



**TRUSTEES'
ANNUAL
REPORT AND
ACCOUNTS**

2022

FOR THE YEAR ENDED 31 DECEMBER 2022



Registered Charity No. 237778. Registered Company No. 86942.

2022 TRUSTEES REPORT

Our Year

To say the last couple of years have been turbulent for the shipping world would be something of an understatement. No sooner had seafarers and the maritime industry begun to get to their feet again following two years of pandemic than war broke out in Ukraine.

More fear and anxiety for seafarers miles away at sea; more seafarers unable to get home or leave to join ships. More families struggling as a result.

We continued to come alongside them, as we have done for the past 205 years. We help crews in dire need whether that is with emergency grants, crisis response or liaising with their families when they are unable to. We work with the industry to ensure crews are as prepared as possible for the challenges at sea; we innovate and bring creative solutions to life. We advocate for their safety, their health and their rights.

We supported and prayed for our own team in Ukraine, as we did for all the seafarers and families we helped. We worked with them on the ground to keep people safe and across the world supporting those who struggled to contact loved ones back home.

While the gravity of the situation meant Ukraine became a focus for us in 2022, other work continued with our crisis team involved in everything from shipwreck to piracy, while our Ship Connect and Peer-to-Peer Support Group programmes continued to grow. And as industry leaders, we broke new ground with our Maritime Schools' Conferences and the subsequent Cadet Report, giving insight into Generation Z seafarers. We also started work on our new e-learning platform.

These are such challenging times for the maritime industry - pandemic, war, mental health and diversity are just a few of the subject headings that dominate agendas.

Sailors' Society has been – and will continue to be – at the forefront of these issues, working with the industry and supporting those in need.

Our Vision

A world where all seafarers and their families are supported and empowered.

Our Mission

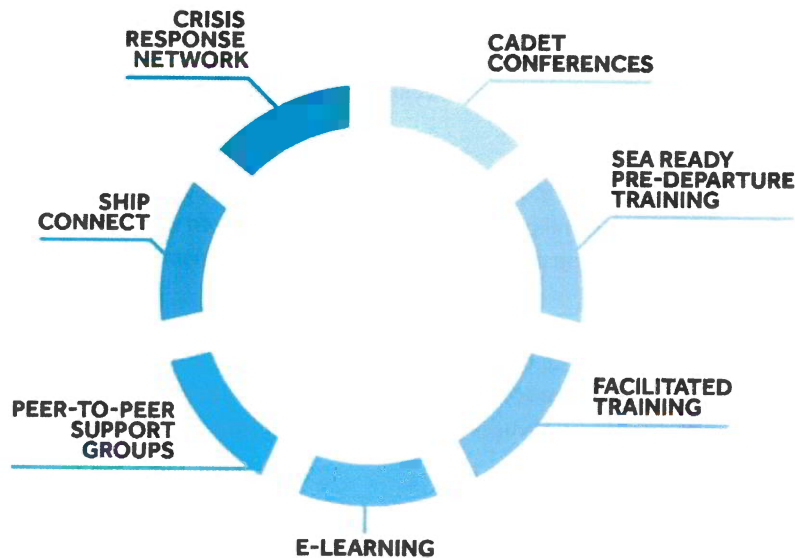
To meet the welfare and wellbeing needs of seafarers, their families and the communities they live in, at home, in port and at sea.

Wellness at Sea

Under our charitable objective for the advancement of education, our industry leading Wellness at Sea programme, focusing on mental health and wellbeing through training and support, continues to be one of the key areas of our work.

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We partnered with shipping companies globally to best prepare crews to look out for themselves and one another. Our circle of care approach encompasses the whole of a seafarer's career and we are very grateful to companies that have helped fund this work, including West P&I and Euronav.



- Our Ship Connect service, which sees us proactively contact crews to build up trust and help identify any issues early, saw us calling seafarers every week.
- More than 14,000 seafarers benefited from our Sea Ready pre-departure training.
- Our Wellness at Home programme in the Philippines saw more than 15,000 seafarers and their families benefit from everything from family resiliency courses to pre-departure training.

And this year we paid special attention to our programme for maritime cadets - tomorrow's workforce and future maritime leaders.

Maritime Schools' Conferences

"Seafarers are the key workers of the sea, with many serving at the frontline of international supply chains, supporting global economies – so it's essential that their wellbeing is cared for right from the beginning of their careers.

Our Maritime Schools' Conferences aren't just a first; they are aimed at proactive investment in young minds. These events recognise that today's cadets are tomorrow's workforce and future leaders."

Sara Baade, Sailors' Society CEO

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In a first for the industry, we launched a series of global wellness and mental health conferences designed exclusively for maritime school students.

Following on from a highly successful pilot in India in 2021, we devised three virtual conferences serving maritime schools across India, the Philippines and Africa. These explored wellbeing and mental health with cadets as they embark on careers at sea. A fourth downloadable event was made available for European maritime colleges.

Hosted online with technical support from the UK P&I Club, and sponsored by Inmarsat, The TK Foundation, A.M.Nomikos and Fleet Management, the conferences were tailored to the region. They featured internationally renowned speakers, focused on key and current issues facing cadets today, including crisis and diversity. Some 5,000 cadets attended.

Another First for Sailors' Society

Data collected across all the conferences was used to compile a pioneering in-depth report on cadets.

'Passport to the Future: Investing in Cadets Today' is the first report of its kind, providing insight into the minds of Generation Z cadets.

Sponsored by Bernard Schulte Shipmanagement, it reveals intriguing regional differences between cadets and highlights the fears and motivations of the next generation of seafarers and future leaders.

Almost 1,500 cadets from 40 maritime schools across South Africa, Mozambique, Namibia, Angola, Ghana, Ethiopia, Liberia, Mauritius, India, Sri Lanka and the Philippines took part in polls on key areas such as their reasons for becoming a seafarer, deciding factors in choosing a shipping company and their views on diversity and mental health training.

- **55.6** per cent said their biggest fear was not getting a job when they finished their studies
- **79.5** per cent said they would base their choice of shipping company on how it treats seafarers
- **46.5** per cent said caring for family was their main reason for going to sea
- **57** per cent of cadets surveyed had scores indicating anxiety

It is hoped insights in the report will shape future work in seafarer wellness and mental health throughout the maritime industry.

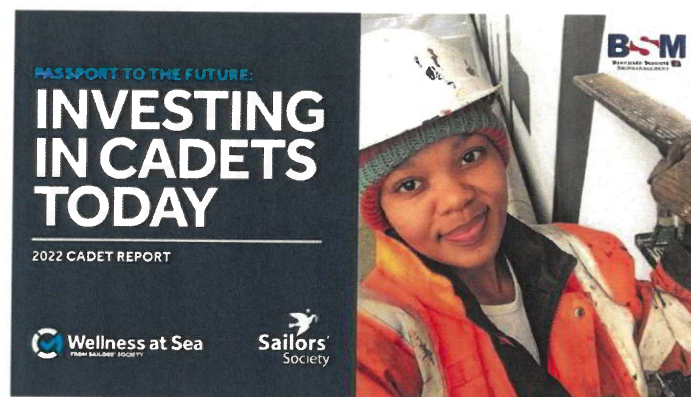
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“At BSM we recognise the importance of building a strong, safe, theoretical and practical foundation before going to sea for the first time.

“This report can only aid us in our understanding of the needs and wants of this future generation of seafarers. BSM is immensely proud to support Sailors’ Society in this excellent initiative.”

Stewart Bankier, Head of Fleet Personnel Development and Compliance

at Bernard Schulte Shipmanagement.



E-learning Platform

In 2022 we began to build a new e-learning platform for seafarers. The platform will work both on and offline, ensuring poor connectivity is no barrier to helping themselves and their crew mates with everything from mental health through to physical fitness and understanding their rights. With funding contributions from Norden and Trinity House, the platform will be free, fun and interactive, with animations, quizzes and podcasts. It launches in 2023.

Crisis Response Network

Under our charitable objective for the relief of poverty and distress, Sailors’ Society’s Crisis Response Network (CRN), funded by The Seafarers’ Charity, the TK Foundation and UK P&I Club, has been operating for seven years.

Our global network of crisis responders provides free 24/7 care and support to seafarers, their families, companies and colleagues, following critical incidents such as piracy attacks, accidents and natural disasters, as well as other times when it’s difficult to cope, like bereavement or relationship breakdown.

The CRN team dealt with 985 crises over the year – more than two crises every day. The highest number involved medical emergencies and piracy.

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Shipwrecked – a CRN case study

Towards the start of the year our Crisis Response Network helped a terrified crew, shipwrecked by a cyclone in the Indian Ocean, through their trauma.

The ship, which appeared to have engine failure just as Cyclone Batsirai hit, was shipwrecked - dashed onto the rocky coast of Réunion Island.

One of the crew said: "It was so bad and so dark, we really thought we were going to die."

The captain, who received counselling from the CRN team along with his crew, said: "I will never forget Sailors' Society or the Crisis Team, and I will always stay in touch because of what they did for us."

As well as offering psychological support and trauma counselling, the CRN team liaised with the Indian Embassy and ship's owners to help get the men home.



Detained – a CRN case study

For many months we provided comfort and care to the crew and families of the crude oil tanker Heroic Idun, placed in detention in a dispute with the Nigerian Navy. The 26 multinational crew members, 16 Indian along with eight Sri Lankan, one Filipino and one Polish, were detained initially in Equatorial Guinea and subsequently in Nigeria accused of attempted oil theft and faking a piracy attack.

Among the wives, parents and children our team were supporting in India was young Stephania, who refused to celebrate her fourth birthday until her dad was home with her.

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Ukraine

It was just eight weeks into 2022 when Russia invaded Ukraine. Ports closed and people fled or hid underground as explosions and air raid sirens filled the air.

Our team on the ground in Ukraine ferried frightened families to the border and provided shelter and comfort to those who had lost everything.

The war raged on through the summer and winter and, throughout the offensives and counter-offensives, Sailors' Society has been there for the 75,000 Ukrainian seafarers; some struggling to provide for families and keep them safe on the ground, others away at sea thousands of miles from loved ones, anxious and powerless to help.

In March, we launched a Ukrainian Crisis Appeal to support those caught up in the conflict. It was one of the most successful appeals we have run in recent years, raising more than £100,000 in the first few weeks. Major funders for our appeal included Skuld, G2 Ocean and the TK Foundation.

And across the world, our teams helped seafarers touched in many different ways by the escalating crisis. All were extremely concerned for the safety of their families. Some were frightened to return to their country, as they knew it may mean taking up arms.

We stepped up our support for seafarers affected by this crisis by:

- Increasing the funds available for emergency grants for seafarers and their families
- Drafting in more trained staff to resource our Crisis Response Network
- Increasing capacity to be able to respond to more calls to our helpline
- Supporting families on the ground with transport, shelter and food and drink

Peer-to-Peer Support

Sailors' Society also created three bespoke Peer-to-Peer Support Groups for seafarers affected by the conflict in Ukraine. The specialist WhatsApp groups form part of our existing Peer-to-Peer

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Support Groups programme and help seafarers to assist and support one another in this extraordinary time.

Some 14.5 per cent of the world's seafarers are Ukrainian or Russian. And up to one in five officers are Ukrainian, meaning many crews will find themselves serving under officers concerned about their homeland and families. They too will be able to chat with others who find themselves in similar situations.

The support groups allow Ukrainian and Russian seafarers to speak to other crews from their own country in their own language, while a third group is made up of seafarers from other nationalities.

Huge Success

Our Peer-to-Peer Support Groups have proved hugely successful with 75 groups running by the end of 2022.

We began the year with 50 and added the three conflict support groups and a further 22 seafarer groups. The largest numbers came from cadets signing up following our Maritime Schools' Conferences.

By December we were in weekly contact with close to 1,000 seafarers through these groups and we have plans for more dedicated groups in the future. We were given funding from the Merchant Navy Welfare Board to start new women's groups in 2023.

Grants – Education and The Relief of Poverty and Distress

Following our successful Ukrainian appeal, we were able to give out almost 200 emergency welfare grants to seafarers and their families caught up in the crisis.

"These are incredible emotions, when you understand that you are not indifferent to unfamiliar people, thank you so much. You assisted not only to me, but also my family. War deprived everything from us. I and my family pray not only for us, but also for such people as you who help us all in a difficult moment."

Oleg, Ukrainian seafarer and grant recipient

With funding from the Ince Group Charitable Foundation, our Sea Change Fund also paid out other welfare, medical and educational grants, helping seafarers begin or progress in their life at sea.

