



ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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Patron (1951-2022)

Her Majesty Queen Elizabeth II

Thank you Ma'am. Your contribution and support will forever be remembered

President

HRH The Duke of Edinburgh KG GCVO

Vice Presidents

The Chaplain of the Fleet

Admiral of the Fleet Sir Benjamin Bathurst GCB DI

Admiral Sir Jock Slater GCB LVO DL

Sir John Ritblat FRICS

F. M. Everard CBE

Captain D. C. Glass OBE MNM

Rt Rev & Rt Hon Dame Sarah Mullally DBE

The Rt. Hon. The Lord Mayor of the City of London

The Rt. Worshipful The Lord Mayor of Westminster

Trustees

Mr Paul Butterworth AFNI (**Chair**)

Mr William Reid (**Deputy Chair**)

Mr Duncan Bain FCA (Chair of the Finance and Audit Committee)

Surgeon Commodore Peter Buxton OBE (Retired 14 June 2022)

Mr Mark Carden (Retired 14 June 2022)

Mr Mark Dickinson (Retired 14 June 2022)

Mr Peter French

Mr Robert Greenwood MNM (Chair of the Impact Committee)

Mr Gerald Kidd

Mr William Lawes

Rear Admiral Iain Lower CB

Mr Jeremy Monroe (Chair of the Governance and Risk Committee)

Ms Natalie Shaw MBE FCIPD

Ms Nusrat Ghani MP (Resigned 22 September 2022)

Mrs Fleur Bassett (Surg Cdre Fleur Marshall KHP RN) (Appointed 14th June 2022)

Mr Martyn Gray (Appointed 14th June 2022)

Ms Deborah Cavaldoro (Appointed 14th June 2022)

Mr Nigel Blazeby (Appointed 14th June 2022)

Captain Lee Clarke (Appointed 14th June 2022)

Chief Executive

Mrs Deborah Layde – Appointed July 2022

Mrs Catherine Spencer OBE – Resigned July 2022

REFERENCE AND ADMINISTRATIVE DATA



Operational name

The charity, Seafarers UK (King George's Fund for Sailors), operates under the name The Seafarers' Charity.

Registered office and operational address

8, Hatherley Street, London, SW1P 2QT

Charity Number

226446

Auditors

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

Bankers

National Westminster Bank plc
280 Bishopsgate
London, EC2M 4RB

Investment Managers

Ruffer LLP
80 Victoria Street
London, SW1E 5JL

Veritas Investment Partners (UK) Limited
Riverside House
2a Southwark Bridge Road
London SE1 9HA

1. SUMMARY

The trustees present their report and the audited financial statements for the year ended 31 December 2022.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the charity's Royal Charter and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

2. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

We support those who work at sea and their families both in the UK and internationally. Our vision is a world where seafarers and their families are valued and are free of need and disadvantage. Our mission is to tackle the disadvantages of a seafaring life by leading collaboration, funding and advocacy that improves seafarers' lives. We seek to achieve this through working with and grant funding delivery partners and through directly commissioned advocacy and research.

Our current five year strategy focusses on five strategic outcomes that we aim to achieve for seafarers and their families. These are Enhanced Financial Resilience; Better Working Lives at Sea; Improved Health and Wellbeing; Safer Working Lives at Sea; and Social Justice.

The trustees have had regard to the Charity Commission's guidance on public benefit.

Trustees consider the Charity Commission guidance on public benefit when planning future activities, setting grant-making policies and in making grants. The positive impact expected from each grant is considered before a grant is awarded and monitored. This enables Trustees to be confident that the Charity achieved significant public benefit for several groups and individuals across the UK and the Commonwealth. A diverse range of public benefit is provided by the number of charities and organisations we support each year, as they work to prevent the relief of poverty, advancement of health, and help people in need by means of disadvantage. Further information on the impact we have made can be found in the section below on achievement and performance and in our separately published Impact report, which can be found at <https://www.theseafarerscharity.org/what-we-do/our-impact>

3. ACHIEVEMENTS AND PERFORMANCE

The past three years have seen crises such as COVID-19 and the war in Ukraine disrupt and impact the working lives of seafarers. Over these three years of crisis, The Seafarers' Charity has injected over £10m in funding to support those at sea, and also their families at home who are experiencing the cost of living crisis. The uncertainty of extended contracts, a lack of shore leave, the dangers of being on a vessel stranded in the Black Sea and Sea of Azov and redundancies in the sector mean that financial support for the welfare of seafarers has never been needed more.

In 2022 we were proud to award over £2.9m in grant funding to 61 different delivery partners working to support seafarers at sea and at home. This amount included £365,000 raised from the international shipping community and awarded via the Seafarers International Relief Fund (SIRF) which is managed by The Seafarers' Charity. It was agreed to change the remit of SIRF from providing pandemic support to seafarers in India and Philippines, to instead support seafarers and their families impacted by the war in Ukraine. For the most part support in Ukraine was delivered by the International Seafarers Welfare & Assistance Network and the Mortrans Welfare Fund, based in Ukraine, working together to award individual hardship grants for basic needs. Grant support for accommodation costs in both Poland and Aberdeen was also provided as necessary for those who needed to flee their war torn homes and for seafarers on shore leave in Aberdeen who did not want to risk returning to the Ukraine.

Our grant funding is focused on supporting the safety and welfare of seafarers through five strategic outcomes identified in our Thrive strategy. This is what our funding achieved in 2022:

Better working lives at sea

£787,027 was awarded in grants to 14 organisations to support seafarers to have better working lives at sea. This included funding welfare support at seafarer centres in Bristol, the Humber, Port Stanley in the Falklands Islands, and various African ports. A regular contribution is awarded towards the core costs of the large international maritime welfare charities such as the Mission to Seafarers, Stella Maris and the Sailors Society, whose welfare staff provide a friendly face and support for visiting seafarers at ports around the world. The Sailors Society also received funding for their Crisis Response Network. The Mission to Seafarers were awarded a grant for their advocacy work in the United Arab Emirates – a known hot spot for seafarer abandonment. The International Seafarers Welfare & Assistance Network were awarded grant support for Seafarer Help – a 24/7 confidential multilingual helping providing information and advice on contractual, relationship and personal issues. The UK Fishing Fleet received funding to support their participation in fisheries management via a grant for Fishing Into The Future. The Cornish Fish Producers Organisation also received a grant to deliver the Fathom Podcast which aims to delve deeper into issues affecting UK fishing.

Enhanced Financial Resilience

£750,833 was awarded in grants to 14 organisations to enhance the financial resilience of seafarers. This amount includes financial support for the Advice and Information Line which provides a Citizens Advice telephone service offering advice on welfare benefits, debt, housing and other issues to UK seafarers and their families.

