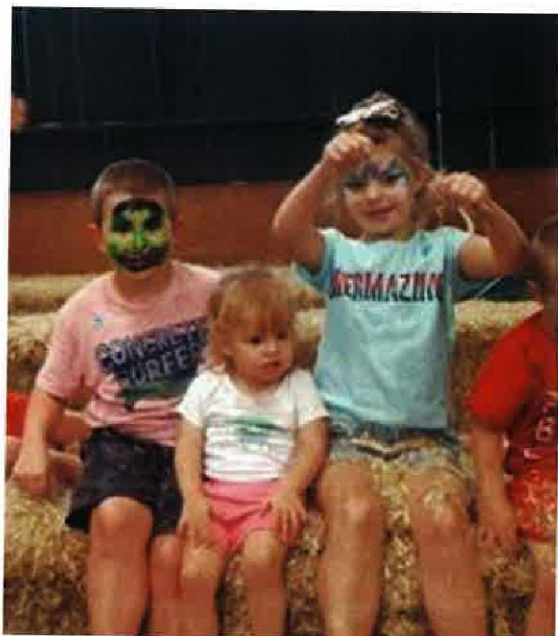
TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31ST MARCH 2019



Registered Charity: 224505

A Company limited by guarantee registered no. 159673



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Sailors' Children's Society helps disadvantaged children of seafarers throughout the United Kingdom when they are hit by a traumatic event. Whilst we recognise we cannot give them their old life back, we strive to help them adjust to their new circumstances by giving financial, emotional and practical support.

PATRON

HRH The Princess Royal GCVO

PRESIDENT

The Right Hon. The Earl of Halifax, KStJ,JP,DL

VICE PRESIDENTS

Eileen Carling	Gill Atkinson	Mary Rose Barker MBE,DL
Lady Hotham	Freddie Drabble	Captain Dick Garnons-Williams, RN
Captain Tony Wood, RN	John Marshall	Commander Geoffrey Noble, RN
Pauline Procter	Scilla Smith, DL	Richard B Vernon
Maureen Lipman, CBE	Tony Hudson	Martin Needler

BOARD OF TRUSTEES

Captain Christopher Towne—Chairman

Gregory Medici	Deborah Rosenberg	Commodore Tim Hennessey RN (retd)	
John Warburton	Martin Needler (retired 15.1.19)	Julie Abraham	Mark Mcfie-Sneddon
Michael Beckett	Lt Commander William Hairsine, RN	Donna Blank	Mark Campey

SECRETARY AND REGISTERED OFFICE

Deanne Thomas, Sailors' Children's Society, Francis Reckitt House, Newland, Cottingham Road, Hull, HU6 7RJ

Registered Charity number: 224505

Company Number: 159673

MANAGEMENT

Deanne Thomas : Chief Executive Officer

PRINCIPLE ADVISERS

Solicitors: Rollits Solicitors, Citadel House, High Street, Hull, HU1 1QE

Auditors: Streets Audit LLP, Tower House, Lucy Tower Street, Lincoln, LN1 1XW

2018/19 YEAR AT A GLANCE



213 families with 431 children and young people supported

73 new families
joined the Support
Scheme following a
traumatic event

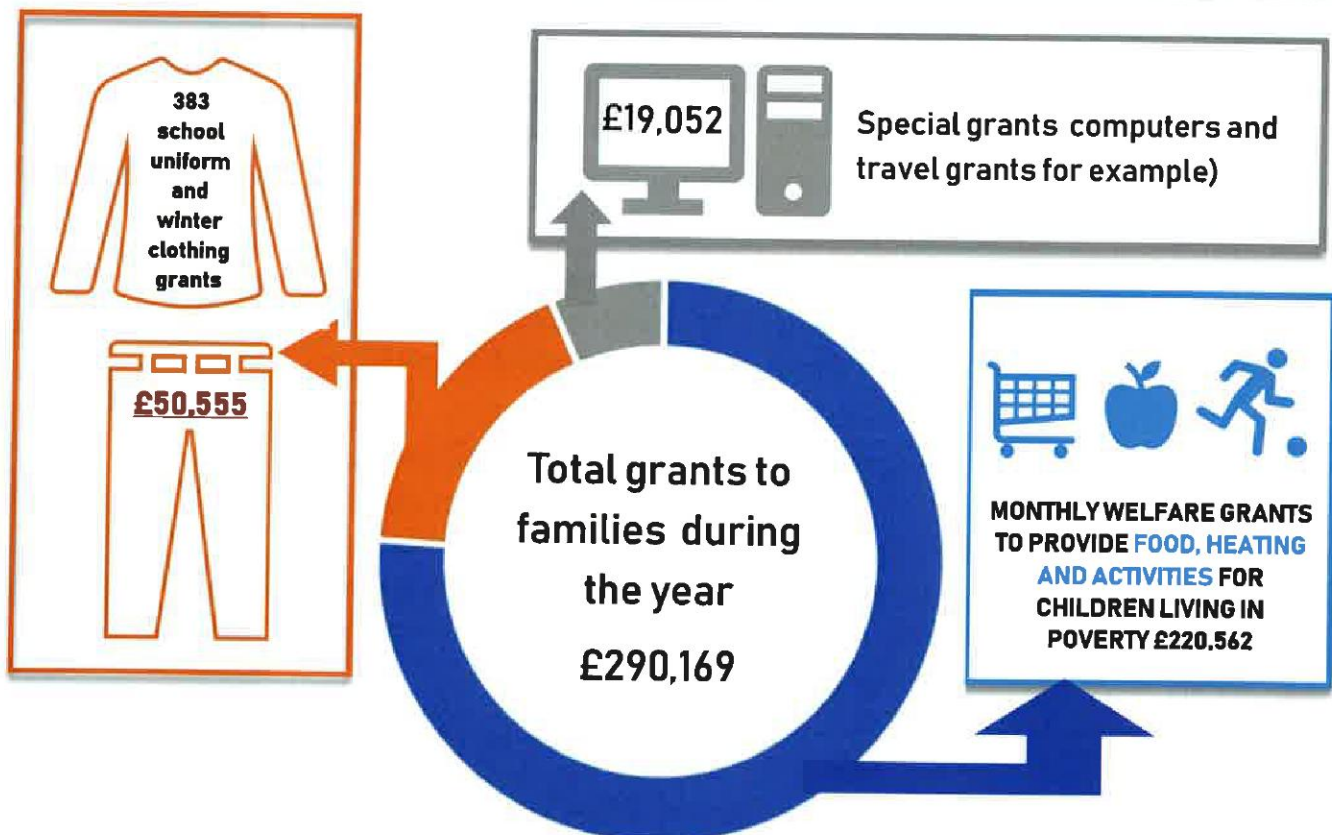
Hello!