Promotion of our Charitable Purpose

We actively inform the public, shipping industry and our funders about our global work through our website, e-newsletters, social media platforms, marketing activities, media coverage and at events, held by us or others across the industry.

LinkedIn continued to be a strong focus for us and our followers on this platform increased by 1,000 through 2022. A new social media strategy will follow in 2023.

Telling our story, and the stories of those we support, is vital to the wider understanding of seafarers and the sacrifices they and their families make and to raising funds to support our programme and those in desperate need around the world.

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Our Queen and Patron

Following on from celebrating Her Majesty's platinum jubilee, we joined the nation and Commonwealth in sending condolences and our grateful thanks for the 70 years of dedicated service Queen Elizabeth II gave as monarch and as the charity's Patron.

"We have always felt we had a very special relationship with Her Majesty Queen Elizabeth II. She was our Patron from her ascension to the throne in 1952 and her first solo royal duty as a Princess was for the Society, opening our Sailors' Home in Aberdeen in 1944.

She supported our work from then on and we are so thankful for the years of her interest and involvement and her care for seafarers worldwide."

Dr Peter Swift, Sailors' Society's Chairman

Sailors' Society archives hold numerous articles and photographs of engagements Her Majesty performed with and for the Society. Old editions of the Society's magazine Chart and Compass, which date back through eight generations of the British monarchy, show how Sailors' Society in turn honoured notable dates over the Queen's reign and these were shared on our website.

International Christian Maritime Association

In September 2022, our CEO, Sara Baade, became Chair of the International Christian Maritime Association (ICMA), which represents more than 400 seafarer ministries across the world. She will be the Chair for two years before handing the reins to the Vice Chair.

Christmas Giving

We gave out some 3,000 parcels to seafarers who would be away from home over Christmas.

As part of our Christmas appeal, we also launched our virtual gifts. These gifts, in the form of a donation to Sailors' Society, with a corresponding downloadable gift certificate, enabled someone to cross a name off their Christmas list and at the same time help a seafarer in need.

We intend to keep virtual gifts running through the year as an alternative way for people to give to the Society.

Future Plans

Our operating environment has changed dramatically in the last few years, with the past three or so years being the most extreme due to the Covid-19 pandemic and the war in Ukraine. And as a result, we have seen the need for our services not only change but increase. So, we have evaluated all our activities to ensure they are fit for purpose for 2023 and onwards.

As a result, and recognising that seafarers spend about 95 per cent of their service time at sea, we will be moving towards a more virtual support service in 2023. We will reduce our geographic footprint but increase our reach through several different virtual products and services. In addition to this, we will continue and grow our focus on seafarer cadets and our Wellness at Sea programme.

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We will use data and evidence to establish the needs and aim to produce a new evidence-based report highlighting the views of the seafarers we are here to support.

Our Funders and Supporters

Our enormous thanks go to those who have continued to fund and supported our work during 2022. Some of our biggest supporters are mentioned above giving funding directly to support the projects detailed. We are very grateful to other funders who give unrestricted funding, allowing us to direct money to areas of greatest need, including the Francis Curley Charitable Fund. Our thanks also to many individual supporters, including those who have remembered us in their wills.

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STRATEGIC REPORT

Structure, governance and management

Structure

The Society is a company limited by guarantee without share capital (company number 86942) and governed by its Memorandum and Articles of Association. It is also a registered charity in England and Wales (charity number 237778). Trustees are also directors of the limited company.

The Society has five subsidiary entities:

Sailors' Society Scotland	Scottish company limited by guarantee and Scottish registered charity
Sailors' Beneficial Enterprises Ltd	Company limited by shares in England and Wales
Sir Gabriel Wood's Mariners' Home	Scottish registered charity
Sailors' Society Philippines Inc	Philippines company limited by guarantee and Philippines registered charity
Sailors' Society USA	Non-profit organisation registered in Texas, USA (dormant)

The Society is a founder member of the International Christian Maritime Association, a membership charity for international maritime Christian charities formed to encourage ecumenical collaboration and mutual assistance among organisations. The Society and its front-line employees have subscribed to its code of conduct.

Governance and management

The Board meets at least four times a year to consider matters of policy and to review the strategy and performance of the Society. Three committees exist which report to the Board and these committees contain Trustees with senior staff members in attendance. The committees are:

- Finance and General Purposes
- Operations
- Remuneration (formerly Nominations)

A Governance Committee was established in January 2023.

A similar system of operation exists for the UK subsidiaries and separate Board meetings are held which report into the main Board as appropriate. A separate Board exists for the Philippines subsidiary and its chairman reports directly to the Chief Executive.

The Society was a partner in joint seafarers' centre operations in Felixstowe, Portbury and Humber until June 2022 when the activities of these entities were transferred to QVSR Seafarers' Centres. These are separate registered charities and the Society was represented on the individual Trustee Boards by a member of senior management who reported back to the Chief Executive and Board. Steps are now being taken to have these dormant charities struck from the register.

The Trustee Board's main decision-making function is to decide upon and control the charity's strategic direction. A Senior Leadership Team manages and makes decisions regarding the day-to-day operations

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of the charity and reports back to Trustees formally through committees and informally through regular contact with the Chairman and committee chairs.

The Society maintains a register of Trustees' and the Senior Leadership Team's personal interests and those of their immediate family members to ensure that any potential conflicts of interest are identified and addressed, as appropriate, by the Society.

Details of the Trustees and Senior Leadership Team are listed at the back of this report.

Board recruitment and development

New Trustees are sourced from recommendations made by existing Trustees and their networks. Upon election, a Trustee participates in a formal induction plan tailored to individual needs. This covers an understanding of the Society's business and the aspects of ministry, welfare, education support, and the relief of poverty and distress. New Trustees meet our key staff and stakeholders and receive information about their Trustee responsibilities and committee work.

There is no requirement for any Trustee to stand down upon reaching a particular age or term of office. The Board maintains and regularly reviews the skills of Trustees, in accordance with best practice, to ensure the needs of the charity are well supported through the collective skillset and experience. The Board considers nominations for new Trustees and candidates are interviewed prior to appointment to ensure they can add value and bring relevant skills and experience.

Staff pay policy

Our principles are to pay our staff a fair salary that is competitive within the charity sector, and that is proportionate to the complexity and responsibility of each role. We do not compete on pay with the public or private sectors.

Objectives and activities

The Society's governing document is its Memorandum and Articles of Association, last updated in 2017. This states:

"The objects for which the Charity is established are to benefit British and foreign seafarers, ex-seafarers and intending seafarers and their families and dependents and the communities in which those people live or work by the advancement of the Christian religion, the advancement of education and the relief of poverty and distress and the promotion of any charitable purpose by such ways and means as the Charity shall think fit and for such purposes to do all such lawful things as are necessary to the attainment of the foregoing objects."

The advancement of the Christian religion

Our ministry is motivated by the Christian faith and provides services to those of all nationalities and those of any faith or none. These services include:

- our network of chaplains and ship visitors interacting with seafarers
- our programme of activity including Wellness at Sea mental health support and working within seafarer communities to support their families
- our Crisis Response Network supporting those affected by traumatic events like abandonment, suicide, piracy and natural disasters.

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Although we seek to advance the Christian religion through our work, as a policy we do not proselytize and leave the appreciation of our faith by others to be based upon our actions and behaviour.

The advancement of education

Wellness at Sea is our flagship programme, educating seafarers across the world about how to best look after themselves and their crew mates while they are away at sea. This programme helps crews maintain their mental and physical wellbeing, as well as providing support with finances, relationships, their rights and spiritual wellness. We also provide educational grants and scholarships to those who want to pursue a career at sea but are without the means and educational support to the children of seafarers to increase future living standards of seafaring families.

The relief of poverty and distress

We act when seafarers and their families are affected by tragedy, incident or accident, and make interventions that relieve poverty and distress. Our Sea Change fund provides monetary assistance for those in need. We keep in contact with seafarers through helplines manned by experienced counsellors and through our Peer-to-Peer Support Groups where seafarers can interact with each other to share experiences and raise issues that are important to them, assisted by our group moderators who also generate discussion topics between groups.

Promotion of our charitable purpose

We actively inform the public about our cause and promote our activity to raise awareness of the ongoing needs of seafarers and their families. We regularly assess welfare provision in the locations where we are working and in locations that have limited or no welfare provision, to find new opportunities to achieve our mission.

Grant making policy

The Society provides grants to organisations and individuals who add value to its work or help it achieve its charitable objects. Grants are normally given under the following headings:

- Chaplaincy provision
- Seafarer general welfare
- Seafarer family welfare
- Seafarer crisis
- Educational

Public benefit

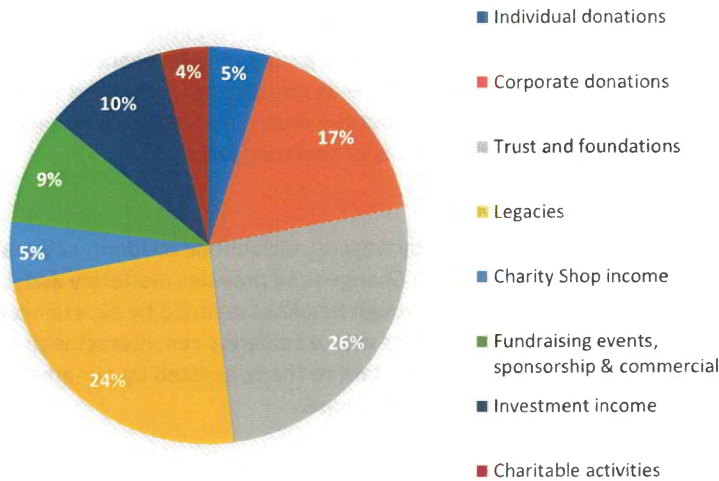
The purposes of the charity are set out in the paragraphs above, the beneficiaries being seafarers themselves, their families and the communities in which they live and work which can include shoreside personnel. Specific stories detailing how these groups have benefitted from our work are set out earlier in this report.

In assessing the public benefit of the activities we undertake as Trustees of the charity, we confirm that we have complied with our duty under Section 17 of the Charities Act 2011. We also state that we have given due and proper regard to the guidance issued by the Charity Commission on delivery of public benefit, including the supplementary guidance.

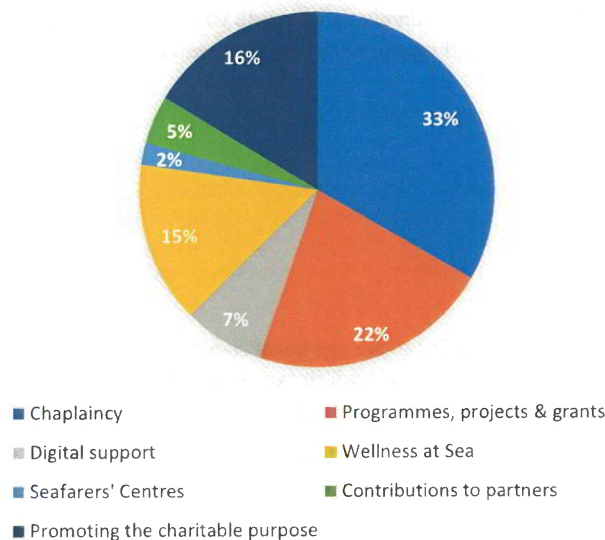
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Financial review

Our income sources in 2022



Our charitable spending in 2022



19% of our total costs were spent on fundraising. Of the remaining 81% spent on our charitable work, excluding our discontinued operations (Sir Gabriel Wood's Mariners' Home), the split is shown above.

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Overview

The group deficit for the year before investment gains/(losses) is £1,100,000 (2021: £1,121,000). Listed investments and investment property sales resulted in deficits of £94,000 and the remainder of listed investments fell in value by year end by £190,000. The overall deficit (net expenditure) was £1,384,000 (2021: £877,000).

The balance sheet total has reduced from £4,790,000 to £3,406,000. The cashflow statement shows net liquidations of investments and fixed assets to finance the deficit of £837,000 and £920,000 respectively during the year and a net cash inflow of £473,000 with year-end cash reserves standing at £697,000, up from £224,000 the previous year.