If you are interested in further detail on our impact, you can find our Impact Report on our website (www.theseafarerscharity.org). Some highlights of our achievements in making a positive impact for seafarers and their families in our target areas during 2022 are noted below.

Enhanced financial resilience

Grants totalling £142,000 were awarded to enable a project to support 200 seafarers per year suffering financial hardship in Hull, Portsmouth and Southampton through the Nautilus Welfare Fund for a further 2 years. The project secured £442k in benefits and grants for seafarers in hardship in 2021.

We also provided financial support to initiatives to ease the impact on children of seafarers of living in poverty, to provide bespoke financial training courses for seafarers, to provide vital emergency support to Filipino seafarers and their families devastated by Typhoon Rai and to provide emergency support to a family of a serving member of the Royal Navy on the arrival of triplets with significant health support needs.

Better working lives at sea

£120,000 of grant funding enabled a partner organisation to provide a free digital service to support families across the world affected by traumatic events like piracy, abandonment and natural disasters. This reduced the long term damage that traumatic events can have on seafarers' and their families' mental health.

We also provided support to enable the continuation of a podcast providing access to enable cross industry discussion of topics vital to fishers, the set up of a representative body and legal advice for small scale inshore fishers, and to fund three chaplains providing suicide prevention support and counselling to distressed seafarers suffering from isolation.

Safer working lives at sea

A grant of £150,000 was made to allow a partner organisation to fund a project enabling fishers to access financial support for enhancing the safety culture on vessels and keeping seafarers safe at sea.

We also completed a pilot project for our Fishing First safety audit initiative that aims to improve safety and welfare standards in fishing around the UK coastline and provided funding for the complementary Confidential Human Factors Incident Reporting Programme ("CHIRP") to reduce risk in the merchant and fishing fleets.

Improved Health and wellbeing

An £80,000 grant funded two welfare roles to support the wellbeing of students training to become seafarers on professional yachts. We also provided a grant to fund the development of an App providing confidential help to seafarers facing an emotional crisis.

Increased social justice

We are proud that our staff led initiatives on equality, diversity and inclusion ("EDI") have been shared with a number of our partner organisations, helping to embed a better understanding of EDI in the design and provision of services by partner organisations.

We have provided grants to help respond to human rights abuses in the Middle East region, to support the health and wellbeing of LGBT+ Armed Forces members affected by the ban on LGBT+ personnel serving in the Armed forces prior to 2000 and to fund development of a number of resources to help migrant workers better understand their labour rights within UK waters.

4. FUNDRAISING ACTIVITIES AND PRACTICES

The Seafarers' Charity is committed to fundraising in a legal, honest, respectful and transparent way. We aspire to do what is right for our supporters and remain fully committed to the principles laid out in our 'Supporter Promise' (available on request).

The Seafarers' Charity carries out its core fundraising activities through a dedicated team working remotely and at its London office as well as through a small number of regional volunteers who engage in small-scale fundraising activities across the UK.

The Charity's Development Team generates income through a mix of grants received from charitable trusts and foundations, corporate donations, partnerships and sponsorship, individual donations and legacies, as well as fundraising and challenge events.

During 2022 our fundraising performance was mixed although overall our fundraising was only slightly below our target for the year. We were successful in raising over £300,000 in an emergency appeal for Ukrainian seafarers which was used to provide much needed relief to seafarers impacted by the war. We have also been successful in raising additional grant funding to support our Fishing First Safety Management initiatives. However like many charities in the sector our fundraising was impacted adversely as donors and potential donors had to reduce giving due to the cost of living crisis in the UK.

The Trustees conducted a review of our fundraising strategy during 2022 in the light of our experience over the last couple of years, which were impacted by the Covid 19 pandemic. The Trustees have agreed a revised fundraising strategy commencing in 2023 which will increase our focus on fundraising in areas of known strength such as legacy donors, our family of personal donors and our valued Trust and foundations donors. At the same time, the charity will focus on untapped areas of niche strength which we believe offer opportunities for increasing our income. This will include leveraging our research and advocacy work by seeking to persuade corporations and agencies to back projects of significant impact in areas of specific need. We are already encouraged by evidence of some initial success in this area.

Fundraising standards

As part of our commitment to ensuring the highest standards in fundraising, The Seafarers' Charity is registered with the Fundraising Regulator, and adheres to the standards of the Fundraising Codes of Practice.

We are keen to hear from our supporters if they believe there is something we did not get right, so we can learn where we can improve. During the year, we received no formal complaints about our fundraising activities. We will continue to monitor our practices and processes to ensure we uphold the highest of standards.

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

General Data Protection legislation (GDPR)

We have embedded an excellent culture of awareness and good practice across the organisation to ensure the data we hold is GDPR compliant. We are always looking to maintain these high standards, and continually strive to make improvements where we can identify opportunities. We take privacy seriously so that our supporters can trust us with their data.

We only contact supporters who have given unambiguous and explicit permission for us to contact them using their specified method, for marketing activity, including fundraising support. All our communications to supporters include information on how to opt-out of any future communications and are checked for compliance before they go to print.

The Charity's policies relating to the GDPR are reflected in the Data Protection Notice that is included in all direct communications with supporters, as well as the Privacy Policy which is displayed on our website. We are signed up to the Fundraising Preference Service and maintain our own suppression list. We ensure that all personal information that we need in running the Charity is properly protected, correctly used and safely stored. All employees are mandated to regularly complete training on the GDPR.

Supporter data and working with third-party fundraisers

We never pass on any personal data to third party organisations for their own purposes. We do, however, ask third-party organisations to help process our data and work closely with several external organisations who have specific fundraising expertise and that take privacy and data protection as seriously as we do. This is supported by written agreements with all our third-party partner organisations who support the Charity's fundraising activities. All such agreements are subject to legal contract, including how data is collected, stored, processed and shared.

Volunteers

Our regional volunteers have engaged in small select fundraising activities during 2022.

Protecting vulnerable people

Understanding and protecting people in vulnerable circumstances is of paramount importance to us: we recognise that we may come into contact with people who are in a potentially vulnerable situation, or who may lack the capacity to make an informed decision about their giving. We follow guidelines regarding people in potentially vulnerable situations, and how to manage any interactions we may have with them. Our policy is informed by the Institute of Fundraising's 'Treating Donors Fairly Guidance'.

5. FINANCIAL REVIEW

The overall financial position of the charity has deteriorated during the year due to the dramatic underperformance of the investment portfolios against their inflation +3.5% target. With inflation running at 10.8% during 2022, our target annual portfolio returns were a hefty 14.3%. The combined portfolios generated an actual return of -6% giving an underperformance of over 20% vs the inflation linked target following a period of excess returns in previous years. This was equivalent of a c£7m

deficit in the investment result versus our sustainable annual target. Unrestricted reserves are now at 90% of target following this investment loss, which is at the low end of our target range of 90%-110% of target. Trustees will continue to monitor this closely during 2023 and in accordance with our financial strategy will make a reduction in our long term sustainable rate of return assumptions if necessary. Should this be necessary then it would likely reduce the level of the charity's own funds that would be available for impact spending in future years.