Goodbye!

69 families
moved
forwards with
their lives and
left our support



Average length of
support from the
initial traumatic
event: 5 years



We also provided 147 respite breaks this year, offering families a chance to switch off from the daily stress of home life.

Cost: £119,500



Chairman's report

Firstly my thanks to Tim Hennessey for handing over the chairmanship to me with the Society in such good health and morale.

Earlier this year we have said goodbye to our longest serving trustee Martin Needler who has been at the heart of the Society for 40 years which included 6 years as its chairman guiding the Society through the difficult period when the estate had to be sold. The Society thanks him for his invaluable contribution.

We were very sad to receive the news of Val Eland who passed away in April this year. She has been involved with the Society as an employee and volunteer since 1976. Val was active at every Society function whether serving food at the café during the car boot sales or manning the half way house at the Golf Am Am or assisting with the Sportsman's lunch. We all miss her cheerful demeanour and enthusiasm.

The Society is exceedingly grateful to Miss Dorothy Hoyle for a very generous legacy (the Society's largest ever) received during the year. I am pleased to announce that the trustees will be introducing extra payments to families over the school holidays to compensate for the loss of school meals; also to increase the living allowance to all our students at University.

The Society experienced a surge in applications before Christmas. With the sterling efforts of all the staff the Society was able to ensure all those eligible were enrolled and appropriate support provided. At the year end date the Society was supporting 213 families with 392 children and 39 students.

We are immensely grateful for the support of our principal sponsors, corporate and private donations in conjunction with all our supporters and attendees at our various fundraising events. We were able to raise a record £57,000 at last year's Sportsman's lunch.

With latest guidance on the roles and responsibilities of trustees issued by the Charity Commission, the trustees are ensuring that the safeguarding of the children and those persons with whom the Society has contact is a top priority. Trustees are attending appropriate training awareness sessions. The Society is also currently reviewing its policy on the recruitment and retention of trustees to ensure that the relevant range of skills are available within the Board.

To conclude, my thanks to our President Lord Halifax for his wise guidance and advice also to our Chief Executive Officer Deanne for her dedication and enthusiasm together with our team in Hull and on the South Coast for their splendid work sometimes in difficult circumstances. Lastly but not least to my fellow trustees for their ready commitment and advices that ensure the Society is innovative and responsive to the needs of our dependants.



Captain C W Towne

Chairman of Trustees

Chris served for 9 years on cargo ships sailing to the Far East, Africa and Australia. On passing his Master's Foreign Going certificate he joined the family Lifting and Testing business.

Chris has recently handed over the running of the business to his son Tom and is mainly involved in delivering training.

Chris has been a trustee of the Society for some 30 years and feels privileged now to be leading a superb team of staff and trustees dedicated to deliver financial, emotional and practical support to needy seafarer's children.

Chief Executive Officer's report

During the financial year ended 31st March 2019, operations were in line with budget expectations and there were no major variances other than the large legacy as noted by the Chairman. The team are pleased to be able to use these funds to provide additional support to seafarers families who are living in poverty through no fault of their own and our thanks go to our kind benefactor.

During the year we saw a large increase in applications for our support; these families were signposted to us by SSAFA, Fishermen's Mission and RBL as well as other maritime charities. These working relationships are extremely valuable to the Society enabling us to help families in need throughout the United Kingdom and we thank all those involved.

Families continue to seek our assistance with complex needs including financial, debt, emotional and parenting support, following a traumatic event in their lives. Our rounded approach to assistance provides small financial grants, respite breaks in the caravans owned by the Society and a home computer where needed for children to complete their homework. Our Family Support Officers provide valuable assistance either on a face to face basis in family homes or via a new virtual and telephone method on a wider UK scale that we launched this year.

During the year we completed our work on GDPR and also further developed our Safeguarding practices to ensure our approach encompasses all we do from the Society Strategic Values down to operations on the ground. All Trustees are currently in the process of undertaking Safeguarding Awareness training.

Looking forward we will continue to strive to ensure the support we give to those in need moves with the times providing relevant and appropriate assistance; we will also start to plan for the Society 200th year anniversary in 2021.

As always, if you do have any questions or require further information please do not hesitate to email Deanne.thomas@sailorschildren.org.uk - thank you for your ongoing support of Sailors Childrens Society and the work we do assisting families of seafarers living in poverty.



Deanne Thomas

Chief Executive Officer

Deanne is a chartered accountant and joined the Society in 2006 as Head of Finance. She was promoted to Chief Executive Officer in 2008.

As a working mum with two teenage children, Deanne can understand the families feelings in times of need whilst sharing in the joy when children are happy and achieving in life.