Income

	2022	2022% split	2021	2021 % split	Year on year change
	£000's		£000's		£000's
Donations and legacies	984	71%	1,140	62%	-156
Charitable activities	58	4%	220	12%	-162
Other trading activities	207	15%	221	12%	-14
Investments	135	10%	146	8%	-11
Other income	5	-	123	6%	-118
Total	1,389	100%	1,850	100%	-461

2022 showed a reduction in fundraising income with donations totalling £653,000 (down £224,000 from 2021). 2021 results contained one-off major grants of £330,000 relating to the provision of COVID-19 vaccinations to seafarer communities so the underlying performance shows an improvement of £106,000. Legacy income was £331,000 (up £68,000). Other fundraising income sources, such as charity shops, showed a reduction in income of £87,000 reflecting the closure of all but one of our shops. However income from commercial wellness services and sponsorships as well as our events programme showed an increase of £73,000.

In terms of income from charitable activities, income reduced to £58,000 (down by £162,000) mainly as a result of the sale of Sir Gabriel Wood's Mariners' Home and Court in March 2022 with Home fees and Court rentals reducing by £152,000.

Listed investment income continued to fall by £25,000 to £69,000 as the Society used its investments to fund its operations but rental income increased by £14,000 to £65,000 due to new tenants occupying a larger space within Seafarer House. During 2021, the Society was eligible to benefit from £123,000 in receipts from charity shop retail grants and the Coronavirus Job Retention Scheme. This income did not recur in 2022.

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Expenditure

	2022	2022% Split	2021	2021 % split	Year on year change
	£000's		£000's		£000's
Raising funds	481	19%	866	21%	-385
Charitable activities	2,008	81%	3,335	79%	-1,327
Adjustment for reassessment of legal matters	-	-	(1,230)		+1,230
Total	2,489	100%	2,971	100%	-482

Charity shop costs reduced by £272,000 to £177,000 due to shops closing during the year. Fundraising events, commercial and sponsorship costs remained similar to 2021 but with increased returns and other fundraising costs reduced by £111,000 to £204,000. Within charitable activities there was a total of £1,327,000 cost reductions in all areas and in particular a saving of £1,210,000 in respect of Sir Gabriel Wood's Mariners' Home and Court following the closure of the home in 2021 and the sale of the property in early 2022. Support costs included within expenditure reduced by £124,000 in the year, some of this relating to a reduction in head count of Head Office support staff in 2021. Full details of expenditure are included in notes 7 and 8 of the financial statements.

Sailors' Beneficial Enterprises Ltd ("SBEL") and Sir Gabriel Wood's Mariners' Home ("SGWMH") are both showing a net liability position on their balance sheets. In respect of SBEL, the deficit arises due to now discontinued commercial activity. Efforts have been made to generate more profitable commercial income streams and there has been continued success in 2022 in reducing the net liability position, but Trustees acknowledge returning to a net asset position will be a longer-term objective.

In respect of Sir Gabriel Wood's Mariners' Home, this is no longer trading and the Office for the Scottish Regulator gave permission in October 2022 to wind up the charity which is the final part of this process as it is no longer needed. Outstanding debts due to the charity, and provided for as doubtful and therefore at nil value in the accounts, are being chased with a view to settling remaining liabilities so that the winding up process can be finalised.

Review of the level of financial reserves

Our Reserves Policy

Reserves are needed to bridge the gap between the spending of income and the receiving of income and to cover unplanned expenditure and any other contingencies arising. The Trustees consider that, based on the current level of activity of the Society, reserve levels should be maintained at a level of between 24 and 36 months' expenditure in order to provide the appropriate level of financial resources so that our core activities can continue during a prolonged period of unforeseen difficulty.

To achieve this level of reserves, the Society is investing in charitable programmes to be funded by sustainable income over the coming years. Designations of funds have been made in respect of a retirement provision for overseas staff.

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Reviewing the Reserves Policy

We review our reserves policy annually in conjunction with setting our budgets and reviewing progress against our strategic plans. We discuss the levels of realisable reserves, any major commitments to be funded by the Society and our future obligations. We consider the risks to future income, the level of predicted expenditure and the impact of any adverse effect on investment fund movements.

Level of reserves held

At the end of 2022 our total reserves were £3.4 million. The restricted funds totalled £0.3 million. The remaining funds are unrestricted at £3.1 million and these contained unrestricted fixed assets used in the charity of £0.5 million, the investment property, part-occupied by the Society, of £0.4K and other designated funds and known lease commitments of £0.2 million. Allowing for these, free reserves stood at £2.0 million, which equates to 13 months of total unrestricted expenditure. This is below the range of 24 to 36 months as set out in the policy, and the intention is to replenish free reserves to within this range in the future.

Designated funds are held in relation to the book value of fixed assets and investment properties used by the charity (£939,000) and towards a fund set aside for retirement payments to overseas staff (£48,000).

Investments review

In managing our financial reserves and regularly assessing market risk, our Finance and General Purposes Committee draws up the investment policy and we review this periodically. In terms of screening investments we do not invest in:

- The manufacture or sale of armaments
- The provision of finance to poor credit risk customers

Our investment strategy is to accept a level of medium risk with a balance sought between realising a target income and achieving capital growth. Investments are divided between equities, bonds, property and cash. Our investments include self-managed investment property and listed investments.

The investment managed by Investec is a traditionally structured portfolio of individual stocks selected and traded by our account manager within a given risk profile. Performance is measured against a bespoke benchmark which is before deduction of fees (i.e. gross).

The Cazenove Charity Multi-Asset Fund is a 'pooled investment' vehicle. The investment mix is determined by the fund manager and based upon tactical ranges for the different investment types. The fund's total return target is the rate of inflation plus four per cent over rolling 10-year periods while aiming to meet this target with around two-thirds of equity market volatility. With a very high level of inflation, reviewing the performance against this benchmark on a short-term basis shows an underperformance so further comparison against peer group performance is useful.

We also made a new investment into the Blackrock Charities Growth & Income Fund in 2022, another pooled investment vehicle. This Fund has a bespoke performance benchmark based on a number of market indices and asset types.

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We also review pooled investment performance against the ARC peer group index covering a range of similar investment products available in the market.

The total return for invested funds during the year was:

	<i>Year</i>		<i>Last three years</i>	
	<i>Actual</i>	<i>Benchmark</i>	<i>Actual</i>	<i>Benchmark</i>
Investec (£0.63m)	-8.3% (gross) -9.2% (net)	-8.2% (gross)	+7.0% (gross) +4.3% (net)	+6.6 % (gross)
Cazenove (£1.02m)	-6.6%	+14.95%	+10.9%	+31.8%
Blackrock (£0.2m)	-9.7%	-9.3%	Not applicable	Not applicable

Performance figures are quoted after investment fees are deducted (net). The ARC Peer Group Sterling Steady Growth Index showed a total return of -9.6% for 2022 and +5.1% over the three-year review period.

One of our self-managed investment properties was disposed of at the end of the year.

Principal risks and uncertainties

We operate a formal risk management process where the Trustees and Senior Leadership Team together identify and review the main risks to the Society, their probability of occurrence, the possible impact and the consequent actions necessary to manage, reduce exposure, or eliminate the risk. The Risk Register is reviewed at least quarterly by the Trustees and kept under review monthly by the Senior Leadership Team, which identifies and monitors risk on a daily basis, updating the register as appropriate.

The main risk areas are:

- Financial (including money laundering, investment risk and risk to revenue income streams)
- Operational (including personnel)

The following subsidiary risk areas can have both a financial and operational effect:

- Legal and statutory (including health and safety)
- IT systems integrity and resilience, database backup and data protection
- Society reputation

We have strong mitigations for the majority of our main risks. The top risk is considered to be that the overall financial viability of the Society is threatened. In handling this risk, in terms of income generation, the Trustees regularly monitor the Society's fundraising strategy and performance against fundraising targets. They also review quarterly financial forecasts and formulate and consider contingency plans in the event that the Society's structure, including its cost base, needs to be altered to make best and most efficient use of the resources it has at its disposal.

2022 TRUSTEES REPORT

Volunteers

Our volunteers provide important additional resources to ensure effective delivery of our programme, help raise funds for our work and increase the profile of the Society. We have approximately 200 volunteers working across the following areas:

- Trustees who commit much of their time to provide strategic leadership and governance
- Volunteer ship visitors who support our chaplains around the world and honorary chaplains who work independently
- Charity shop volunteers who contribute their time on a regular basis
- Individual representatives of the Society in their own churches who distribute our news and promote our work and campaigns
- Volunteers involved on a monthly basis preparing items for Christmas parcels
- Ambassadors who network in the industry to promote awareness of the Society's charitable work, purpose and fundraising opportunities
- Knitters who make woolly hats, which are widely distributed in Christmas parcels for seafarers and regularly sent to chaplains around the UK and overseas to give out on ship visits

"Since my time working at sea, and post-Covid19, providing support for our seafarers could not be more important. I've been an Ambassador for Sailors' Society for more than six years. Having seen first-hand Sailors' Society's work, the welfare they provide and the appreciation that crews have for this, I am proud to support them in any way I can." Peter Broadhurst, Maritime Snr VP Safety and Regulatory, Inmarsat

Towards the end of 2021 a review of our volunteer database was commenced. After making contact with them some decided to step down so volunteer figures for 2022 are lower. Measurement issues, including attributing an economic value to volunteers' services, prevent inclusion of their contribution in the Statement of Financial Activities.

Fundraising practices

We are reliant on donations to fund our work and it is thanks to the generosity of members of the public, companies and Trusts and Foundations that we are able to support seafarers in need.

We are registered with the Fundraising Regulator and we aim to be as open as possible about how we raise funds. As an organisation, and as individuals, we strive to adhere to the Code of Fundraising Practice and are committed to the Fundraising Promise. In 2022, we received no complaints about our fundraising activity.

We work hard to minimise the risk of breaches of fundraising compliance, through training and induction for new staff and on-going development and training for existing members of the team. We are fortunate to have many generous supporters who raise money for us including fundraising locally, in their churches and other local groups, and in corporate settings through employee fundraising for example. We have developed detailed guidance for volunteer fundraisers which can be downloaded from our website.

We work with many different companies in the shipping industry, through their charitable foundations and through commercial partnerships including sponsorship of our events and

2022 TRUSTEES REPORT

activities. We see partnership and collaboration with the maritime corporate sector as crucial to our ability to fund and deliver wellbeing and welfare support to seafarers. All partnerships are formalised in written agreements - just one of the safeguards we have in place to ensure our independence is not compromised. We also receive the support of a number of charitable Trusts and Foundations, with whom we have written funding agreements, as well as philanthropic gifts from individuals. We do not work with any third-party agencies or professional fundraisers to undertake our fundraising on our behalf but work with a third-party marketer to develop and sell the advertisements in our Christmas Carol Service literature.

In the UK, we also raise funds from individuals, on a small scale, through direct marketing. We aim in all our supporter communications to provide clear information about how to request no further communications and work hard to ensure such requests are properly recorded and respected, and we train and support our staff to identify and protect people in vulnerable circumstances in accordance with our Safeguarding Policy.

To ensure effective governance of our fundraising the Operations Committee received regular reports on our activities, performance and compliance. The Finance Committee looks closely at our financial performance. Our staff team works closely with the Trustee Board to ensure that controls are in place relating to each area of accountability covered in the Charity Commission's guide to Trustee duties.

Statement of the financial duties and responsibilities of Trustees

Company law requires that the Trustees prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society company and the Society group as at the balance sheet date and of its net incoming resources and application of those resources, including the net income and expenditure of the group for the financial year. In preparing these financial statements, the Trustees are required to: select suitable accounting policies and apply them consistently, observe the methods and principles in the Charities SORP, make judgements and estimates that are reasonable and prudent and prepare the financial statements on the going concern basis, unless it is not appropriate to assume that the charitable company will continue on that basis. We also state here that applicable accounting standards have been followed subject to any material departures being disclosed and explained in the financial statements.

As Trustees (who are also the directors of Sailors' Society for the purpose of Company Law), we are responsible for preparing this annual report and the associated financial statements in accordance with applicable law and accounting standards of the United Kingdom – known as United Kingdom Generally Accepted Accounting Practice.

We are responsible for keeping accounting records, which disclose with reasonable accuracy the financial position of the Society. They should enable us to ascertain its financial position and to ensure that we comply with the Companies Act 2006 and with the requisite statutes and other charity and company legislation as required. We are responsible for safeguarding the assets of the Society and for taking all reasonable measures to detect and prevent fraud and any other irregularities that may arise.

Auditors

Azets Audit Services were appointed as auditors in January 2023 replacing HW Fisher LLP.

2022 TRUSTEES REPORT

Statement of disclosure by Trustees to the Society's auditor

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant audit information of which the group's auditor is unaware, and
- The Trustees individually have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditor is aware of that information.