Other than our investment losses, our overall income of £2.3m was broadly in line with targets during the year. Fundraising was mixed with £0.3m of emergency funds raised for seafarers adversely affected by the war in Ukraine and £0.2m raised to support our Fishing First Safety Management initiative offset by a decline in underlying non legacy giving. Our principal sources of income continue to be fundraising (see section 4 for further details) and the returns from our reserves (see section on reserves policy for further details).

Our direct charitable expenditure of £3.4m, which the Trustees regard as a key indicator of our financial success as a charity, was £0.6m above target. This reflected the application of funds raised for Ukraine Seafarers (£0.3m) and a further £0.2m released from endowment funds. The latter followed the application of our unrestricted reserves run-off approach to endowment funds enabled by a move during 2022 to adopt the total return approach to managing six of the endowment funds. Charitable spend in 2022 was £0.4m lower than in 2021, reflecting the reduced level of emergency funding raised in 2022 (for Ukrainian seafarers) compared with 2021 (for seafarers suffering hardship due to the Covid 19 pandemic and Typhoon Rai).

Expenditure on support and governance of £0.7m was in line with target and £29,000 lower than in 2021 despite inflation running at 10.8% over 2022. This reflected our ongoing drive to reduce spend in these areas so as to maximise the financial resources we can apply directly to our charitable activities.

Overall, the Trustees were pleased that the financial strategy adopted in 2021, with its focus on sustainable long term investment returns rather than short term market fluctuations, has given confidence to sustain our level of impact spend through 2022 and into 2023 despite these shorter term investment market falls.

Investment Policy

The investments are maintained for the Charity's current and future needs. The investment policy balances the need for capital protection with the desire to secure investment returns. The Investment Managers are set targets to utilise their professional expertise. The Finance and Audit Committee take an overview of the total impact and individual portfolio performances. Investment managers report and discuss actual performances at each Finance and Audit Committee; this is conveyed to each General Council. The investment managers are allowed to use certain derivatives for protection purposes, after prior approval from the Finance and Audit Committee. The Seafarers' Charity promotes the health of seafarers and does not invest in any

company which derives 10% or more of their income from tobacco products. The Seafarers' Charity also ensures that our asset managers apply effective social, environmental and ethical policies that support our charitable objectives and values.

Reserves Policy

The Seafarers' Charity is fortunate to have built a healthy level of reserves over the last 50 years which has enabled us to make a consistent and growing impact on seafarer welfare through our maritime charity partners both in the UK and abroad. We aim to use our financial resources to meet entrenched need for seafarers past and present but also advocate for change where it is needed and to address new demand as and where it arises. Thanks to our expert assessment and monitoring, we can respond quickly to emerging need wherever it arises. Our financial stability is a key factor in underpinning that ability.

The needs of people who work in the maritime industry have been increasing in recent years and we believe they will continue to do so in the decades to come. This will be driven by known factors such as the growing global maritime trade and the continued cost of living pressures combined with greater uncertainties arising from more unpredictable major international factors (natural events such as tsunamis and extreme weather as well as wars, piracy and civil unrest) and moves to increased automation in the maritime industry.

As a result, the Trustees of The Seafarers' Charity have adopted an approach to use reserves both to underpin that growing need and to ensure that we remain a key supporter of seafarers for the longer term.

To that end, the Trustees have decided;

1. To reduce our reserves by 50% in real terms from 2015 to 2035, allowing us to boost our impact funding by c.£1.3m per year including across endowment funds. The £12.5m of reserves earmarked for this are contained in the designated reserve called the Seafarers Impact Boosting Fund.
2. To ensure our ability to meet the longer term needs of seafarers and their families, to set aside a designated reserve to;
 - Maintain a meaningful level of grant giving beyond 2035
 - To retain up to 5 years' worth of grant giving in the event the charity were to cease to function, thus ensuring other maritime charities reliant on our support are not immediately subject to financial stress and have some assurance of funding during the aftermath.
 - To support the reduced running down costs of the charity for 5 years in the event it were to cease trading or require a major restructuring.

The £17.2m of reserves earmarked for these are contained in the designated reserve called the Future Seafarers' Fund.

Following recent declines in investment values, the value of the Future Seafarers' Fund was below its target value at the end of 2022. Consequently, there are no funds allocated to the General Reserve at present. Any contingency funds needed to manage immediate risks that materialise will be drawn

from the Future Seafarers Fund on a temporary basis allowing time for this fund to be replenished prior to 2035.

Approach to managing endowment funds

The Trustees adopted the total return approach to managing six of our endowment funds during 2022. The flexibility permitted by this approach has allowed the Trustees to adopt the same run-off policy to these endowment funds as has been applied to our unrestricted funds (reducing the real value of the funds by 50% over the period from 2015-2035). A prior year adjustment was made to re-state the 2021 split between endowment funds and restricted funds to reflect this approach.

Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Seaservers Limited, a company registered in England (company number 00890342). Seaservers Limited had a cumulative operating deficit of £27,000 at the end of its last financial year on 31st March 2022 following a material reduction in income from its principal source of funding. The Trustees have made a provision to reduce the carrying value of the intercompany loan the charity made to Seaservers Limited when it was set up. The principal activity of Seaservers Limited aligns with the objectives of the charity and the principal activity has been undertaken directly by the charity during 2022. The Directors of Seaservers Limited will make a decision on the future of the company during 2023 in conjunction with the Charity.

6. PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees assess and understand the risks facing the Charity. The General Council has delegated the day-to-day responsibility for the management of the risks to the Chief Executive and the Leadership Team (LT). The LT is responsible for the identification and assessment of risk and developing mitigation strategies and controls. The risk register is regularly reviewed at the LT meetings and reported to the Governance and Risk sub-committee.

The Governance and Risk sub-committee is responsible for overseeing and scrutinising the risk management systems, ensuring processes for managing risks are fit for purpose and implemented appropriately by management. The sub-committee monitors key risks exposures and escalates to the General Council where necessary. The General Council additionally review the overall risk register.

The principal risks affecting the Charity are around fundraising and investment values. The risks around us achieving our fundraising targets have increased with the cost of living crisis. The LT and Trustees are in the process of updating our fundraising strategy to enable us to focus on proven areas of success as well as some exciting new initiatives we believe will support us making an increased impact for seafarers in the future. As noted in the financial review, 2022 was a bad year for investment returns but The Seafarers' Charity is in a good financial position that enables us to manage this risk through our financial strategy.

The risks arising from the COVID-19 pandemic continued to reduce during the year although the Trustees and LT continue to monitor the outbreaks and the impact of these.