The Trustees (who are also directors of the Charity for the purpose of the Companies Act) present their Annual Report together with the audited financial statements of Sailors' Children's Society (the Charity) for the year ended 31 March 2019. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provision of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effected 1 January 2015 as amended by update Bulletin 1).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

A. OBJECTIVES AND AIMS

The objective of Sailors' Children's Society is to give each disadvantaged child of a seafarer the opportunity to fulfil his/her potential via the provision of financial, emotional and practical support. In order to deliver these aims and objectives, the Society recognises the following values:

- **Safeguarding**—we believe that everyone has a right to live free from abuse, harm, exploitation and fear and to enjoy being safe and well. Safeguarding starts at board level and is embedded into all the Society activities. We achieve this by providing Trustees and staff with ongoing training promoting parental education with the provision of NPSCC leaflets, facebook postings and have a robust Safeguarding policy which is reviewed and updated regularly.
- **Non judgmental**—we believe that all our contacts both internal and external should be treated on an unbiased and fair basis. All staff undergo ongoing professional development and training in equality. The Society has an Equality policy in place which is reviewed and updated regularly.
- **Professionalism**—all Trustees, staff and volunteers act with professionalism and dignity at all times. Continued professional development and training is provided as appropriate.
- **Compassion**—as a children's charity we show compassion and empathy to the situations that the families we help are faced with. All team members talk to families on a daily basis and training is provided as appropriate. All team members receive regular supervision sessions which provides a safe environment for critical reflection, challenge and professional support.
- **Collaboration**—the Society strives to work with partners for the benefit of the families supported. We aim to increase collaboration in the future wherever possible in order to reduce costs and increase the level of support to the benefit of the families we help.

B. SIGNIFICANT ACTIVITIES

Assistance is provided to the children via the Support Scheme encompassing:

- **Financial assistance**—monthly welfare grants, clothing grants, special/emergency grants
- **Practical assistance**—caravan holidays, home computers, special attraction tickets
- **Emotional assistance**—structured face to face support, telephone and social media support.

The Board of Trustees confirm that in deciding what activities the Charity should pursue they have due regard to the guidance offered by the Charity Commission in relation to Public Benefit. All applications for help are compared to the entry criteria for the Support Scheme on an equal basis.

C. VOLUNTEERS

The Trustees are all volunteers and devote their time to attend Board meetings quarterly, as well as attending ad-hoc planning events and Board sub-groups meetings when required. Sailors Children's Society also recruits and trains a small number of volunteers to assist at fundraising events and administration tasks in the office.

D. FUTURE PLANS

The Trustees of the Society recognise a changing need as an ever increasing number of seafarers families live in poverty. The families are also experiencing complex needs and an increase in mental health concerns for both children and parents is apparent. In order to deliver the best possible assistance to those it supports, the team will continue to undergo relevant professional development and training. The recent legacy received has provided the opportunity to give more support and it is the challenge of the Trustees to ensure that these funds are put to best use for the families in the long term. The initial activity being to provide additional food grants to families during the main summer school holidays which is when many families already living in poverty struggle.

In an ever busier fundraising environment, the Trustees seek to ensure the assistance provided is relevant and efficient, providing maximum impact to those in need; and that the outcomes and impacts can be identified to external supporters.

Looking to the future, the Society will celebrate its 200th anniversary in 2021; Trustees and staff are therefore starting to plan the initiatives for this remarkable event to the benefit of those we help. The initial activity was to launch the 200 Business Club by our Patron HRH Princess Royal in November 2017 with an aim of providing funds in the 2021 to enable the Society to replace 6 of the existing caravan fleet providing respite breaks for the families. Our families both now and in the future remain at the heart of everything we do.

FAMILY SUPPORT SCHEME

During the year, the Society supported 431 children and young people on the Support Scheme, this was again in-line with recognised levels (2018 443). All families assisted met the strict entry criteria for support which ensure the Society prioritises the help for those in most need. Through a network of paid and volunteer caseworkers, families are signposted for support following a traumatic event such as bereavement, loss or diagnosis of a life changing illness. These events have a tremendous impact on the household income but also impact on the emotional wellbeing and practical day to day living for those involved. The support provided by the Society is therefore holistic encompassing regular small levels of financial support, strengthened by emotional and practical assistance.

FINANCIAL SUPPORT

Total grants awarded during the year £299,974 (£320,232 2018) split between:

Child Welfare Grants of £220,562 (£233,988 2018) were given, £14 per week to the eldest child and £6 per week to the younger siblings. Although these amounts are small, they can make all the difference for families to provide food and heating or to enable the children to still attend their music or sporting lessons. The cost reduction year on year is a reflection of the age cohort and phasing of applications during the year, the actual grant levels have remained unchanged.

Special Grants including Home Computers of £15,662 (£19,354 2018) the home computer scheme continues to provide essential IT equipment to allow children to research and complete their homework at home whilst also providing parents with access to online medical support groups and social interactions.

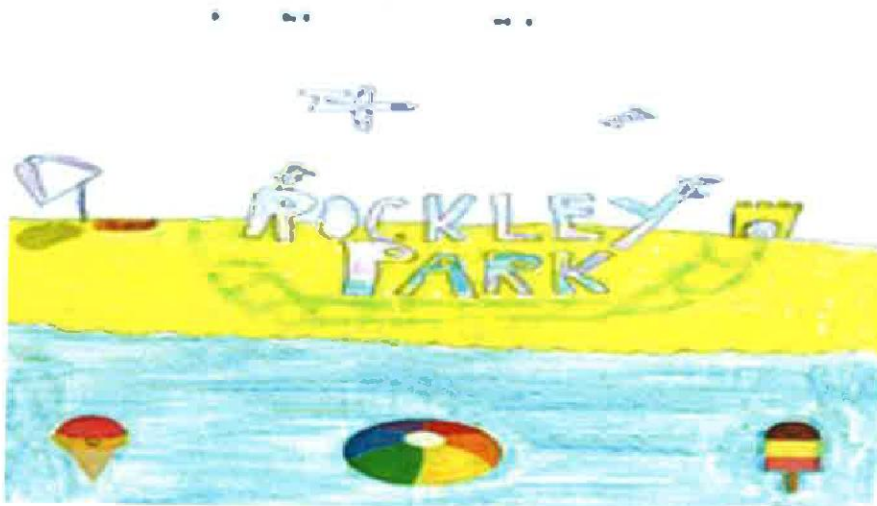
Holiday Travel Grants of £9,805 (£12,890 2018) were given, this is down slightly on the previous year and reflects a tightening by local education authorities on children taking time off during term time. Additional work is underway to look at providing alternatives to families in the future where need be to ensure the children still benefit.