This report, including the strategic report, was approved by the Trustees on 3 August 2023 and signed on their behalf by:



Peter M Swift
Chairman of the Board of Trustees

Independent Auditor's Report to the Members and Trustees of Sailors' Society

Opinion

We have audited the financial statements of Sailors' Society (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the consolidated and parent charitable company balance sheet, the consolidated cash flow statement 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 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 group's and parent charitable company's affairs as at 31 December 2022, and of the group's 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 and the Charities Act 2011.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 the group and parent charitable company'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.

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.

Opinions 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
-

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement the trustees (who are also the directors of the parent 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 group and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance-ethics/auditors-responsibilities-for-the-audit>. This description forms part of our auditor's 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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

17 August 2023

Jon Noble (Senior Statutory Auditor)

For and on behalf of -

Azets Audit Services

Athenia House
10-14 Andover Rd
Winchester
Hampshire
United Kingdom
SO23 7BS

Chartered accountants
Statutory auditor

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted Funds	Restricted Funds (Continuing)	Restricted Funds (Discontinuing)	Endowment Funds	Total 2022	Total 2021
	Notes	£000's	£000's	£000's	£000's	£000's	£000's
Income and endowments from:							
Donations and legacies	2	540	444	-	-	984	1,140
Charitable activities	3	40	-	18	-	58	220
Other trading activities	4	207	-	-	-	207	221
Investments	5	135	-	-	-	135	146
Other	6	4	-	1	-	5	123
Total		926	444	19	-	1,389	1,850
Expenditure on:							
Raising funds		481	-	-	-	481	866
Charitable activities							
Ongoing charitable activities		1,363	548	26	71	2,008	3,335
Adjustment for reassessment of legal matters		-	-	-	-	-	(1,230)
		1,363	548	26	71	2,008	2,105
Total	7	1,844	548	26	71	2,489	2,971
Net expenditure before investment (losses)/gains		(918)	(104)	(7)	(71)	(1,100)	(1,121)
(Losses)/gains on investments		(284)	-	-	-	(284)	244
Net expenditure		(1,202)	(104)	(7)	(71)	(1,384)	(877)
Transfers between funds	20(f)	26	(26)	(8)	8	-	-
Net movement in funds		(1,176)	(130)	(15)	(63)	(1,384)	(877)
Total funds brought forward - as previously reported		4,282	464	(19)	63	4,790	5,710
Prior year adjustment	20 (g)	-	-	-	-	-	(43)
Total funds brought forward - as restated		4,282	464	(19)	63	4,790	5,667
Fund balances carried forward		3,106	334	(34)	-	3,406	4,790

The statement of financial activities contains all gains and losses for the year and all activities relate to continuing and discontinued operations. The net expenditure for the purposes of the Companies Act 2006 comprises the net expenditure for the year adjusted for realised gains on investment assets and excluding the net expenditure on the permanent endowment fund and was £1,123,000 (2021: £406,000).

CONSOLIDATED AND SOCIETY BALANCE SHEETS

AT 31 DECEMBER 2022

		Consolidated		The Society	
	Notes	2022	2021	2022	2021
		£000's	£000's	£000's	£000's
Fixed assets					
Intangible assets	11	72	61	72	61
Tangible assets	12	613	1,597	601	1,592
Investments	13	1,853	2,424	1,645	2,191
Investment in subsidiary undertaking	22	-	-	5	5
Freehold investment properties	14	457	1,007	457	1,007
Interest free loans	15	-	16	-	16
		<u>2,995</u>	<u>5,105</u>	<u>2,780</u>	<u>4,872</u>
Current assets					
Stocks		1	4	1	4
Debtors	16	415	330	451	320
Cash at bank and in hand		697	224	685	171
		<u>1,113</u>	<u>558</u>	<u>1,137</u>	<u>495</u>
Total current assets					
Liabilities					
Creditors: amounts falling due within one year	17	(234)	(377)	(194)	(337)
		<u>879</u>	<u>181</u>	<u>943</u>	<u>158</u>
Net current assets					
Total assets less current liabilities					
		3,874	5,286	3,723	5,030
Creditors: amounts falling due after more than one year	18	(438)	(459)	(438)	(459)
Provisions for liabilities and charges	19	(30)	(37)	-	-
		<u>3,406</u>	<u>4,790</u>	<u>3,285</u>	<u>4,571</u>
Net assets					

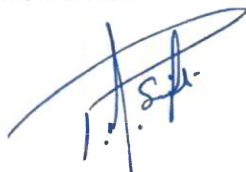
Company number 86942

CONSOLIDATED AND SOCIETY BALANCE SHEETS AT 31 DECEMBER 2022

		Consolidated		The Society	
	Notes	2022 £000's	2021 £000's	2022 £000's	2021 £000's
The funds of the charity					
Capital funds					
Endowment funds	20(a)(e)				
- Revaluation reserve		-	373	-	632
- Other endowment		-	(310)	-	(561)
		<hr/>	<hr/>	<hr/>	<hr/>
		-	63	-	71
		<hr/>	<hr/>	<hr/>	<hr/>
Income funds					
Restricted funds	20(b)(e)				
- Restricted discontinued		(34)	(19)	-	-
- Other restricted		334	464	321	451
		<hr/>	<hr/>	<hr/>	<hr/>
		300	445	321	451
		<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds					
General charitable funds	20(c)(e)				
- Investment revaluation reserve		315	1,198	311	1,169
- Other general charitable		2,354	2,592	1,673	1,819
		<hr/>	<hr/>	<hr/>	<hr/>
		2,669	3,790	1,984	2,988
Designated funds	20(d)	987	1,069	980	1,061
Non charitable funds	20(c)	(550)	(577)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		3,106	4,282	2,964	4,049
		<hr/>	<hr/>	<hr/>	<hr/>
		3,406	4,790	3,285	4,571

The accompanying notes are an integral part of the financial statements.

The financial statements were approved by the Board of Trustees on 3 August 2023 and signed on its behalf by:



Peter M Swift
Chairman

Company number 86942

**CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022		2021	
	£000's	£000's	£000's	£000's
Cash flows from operating activities				
Net generated from operating activities	(1,351)		(2,066)	
Interest payable	(20)		(25)	
		(1,371)		(2,091)
Cash flows from investing activities				
Interest and rents received	66		54	
Dividends received	68		103	
Payments to acquire tangible and intangible fixed assets	(38)		(45)	
Purchase of investments	(244)		(312)	
Receipts from sale of tangible fixed assets	958		55	
Receipts from sale of fixed asset investments	1,081		2,116	
		1,891		1,971
Cash flows from financing activities				
New borrowing	-		148	
Capital repayments	(47)		(136)	
		(47)		12
Change in cash and cash equivalents in the reporting period		473		(108)
Bank and cash balances at 1 January 2022		224		332
Bank and cash balances at 31 December 2022		697		224
Reconciliation of changes in resources to net cash outflow from operating activities				
Net expenditure for the reporting period		(1,100)		(1,121)
Investment income receivable		(135)		(146)
Interest payable		20		25
Depreciation, amortisation and impairment		65		534
Decrease in interest free loans		16		-
Decrease in stock		3		27
(Increase)/decrease in debtors		(84)		86
Decrease in creditors		(117)		(232)
Decrease in provisions for liabilities and charges		(7)		(1,250)
(Surplus)/deficit on disposal of fixed assets		(12)		11
Net cash outflow from operating activities		(1,351)		(2,066)
Analysis of cash and cash equivalents				
Bank balances and cash in hand		697		224

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

Analysis of changes in net debt	At 1 January 2022	Cash-flows	At 31 December 2022
	£000's	£000's	£000's
Cash	224	473	697
Loans due	(479)	20	(459)
Credit agreements within one year	(27)	27	-
	<u>(282)</u>	<u>520</u>	<u>238</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

Sailors' Society is a company limited by guarantee incorporated in England and Wales. The registered office is Seafarers' House, 74 St Annes Road, Southampton, SO19 9FF.

a) Basis of preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention except for listed investments and investment properties which are held at fair value.

The financial statements have been prepared in accordance with the Charity Commission Statement of Recommended Practice - Accounting and Reporting, by provisions of the Charities SORP (FRS102) - 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 (effective 1 January 2019) and the Companies Act 2006. The Trustees confirm that the charity is a public benefit entity, as defined by FRS102.

The functional currency of the Society is Pounds Sterling (GBP) rounded to the nearest thousand.

b) Group financial statements

These financial statements consolidate the results of the Society and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis using uniform accounting policies as set out below. Entities classed as associates have not had their results consolidated into these financial statements as explained in note 24 but financial information on these entities is included within the note.

A separate detailed statement of financial activities and income and expenditure account (SOFA) is not presented for the charity itself following the exemption afforded by section 408 of the Companies Act 2006. The charity's total income was £1,237,480 (2021: £1,494,097) and its total expenditure was £2,264,408 (2021: £2,425,242). Investment losses were £259,022 (2021: gains £229,755).

This results in net expenditure of £1,285,950 (2021: £701,390).

c) Company status

The Society is a company limited by guarantee. The members of the Society are the directors. In the event of the Society being wound up, the liability in respect of the guarantee is limited to £1 per member.

d) Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the Society.

Restricted funds are funds subject to specific restrictive conditions imposed by donors or through the terms of an appeal. The purpose and use of restricted funds is set out in the notes to the financial statements.

The expendable endowment fund relates to Sir Gabriel Wood's Mariners' Home which is held in trust by the Society. This fund can be spent in accordance with the objects of the trust as set out in note 20(a) and has been fully expended in the year. The endowment fund previously included a revaluation reserve representing the restatement of certain assets at market values.

Designated funds are funds earmarked formally by the trustees for a particular purpose and can be formally undesignated and be transferred back into the general fund if no longer required.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

e) Incoming resources

All incoming resources are included in the SOFA when the Society is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income :-

- Entitlement to legacy income is based on probate being granted before the year end. The amounts included as income are based on actual receipts or notification of intended payment in the following year. Where legacies have been notified to the Society but the criteria for income recognition have not been met, the legacy is treated as a contingent asset. These are disclosed in note 26.
- Voluntary income received by way of grants, donations and gifts is included in full in the SOFA when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Society, are recognised when the charity becomes unconditionally entitled to the grant. Grants, where entitlement is related to performance, are recognised when the Society earns the right to the grant through performance of the specified activity. Provision has been made for Income Tax reclaimable at the year end.
- Donated services, facilities and goods for internal use are included at the value to the Society where this can be quantified. Goods donated for resale in the Society's charity shops are included as income when they are sold. The Society receives support from a wide variety of volunteers. It is not practical to place a value on the time volunteered by all these persons due to the variety of duties performed and the differences in time spent by each volunteer.
- Incoming resources from charitable trading activity and activities to generate funds are accounted for when earned. Fundraising events income is accounted for in the year in which the event takes place. Funds received in advance for future fundraising events are treated as deferred income within creditors and income owed or pledged but not yet received, is treated as debtors to the extent that it is recoverable.

f) Resources expended

Expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the Society's charity shops. Costs paid in advance for fundraising events are treated as prepayments in debtors and are recognised in the SOFA in the year in which the event takes place.
- Charitable expenditure comprises those costs incurred by the Society in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Grants payable are accounted for when a legal or constructive obligation arises. A constructive obligation arises when the other party has a reasonable expectation of receipt.
- Support costs are those functions that assist the work of the Society but are not incurred directly in connection with charitable activity. Support costs include back office costs, finance, personnel, payroll and governance costs. These costs have been allocated between the cost of raising funds and expenditure on charitable activities consistent with the use of resources, i.e. allocating property costs by space occupied, office facilities by head count and management and accounting support on a time spent basis.

Where fundraising is part of a multi-purpose activity and promotes the charitable purpose, a proportion of those costs are allocated to the charitable activity. The basis of the split used is the estimated time spent on the activity.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

g) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £250 are capitalised.

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Valuations that occurred before the transition to FRS 102 have been treated as deemed cost, with no subsequent valuations undertaken. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated to write off the cost or valuation of tangible fixed assets, other than freehold land, by annual instalments over their expected useful lives as follows:

Motor vehicles	33% of the reducing balance
Furniture, fittings and equipment	25% of the reducing balance
Short and long leasehold properties	period of lease or period to lease breakpoint
Freehold buildings and Sir Gabriel Wood's Mariners' Home and Court	2%-5% of building cost or valuation

h) Intangible fixed assets and amortisation

Intangible assets are amortised over their expected economic useful lives as follows:

Computer software	25% of the reducing balance
Intellectual property	Equally over 10 years

i) Fixed asset investments & investment management fees

Listed investments have been stated at market value at the balance sheet date. Realised gains/(losses) are calculated as the difference between market value at the date of disposal and market value at the previous balance sheet date. Unrealised gains/(losses) are calculated as the difference between the market value at the balance sheet date and the market value at the previous balance sheet date (or date of acquisition if later).