7. PLANS FOR THE FUTURE

The Charity continues to implement its 5 year Thrive strategy introduced in 2021. This sets out how we will work with delivery partners, how we will fundraise and how we will collaborate with the maritime sector.

The Leadership Team and Trustees continue to evaluate the lessons learned from implementing this strategy over the last 2 years and will adapt future implementation plans to reflect these. In particular the Trustees have decided to re-focus our Fundraising team on activities that have been proven to be resilient over recent years, through both the Covid 19 pandemic and the current cost of living crisis. At the same time, our Impact focussed Thrive strategy has enabled us to identify and start to make progress in meeting need a number of areas where seafarer need is acute at the moment. This includes work around safety management for fishers and advocacy and action to support women seafarers. As well as focussing on areas of proven fundraising success, we are also excited to be launching initiatives to grow our fundraising to support such specific initiatives, thereby increasing the impact that we can make.

8. STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure

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

Aims and purposes

The Charity's aims or purposes ('objects') are:

- the relief of seafarers, their families, or dependants, who are in need, by providing support to organisations established within or (in exceptional circumstances) outside the Commonwealth.
- the education and training of people of any age to prepare for work or service at sea, by providing support to organisations established within or (in exceptional circumstances) outside the Commonwealth.
- the promotion of the efficiency and effectiveness of the maritime charitable sector within the Commonwealth.
- the promotion of safety at sea by providing support to organisations established within the Commonwealth.

The aims of the Charity set the framework for our grant-funding strategy and management.

Governance

Our Trustee Board, known as the General Council, has 15 Trustees and meet three times a year to set and oversee our strategy and objectives, make decisions on strategic direction, and monitor effectiveness. The General Council has delegated authority to Trustee sub-committees (Governance

and Risk, Finance and Audit, Development and Impact). Day-to-day operations and management are delegated to the Chief Executive and Leadership Team who provide regular reports to the sub-committees. Trustee sub-committees perform a vital role in handling the information produced by the Leadership Team to be able to review performance of the Charity and advise and guide on key areas of activity, and provide recommendations, if necessary, to the General Council. The Chair of each committee reports to the General Council and minutes of committee meetings are available to all Trustees. The Seafarers' Charity is committed to maintaining the highest standards of governance and looks to continually improve its practices based on best practice.

Appointment of Trustees

Appointment to the General Council is done via an open recruitment process and overseen by the Nominations Committee which sits as required to ensure the right mix of skills are maintained on the Council. Members of the General Council are approved and appointed at the Annual Meeting. Trustees were appointed for an initial term of up to five years. They may be reappointed for a further period of five years, after which the Trustee must step down. From 2022 Trustees are appointed for an initial term of up to three years and may be reappointed for two further terms of three years. The number of Trustees is subject to a maximum of 30 and must be greater than seven.

Trustee induction and training

Trustees are co-opted during the year by the General Council and, subject to approval of the membership of the Corporation they are formally elected at our Annual Meeting. All Trustees undergo a formal induction to the charity, the content of which is reviewed annually and includes a mixture of formal training and meetings with leadership team and staff.

Declaration of interests

At each General Council and sub-committee meeting, there is a standing agenda item for each Trustee to declare their interests. All Trustees complete a Register of Interests form annually. The Register of Interests is also completed by members of the Leadership Team.

Risk Management

The Trustees assess and understand the risks facing the Charity. The General Council has delegated the day-to-day responsibility for the management of the risks to the Chief Executive and the Leadership Team. The Leadership Team is responsible for the identification and assessment of risk and developing mitigation strategies and controls. The risk register is regularly reviewed at the Leadership Team meetings and reported to the Governance and Risk sub-committee. The Governance and Risk sub-committee is responsible for overseeing and scrutinising the risk management systems, ensuring processes for managing risks are fit for purpose and implemented appropriately by management. The sub-committee monitors key risks exposures and escalates to the General Council where necessary.

The General Council additionally review the overall risk register.

The risk management framework is designed to support informed decision-making regarding risks which may affect the achievement of the Charity's objectives. It is also designed to manage and minimise the likelihood of risks occurring rather than to eliminate the risks.

Remuneration policy

Our pay and benefits help us to attract and retain the best people and keep colleagues engaged throughout their employment. Each role is benchmarked using external consultants 'Croner Rewards' who maintain an extensive pay database against which to evaluate our roles, ensuring we pay a competitive salary compared to similar organisations.

We are an accredited Living Wage employer, so we can ensure everyone who works for us can earn enough to live on. We aim to extend this to our supply chain when reviewing contracts. The General Council reviews and approves annual pay increases in line with inflation and affordability for all colleagues. The General Council approved a pay rise of 8% for staff from 1 January 2023. No Trustees are remunerated by the Charity. Travel and incidental expenses can be claimed. Remuneration of key management personnel is reviewed annually in the same way as colleagues and benchmarked against other salaries in the sector.

9. 2022 CORPORATE AND INSTITUTIONAL SUPPORTERS

Corporate Supporters

Abbey Support
Ardmore Shipping
Australian Mariners Welfare Society
Buxted Construction Ltd
Bureau International Containers
Denholm Group
Hafnia Pools
Halcyon Recruitment
Harland & Wolff
IMCA
Maersk
North P&I
Ocean Yield Malta
Pacific Basin Shipping (HK) Ltd
The Pasha Group
Thomas Miller Ltd
TMI Marine (UK) Ltd
Total Marine Solutions
WISTA UK

9. 2022 CORPORATE AND INSTITUTIONAL SUPPORTERS (continued)

Trusts and Foundations

Ann Jane Green Trust
Blair Foundation
Castanea Trust
Dudley and Geoffrey Cox Charitable Trust
Gerrard and Audrey Couch Charitable Trust
Joseph Strong Frazer Trust
Martin Charitable Trust
Mary Andrew Charitable Trust
Nautilus International
Sir Jeremiah Colman Gift Trust
Sir John and Lady Amory's Charitable Trust
The 29th May 1961 Charitable Trust
The Annie Tranmer Charitable Trust
The Anson Charitable Trust
The Bryan Christopher Corrigan Charitable Trust
The Bryan Guinness Charitable Trust Ltd
The Caledonia Investments Charitable Foundation
The Chandris Foundation
The Charles Wolfson Charitable Trust
The Chellaram Foundation
The Culra Charitable Trust
The Duffield (Tiverton) Charitable Trust
The E and N Watson Charitable Trust
The Elaine Barratt Charitable Trust
The Elizabeth and Prince Zaiger Trust
The Gerald Bentall Charitable Trust
The Hemby Charitable Trust
The Joan Mary Woodham Hurrell Charitable Trust
The Laurence Misener Charitable Trust
The Leslie Mary Carter Charitable Trust
The Loseley Christian Trust
The Michael and Anna Wix Charitable Trust
The Oakley Charitable Trust
The Order of Saint Joachim Charitable Trust
The Peter Dixon Charitable Trust
The Phillips Charitable Trust
The Privy Purse Charitable Trust
The Robert Clutterbuck Charitable Trust
The Russell Trust
The Simon Gibson Charitable Trust
The Stafford Trust
The Sylvia and Colin Shepherd Charitable Trust

9. 2022 CORPORATE AND INSTITUTIONAL SUPPORTERS (continued)

Trusts and Foundations (continued)

The TK Foundation

The Verdon-Smith Family Charitable Trust

The W M Mann Foundation

The West Hall Charitable Fund

The Worshipful Company of Shipwrights

Trafigura Foundation

White Foundation

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period.