Clothing Grants of £50,555 (£50,220 2018) were paid twice during the year. A grant of £60 per child was paid in July/August to provide a new school uniform for children to return to school in September just the same as their peers. The positive impact of this versus returning in second hand clothes is immeasurable and ensures each child starts the new term in a positive way. An additional grant of £50 is also given to any child starting a new school to help pay for blazers etc as well as school shoes. The 2nd clothing grant is awarded during the winter months of £55 per child; this is to provide a warm winter coat, boots, scarf and gloves when the weather turns colder.



CARAVAN HOLIDAYS

During the year 147 families had a respite break in one of the 9 caravans owned by the Society. Three new replacement caravans were purchased during the year following successful grant applications to The LIBOR Fund and the Merchant Navy Welfare Board; these were situated on Haven holiday sites at Prestatyn, Weymouth and Exmouth. All the Society caravans are situated on Haven holiday sites in order to give each child the opportunity to have fun, enjoy the entertainment, make new friends, try new activities and importantly switch off from the daily stresses at home. New families are always given priority of availability for a respite break as it gives them the opportunity to re-bond again following the traumatic event.



PANTOMIME TICKETS AND SUMMER VOUCHER APPEAL

The Society team work hard during the year appealing to major attractions and theatres for free tickets to enable the children to experience the activities and shows which would otherwise be financially prohibitive. This year families benefitted from £2,692 of free tickets which enabled over 160 disadvantaged children to benefit. Thank you to all of the organisations which donated to the Society, some of which are shown below:

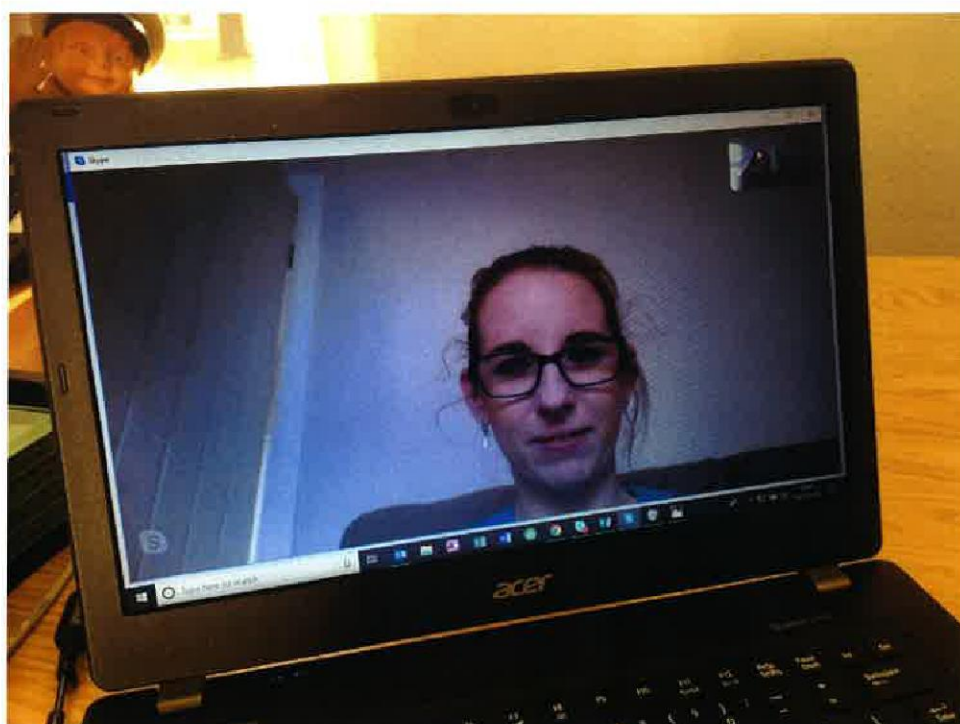


eden project



EMOTIONAL SUPPORT

Family Support Officers based in Portsmouth and Plymouth continued to provide emotional and practical support to distressed families either face to face in their own homes or via telephone on a nationwide basis. This year the Society expanded its support to include virtual support via either Skype or Facebook video messenger; whilst still in its infancy, the results so far have proved to be extremely positive. Families continue to need help with self esteem, parenting, household budgeting, all of which result in a positive home environment for the benefit of the children in the longer term.



FUNDRAISING

Fundraising income for the year totalled £1,127,225 (£578,325 2018), the large increase driven wholly by a generous legacy from Miss Dorothy Hoyle who had been a long term supporter of the Society. The majority of these funds were designated by Trustees in order to provide additional support to the families we support both now and in the future; the first initiative being introduced during the summer school holidays 2019 providing additional food grants on a weekly basis of £10 per child per week. Income from all other activities remained within expectations with contributions from the major maritime funding organisations remaining an important source of funding:



£135,000



£75,000



Trinity House

£83,200

The Society 2 fundraising events continue to be well supported; the Golf Am Am held in June 2018 at the Hull Golf Club had 24 teams take part and raised £5,066. Thank you to the main sponsor Streets Chartered Accountants and Barclays for their Community Matched funds along with valuable practical support on the day. The winning team this year was Barclays.



This year the Sportsman's Lunch moved venue to the new DoubleTree by Hilton Hotel in Hull, enabling guest numbers to increase from 450 to 630. The team and volunteers worked extremely hard to manage this transition and thanks to the continued support of main sponsor Williamsons Solicitors along with auctioneer Stephen Larard, community matched funding from Santander, and other sponsorship from Streets Chartered Accountants, Henderson's Insurance and Natwest Bank, the Society raised a tremendous £57,431. The guest speaker this year was Kyran Bracken.