Investment management fees are accounted for as follows :-

Bespoke Fund - percentage of the portfolio value on a quarterly basis shown under costs of raising funds in the SOFA.

Charity Multi-Asset Funds - Management fees of the fund itself are calculated on a percentage of the portfolio value deducted from the market value of the fund on a daily basis and therefore effectively deducted from realised or unrealised gains or losses on investments. For the Cazenove-managed fund, the fee element relating to client management services is a percentage of the portfolio value on a quarterly basis shown under costs of raising funds in the SOFA.

Freehold investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis, are measured at fair value annually with any change recognised in the SOFA. This includes the sublet elements of functional freehold property which are apportioned between tangible fixed assets and investment properties.

Investments in subsidiary undertakings are stated at cost less provision for impairment.

j) Stock

Stock consists of goods for resale held at Head Office and charity shops (where purchased for resale). Stock is valued at the lower of cost and net realisable value. Unsold donated items are excluded.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

k) Pensions

The Society operates a defined contribution group personal pension scheme with Aegon for the benefit of its UK based employees. Based upon gross salary, employees contribute at the rate of up to 4% net (5% including tax credit) and the Society at up to 10.75%. Contributions are charged to the SOFA when due. Some employees who are not eligible to join the above scheme, have personal pension plans into which the Society contributes.

l) Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA.

m) Operating leases

Rentals paid under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged against income on a straight line basis over the term of each lease.

n) Preparation of the financial statements on a going concern basis

The Society's worldwide operations are complex and wide-ranging. The Society's policy is to always ensure that adequate reserves are maintained to finance operations and to avoid any interruption of services to seafarers. A detailed review of the level of reserves is included in the Trustees Report annually.

The group results show net decrease in funds of £1,384,000 and net cash inflows of £473,000 for 2022. The Society has prepared forecasts to the end of 2024 for itself and its subsidiaries that continue to operate. These forecasts include the net proceeds from expected property sales and they anticipate that the Society will have sufficient financial reserves to operate throughout the period. The financial statements have therefore been prepared on a going concern basis.

o) Corporate taxation

The Society is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. The Society is not exempt from certain taxes applicable to some of its overseas operations where charitable tax reliefs cannot be applied.

p) Judgements in applying accounting policies and key sources of estimation uncertainty

The Society applies judgement in the following areas: -

- the recognition of legacy income in line with the stated accounting policy above.
- the allocation of costs between the various activities of the Society. The method, as disclosed, is considered to be the fairest way to allocate shared costs between activities in a consistent manner.
- the valuation of investment property at fair value in line with accounting policy 1(i) above. Further detail is included in note 14.
- the assessment of liabilities and whether they should be provided as a liability in the financial statements or disclosed in a contingent liability note.
- the financial statements include an estimate in respect of the liability related to the individuals who are beneficiaries of the former Leith Aged Mariners' Fund. Estimates relate to the discount factor used and the estimated life expectancy of the individuals - see note 19.

There are no other significant judgements or estimates in these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

q) Financial instruments

The Society has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the Society's balance sheet when the Society becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through the statement of financial activities are measured at fair value.

Other financial assets

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

r) Classification of financial liabilities

Basic financial liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through the statement of financial activities are measured at fair value.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expenses recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Society after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Society's obligations are discharged, cancelled, or they expire.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022	2021
	£000's	£000's	£000's	£000's	£000's
2. Donations and legacies					
Donations and grants	231	422	-	653	877
Legacies	309	22	-	331	263
	540	444	-	984	1,140
2021	470	670	-	1,140	
3. Charitable activities					
Income from seafarers' centres and seafarers' retirement facility	27	-	-	27	37
Other programme related income	13	-	-	13	13
Residential home fees and flat rental income	-	18	-	18	170
	40	18	-	58	220
2021	50	170	-	220	
4. Other trading activities					
Charity shop income	76	-	-	76	163
Fundraising events, sponsorship & commercial	131	-	-	131	58
	207	-	-	207	221
2021	221	-	-	221	
5. Investment income					
Listed investments	69	-	-	69	94
Property rents	65	-	-	65	51
Interest receivable	1	-	-	1	1
	135	-	-	135	146
2021	146	-	-	146	
6. Other income					
COVID-19 related governmental income	-	1	-	1	123
Miscellaneous	4	-	-	4	-
	4	1	-	5	123
2021	98	25	-	123	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Total expenditure - 2022	Staff Costs £000's (Note 10)	Other direct costs £000's	Support costs £000's (Note 8)	Governance costs allocation £000's	Total 2022 £000's	Total 2021 £000's
Expenditure on raising funds						
Fundraising costs						
Charity shop costs	59	96	22	-	177	449
Fundraising events, sponsorship and commercial	42	23	9	5	79	68
	101	119	31	5	256	517
Costs of generating voluntary income						
Other fundraising costs	103	18	74	9	204	315
	103	18	74	9	204	315
Investment costs						
Investment management costs	-	8	-	-	8	12
Foreign exchange differences	-	-	-	-	-	4
Property rental costs	-	13	-	-	13	18
	-	21	-	-	21	34
	204	158	105	14	481	866
Expenditure on charitable activities						
Chaplaincy, welfare and projects	667	452	224	85	1,428	1,462
Seafarers' centres costs	2	26	7	2	37	108
Residential home and seafarers' let accommodation costs	32	102	23	5	162	1,372
Contributions to partner organisations	15	49	12	5	81	72
Promoting the charitable purpose	136	70	78	16	300	321
	852	699	344	113	2,008	3,335
Governance						
	9	37	81	(127)	-	-
	1,065	894	530	-	2,489	4,201
Support staff costs						
	352		(352)			
	1,417		178			

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Total expenditure - 2021	Staff Costs £000's (Note 10)	Other direct costs £000's	Support costs £000's (Note 8)	Governance costs allocation £000's	Total 2021 £000's	Total 2020 £000's (as restated,
<i>Expenditure on raising funds</i>						
<i>Fundraising costs</i>						
Charity shop costs	126	269	54	-	449	430
Fundraising events, sponsorship and commercial	15	42	5	6	68	95
	141	311	59	6	517	525
<i>Costs of generating voluntary income</i>						
Other fundraising costs	127	90	90	8	315	289
	127	90	90	8	315	289
<i>Investment costs</i>						
Investment management costs	-	12	-	-	12	23
Foreign exchange differences	-	4	-	-	4	(7)
Property rental costs	-	18	-	-	18	11
	-	34	-	-	34	27
	268	435	149	14	866	841
<i>Expenditure on charitable activities</i>						
Chaplaincy, welfare and projects	618	546	227	71	1,462	1,482
Seafarers' centres costs	12	73	17	6	108	124
Residential home and seafarers' let accommodation costs	541	742	73	16	1,372	1,591
Contributions to partner organisations	4	42	20	6	72	129
Promoting the charitable purpose	103	119	84	15	321	322
	1,278	1,522	421	114	3,335	3,648
<i>Governance</i>	7	37	84	(128)	-	-
	1,553	1,994	654	-	4,201	4,489
<i>Support staff costs</i>	412		(412)			
	1,965		242			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Total expenditure (continued)

	2022 £000's	2021 £000's
Net incoming resources are stated after charging/(crediting) :-		
Remuneration paid to the Society's auditors:		
- audit fee for the Society	17	13
- audit fee for the subsidiaries	8	12
- tax compliance services and other advice	2	1
- Independent examination (Sir Gabriel Wood's Mariners' Home)	3	-
Remuneration paid to other auditors	3	2
Operating lease rentals	93	179
- land & buildings		
- equipment	13	13
Mortgage and other finance interest payable	20	25
(Surplus)/deficit on disposal of fixed assets	(12)	11
Foreign exchange differences	-	16
Depreciation, amortisation and impairment	65	534

8. Allocation of support costs - 2022

	Premises running costs £000's	Office facilities costs £000's	Finance, accounting & IT £000's	Management & audit £000's	2022 total £000's	2021 total £000's
<i>Basis of allocation</i>	<i>Floor area</i>	<i>Head count</i>	<i>Time spent</i>	<i>Time spent</i>		
Fundraising costs						
Charity shop costs	-	2	9	11	22	54
Fundraising events, sponsorship & commercial	1	6	2	-	9	5
	1	8	11	11	31	59
Costs of generating voluntary income						
Other fundraising costs	7	38	6	23	74	90
	7	38	6	23	74	90
Charitable activities						
Chaplaincy, welfare and projects	9	47	100	68	224	227
Seafarers' centres costs	-	1	4	2	7	17
Residential home and seafarers' let accommodation costs	1	4	11	7	23	73
Contributions to partner organisations	-	2	7	3	12	20
Promoting the charitable purpose	6	40	2	30	78	84
	16	94	124	110	344	421
Governance	3	15	46	17	81	84
	27	155	187	161	530	654

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Allocation of support costs - 2021

	<i>Premises running costs £000's</i>	<i>Office facilities costs £000's</i>	<i>Finance, accounting & IT £000's</i>	<i>Management & audit £000's</i>	<i>2021 total £000's</i>	<i>2020 total £000's</i>
<i>Basis of allocation</i>	<i>Floor area</i>	<i>Head count</i>	<i>Time spent</i>	<i>Time spent</i>		
<i>Fundraising costs</i>						
Charity shop costs	1	7	30	16	54	62
Fundraising events, sponsorship & commercial	-	2	3	-	5	22
	1	9	33	16	59	84
<i>Costs of generating voluntary income</i>						
Other fundraising costs	10	55	7	18	90	84
	10	55	7	18	90	84
<i>Charitable activities</i>						
Chaplaincy, welfare and projects	9	51	123	44	227	268
Seafarers' centres costs	1	2	5	9	17	18
Residential home and seafarers' let accommodation costs	2	12	24	35	73	56
Contributions to partner organisations	1	3	7	9	20	30
Promoting the charitable purpose	8	38	3	35	84	76
	21	106	162	132	421	448
<i>Governance</i>	3	16	47	18	84	115
	35	186	249	184	654	731

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Analysis of grants expenditure within charitable expenditure

	Grants to institutions £000's	Grants to individuals £000's	Support costs £000's	2022 £000's	2021 £000's
Operation of seafarers centres	10	-	-	10	12
Seafarer communities	65	-	3	68	207
Chaplaincy	8	-	-	8	15
Seafarer general welfare	21	47	7	75	46
Educational	-	2	-	2	(8)
	104	49	10	163	272

Material grants made to institutions £10,000 and over, included in the above, were as follows:

		2022 £000's	2021 £000's
<i>Within chaplaincy & welfare:-</i>			
Voluntary Health Services, Chennai, India	Provision of mobile medical facilities	19	23
	Supply and distribution of COVID testing kits	-	62
Liprayan Integrated School (paid to suppliers)	Provision of furniture and other fitting out costs for school used by seafarers' families in Lipayran, Philippines	-	10
Yenepoya Medical College Hospital, Mangalore, India	Supply and distribution of COVID testing kits	-	59
Queen Victoria Seamen's Rest (QVSR)	Contribution to project manager costs to oversee the transfer of UK joint venture seafarer centres to QVSR	10	10
Magsaysay Multi Purpose Cooperative, Philippines	Supply and distribution of COVID testing kits	65	66
<i>Within various:-</i>			
Others £10,000 and under		10	20
		104	250

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Staff costs and numbers	2022 £000's	2021 £000's
Salaries and wages (including agency workers)	1,205	1,719
Social security costs	117	138
Pension costs	61	71
Life assurance and medical insurance	7	10
Chaplains' housing costs	27	27
	1,417	1,965
Benefits in kind not included in the above	8	8

Total pension contributions accrued and not paid at 31 December 2022 amounted to £7,666 (2021: £8,010).

Total redundancy and termination payments were £13,691 of which £NIL was unpaid at 31 December 2022 (2021: £222,577 and £NIL unpaid at 31 December 2021).

The total remuneration of the four members of the Senior Leadership Team who served during the year including benefits but excluding pension contributions was £328,680 (2021: four members, 3.1 full time equivalent - £263,810). No remuneration was received by any director.