In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees' Annual Report has been approved by the trustees on 11 May 2023 and signed on their behalf by

Duncan Bain
Trustee and Chair of the Finance and Audit Committee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SEAFARERS UK (KING GEORGE'S FUND FOR SAILORS)



Opinion

We have audited the financial statements of Seafarers UK (King George's Fund for Sailors) (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Seafarers UK (King George's Fund for Sailors)'s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SEAFARERS UK (KING GEORGE'S FUND FOR SAILORS)



Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SEAFARERS UK (KING GEORGE'S FUND FOR SAILORS)



Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SEAFARERS UK (KING GEORGE'S FUND FOR SAILORS)



- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Date:

Sayer Vincent LLP, Statutory Auditor

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

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

Seafarers UK (King George's Fund For Sailors)

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2022

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	2021 restated Total £'000
Income from:									
Donations and legacies	2	1,124	658	-	1,782	1,294	1,099	-	2,393
Other trading activities	3	84	-	-	84	55	-	-	55
Investments	4	332	6	89	427	395	96	-	491
Total income		1,540	664	89	2,293	1,744	1,195	-	2,939
Expenditure on:									
Raising funds									
Cost of generating voluntary income		931	-	-	931	783	-	-	783
Cost of fundraising events		171	-	-	171	123	-	-	123
Costs of managing investments		286	5	70	361	279	7	81	367
Charitable activities		2,209	1,398	-	3,607	2,849	1,266	-	4,115
Total expenditure	5	3,597	1,403	70	5,070	4,034	1,273	81	5,388
Net expenditure before net (losses)/gains on investments	7	(2,057)	(739)	19	(2,777)	(2,290)	(78)	(81)	(2,449)
Net (losses)/gains on investments	13	(1,821)	(35)	(489)	(2,345)	3,984	102	1,159	5,245
Net expenditure after net (losses)/gains on investments		(3,878)	(774)	(470)	(5,122)	1,694	24	1,078	2,796
Transfers		(49)	772	(723)	-	-	-	-	-
Net income / (expenditure) before other recognised gains and losses		(3,927)	(2)	(1,193)	(5,122)	1,694	24	1,078	2,796
Losses on revaluation of fixed assets		(778)	-	-	(778)	-	-	-	-
Net movement in funds		(4,705)	(2)	(1,193)	(5,900)	1,694	24	1,078	2,796
Reconciliation of funds:									
Total funds brought forward		34,434	666	9,236	44,336	32,740	707	8,093	41,540
Prior period adjustment	23	-	-	-	-	-	(65)	65	-
Total funds brought forward (as restated)		34,434	666	9,236	44,336	32,740	642	8,158	41,540
Total funds carried forward	19a	29,729	664	8,043	38,436	34,434	666	9,236	44,336

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

Seafarers UK (King George's Fund For Sailors)

Balance sheet

As at 31 December 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Fixed assets:					
Tangible assets	12		4,030		4,853
Investments	13		33,879		39,058
			<u>37,909</u>		<u>43,911</u>
Current assets:					
Debtors	14	419		602	
Cash at bank and in hand		805		601	
		<u>1,224</u>		<u>1,203</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(697)		(778)	
Net current assets			<u>527</u>		<u>425</u>
Total net assets	18a		<u><u>38,436</u></u>		<u><u>44,336</u></u>
The funds of the charity:	19a				
Permanently endowed funds			8,043		9,236
Restricted income funds			664		666
Unrestricted income funds:					
Designated funds		29,704		29,629	
Revaluation reserve		25		852	
General funds		-		3,953	
Total unrestricted funds			<u>29,729</u>		<u>34,434</u>
Total charity funds			<u><u>38,436</u></u>		<u><u>44,336</u></u>

Approved by the trustees on 11th May 2023 and signed on their behalf by

Mr P Butterworth
Chair

Mr D Bain
Chair, Finance & Audit Committee

Seafarers UK (King George's Fund For Sailors)

Statement of cash flows

For the year ended 31 December 2022

	Note	2022	2021
		£'000	£'000
Cash flows from operating activities			
Net expenditure for the reporting period (as per the statement of financial activities)		(2,777)	(2,449)
Depreciation charges		49	38
Dividends, interest and rent from investments		(427)	(491)
Decrease/(Increase) in debtors		183	(201)
Decrease in creditors		(81)	(186)
Net cash (used in) operating activities		(3,053)	(3,289)
Cash flows from investing activities:			
Dividends, interest and rents from investments		427	491
Purchase of fixed assets		(5)	(1)
Proceeds from sale of investments		25,270	16,333
Purchase of investments		(22,435)	(13,531)
Net cash provided by investing activities		3,257	3,292
Change in cash and cash equivalents in the year		204	3
Cash and cash equivalents at the beginning of the year		601	598
Cash and cash equivalents at the end of the year		805	601

1 Accounting policies

a) Statutory information

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

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

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

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

c) Public benefit entity

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

d) Going concern

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

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

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

1 Accounting policies (continued)

e) Income

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

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

f) Donations of gifts, services and facilities

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

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

g) Dividends and Interest receivable

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

h) Fund accounting

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

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

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

Permanent endowment funds are funds normally arising as a result of a will where the income but not the capital sum can usually be spent

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

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

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

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

j) Grants payable

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

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

k) Allocation of support costs

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

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

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

l) Operating leases

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

m) Tangible fixed assets

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

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

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

● Freehold buildings	2%
● Fixtures and fittings	10%
● Computer equipment	20%
● Office equipment	15%

Freehold land is not depreciated.

1 Accounting policies (continued)

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Investments in subsidiaries

Investments in subsidiaries are at cost.

p) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

q) Short term deposits

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

r) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

s) Creditors and provisions

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

t) Financial instruments

The charity only has both basic and non-basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

u) Pensions

The Fund operates a defined contribution scheme with the Aviva PLC for employees who choose to participate in the scheme. Participating staff are required to contribute a minimum of 5% of basic salary to which the Fund will contribute a further 7.5% of their basic salaries plus an amount equivalent to the reduced liability of Employer's National Insurance. Contributions are recognised in the SOFA in the year they were incurred.