During the year the Captain of Ganton Golf Club Mr Stephen Larard nominated the Society as his Charity of the Year raising £1,750. The UK Harbour Masters Association again continued their support for the charity at both the Spring and Autumn seminars in Edinburgh and London. The Society also benefitted from kind donations of Christmas presents and Easter Eggs from Viking FM, Wave 105FM, The Holiday Inn and Virgin Money, Hull.



INVESTMENTS

The Charity holds part of its cash resources in what the Trustees consider to be low risk liquid investments. All investments are managed by Smith & Williamson Investment Management LLP within a defined set of parameters based on attitude to risk. The results for the year ended 31st March 2019 show an increase of 5.74% (2018 1.7%). The main portfolio split at the year end position can be seen as:

	31.03.2019	Benchmark
UK equity	26.0%	37.5%
Overseas equity	34.9%	30.0%
Fixed interest	15.2%	17.5%
Alternative investment	16.7%	5.0%
UK property	3.2%	5.0%
Cash	3.9%	5.0%

Trustees allocated £260,000 into a legacy portfolio following the funds received during the year. Sailors' Children's Society total investment portfolio is valued at £2,256,227 at 31st March 2019.

RESERVES POLICY AND FINANCIAL COMMITMENT

The Society had free reserves, defined as unrestricted funds excluding designated funds and tangible fixed assets totalling £1,737,125 at 31st March 2019. Restricted funds at this date totalled £255,330 and are held in the main against the purchase of caravans, then released in line with the depreciation charge. Operating restricted funds from donations and 190 PC Appeal are used against grants cost for the families in specific geographical areas and for home computers. Designated funds were identified by Trustees for defined initiatives following the receipt of legacy funds. It is the Society's policy to retain sufficient funds to continue the moral commitment the Society has made both to the families it currently assists on the Support Scheme and seafaring families in distress in the future. This requires sufficient reserves to be retained, in the form of investments, to produce a guaranteed income stream for the Society, which together with our ongoing fundraising ensures the payments under the Support Scheme can be paid for the next financial year. The Trustees confirm that the Society's current funds can meet the obligations of the Support Scheme for the following 12 months. For this reason they continue to adopt the going concern basis in preparing the financial statements.

CONSTITUTION

Sailors' Children's Society is governed by an Articles and Memorandum of Association.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are appointed for a period of 3 years based on the skillset required by the Charity. Trustees can be re-appointed for further terms by agreement at the Annual General Meeting.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Most Trustees are familiar with the practical work of the Charity through being involved with workshops, meetings and staff recruitment & selection activities. Trustees are also kept up to date with activities through regular updates at each Board Meeting and presentation of documents such as an annual Business Plan. New Trustees receive an induction covering their obligations as a member of the Board, the main documents which set out the operational framework of the Charity including the Memorandum and Articles of Association, funding structure of the Charity and future plans and objectives.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

At present Sailors' Children's Society has 11 Trustees who are jointly responsible for the strategic direction of policy of the Charity. Trustees have equal voting rights, however in the situation of an equal split; the Chairman has an additional vote. On the Board, 4 Trustees are recognised as having designated responsibility Fundraising, Finance, Welfare and Safeguarding respectively; this is in addition to a sub committees covering Finance & Investments.

The Charity has a flat structure with a Chief Executive Officer as the senior management role. The Chief Officer has delegated responsibility for running the organisation and ensuring that the Charity delivers the services specified and that key performance indicators are met.

RELATED PARTY RELATIONSHIPS

The Charity owns 100% of the issued ordinary share capital of Newland Facilities Management Limited, company number 4675544. The subsidiary continues to be dormant.

PAY POLICY FOR SENIOR STAFF

Pay for senior staff is determined by the Trustees. Senior staff are subject to an annual pay review.

RISK REVIEW

The Trustees have conducted a review of the major risks to which the charity has been exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects to ensure consistent quality of delivery for all operational aspects of the charity.

The Trustees (who are also directors of Sailors' Children's Society for the purposes of the Companies Act) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, 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 these financial statements, the Trustees are required to:

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- That the Trustees have taken all steps that they ought to have taken to make themselves aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 24th May 2019

C.C.W. Towne

Captain C C W Towne

Chairman of Trustees

Sailors' Children's Society

(a company limited by guarantee)

Independent Auditors Report to the members of Sailors' Children's Society

OPINION

We have audited the financial statements of Sailors' Children's Society (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company's affairs as at 31 March 2019 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.

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 United Kingdom, including the Financial Reporting Council'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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 Trustees' report for which the financial statements are prepared is consistent with the financial statements.

the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; or

we have not received all the information and explanations we require for our audit; or

the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

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

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Anderson FCA (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants and Statutory Auditor

Tower House

Lucy Tower Street

Lincoln

LN1 1XW

Date: 31st May 2019

Sailors' Children's Society

Statement of Financial Activities year ended 31st March 2019

(incorporating Income and Expenditure account)

	Note	Un-restricted Funds £	Restricted Funds £	Designated Funds £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and legacies	3	563,911	458,590		1,022,501	521,286
Charitable activities	4	104,724			104,724	57,039
Investments	5	58,500			58,500	78,000
Total		727,136	458,590		1,185,726	656,325
Expenditure on:	6					
Raising funds						
Fundraising and other costs		115,846			115,846	87,037
Investment management costs		17,898			17,898	14,345
Charitable activities						
Direct costs		135,988	397,624		533,612	513,599
Support costs		11,513			11,513	13,704
Governance costs						
Direct costs		5,100			5,100	3,309
Support costs		9,868			9,868	11,746
Total resources expended		296,212	397,624		693,836	643,740
Operating income/(expenditure)		430,923	60,966		491,889	12,585
Transfer to designated funds		(510,000)		510,000	-	-
Gain/(loss) revaluation of investment		41,125			41,125	(34,953)
Net income/(expenditure)		(37,952)	60,966	510,000	533,014	(22,368)
Other recognised gains/losses						
Gain on disposal of fixed assets		1,221			1,221	
Net movement in funds		(36,731)	60,966	510,000	534,235	(22,368)
Reconciliation of funds						
Funds balances b/f at 1st April 2018		2,004,701	194,364		2,199,065	2,221,433
Fund balances c/f at 31st March 2019		1,967,970	255,330	510,000	2,733,300	2,199,065