The number of employees receiving total emoluments over £60,000, as defined for taxation purposes, were as follows:

	2022 Number	2021 Number
£60,000 to £69,999	2	1
£70,000 to £79,999	1	1
£110,000 to £119,999	-	1
£120,000 to £129,999	1	-

Pension contributions to the Society's defined contribution scheme for the four employees above were £33,241 (2021: three employees £26,080).

The average number of employees, calculated on a full time equivalent basis (including casual and part-time staff), analysed by function was:

	2022 Number	2021 Number
Chaplaincy and welfare	35	36
Seafarers' centres	-	1
Fundraising and charity shops	5	9
Residential home	-	6
Promoting the charitable cause	3	2
Management and administration of the charity	7	7
	50	61

The average monthly head count during the year was 57 (2021: 71).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. Intangible assets

<i>Consolidated and the Society</i>	Computer software £000's
Cost	
At 1 January 2022	322
Additions	26
Disposals	(116)
At 31 December 2022	<u>232</u>
Amortisation	
At 1 January 2022	261
Charge for the year	15
Disposals	(116)
At 31 December 2022	<u>160</u>
Net book value	
At 31 December 2022	<u>72</u>
At 31 December 2021	<u>61</u>

Computer software relates to the technology the Society has developed for use in its charitable operations.

The value of computer software, in development, not amortised was £27,775 (2021 - £1,375).

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets

a) Consolidated

	Freehold property & improvements £000's	Sir Gabriel Wood's Home & Court £000's	Leasehold property £000's	Furniture fittings & equipment £000's	Motor vehicles £000's	Total £000's
Cost or valuation						
At 1 January 2022	728	1,874	296	296	470	3,664
Additions	-	8	-	4	-	12
Disposals	-	(1,882)	(224)	(63)	(47)	(2,216)
At 31 December 2022	728	-	72	237	423	1,460
Depreciation						
At 1 January 2022	170	947	289	244	417	2,067
Charge for year	19	-	2	12	17	50
Disposals	-	(947)	(224)	(54)	(45)	(1,270)
At 31 December 2022	189	-	67	202	389	847
Net book value						
At 31 December 2022	539	-	5	35	34	613
Net book value						
At 31 December 2021	558	927	7	52	53	1,597

Sir Gabriel Wood's Mariners' Home and Court was disposed of during the year. In prior years it was carried at a valuation. If it had not been revalued it would have been carried at 31 December 2021 at:-

	£000's
Cost	1,678
Accumulated depreciation	(1,124)
Net book value	554

b) Capital Commitments (Group and Society)

At 31 December 2022 the Society had capital commitments of £21,600 (2021 - £NIL).

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets (Continued)

c) The Society

	Sir Gabriel					
	Freehold property & improvements £000's	Wood's Home & Court £000's	Leasehold property £000's	Furniture fittings & equipment £000's	Motor vehicles £000's	Total £000's
Cost or valuation						
At 1 January 2022	728	1,540	262	275	431	3,236
Additions	-	-	-	4	-	4
Disposals	-	(1,540)	(224)	(58)	(27)	(1,849)
Group transfers	-	-	-	-	(19)	(19)
At 31 December 2022	728	-	38	221	385	1,372
Depreciation						
At 1 January 2022	170	605	262	228	379	1,644
Charge for the year	19	-	-	11	15	45
Disposals	-	(605)	(224)	(50)	(24)	(903)
Group transfers	-	-	-	-	(15)	(15)
At 31 December 2022	189	-	38	189	355	771
Net book value						
At 31 December 2022	539	-	-	32	30	601
At 31 December 2021	558	935	-	47	52	1,592

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Fixed asset investments	Multi-Asset	Bespoke	
	Funds	Fund	Total
<i>a) Consolidated</i>	£000's	£000's	£000's
Market value			
At 1 January 2022	1,305	1,119	2,424
Additions	200	44	244
Disposals	(161)	(464)	(625)
Unrealised losses on revaluation	(123)	(67)	(190)
Market value at 31 December 2022	1,221	632	1,853
Historical cost at 31 December 2022	1,010	453	1,463
Listed investments			
UK fixed interest securities	88	117	205
UK equity shares	144	213	357
Overseas fixed interest	62	260	322
Overseas equity shares	622	-	622
Property funds	79	-	79
Multi asset funds	17	-	17
Alternative investments	153	42	195
Cash	56	-	56
Market value at 31 December 2022	1,221	632	1,853
<i>b) The Society</i>			
Market value			
At 1 January 2022	1,072	1,119	2,191
Additions	200	44	244
Disposals	(161)	(464)	(625)
Unrealised losses on revaluation	(98)	(67)	(165)
Market value at 31 December 2022	1,013	632	1,645
Historical cost at 31 December 2022	806	453	1,259
Listed investments			
UK fixed interest securities	77	117	194
UK equity shares	125	213	338
Overseas fixed interest	50	260	310
Overseas equity shares	508	-	508
Property funds	64	-	64
Multi asset funds	13	-	13
Alternative investments	131	42	173
Cash	45	-	45
Market value at 31 December 2022	1,013	632	1,645

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. Fixed asset investments (continued)

Individual holdings at 31 December 2022 representing more than 5% of the value of the combined portfolio were as follows:-

Vanguard Funds Plc S&P 500 USD	10.3%
iShares GBP corporate bond	6.3%

14. Freehold investment properties

Consolidated and the Society - at valuation

	£000's
At 1 January 2022	1,007
Disposals	(550)
Revaluation in the year	-

At 31 December 2022	457
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The valuation consists of:

Freehold property - Sublet portion of Seafarer House, Woolston, Southampton	457
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The sublet portion of Seafarer House was valued at 31 December 2022 by the directors based on the capitalised value of rental income received with reference to commercial rental yields. The remainder of the property, occupied by the Society, remains within freehold property in tangible fixed assets.

The historical net book value of the properties is £531,977 (2021: £609,039).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

15. Interest free loans

	Consolidated		The Society	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Loans to joint operations	-	16	-	16

These loans are to finance the operations of the borrowers and are not repayable within twelve months. During the year the trustees undertook an impairment review and the value of the loans was reduced to nil.

16. Debtors

	Consolidated		The Society	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Trade debtors	14	34	9	19
Amounts owed by subsidiary undertakings	-	-	51	25
Other debtors, prepayments and accrued income	401	296	391	276
	415	330	451	320

17. Creditors: amounts falling due within one year

	Consolidated		The Society	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Trade creditors	84	125	56	87
Bank loans	21	20	21	20
Taxes and social security	26	39	25	38
Pension contributions owed	8	8	8	8
Other creditors and accruals	78	109	70	82
Hire purchase and credit agreements	-	27	-	27
Deferred income (see note below)	17	49	14	46
Amounts owed to subsidiary undertakings	-	-	-	29
	234	377	194	337
Secured creditors	21	20	21	20

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. Creditors: amounts falling due within one year (continued)

	Consolidated		The Society	
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
Deferred income				
At 1 January 2022	49	52	46	43
Released to Statement of Financial Activities	(56)	(24)	(52)	(14)
Deferred in the year	24	21	20	17
At 31 December 2022	17	49	14	46

18. Creditors: amounts falling due after more than one year

	Consolidated		The Society	
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
Bank loan	438	459	438	459
Secured creditors	438	459	438	459

Assets held under hire purchase agreements are secured on the asset to which the agreement relates. Amounts payable in the next twelve months are shown as creditors due within one year.

	Consolidated		The Society	
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
Future payments due				
Amounts payable between 1 and 2 years	40	40	40	40
Amounts payable between 2 and 5 years	120	120	120	120
Amounts payable over 5 years	426	466	426	466
	586	626	586	626
Less: finance charges allocated to future periods	(148)	(167)	(148)	(167)
	438	459	438	459

The bank loan was advanced in August 2017 and was repayable over 20 years at an interest rate of 4.19% p.a. fixed for a period of 10 years and renegotiable thereafter. The bank granted a 12 month capital repayment holiday ending 30 April 2021 with the loan now being due to be repaid in August 2038. The loan is secured on the freehold property at St Annes Road, Southampton.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

19. Provisions for liabilities and charges

	Leith Aged Mariners' Fund £000's
At 1 January 2022	37
Adjustment in the year	(7)
	<hr/>
At 31 December 2022	30
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Leith Aged Mariners' Fund

The Fund was formerly a separately registered Scottish charity and was closed down and merged into Sailors' Society Scotland in early 2019.

Monthly charitable welfare payments are made to beneficiaries with a merchant marine background and to their dependants. The weekly payment is £12 with a further £12 given as a Christmas bonus in December. The annual cost is £636 per person. The number of beneficiaries in 2021 reduced from 9 to 7 by the year end.

The estimated future payments for beneficiaries of the Leith Aged Mariners' Fund were calculated on an actuarial basis to be approximately £30,200 at 31 December 2022, using 2018-2020 life tables for Scotland supplied by the Office of National Statistics.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. Reserves

(a) Endowments - consolidated

	Balance 1 January 2022	Movement in Funds		Balance 31 December 2022
		Incoming resources	Expenditure, gains, losses and transfers	
Endowments	£000's	£000's	£000's	£000's
Sir Gabriel Wood's Mariners' Home (and Court) building	63	-	(63)	-
Included within the above are the following movements on revaluation reserves:				
Sir Gabriel Wood's Mariners' Home	373	-	(373)	-

	Balance 1 January 2021	Movement in Funds		Balance 31 December 2021
		Incoming resources	Expenditure, gains, losses and transfers	
Endowments	£000's	£000's	£000's	£000's
Sir Gabriel Wood's Mariners' Home (and Court) building	1,235	-	(1,172)	63
Included within the above are the following movements on revaluation reserves:				
Sir Gabriel Wood's Mariners' Home	649	-	(276)	373

Sir Gabriel Wood's Mariners' Home

Sir Gabriel Wood's Mariners' Home in Greenock provided accommodation for retired seafarers and their dependant. The original assets and administration of the home were transferred, under a Deed of Trust, to the Society in 1968. The deemed cost of the Home itself was shown as an endowment fund. The day to day administration of the Home was carried out by the subsidiary charity whose own net assets are shown under restricted funds. The care home closed in February 2021 and the charity ceased the remainder of its operations when the property was sold in March 2022. Steps are being taken in 2023 to wind up the charity.

Legal opinion has been sought which has confirmed that the terms of the trust deed of Sir Gabriel Wood's Mariners' Home renders the trust property to be an expendable fund with any expenditure set against it being in accordance with the objects of the trust, including the operation of the residential care home, the independent living facility (the Court), safeguarding and maintenance of the trust property.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. Reserves

(b) Restricted funds - consolidated

	Balance 1 January 2022	Movement in Funds		Balance 31 December 2022
		Incoming resources	Expenditure, gains, losses and transfers	
Sailors' Society (see note 20(e))				
Capital grants and donations	190	27	(19)	198
Donations & events income	251	386	(514)	123
Legacies	10	22	(32)	-
Sailors' Society Scotland				
Capital grants and donations	5	-	-	5
Programme related work donations	1	10	(10)	1
Sir Gabriel Wood's Mariners' Home				
General funds including grants	(19)	18	(33)	(34)
Sailors' Society Philippines Inc				
Boat project	7	-	-	7
	<u>445</u>	<u>463</u>	<u>(608)</u>	<u>300</u>

The Trustees are aware of the deficit relating to Sir Gabriel Wood's Mariners' Home and are seeking to reduce this operationally together with looking at other options to cover the deficit from unrestricted funds.

