

# Royal National Mission to Deep Sea Fishermen

(A Company limited by guarantee)

Company registered number 24477

English & Wales Charity Registered number 232822

Scottish Charity Registered number SC039088

## Trustees' report and financial statements

For the year ended 31 October 2010

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COMPANIES HOUSE

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# **ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN**

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## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2010**

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# **ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN**

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## **Members of the Council who served during the year**

B Miles Esq CBE RD  
D Harris Esq  
D Young Esq MBE JP  
P F Catchpole Esq  
M N G Cooke Esq  
The Venerable Simon Golding CBE  
J Henderson  
Rear Admiral J Lang DL  
A McCulla OBE  
J Parker Esq DL  
Professor G M Tonge BSc, PhD, CBiol  
The Rev W B Wilkinson MA BD

Chairman  
Treasurer

Deputy Chairman

## **Secretary and registered office**

Captain D Conley OBE RN  
Mather House  
4400 Parkway  
Solent Business Park  
Hants PO15 7FJ

## **Solicitors**

Brutton & Co  
West End House  
288 West Street  
Fareham  
Hampshire  
PO16 0AJ

## **Executives**

Captain D Conley OBE RN  
(Chief Executive)  
Lady Campbell  
(Director of Fundraising)  
Reverend A D G Wright M Theol (Mission Chaplain)

## **Solicitors**

Paull & Williamsons  
New Investment House  
214 Union Street  
ABERDEEN  
AB9 1QY

## **Bankers**

Lloyds Bank Commercial Service  
City North & East London  
34 Moorgate  
LONDON  
EC2R 6DN

## **Investment Advisers**

Argentis Financial  
Management  
Unit 3, London Road Office  
Park  
London Road  
Salisbury  
Wiltshire  
SP1 3HP

## **Registered auditors**

Mazars LLP  
Regency House  
3 Grosvenor Square  
Southampton  
SO15 2BE

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## **TRUSTEES' REPORT**

### **INTRODUCTION**

The Trustees present their report and the financial statements for the year ended 31 October 2010. The financial statements comply with the governing document, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), the Companies Act 2006 and relevant law and United Kingdom Accounting Standards.

The Royal National Mission to Deep Sea Fishermen (or the Mission/Fishermen's Mission), a Company Limited by Guarantee No 00024477, is registered with the Charity Commissioners (No 232822) and the Office of the Scottish Charity Regulator (No SC039088). It is governed by a Memorandum and Articles of Association.

Its governing body consists of a Council, no more than 15 in number, appointed from membership of the Fishermen's Mission Association and it normally meets six times a year. An Executive consisting of the Chief Executive, Mission Chaplain and Director of Fundraising undertakes the routine management of the Mission.

### **MISSION STATEMENT**

The Fishermen's Mission maintains a Christian presence in United Kingdom fishing ports in order to provide, regardless of race or creed, spiritual and practical support to fishermen, their families and those connected with the fishing industry.

### **THE BRITISH FISHING INDUSTRY IN 2010**

Yet again 2010 was another difficult year for most of the UK Fishing Industry with imposition of ever increasing fishing restrictions and many sectors, such as prawn catching, suffered from very poor prices for their product. This has reflected in significantly less fishing activity in such ports as Eyemouth and Mallaig. Many fishing firms are close to insolvency and 40 Scottish boats have been earmarked for de-commissioning. Even the 25 boats in the pelagic sector (herring and mackerel) which in recent years have done well, confront a very serious overfishing threat from Iceland and the Faroes. The small inshore boats in England continue to experience great difficulties in contending with little or no catch quota and many are likely to go out of business thus ending hundreds of years of family tradition. Fishermen continue to experience the frustration of having to dump perfectly good fish for which they have no quota.

The most recent UK Fishing accident statistics are based upon the Marine Accident Investigation Branch (MAIB) Report for 2009 (6,222 registered boats in the UK Fleet). Although in recent years there has been a very welcome decrease in the number of fatalities, the level of boat sinkings and serious injuries remain stubbornly high. There were a total of 237 accidents and reported incidents in 2009 compared to 257 in the previous year. Boat sinkings were 14 in number compared to an average of 22 a year recorded over the past five years. However, there was a marked increase in the number of injuries and sadly there were 13 fatalities in addition to the 65 reported cases of major injury. In most of the serious incidents the Mission Staff were involved in comforting and financially supporting the bereaved, assisting survivors return home and helping the injured.