Registered Charity: 224505

	Note	Un-restricted Funds £	Restricted Funds £ (note D1)	Total 2018 £	Total 2017 £
Income and endowments from:					
Donations and legacies	3	190,228	331,058	521,286	533,957
Charitable activities	4	57,039		57,039	39,126
Investments	5	78,000		78,000	78,000
Total		325,267	331,058	656,325	651,083
Expenditure on:					
Raising funds					
Fundraising and other costs	6	87,037		87,037	81,177
Investment management costs		14,345		14,345	13,826
Charitable activities					
Direct costs		141,953	371,646	513,599	522,696
Support costs		13,704		13,704	12,311
Governance costs					
Direct costs		3,309		3,309	4,200
Support costs		11,746		11,746	10,552
Total resources expended		272,094	371,646	643,740	644,762
Operating income/(expenditure)		53,173	(40,588)	12,585	6,321
Gain/(loss) revaluation of investment		(34,953)		(34,953)	163,193
Net income/(expenditure)		18,220	(40,588)	(22,368)	169,514
Other recognised gains/losses					
Gain on disposal of fixed assets					
Net movement in funds		18,220	(40,588)	(22,368)	169,514
Reconciliation of funds					
Funds balances b/f at 1st April 2016		1,986,481	234,952	2,221,433	2,051,920
Fund balances c/f at 31st March 2017		2,004,701	194,364	2,199,065	2,221,434

		2019		2018	
	Note	£	£	£	£
Fixed assets					
Tangible assets	12		230,845		204,824
Investments	13		2,256,227		1,969,100
			2,487,072		2,173,924
Current assets					
Debtors	14	56,008		57,162	
Cash at bank and in hand		211,709		33	
		267,717		57,195	
Creditors: amounts falling due within one year					
Creditors	15	21,490		32,055	
Net current assets/(liabilities)			246,227		25,140
Net assets			2,733,300		2,199,064
Funds of the charity					
Restricted funds	19		255,330		194,364
Unrestricted funds	20		1,967,970		2,004,700
Designated funds			510,000		0
			2,733,300		2,199,064

C. C. W. Towne

Captain C C W Towne —Chairman



Mr M Beckett—Trustee

Approved by the Board on 24th May 2019

The annexed notes form part of the financial statements

Registered Charity: 224505

A Company limited by guarantee registered no. 159673

	2019 £	2018 £	Note
Cash flows from operating activities:	503,030	75,514	Table A
Cashflows from investing activities:			
Dividends from investments	58,500	78,000	
Proceeds from the sale of property, plant & equipment	0	0	
Payments to acquire investments	(260,000)	0	
Purchase of property, plant and equipment	(76,395)	(22,550)	
Net cash provided by/(used in) investing activities	(277,895)	55,451	
Change in cash and cash equivalents in the reporting period	225,135	130,965	
Cash and cash equivalents at the start of the reporting period	(13,426)	(144,391)	Table B
Cash and cash equivalents at the end of the reporting period	211,709	(13,426)	

Table A: Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	534,235	(22,368)
Adjustments for:		
Depreciation charges	51,593	41,208
Profit on sale of fixed assets	(1,221)	0
(Gains)/losses on investments	(27,127)	49,298
Dividends, interest and rents from investments	(58,500)	(78,000)
(Increase)/decrease in debtors	1,154	88,596
Increase/(decrease) in creditors	2,896	(3,219)
Net cash provided by/(used in) operating activities	503,030	75,513

Table B: Analysis of cash and cash equivalents

	2019	2018
Cash in hand	211,709	33
Overdraft facility repayable on demand	0	(13,459)
Total cash and cash equivalents	211,709	(13,426)

1). Accounting Policies

a). General information and basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b). Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

c) Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Cash donations and gifts are included in full in the financial statements as they are received. Significant non-cash donations are included in the financial statements at the Trustee's estimate of their market value when received. No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed. Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

d). Expenditure

This is accounted for on an accruals basis but when expenditure is incurred relating to more than one cost category, the expenditure is apportioned over all relevant headings. The basis of apportionment used reflects the time and resources expended under specific headings.

i). Relief to seafarers families

Relief to seafarers' families includes the total cost of financial support given to families on the support scheme register, clothing and special grants, the costs of nine static caravans, financial support to families to use the caravans as a holiday base and support costs for all the aforementioned facilities.

li). Administration

Administration includes the cost of essential central administration principally concerning the overall management of the Society's affairs, salary administration, insurance, money managements and office equipment depreciation.

e). Depreciation

Depreciation is calculated on the straight line basis to write down the cost of all fixed assets (see note 12) over their expected useful lives at 20%.

f). Operating leases

Rentals payable under operating leases are charged to the statement of financial activities over the period of the lease on a straight line basis.

g). Grants and specific donations

Grants in respect of capital expenditure are credited to the statement of financial activities upon receipt. If the grant is unrestricted a designated fund representing the assets written down value is created. This fund is then reduced over the useful economic life of the asset in line with its depreciation. Grants of a revenue nature which are made to give immediate financial support or to reimburse costs previously incurred are credited to the statement of financial activities in the period in which they become receivable. Grants of a revenue nature which are made to finance general activities over a specific period or to compensate for a loss of current or future income are credited to the statement of financial activities when receivable.

h). Investment

The investment funds are included in the balance sheet at their mid-market value at the year end. The variances between market value and the original cost or annual revaluation of the investment funds are shown as unrealised investment gains or losses in other charitable funds. The differences between the original cost or annual valuation and the proceeds of investments disposed of are shown as a gain/(loss) in the statement of financial activities. The income generated by the investment funds is paid to the Society at an agreed annual percentage of the total funds. This is shown in the statement of financial activities as received. Excess income is re-invested within the fund and is transferred through the statement of financial activities to other charitable funds. Where there is insufficient income earned, a transfer of funds is made out of investments to cover the deficit.

i). Fixed assets

Expenditure of a capital nature is capitalised on all items and not in accordance to expended amount.

j). Pension costs

Contributions to provide pensions and related benefits are charged to the income and expenditure accounts as incurred.

k). Going concern

After making reasonable enquiries, the directors have a reasonable expectation that the charitable company has adequate resources to continue in operations existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

l). Preparation of group financial statements

The charity/charitable company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the charity/charitable company and its subsidiary undertaking comprise a small group.

m). Recognition basis or creditors

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

o).