Notes to the financial statements

For the year ended 31 December 2022

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Gifts	84	56	140	107	168	275
Corporate gifts	220	377	597	95	853	948
Grants received	5	220	225	-	78	78
Legacies	815	5	820	1,092	-	1,092
	<u>1,124</u>	<u>658</u>	<u>1,782</u>	<u>1,294</u>	<u>1,099</u>	<u>2,393</u>

3 Income from other trading activities

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Fundraising events	81	-	81	54	-	54
Recharges to other organisations	3	-	3	1	-	1
	<u>84</u>	<u>-</u>	<u>84</u>	<u>55</u>	<u>-</u>	<u>55</u>

4 Income from investments

	Unrestricted £'000	Endowment & Restricted £'000	2022 Total £'000	Unrestricted £'000	Endowment & Restricted £'000	2021 Total £'000
Dividends and interest	262	96	358	303	96	399
Rental income	70	-	70	92	-	92
	<u>332</u>	<u>96</u>	<u>428</u>	<u>395</u>	<u>96</u>	<u>491</u>

5a Analysis of expenditure (current year)

	Raising funds							2021 Total £'000
	Cost of generating voluntary income £'000	Cost of fundraising events £'000	Costs of managing investments £'000	Charitable activities £'000	Governance costs £'000	Support costs £'000	2022 Total £'000	
Staff costs (note 8)	396	53	10	252	107	293	1,111	998
Other staff costs	3	3	-	2	8	6	22	10
Event and fundraising costs	66	77	-	-	2	-	145	55
Investment management costs	-	-	337	-	-	-	337	349
Grant making	-	-	-	2,881	-	-	2,881	3,566
Campaigns and communications	46	2	-	227	-	-	275	68
Other	15	1	3	16	102	162	299	342
	526	136	350	3,378	219	461	5,070	5,388
Support costs	232	20	6	132	71	(461)	-	-
Governance costs	173	15	5	97	(290)	-	-	-
Total expenditure 2022	931	171	361	3,607	-	-	5,070	
Total expenditure 2021	783	123	367	4,115	-	-	-	5,388

Notes to the financial statements

For the year ended 31 December 2022

5b Analysis of expenditure (prior year)

	Raising funds						2021 Total £'000
	Cost of generating voluntary income £'000	Cost of fundraising events £'000	Costs of managing investments £'000	Charitable activities £'000	Governance costs £'000	Support costs £'000	
Staff costs (note 8)	372	38	-	188	127	273	998
Other staff costs	2	-	-	2	2	4	10
Event and fundraising costs	42	13	-	-	-	-	55
Investment management costs	-	-	349	-	-	-	349
Grant making	-	-	-	3,566	-	-	3,566
Campaigns and communications	11	-	-	-	-	57	68
Other	21	1	2	72	29	217	342
	448	52	351	3,828	158	551	5,388
Support costs	228	48	11	194	70	(551)	-
Governance costs	107	23	5	93	(228)	-	-
Total expenditure 2021	783	123	367	4,115	-	-	5,388

Notes to the financial statements

For the year ended 31 December 2022

6 Grant making

Details of all grant awards in 2022 and 2021 can be found on the The Seafarers' Charity website at: <https://www.theseafarerscharity.org/grant-funding/grant-funding-programmes>

In addition to the amounts committed and accrued as reported in note 5, the trustees have also authorised certain grants which are subject to the recipient fulfilling certain conditions. The total amount authorised but not accrued as expenditure at 31 December 2022 was £75,000 (2021: £nil).

7 Net income / (expenditure) for the year

This is stated after charging:

	2022 £'000	2021 £'000
Depreciation	49	38
Operating lease rentals receivable:		
Property	70	92
Auditor's remuneration (including VAT):		
Audit	8	25
Other services	16	-
	<u>143</u>	<u>155</u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £'000	2021 £'000
Salaries and wages	875	814
Redundancy and termination costs	14	-
Social security costs	90	85
Employer's contribution to defined contribution pension schemes	71	64
Other forms of employee benefits	20	23
Recruitment	40	12
	<u>1,111</u>	<u>998</u>

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

	2022 No.	2021 No.
£60,000 – £69,999	1	-
£70,000 – £79,999	-	1
£80,000 – £89,999	1	1
£90,000 – £99,999	1	1
	<u>3</u>	<u>3</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £448,862 (2021: £299,814).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £812.39 (2021: £nil) incurred by 3 (2021: nil) members relating to attendance at meetings of the trustees.

9 Staff numbers

Staff are split across the activities of the charity as follows (head count based on average headcount figures):

	2022 No.	2021 No.
Raising funds	8	10
Charitable activities	5	7
Governance and support	10	6
	23	23
	23	23

10 Related party transactions

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

During the year, legal advice was sought from Potheary Witham Weld Solicitors amounting to £10,350 (2021: £9,762). The firm's partner Mr Gerald Kidd served as a Trustee and is also member of the General Council. All balances were settled in the year and nothing was due at the year-end (2021: £nil).

During the year, the charity engaged the services of Watchful Ltd, a specialist maritime consultancy company, on one of our projects paying £73,755 for the services. Robert Greenwood is a director in the company.

During the year, the charity made grants totalling £29,350 to the National Federation of Fisherman's Organisations, an organisation that represents the Fishing industry in England and Wales. Nigel Blazeby is a co-opted member of the executive committee of this organisation.

Seaservers Limited is the trading subsidiary of The Seafarers' Charity, see note 21 for details of transactions between Seaservers Limited and The Seafarers' Charity.

Aggregate unrestricted donations from related parties were £615 (2021: £418).

11 Taxation

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

Notes to the financial statements

For the year ended 31 December 2022

12 Tangible fixed assets

	Freehold property £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation			
At the start of the year	4,900	217	5,117
Additions in year	-	4	4
Revaluation	(900)	-	(900)
At the end of the year	4,000	221	4,221
Depreciation			
At the start of the year	92	172	264
Charge for the year	30	19	49
Eliminated on revaluation	(122)	-	(122)
At the end of the year	-	191	191
Net book value			
At the end of the year	4,000	30	4,030
At the start of the year	4,808	45	4,853

The above freehold land and buildings are 7 & 8 Hatherley Street, London which is occupied and used by the charity in carrying out its operations. A property assessment was made in November 2019 by Gerald Eve LLP, using the Royal Institute of Chartered Surveyors appraisal valuation. The value from this assessment has been adjusted based on external advice to reflect an estimated reduction in the market value of the property since 2019.