	Balance 1 January 2021	Movement in Funds		Balance 31 December 2021
		Incoming resources	Expenditure, gains, losses and transfers	
Sailors' Society (see note 20(e))				
Capital grants and donations	247	-	(57)	190
Donations & events income	44	632	(425)	251
Legacies	10	-	-	10
Sailors' Society Scotland				
Capital grants and donations	5	2	(2)	5
Programme related work donations	-	28	(27)	1
Sir Gabriel Wood's Mariners' Home				
General funds including grants	(125)	203	(97)	(19)
Sailors' Society Philippines Inc				
Boat project	7	-	-	7
	<u>188</u>	<u>865</u>	<u>(608)</u>	<u>445</u>

Grants

Grants relate to capital grants (both expended and unexpended). Depreciation on assets purchased with capital grants is charged against this restricted fund.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. Reserves

	Movement in Funds		
	Balance 1 January 2022	Incoming Resources	Expenditure gains, losses and transfers
	£000's	£000's	£000's
<i>(c) Unrestricted funds - consolidated</i>			
Sailors' Beneficial Enterprises Ltd (note 22)	(577)	69	(42)
General reserve	3,790	857	(1,978)
Designated Funds (see note 20(d))	1,069	-	(82)
	4,282	926	(2,102)

	Movement in Funds		
	Balance 1 January 2021	Incoming Resources	Expenditure gains, losses and transfers
	£000's	£000's	£000's
<i>(d) Designated funds</i>			
<i>Consolidated</i>			
Sailors' Beneficial Enterprises Ltd (note 22)	(570)	77	(84)
General reserve	3,489	908	(607)
Designated Funds	1,325	-	(256)
	4,244	985	(947)

(d) Designated funds

Consolidated

Overseas Retirement Fund	48	-	-	48
Fixed Asset Fund	993	-	(54)	939
Educational Fund	28	-	(28)	-
	1,069	-	(82)	987

Society

Overseas Retirement Fund	48	-	-	48
Fixed Asset Fund	985	-	(53)	932
Educational Fund	28	-	(28)	-
	1,061	-	(81)	980

Overseas Retirement Fund

This fund is intended to provide lump sum retirement grants to overseas staff and is based on age and length of service.

Fixed asset fund

The fund represents the carrying value of fixed assets held for use by the charity and excluded from free reserves.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. Reserves

(d) Designated funds (continued)

Educational Fund

This fund was originally established in 2007 following the sale of an artifact bequeathed to the Society which was sold at auction. The proceeds have been utilised to fund nautical training grants for sea service in memory of the donor's family. The fund has been undesignated in 2022 and replaced with new donations from other restricted sources.

	Movement in Funds		
	Balance 1 January 2021	Incoming Resources	Expenditure gains, losses and transfers
	£000's	£000's	£000's
Consolidated			
Overseas Retirement Fund	48	-	-
Fixed Asset Fund	1,248	-	(255)
Educational Fund	29	-	(1)
	1,325	-	(256)
	1,069		
Society			
Overseas Retirement Fund	48	-	-
Fixed Asset Fund	1,192	-	(207)
Educational Fund	29	-	(1)
	1,269	-	(208)
	1,061		
(e) The Society			
	Movement in funds		
	Balance 1 January 2022	Incoming Resources	Expenditure gains, losses transfers and revaluations
	£000's	£000's	£000's
Endowment funds			
Sir Gabriel Wood's Mariners' Home	71	-	(71)
	-		
Restricted funds			
Capital grants and donations	190	27	(19)
Donations & events income	251	386	(514)
Legacies	10	22	(32)
	451	435	(565)
	321		
Unrestricted Funds			
Designated funds	1,061	-	(81)
General funds	2,988	802	(1,806)
	4,049	802	(1,887)
	2,964		
	4,571	1,237	(2,523)
	3,285		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. Reserves (continued)

(e) The Society

	Balance 1 January 2022 £000's	Movement in funds		Balance 31 December 2022 £000's
		Incoming Resources £000's	Expenditure gains, losses transfers and revaluations £000's	
Included within the endowment fund are the following movements on revaluation reserves:				
Sir Gabriel Wood's Mariners' Home	632	-	(632)	-
<i>Restricted funds details</i>				
Capital grants - Seafarers' Centres	157	-	(8)	149
Capital grants & donations - Chaplains' & programme related vehicles	18	-	(7)	11
Capital grants & donations - App developments & other programme IT	15	27	(4)	38
Programme IT management	-	10	(10)	-
Wellness Programme	-	15	(15)	-
Cadet conferences	-	11	(11)	-
Crisis response network	106	175	(236)	45
Chaplains' ministry costs	6	22	(28)	-
Seafarers' welfare	7	30	(21)	16
Programme work in India	7	8	(13)	2
Seafarer communities	5	1	(3)	3
Programme work in Scotland	-	5	(5)	-
Ukraine appeal	-	121	(110)	11
On line support	-	10	-	10
COVID kits - supply and distribution	83	-	(83)	-
Medical care - Indonesia	11	-	(1)	10
Medical care - India	26	-	-	26
Unspent legacy - Northern Ireland	10	-	(10)	-
	451	435	(565)	321

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. Reserves (continued)

(e) The Society

	Balance 1 January 2021 £000's	Movement in funds		Balance 31 December 2021 £000's
		Incoming Resources £000's	Expenditure gains, losses transfers and revaluations £000's	
Endowment funds				
<i>Sir Gabriel Wood's Mariners' Home</i>	997	-	(926)	71
Restricted funds				
<i>Capital grants and donations</i>	247	-	(57)	190
<i>Donations & events income</i>	44	632	(425)	251
<i>Legacies</i>	10	-	-	10
	301	632	(482)	451
Unrestricted Funds - General reserve				
<i>Designated funds</i>	1,269	-	(208)	1,061
<i>General funds</i>	2,705	862	(579)	2,988
	3,974	862	(787)	4,049
	5,272	1,494	(2,195)	4,571

Included within the above are the following movements on revaluation reserves:

<i>Sir Gabriel Wood's Mariners' Home</i>	689	-	(57)	632
Restricted funds details				
<i>Capital grants - Seafarers' Centres</i>	185	-	(28)	157
<i>Capital grants & donations - Chaplains' & programme related vehicles</i>	34	-	(16)	18
<i>App developments & Chaplains' IT</i>	45	-	(30)	15
<i>Wellness Programme</i>	-	38	(38)	-
<i>Crisis response network</i>	2	120	(16)	106
<i>Chaplains' ministry costs</i>	7	50	(51)	6
<i>Programme work in Scotland</i>	-	73	(73)	-
<i>Unspent legacy - Northern Ireland</i>	10	-	-	10
<i>Seafarers' welfare</i>	6	9	(8)	7
<i>India seafarers' centre facilities</i>	7	-	-	7
<i>Haiyan Appeal - rebuilding communities</i>	5	-	-	5
<i>COVID kits - supply and distribution</i>	-	303	(220)	83
<i>Medical care - Indonesia</i>	-	13	(2)	11
<i>Medical care - India</i>	-	26	-	26
	301	632	(482)	451

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Reserves (continued)

(f) Transfers between funds

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds £000's
Sir Gabriel Wood's Mariners' Home improvements	-	(8)	8	-
Restricted funds reclassified as unrestricted	26	(26)	-	-
	<u>26</u>	<u>(34)</u>	<u>8</u>	<u>-</u>

During the year the Sir Gabriel Wood's Mariners' Home charity spent £7,598 on improvements to the Home which was owned by the Society and treated as an endowment. As the charity is treated as a restricted fund, a transfer is required from restricted to endowment funds to recognise the increased value of the endowment by this amount.

(g) Prior year adjustment

The prior period adjustment in 2021 related to a reassessment of the accounting treatment of the Leith Aged Mariners' Fund when it was transferred from a separate registered charity in 2019 to Sailors' Society Scotland. Formerly treated as a restricted fund, the implied obligation to continue to pay current beneficiaries welfare payments for the rest of their lives is now viewed as a liability. Consequently the adjustment of £43,000 removes the restricted fund from reserves and places it on the balance sheet as a provision under liabilities due after one year based on future estimated instalments. Movements on the liability from year to year are shown on the Statement of Financial Activities.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Analysis of consolidated net assets between funds

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds £000's
Fund balances at 31 December 2022 are represented by:				
Group				
Tangible fixed assets	434	179	-	613
Intangible fixed assets	48	24	-	72
Investment properties	457	-	-	457
Investments	1,853	-	-	1,853
Current assets	983	130	-	1,113
Current liabilities	(201)	(33)	-	(234)
Long term liabilities	(468)	-	-	(468)
Total net assets at 31 December 2022	3,106	300	-	3,406
Society				
Tangible fixed assets	427	174	-	601
Intangible fixed assets	48	24	-	72
Investment properties	457	-	-	457
Investments	1,645	-	-	1,645
Investment in subsidiaries	5	-	-	5
Current assets	1,014	123	-	1,137
Current liabilities	(194)	-	-	(194)
Long term liabilities	(438)	-	-	(438)
Total net assets at 31 December 2022	2,964	321	-	3,285

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Analysis of consolidated net assets between funds (continued)

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds £000's
<i>Fund balances at 31 December 2021 are represented by:</i>				
Group				
<i>Tangible fixed assets</i>	474	196	927	1,597
<i>Intangible fixed assets</i>	61	-	-	61
<i>Investment properties</i>	1,007	-	-	1,007
<i>Investments</i>	2,424	-	-	2,424
<i>Interest free loans</i>	16	-	-	16
<i>Current assets</i>	260	298	-	558
<i>Current liabilities</i>	(328)	(49)	-	(377)
<i>Long term liabilities</i>	(496)	-	-	(496)
<i>Interfund balances</i>	864	-	(864)	-
Total net assets at 31 December 2021	4,282	445	63	4,790
Society				
<i>Tangible fixed assets</i>	467	190	935	1,592
<i>Intangible fixed assets</i>	61	-	-	61
<i>Investment properties</i>	1,007	-	-	1,007
<i>Investments</i>	2,191	-	-	2,191
<i>Investment in subsidiaries</i>	5	-	-	5
<i>Interest free loans</i>	16	-	-	16
<i>Current assets</i>	234	261	-	495
<i>Current liabilities</i>	(337)	-	-	(337)
<i>Long term liabilities</i>	(459)	-	-	(459)
<i>Interfund balances</i>	864	-	(864)	-
Total net assets at 31 December 2021	4,049	451	71	4,571

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22. Subsidiary undertakings

(a) Details of subsidiaries

(1) The Society owns 100% of the issued ordinary share capital of Sailors' Beneficial Enterprises Ltd, a company limited by shares and registered in England and Wales (no. 3652955). The company arranges corporate sponsorship on behalf of the Sailors' Society and organises selected overseas fundraising events. It also handles any commercial trading activity. The registered office is Seafarer House, 74 St Annes Rd, Southampton, SO19 9FF. Certain trustees and staff of the Society are directors.

(2) Sir Gabriel Wood's Mariners' Home and Court is a registered charity in Scotland (no. SC003763). Certain Society trustees and the Chief Executive Officer are trustees of the charity.

It operated a residential care home and independent living facility in Greenock, Scotland for retired seafarers, those who worked in the maritime industry as well as those who worked at sea in the Merchant Navy, Royal Navy, Royal Marines or WRNS. The care home closed in February 2021 and the independent living facility operation ceased when the entire site was sold in March 2022. The registered office is Seafarer House, 74 St Annes Road, Southampton SO19 9FF.

(3) Sailors' Society Scotland is a registered charity in Scotland (no. SC041887) and a company limited by guarantee registered in Scotland (no. SC387850). This charity carries out some of the fundraising and charitable activity in Scotland. The registered office is 79 Rosemount Viaduct, Aberdeen, AB25 1NS. Its trustees are also trustees of the Society.

(4) Sailors' Society Philippines Incorporated is a company limited by guarantee, registered in the Philippines, number CN201628509. The charity carries out welfare work and educational assistance with seafarers and their families through chaplaincy and community outreach in the ports and seafarer communities in the Philippines. The registered office is Room 204B, 18 Cherry Court Building, General Maxilom Avenue, Brangay Zapatera, Cebu City, Cebu, Philippines. The Society exercises its control through the company's Board of Trustees, which contains Society employees and, as its main funder, controls the activities of the charity.

(5) Sailors' Society USA is a non-profit corporation incorporated in the state of Texas, USA, file number 0803171422. The registered office is 909 Fannin Street, Houston, Texas 77010, USA. The company was formed to carry out fundraising activities in the USA but has been dormant since formation. Trustees and staff of the Society are directors.

All results of the above subsidiaries are consolidated in the group financial statements.