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2). Taxation

Sailors' Children's Society is a UK registered charity, number 224505. All the Society's income is applied to its charitable objects and the Society is, therefore, exempt under current legislation from most forms of taxation. Value Added Tax is not recoverable by the Society and is therefore charged to the statement of financial activities or balance sheet as incurred.

3). Donations and legacies

Donations and gifts:

	Un-restricted £	Restricted £	2019 £	2018 £
Seafarers UK	-	75,000	75,000	50,000
Trinity House	-	83,200	83,200	113,043
Royal Navy Royal Marines Charity	-	135,000	135,000	120,000
Greenwich Hospital	-	20,000	20,000	24,000
Merchant Navy Welfare Board	-	25,000	25,000	-
HM Treasury LIBOR Fund	-	50,000	50,000	-
200 Business Club	-	23,000	23,000	-
Covenants, donations and trusts	17,803	47,390	65,193	126,011
Legacies	546,108	-	546,108	88,233
Total	563,911	458,590	1,022,501	521,286
2018	190,229	331,058		

4). Charitable activities

Fundraising:

	Un-restricted £	Restricted £	2019 £	2018 £
Special events	98,138	-	98,138	58,208
Continuous activities	6,587	-	6,587	(1,170)
Total	104,724	-	104,724	57,039
2018	57,039	-		

5). Investments

	Un-restricted £	Restricted £	2019 £	2018 £
Absolute return income	58,500	-	58,500	78,000
Total	58,500	-	58,500	78,000
2018	78,000	-		

6). Total resources expended	Basis of allocation	Fundraising	Relief to Seafarers' Families	Governance	2019 £	2018 £
Costs directly allocated to activities						
Grant relief						
Monthly grants to families	Direct		220,562		220,562	233,988
Clothing grants	Direct		50,555		50,555	50,220
Christmas grants	Direct		3,390		3,390	3,780
Special grants	Direct		8,840		8,840	10,003
Home computers	Direct		6,822		6,822	9,351
Family holiday scheme						
Holiday grants	Direct		9,805		9,805	12,890
Caravan running costs	Direct		109,695		109,695	95,926
Salaries and redundancy	Direct	65,799	101,806		167,605	142,392
Administration and event costs	Direct	38,534	22,138	5,100	65,772	31,692
Sub total		104,333	533,612	5,100	643,045	590,242
Support costs allocated to activities						
Basis of allocation		35%	35%	30%		
General office and finance	Staff time	11,513	11,513	9,868	32,893	39,154
Total		11,513	11,513	9,868	32,893	39,154
Investment management fees					17,898	14,345
					693,836	643,740

7). Staff costs

The average number of persons employed by the Charity during the period was as follows:

	2019 Number	2018 Number
Fundraising	1.5	1.5
Relief for seafarers' families	3.2	3.2
Administration	0.3	0.3
Total	5.0	5.0
Actual average monthly number of staff	6.0	6.0

The aggregate payroll costs in respect of these employees were as follows:

	2019	2018
	£	£
Wages and salaries	167,364	147,934
Social security	11,506	9,981
Pension costs	8,750	7,486
Total	187,620	165,401

The number of employees paid over £60,000 during the year (salary plus taxable benefits excluding the employer pensions contributions and redundancy payments) was:

	2019	2018
Band £60,000 - £70,000	1	1

The aggregate for key management personnel salary and pension and employer NIC contributions was £75,186 (2018 £75,051).

The charity runs a defined contribution pension scheme for the benefit of its employees. Total pension costs for the year were £ 8,750 (2018: £7,486). Total contributions due to the scheme as at 31 March 2019 were £nil (2018: £1,270).

8). Trustees' remuneration

The Trustees were not entitled to and did not receive any remuneration from the charity during the year, £606 (2018: £462) was paid to a Trustee based in Portsmouth for travel expenses to meetings. Donations from Trustees during the year total £199 (2018: £120).

9). Operating lease rentals

	2019	2018
	£	£
Plant and equipment	5,817	5,767

10). Net incoming resources for the year

This is stated after charging:

	2019	2018
	£	£
Auditors' remuneration:		
Audit	3,500	3,500
Advice	1,600	-
Depreciation	51,594	41,208

11). Interest payable and similar charges

	2019	2018
	£	£
Bank overdraft	-	781

12). Tangible assets

	Caravans	Fixtures & Fittings	Total
	£	£	£
Cost (valuation)			
At 1st April 2018	363,860	24,470	388,330
Additions	110,179	395	110,574
Disposals	(142,099)	(2,495)	(144,594)
At 31st March 2019	331,940	22,370	354,310
Depreciation			
At 1st April 2018	167,112	16,394	183,506
Provided during the year	47,194	4,399	51,593
Disposals	(109,140)	(2,495)	(111,635)
At 31st March 2019	105,166	18,298	123,464
Net book value			
At 31st March 2018	196,748	8,076	204,824
At 31st March 2019	226,774	4,072	230,846

The net book value at 31st March 2019 represents fixed assets used for:

Direct charitable services

Family holiday scheme

Other purposes

Administration

226,774	
	4,072

The Society owns the freehold of St Nicholas Primary School and Stratten Hall, currently under a 99 year peppercorn rent lease to Hull City Council signed 10th October 2006. No balance is recognised in these accounts due to the length of the lease remaining.