Land with a value of £1,470,000 (2021: £1,470,000) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2022

13 Listed investments

	2022 £'000	2021 £'000
Fair value at the start of the year	39,060	36,615
Additions at cost	22,435	13,531
Disposal proceeds	(25,271)	(16,333)
Net (loss)/gain on change in fair value	(2,345)	5,245
	<u>33,879</u>	<u>39,058</u>

Investments comprise:

	2022 £'000	2021 £'000
Interest bearing stocks	10,560	10,858
Equities	21,320	26,015
Cash	1,999	2,185
	<u>33,879</u>	<u>39,058</u>

14 Debtors

	2022 £'000	2021 £'000
Other debtors	27	5
Amounts due from subsidiary undertakings	27	52
Prepayments	42	68
Accrued income	323	477
	<u>419</u>	<u>602</u>

With the exception of listed investments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 15 below.

15 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	34	17
Taxation and social security	22	25
Grants payable	500	577
Accruals	141	159
	<u>697</u>	<u>778</u>

16 Pension scheme

The Seafarers' Charity operates a defined contribution scheme for all employees. The assets of the schemes are held in separate funds administered by independent pension providers.

Notes to the financial statements

For the year ended 31 December 2022

17 Financial instruments

	2022 £'000	2021 £'000
Financial assets measured at fair value through profit and loss		
Investments	33,879	39,058

18a Analysis of net assets between funds (current year)

	General unrestricted £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	4,030	–	–	4,030
Investments	25,172	664	8,043	33,879
Net current assets	527	–	–	527
Net assets at 31 December 2022	29,729	664	8,043	38,436

18b Analysis of net assets between funds (prior year)

	General unrestricted £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	4,853	–	–	4,853
Investments	29,156	666	9,236	39,058
Net current assets	425	–	–	425
Net assets at 31 December 2021	34,434	666	9,236	44,336

Notes to the financial statements

For the year ended 31 December 2022

19a Movements in funds (current year)

	At 1 January 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 December 2022 £'000
Permanently endowed funds:					
Endowed general purposes	1,229	12	(74)	(12)	1,155
Inglis fund	1,140	11	(69)	(11)	1,071
Merchant Navy South Africa scholarship	310	3	(19)	(32)	262
Royal Navy War Libraries fund	325	3	(20)	(33)	275
South African Women's Auxiliary service	600	6	(36)	(61)	509
Arthur T. Jeffess fund	4,081	39	(247)	(417)	3,456
David Richards Trust	1,211	12	(73)	(118)	1,032
Henry Herbert Wills fund	340	3	(21)	(39)	283
Total permanently endowed funds	9,236	89	(559)	(723)	8,043
Restricted funds:					
Restricted income and allocated total return from endowment funds	23		(700)	723	46
Royal Naval Officers fund	72	1	(90)	17	-
van de Kastele fund	5	-	(5)	-	-
Beryl Joyce Threadkell legacy	31	-	(2)	-	29
Sheila Constance Woods legacy	182	2	(100)	-	84
Merchant Navy fund	39	67	(79)	-	27
Restricted activities	226	53	(14)	-	265
Projects	37	-	-	-	37
IAPH restricted fund	-	16	-	-	16
Fishing First restricted fund	-	219	(84)	25	160
Seafarers' International Relief Fund	51	306	(364)	7	-
Total restricted funds	666	664	(1,438)	772	664
Unrestricted funds:					
Designated funds:					
Strategic operational fund	29,629	286	(1,793)	(28,122)	-
Seafarers' Impact boosting fund	-	-	-	12,500	12,500
Future Seafarers fund	-	-	-	17,204	17,204
Total designated funds	29,629	286	(1,793)	1,582	29,704
Revaluation reserve	852	-	(827)	-	25
General funds	3,953	1,254	(3,576)	(1,631)	-
Total unrestricted funds	34,434	1,540	(6,196)	(49)	29,729
Total funds	44,336	2,293	(8,193)	-	38,436

The narrative to explain the purpose of each fund is given at the foot of the note below.

Seafarers UK (King George's Fund For Sailors)

Notes to the financial statements

For the year ended 31 December 2022

19b Movements in funds (prior year)

	At 1 January 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 December 2021 £'000
Permanently endowed funds:					
Endowed general purposes	1,085	155	(11)	–	1,229
Inglis fund	1,006	144	(10)	–	1,140
Merchant Navy South Africa scholarship	271	42	(3)	–	310
Royal Navy War Libraries fund	284	44	(3)	–	325
South African Women's Auxiliary service	524	81	(5)	–	600
Arthur T. Jeffess fund	3,568	549	(36)	–	4,081
David Richards Trust	1,058	164	(11)	–	1,211
Henry Herbert Wills fund	297	46	(3)	–	340
Total permanently endowed funds	8,093	1,225	(82)	–	9,236
Restricted funds:					
Restricted income and allocated total return from endowment funds	–	23	–	–	23
Royal Naval Officers fund	141	32	(101)	–	72
van de Kastele fund	70	16	(81)	–	5
Beryl Joyce Threadkell legacy	25	9	(3)	–	31
Sheila Constance Woods legacy	199	45	(62)	–	182
Merchant Navy fund	49	49	(59)	–	39
Restricted activities	212	116	(102)	–	226
Projects	11	78	(52)	–	37
Seafarers' International Relief Fund	–	864	(813)	–	51
Total restricted funds	707	1,232	(1,273)	–	666
Unrestricted funds:					
Designated funds:					
COVID designated Fund	524	–	(524)	–	–
Strategy Fund	10,899	–	–	(10,899)	–
Strategy Operational Fund	–	–	–	29,629	29,629
Total designated funds	11,423	–	(524)	18,730	29,629
Revaluation reserve	883	–	(31)	–	852
General funds	20,434	5,728	(3,479)	(18,730)	3,953
Total unrestricted funds	32,740	5,728	(4,034)	–	34,434
Total funds	41,540	8,185	(5,389)	–	44,336

19 Movements in funds – purposes of funds

Purposes of restricted funds

Royal Naval Officers' Fund

To assist officers of the Royal Navy in need or distress

Beryl Joyce Threadkell Legacy

Funds made available for the Felixstowe Committee

van de Kastele Fund

For the education of children of any UK seafarer

Sheila Constance Wood Legacy

To assist Naval Officers' Widows

Merchant Navy Fund

Funds for Merchant Navy

Sailors' International Relief Fund (SIRF)

Funds raised from a partnership between the shipping industry and maritime welfare charities to support seafarers internationally

International Association of Ports and Harbours Fund (IAPH)

Funds raised to support port and harbour workers internationally

Fishing First Restricted Fund

Donations given to support the Fishing First Safety Management projects

Projects and restricted activities

Various grants restricted as per the donor's request.

Purposes of Endowment funds

Endowed General Purposes

To relieve sickness, poverty and distress of seafarers.