(b) Investment in subsidiaries

Cost	£000's
At 1 January 2022 and 31 December 2022	21
Provision for impairment	
At 1 January 2022	16
Provision in year	-
At 31 December 2022	16
Net book value	
At 31 December 2022	5
At 31 December 2021	5

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22. Subsidiary undertakings (continued)

(c) Financial details

	Sir Gabriel Wood's Mariners' Home		Sailors' Beneficial Enterprises Ltd	
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
Sailors' Society funding	-	549	-	-
Commercial income	-	-	69	65
Residential home & flat fees	18	178	-	-
Investment & other income	1	25	-	12
	19	752	69	77
Charitable expenditure	(33)	(646)	-	-
Commercial/retail costs	-	-	(23)	(71)
	(33)	(646)	(23)	(71)
	(14)	106	46	6
Interest to parent charity	-	-	(19)	(13)
Net (deficit)/surplus	(14)	106	27	(7)
The aggregate of the assets, liabilities and funds was:				
Assets	5	29	9	27
Liabilities	(39)	(49)	(556)	(601)
Funds	(34)	(20)	(547)	(574)
	Sailors' Society Scotland		Sailors' Society Philippines	
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
Donations & grants	10	30	-	-
Sailors' Society funding	75	75	147	148
Commercial/retail/charitable trading income	59	39	6	4
Investment income	9	9	-	-
Other income	-	29	-	-
	153	182	153	152
Charitable expenditure	(143)	(138)	(149)	(153)
Cost of raising funds	(53)	(52)	-	-
	(196)	(190)	(149)	(153)
Investment (losses)/gains	(24)	14	-	-
Net (deficit)/surplus	(67)	6	4	(1)
Assets	229	292	10	13
Liabilities	(46)	(41)	-	(7)
Funds	183	251	10	6

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22. Subsidiary undertakings (continued)

(c) Financial details

Transactions between the Society and the subsidiaries during the year and balances due at 31 December are as follows:-

	Sir Gabriel Wood's Mariners' Home		Sailors' Beneficial Enterprises Ltd		Sailors' Society Scotland		Sailors' Society Philippines	
	2022	2021	2022	2021	2022	2021	2022	2021
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Management charges made by Society	-	-	19	15	38	37	-	-
Grant funding from Society	-	-	-	-	75	75	147	148
Loan interest due to the Society	-	-	19	13	-	-	-	-
Balance due to/(from) Society at 31 December	6	-	548	593	9	(29)	-	-

There were no transactions with the associates detailed in note 24. There were no balances due to or from these at 31 December 2021.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

23. Financial commitments

a) Operating leases

At 31 December the Society had total commitments under non-cancellable operating leases payable as follows:

	Consolidated			
	Land and Buildings		Other	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Within one year	48	81	6	12
Between two and five years	110	145	2	9
More than five years	1	1	-	-
	159	227	8	21

	The Society			
	Land and Buildings		Other	
	2022 £000's	2021 £000's	2022 £000's	2021 £000's
Within one year	30	58	6	12
Between two and five years	76	102	2	9
More than five years	1	1	-	-
	107	161	8	21

The Society has entered into operating leases with tenants renting its freehold property. The following rental income payments are due under the formal leases up to the break date or end of lease date, whichever is sooner:-

	Consolidated and the Society	
	2022 £000's	2021 £000's
Within one year	51	43
Between two and five years	30	68
	81	111

24. Associate entities

The Society had three associate entities. Details are as follows:-

Name	Registered charity no. (UK)	Country of registration	Society relationship
Port of Bristol Seafarers' Centre Felixstowe & Haven Ports	286078	England	Joint Trustee
Seafarers' Service	272077	England	Joint Trustee
Humber Seafarers' Service Ltd	1159953	England	Joint Trustee

The Society has in excess of 20% voting rights in respect of each of the above three charities and this comes within the definition of an associate entity.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

24. Associate entities (continued)

The business undertakings of all three organisations were transferred to QVSR Seafarers Centres (QVSRSC) on 30 June 2022. The charities still exist without any assets, liabilities or reserves and the intention is to remove them from the charity register. This had not been done by 31 December 2022.

Financial details of these associates are:-

	Humber	Felixstowe	Port of Bristol
Last accounts date	31 March 2022* £000's	31 March 2022 £000's	31 March 2022 £000's
Net surplus/(deficit) in £000's	(33)	62	(20)
Net assets in £000's	135	532	198
Society share of net assets	45	177	66

* adjusted to include trading subsidiary results

In terms of accounting, a share of the associate's financial results should be included in the Society's group SOFA and balance sheet. However sufficiently accurate financial data has not been available and the three entities prepare annual accounts to 31 March rather than 31 December. Those accounts are independently examined, not audited. For these reasons, historically, the trustees have decided to disclose the financial results of the associates by way of note only. The transfer of operations to QVSRSC in June 2022 means this issue will not be relevant for 2023 group financial statements onwards.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

25. Transactions involving directors and senior management

Directors expenses

The Directors do not receive any remuneration. Amounts relating to travel and subsistence relating to two directors totalled £496 (2021: two directors - £61).

International Christian Maritime Association ("ICMA")

During 2022 the Society paid a subscription to ICMA of £7,500 (2021: £7,500), a charity in which Sara Baade, Chief Executive of Sailors' Society was a trustee. The Society also received a funding grant of £4,382 (2021: £8,639) towards its charitable programme work. At the balance sheet date ICMA was owed £NIL (2021: £NIL).

26. Unrecorded legacies

The following estimated amounts relate to legacies notified to the Society but not yet accounted for in the financial statements:-

	2022 £000's	2021 £000's
Pecuniary legacies	1	-
Residual legacies	7	115
Legacies subject to a life-tenant interest	3	3
	<u>11</u>	<u>118</u>

27. Contingent liabilities

Liability arising out of Sir Gabriel Wood's Mariners' Home

The trustees are aware of an accident at the Home in 2018 which could possibly result in a fine. Working practices were modified at the time to prevent a reoccurrence. The potential size of any fine and whether a prosecution will actually be pursued cannot be assessed as there is insufficient information available to confirm this.

Clarification of potential liability

The trustees are aware of a potential liability in the region of £100,000 at the end of 2022 related to a technical issue where the charity is waiting for a response from a ruling authority to clarify the position in which a liability might crystallise.

28. Post balance sheet events

In July 2023 the Society sold freehold property and realised a profit of approximately £530,000 over its balance sheet carrying value at 31 December 2022.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

29. Comparative data

2021 Consolidated statement of Financial

Activities	Unrestricted Funds £000's	Restricted Funds (Continuing) £000's	Restricted Funds (Discontinuing) £000's	Endowment Funds £000's	Total (as restated) Note 20 (g) £000's
Income and endowments from:					
<i>Donations and legacies</i>					
Donations and grants	207	662	8	-	877
Legacies	263	-	-	-	263
	<u>470</u>	<u>662</u>	<u>8</u>	<u>-</u>	<u>1,140</u>
<i>Charitable activities</i>					
Income from seafarers' centres and seafarers' retirement facility	37	-	-	-	37
Other programme related income	13	-	-	-	13
Residential home fees and flat rental income	-	-	170	-	170
	<u>50</u>	<u>-</u>	<u>170</u>	<u>-</u>	<u>220</u>
<i>Other trading activities</i>					
Charity Shop income	163	-	-	-	163
Fundraising events, sponsorship & commercial	58	-	-	-	58
	<u>221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221</u>
<i>Investment income</i>	<u>146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146</u>
<i>Other</i>					
COVID-19 related governmental income	98	-	25	-	123
	<u>985</u>	<u>662</u>	<u>203</u>	<u>-</u>	<u>1,850</u>
Expenditure on:					
Raising funds	866	-	-	-	866
Charitable activities	1,555	511	616	653	3,335
Adjustment for reassessment of legal matters	(1,230)	-	-	-	(1,230)
	<u>1,191</u>	<u>511</u>	<u>616</u>	<u>653</u>	<u>2,971</u>
Net expenditure before investment gains	<u>(206)</u>	<u>151</u>	<u>(413)</u>	<u>(653)</u>	<u>(1,121)</u>
Gains on investment assets	244	-	-	-	244
	<u>38</u>	<u>151</u>	<u>(413)</u>	<u>(653)</u>	<u>(877)</u>
Net expenditure	<u>38</u>	<u>151</u>	<u>(413)</u>	<u>(653)</u>	<u>(877)</u>
Transfers between funds	-		519	(519)	-
	<u>38</u>	<u>151</u>	<u>106</u>	<u>(1,172)</u>	<u>(877)</u>
Net movement in funds	<u>38</u>	<u>151</u>	<u>106</u>	<u>(1,172)</u>	<u>(877)</u>
Fund balances brought forward - as previously reported	4,244	356	(125)	1,235	5,710
Prior year adjustment (note 20 (g))	-	(43)	-	-	(43)
	<u>4,244</u>	<u>313</u>	<u>(125)</u>	<u>1,235</u>	<u>5,667</u>
Fund balances brought forward - as restated	<u>4,244</u>	<u>313</u>	<u>(125)</u>	<u>1,235</u>	<u>5,667</u>
Fund balances carried forward	<u>4,282</u>	<u>464</u>	<u>(19)</u>	<u>63</u>	<u>4,790</u>

2022 TRUSTEES REPORT

ADMINISTRATIVE DETAILS, TRUSTEES AND ADVISORS

Patrons

Her Majesty The Queen deceased 8 September 2022

Vice presidents

The Free Churches' Moderator for England
The Right Reverend the Moderator of the General Assembly of the Church of Scotland
The Right Reverend and Right Honourable the Lord Bishop of London
The Right Reverend the Moderator of the General Assembly of the Presbyterian Church in Ireland
Alastair Fischbacher
Captain Reg Kelso MBE
Ross Sinclair
Frank Taylor

deceased 18 June 2022

Sailors' Society Trustee Board (and serving directors)

Peter Swift	Chairman
Joshua Hutchinson	Vice-Chairman
Catharine Bacon	
Peter Goldberg	
Claire Pekcan	resigned 29 April 2022
Kay Penney	
Michele White	appointed 1 June 2022

The above persons served as trustees and directors of the Sailors' Society during 2022. Jonathan Holloway was appointed as a trustee on 15 May 2023.

COMMITTEE MEMBERSHIP DURING 2022

Finance and General Purposes Committee	Joshua Hutchinson (Chair from 7 January 2022) Peter Goldberg Peter Swift (Chair to 6 January 2022) Michele White (from 20 July 2022)
Operations Committee	Peter Goldberg (Joint Chair) Catharine Bacon (Joint Chair) Joshua Hutchinson Claire Pekcan (resigned 29 April 2022) Kay Penney Peter Swift

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Remuneration Committee

Kay Penney (Chair from 23 November 2022)
Catharine Bacon
Peter Goldberg
Joshua Hutchinson (Deputy Chair from 23 November 2022)
Peter Swift (Chair to 22 November 2022)

SUBSIDIARY ENTITIES

Sailors' Society Scotland Trustees

Joshua Hutchinson (Chair)
Claire Pekcan (resigned 29 April 2022)
Peter Swift
Michele White (appointed 14 June 2022)

Sir Gabriel Wood's Mariners' Home Trustees

Sailors' Society (Corporate trustee)
represented by:-
Joshua Hutchinson (Chair)
Sara Baade
Peter Swift

Sailors' Beneficial Enterprises Ltd directors

Peter Goldberg (Chair)
Joshua Hutchinson
Andrew Pitcher

Sailors' Society Philippines Inc Trustees

Gavin Lim (Chair)
Jasper Del Rosario
Maria Rosaroso
Nicodemus Tuban

Sailors' Society USA directors and officers (dormant during 2022)

Peter Swift (President)
Sara Baade (Vice President)
Andrew Pitcher (Treasurer/secretary)

2022 TRUSTEES REPORT

MANAGEMENT AND ADMINISTRATION

Registered Office of Sailors' Society and its principal operational address

Seafarer House, 74 St Annes Road, Woolston, Southampton, Hampshire, England SO19 9FF.

Sailors' Society is a charitable company limited by guarantee, registered in England and Wales, company registration no 86942, registered charity no 237778.

Company Secretary

Andrew Pitcher FCCA

Senior Leadership Team

Sara Baade MA BA (Hons)

Samantha Lane BA (Hons)

Andrew Pitcher FCCA

Melanie Warman BA (Hons) NCE

Chief Executive

Director of Development (resigned 31 December 2022)

Director of Finance

Director of Media and Advocacy

Auditors

Azets Audit Services, Athenia House, 10-14 Andover Road, Winchester, SO23 7BS

Principal Bankers

National Westminster Bank Plc, 68 Above Bar Street, Southampton, SO14 7DS

Bank of Scotland, PO Box 17235, Edinburgh, EH11 1YH

Investment Managers

Investec Wealth and Investment Limited, 30 Gresham Street, London, EC2V 7QN

Cazenove Capital Management, 1 London Wall Place, London, EC2Y 5AU

Blackrock Fund Managers Limited, PO Box 545, Darlington, DL1 9TQ

Solicitors

Blake Morgan, New Kings Court, Tollgate, Chandler's Ford, Eastleigh SO53 3LG

Anderson Strathern LLP, 1 Rutland Court, Edinburgh EH3 8EY

Clyde & Co, Albany House, 58 Albany Street, Edinburgh, EH1 3QR