13). Investments

	2019
	£
Market value at 1st April 2018	1,969,100
Additions	260,000
Disposals	-
Increase/(decrease) in value for the year	27,127
Market value at 31st March 2019	2,256,227

All the investments are listed investments and can be split as follows:

	2019
	£
UK fixed interest	393,130
Overseas index linked	66,053
Alternative investments	375,838
UK equities	519,251
Other equities	789,611
Cash	112,344
Total	2,256,227

14). Debtors

	2019	2018
	£	£
Other debtors	4,577	5,214
Prepayments and accrued income	51,431	51,949
Legacies	-	-
Total debtors	56,008	57,162

15). Creditors

	2019	2018
	£	£
Bank overdraft	-	13,459
Trade creditors	8,227	5,234
Accruals and deferred income	8,484	8,399
Tax and social security	4,779	3,688
Other creditors	-	1,275
Total creditors	21,490	32,055

The bank overdraft is repayable on demand.

16). Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than 1 year	5,817	5,767
Later than 1 year and not later than 5 years	11,938	14,416

17). Charitable commitments

	2019	2018
	£	£
Grants to families	290,169	307,342
Family holiday scheme	119,500	108,816

18). Capital commitments

	2019	2018
	£	£
Contracted for but not provided in these accounts		
Outright purchases	-	-
Finance leases	-	-
Total	-	-

19). Restricted Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held to be applied for specific purposes:

	Balance at 31st March 2018	Incoming resources	Resources expended	Balance at 31st March 2019
	£	£	£	£
Seafarers UK	-	75,000	(75,000)	-
Trinity House London	-	83,200	(83,200)	-
Royal Navy Royal Marines Charity	-	135,000	(135,000)	-
Greenwich Hospital	12,000	20,000	(32,000)	-
Donations	1,500	17,390	(18,890)	-
190 PC Appeal	3,747	30,000	(6,340)	27,407
Caravan Appeal & 200 Business Club	177,117	98,000	(47,194)	227,923
Total	194,364	458,590	(397,624)	255,330

	Balance at 31st March 2017	Incoming resources	Resources expended	Balance at 31st March 2018
	£	£	£	£
Seafarers UK	-	50,000	(50,000)	-
Trinity House London	-	113,043	(113,043)	-
Royal Navy Royal Marines Charity	-	120,000	(120,000)	-
Greenwich Hospital	12,000	24,000	(24,000)	12,000
Donations	4,500	14,015	(17,015)	1,500
190 PC Appeal	4,037	10,000	(10,290)	3,747
Caravan Appeal	214,415	-	(37,298)	177,117
Total	234,952	331,058	(371,646)	194,364

Restricted funds are held in the main against the purchase of caravans and released in line with depreciation charge. Operating restricted funds from donations and 190 PC Appeal are used against grants costs for the families in specific geographical areas and for home computers. The 200 Business Club was launched in November 2017 and aims to raise funds to replace part of the existing fleet of caravans when the Society celebrates its 200th anniversary in 2021.

20). Unrestricted Funds

	Balance at 31st March 2018	Income £	Expenditure £	Transfer £	Balance at 31st March 2019
Accumulated fund: general	2,004,701	769,482	(296,213)	(510,000)	1,967,970
: designated				510,000	510,000
Total	2,004,701	769,482	(296,213)	-	2,477,970

	Balance at 31st March 2017	Income £	Expenditure £	Transfer £	Balance at 31st March 2018
Accumulated fund	1,986,481	325,267	(307,047)	-	2,004,701
Total	1,986,481	325,267	(307,047)	-	2,004,701

The Trustees have designated £510,000 of funds to provide for additional support to families during the school holidays and for students living away from home along with replacement computers systems and equipment at the Society . There is a further element to provide for the shortfall in funding for replacement respite caravans.

	Unrestricted funds £	Restricted funds £	Designated funds £	Total Funds £
Funds balances at 31st March 2019 are represented by:				
Tangible fixed assets	25,923	204,923		230,846
Investments	1,996,227		260,000	2,256,227
Current assets	56,008	50,407	161,302	267,717
Creditors due within one year	(110,188)		88,698	(21,490)
Total	1,967,970	255,330	510,000	2,733,300

	Unrestricted funds £	Restricted funds £	Total Funds £
Funds balances at 31st March 2018 are represented by:			
Tangible fixed assets	27,707	177,117	204,824
Investments	1,969,100		1,969,100
Current assets	39,948	17,247	57,195
Creditors due within one year	(32,055)		(32,055)
Total	2,004,700	194,364	2,199,064

21). Called up share capital

There is no called up share capital as the Company is limited by Guarantee. In the event of the Company being wound up each Director has undertaken to contribute to the assets of the Society such amount as may be required to discharge its debts, the amount not to exceed £1 per Director.

22). Related party transactions

There are no related party transactions during the period (2018—£nil).

THANK YOU

The Trustees of Sailors' Children's Society would like to thank all those people and organisations who helped s during the last year. Although there are too many to mention, we would particularly like to thank:

Maritime Funding Organisations: Greenwich Hospital, Merchant Navy Welfare Board, RNRMC, Seafarers UK and Trinity House London.

Volunteers: Caseworkers from the Fishermen's Mission, Royal British legion and SSAFA who visit families on our behalf. Also the team of volunteers who help at our annual fundraising events.

Corporate Sponsors and Community Matched Funding: Williamsons Solicitors, Streets Accountants, Natwest Bank, Barclays, Santander, Henderson Insurance, IT@Spectrum.

Regional Trusts and individual supporters throughout the United Kingdom and finally to those people who have kindly remembered Sailors' Children's Society in leaving a legacy.



To our dear friend, team member and supporter of over 40 years Val Eland who sadly passed away this year.



IT@SPECTRUM

Registered Charity: 224505

A Company limited by guarantee
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