Inglis Fund

To further the educational and future career

Merchant Navy South Africa

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

Scholarship Fund

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

Royal Naval War Libraries Endowment Fund

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

South African Women's Auxiliary Service

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

Arthur T. Jeffress Fund

To assist officers and men of the Royal Navy, the Merchant Navy and the Fishing Fleet in need or distress

David Richards Trust

To assist officers and men of the Royal Navy, the Merchant Navy and the Fishing Fleet in need or distress

Henry Herbert Wills Fund

To assist officers and men of the Royal Navy, the Merchant Navy and the Fishing Fleet in need or distress.

Notes to the financial statements

For the year ended 31 December 2022

19 Movements in funds – purposes of funds (continued)

Purposes of designated funds

The strategic operational fund has been divided to create a more transparent link with our reserves policy as stated in the Annual Report.

The Seafarers' Impact Boosting fund is money set aside to increase our impact annually over the period from 2015–2035 as we reduce the real value of our reserves by 50% over the period.

The Future Seafarers' Fund is money set aside to ensure we can meaningfully support the future generation of seafarers and their families. This also includes a reserve to ensure that should a decision be made to wind down the charity in the future, we have the financial resources needed to continue to operate in an orderly way for a period of time so as not to cause immediate financial stress on our impact partners.

20 Operating lease commitments receivable as a lessor

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

	Property 2022 £'000	2021 £'000
Less than one year	-	-
One to five years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

21 Subsidiary undertaking

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

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

The trustees Mr P. G. Butterworth, Mr J.J.M. Monroe, Mrs D. Layde are also directors of the subsidiary.

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

	2022 £'000	2021 £'000
Turnover	6	18
Cost of sales	(18)	(23)
Gross profit/(loss)	<u>(12)</u>	<u>(5)</u>
Administrative expenses	(6)	(6)
Profit/(loss) on ordinary activities before taxation	<u>(18)</u>	<u>(5)</u>
Taxation on profit on ordinary activities	-	-
Profit/(loss) for the financial year	<u>(18)</u>	<u>(5)</u>
Retained earnings		
Total retained earnings brought forward	(9)	(3)
Profit/(loss) for the financial year	(18)	(5)
Total retained earnings carried forward	<u>(27)</u>	<u>(8)</u>
The aggregate of the assets, liabilities and reserves was:		
Assets	27	59
Liabilities	(54)	(67)
Reserves	<u>(27)</u>	<u>(8)</u>

Amounts owed to the parent undertaking are shown in note 14.

Included within administrative expenses above is a management charge of £1,000 (2021: £1,000) from the parent entity.

22a Total return approach for investment of permanent endowment funds (current year)

	Individual funds						Total funds			
	Merchant Navy South Africa scholarship £'000	Royal Navy War Libraries fund £'000	South African Women's Auxillary service £'000	Arthur T. Jeffess fund £'000	David Richards Trust £'000	Herbert Willis fund £'000	Henry Willis fund £'000	Trust for investment £'000	Unapplied total return £'000	Total endowment £'000
At the beginning of the year										
Gift component of the permanent endowment	10	15	34	183	25	62		329	-	329
Unapplied total return	300	310	566	3,898	1,186	278		-	6,538	6,538
Total	310	325	600	4,081	1,211	340		329	6,538	6,867
Movements in the year										
Gift of endowment funds	-	-	-	-	-	-	-	-	-	-
Recoupment of trust for endowment	-	-	-	-	-	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-	-	-	-	-	-
Investment return:										
Dividends and interest	3	3	6	39	12	3		-	66	66
Realised and unrealised gains/(losses)	(17)	(18)	(31)	(216)	(64)	(18)		-	(364)	(364)
Less: investment management costs	(2)	(2)	(5)	(31)	(9)	(3)		-	(52)	(52)
Total	(16)	(17)	(30)	(208)	(61)	(18)		-	(350)	(350)
Unapplied total return allocated to income in the year	(32)	(33)	(61)	(417)	(118)	(39)		-	(700)	(700)
Net movements in the reporting period	(48)	(50)	(91)	(625)	(179)	(57)		-	(1,050)	(1,050)
At the end of the year										
Gift component of the permanent endowment	10	15	34	183	25	62		329	-	329
Unapplied total return	252	260	475	3,273	1,007	221		-	5,488	5,488
Total	262	275	509	3,456	1,032	283		329	5,488	5,817

Seafarers UK (King George's Fund For Sailors)

Notes to the financial statements

For the year ended 31 December 2022

22b Total return approach for investment of permanent endowment funds (prior year)

	Individual funds						Total funds			
	Merchant Navy South Africa scholarship £'000	Royal Navy War Libraries fund £'000	South African Women's Auxillary service £'000	Arthur T. Jeffress fund £'000	David Richards Trust £'000	Herbert Willis fund £'000	Henry Willis fund £'000	Trust for investment £'000	Unapplied total return £'000	Total endowment £'000
At the beginning of the year										
Gift component of the permanent endowment	10	15	34	183	25	62		329	-	329
Unapplied total return	261	269	490	3,385	1,033	235		-	5,673	5,673
Total	271	284	524	3,568	1,058	297		329	5,673	6,002
Movements in the year										
Gift of endowment funds	-	-	-	-	-	-	-	-	-	-
Recoupment of trust for endowment	-	-	-	-	-	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-	-	-	-	-	-
Investment return:										
Dividends and interest	3	3	6	38	12	3		-	65	65
Realised and unrealised gains/(losses)	39	41	75	510	152	43		-	860	860
Less: investment management costs	(3)	(3)	(5)	(35)	(11)	(3)		-	(60)	(60)
Total	39	41	76	513	153	43		-	865	865
Unapplied total return allocated to income in the year	-	-	-	-	-	-	-	-	-	-
Net movements in the reporting period	39	41	76	513	153	43		-	865	865
At the end of the year										
Gift component of the permanent endowment	10	15	34	183	25	62		329	-	329
Unapplied total return	300	310	566	3,898	1,186	278		-	6,538	6,538
Total	310	325	600	4,081	1,211	340		329	6,538	6,867

Notes to the financial statements

For the year ended 31 December 2022

23 Prior period adjustment	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	31 December 2021				1 January 2021			
Reserves position	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Funds previously reported	34,434	731	9,171	44,336	32,740	707	8,093	41,540
Adjustments on restatement								
Adjustment 1	-	(65)	65	-	-	-	-	-
Funds restated	34,434	666	9,236	44,336	32,740	707	8,093	41,540
	Unrestricted	Restricted	Endowment	Total				
Impact on income and expenditure	31 December 2021							
	£'000	£'000	£'000	£'000				
Net income / (expenditure) as previously reported	1,694	24	1,078	2,796				
Adjustments on restatement								
Adjustment 1	-	(65)	65	-				
Net income / (expenditure)	1,694	(41)	1,143	2,796				

Details of adjustments

Adjustment 1

Prior year endowment investment income was reallocated from restricted funds to the endowment funds following the change of accounting policy adopted in 2022 to move to the total return approach for selected endowment funds