The Mission support for the bereaved families of the Cumbrian fishing boat *Aquila*, based in Maryport, which sank off the West Coast of Scotland epitomises this work. Within hours of the loss of the boat, there being one survivor but two fatalities, the Mission Fleetwood

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Superintendent was present in its homeport Maryport and each crew family was soon visited. In addition the Mission Superintendent from Mallaig dealt with the survivor, including driving him back to his home port and paying for the transporting of the two bodies from Inverness to Maryport. Each of the funerals was attended by the Fleetwood Mission Superintendent followed by regular visits to the families. The Mission has accessed funds to help with their energy bills and household expenditure. A holiday was also arranged for the survivor and his family with the help of the Sailor's Family Society. The Mission has additionally helped the families access the Seafarers Advice and Information Line, including arranging a visit from one of its support workers to Cumbria to meet families directly. This has been particularly helpful in resolving outstanding debts, in ensuring accurate DHSS payments and in advising in relation to legal issues raised by the Marine Accident Investigation Branch report. The Mission's commitment to the families is still ongoing.

### **THE MISSION'S VISION**

The Mission Council has initiated a very comprehensive review of its organisation and future key objectives. This review is still ongoing but the very difficult decision has been made to close the remaining seven traditional Mission Centres and where shore facilities are still needed, to replace them with smaller, more cost-effective facilities. A revised Vision for the future of the Mission has been developed and is summarised below.

### **THE REVISED VISION STATEMENT**

The Mission's primary aim will be to alleviate deprivation in the UK's fishing communities whilst continuing to provide port services to fishermen where needed. There will be increased emphasis upon ensuring the Mission delivers a high quality and flexible welfare service and Christian pastoral care to fishing communities, both deep sea and inshore. It will also extend its support to Merchant Mariners in those areas where there is no other maritime welfare society presence. In particular it will aim to -

- Provide a reliable emergency service when an accident occurs on a boat in UK waters
- Ensure injured or sick fishermen receive prompt medical attention, supporting health projects where appropriate
- Provide a high quality welfare service to active and retired fishermen and their families
- As a Christian Mission to work ecumenically alongside local churches in the provision of spiritual support, to include funerals, where appropriate
- Encourage safety-consciousness amongst active fishermen, facilitating safety training and the provision of personal safety equipment
- Ensure awareness in all UK fishing localities, however small and remote, of what the Mission can deliver
- Provide over-reaching support for the welfare of the UK fisherman

Recognising that the traditional type of staff training is at an end, the training and management of the Port Staff will be further developed. The use of part-time Port Staff or Honorary Agents will be extended and better managed.

Adapting to the changing circumstances of the industry, in future the Mission will cease to operate the traditional Centre and the Port Staff will devote much more time to visiting all fishing communities within their areas, providing Christian pastoral care and practical support where needed. Where there is still a need to provide harbour facilities these will be achieved.

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in low cost, flexible buildings which although managed by Port Staff, will heavily depend upon volunteer support for their day to day activities

The concept of the Area/Port Welfare Officer will be expanded, encompassing the principle whereby one individual provides support to an overall area which includes several fishing communities. This will enable areas such as the Clyde Estuary and the South of England to benefit from comprehensive Mission support. Such an initiative will ensure that the Mission provides maximum access by all fishing communities to its support. Honorary Agents will be established in the Republic of Ireland to facilitate emergency support when needed and the Mission will continue to provide financial and practical support to the Falklands Islands Lighthouse Centre

The Head Office and administration overhead will continue to be reduced. In order to safeguard and strengthen the future work of the Mission, efforts will be made to work more closely with other Maritime Charities on a local and national level. Co-operation avenues will be explored which could include shared administration, public relations and IT support. Strong links will also be maintained with organisations involved in fishing safety such as the MCA and RNLI

The fundraising organisation will continue to be developed to meet the future financial needs of the Mission. Direct Mailing, Community Fundraising and Trust Fundraising will remain core fundraising streams and a Legacy campaign will be maintained to safeguard this vital, but unpredictable, income stream. As Port costs reduce then the fundraising remit will decrease

Recognising its limited resources, the Mission will continue to exploit all opportunities for gaining beneficial national and local publicity. Efforts will be made to ensure that the Fishing Industry, including its key leaders, is well apprised of the Mission's work especially in times of tragedy

None of the above changes will occur without maximum consultation with the relevant local communities and Local Advisory Committee (LACs). The process of change will be one of evolution not revolution. The Mission will continue most emphatically to be underpinned by the Christian ethos and the overarching aim will remain that of maintenance of a Christian presence in the UK's fishing ports

### **PUBLIC BENEFIT**

The Trustees have complied with their duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission. The description of the charity's activities and achievements in the following pages clearly describes the benefit that the charity has provided to the public

The high level objectives are reviewed by the Council Members on an annual basis and the arising change objectives and outcomes are also considered every twelve months. A five year rolling business plan sets out the assumptions for future predicted income and the costs incurred in meeting its activities. In most ports where the Mission has a Centre or welfare office, there is an LAC which monitors the delivery of our services and expenditure against budget

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## **HOW WE MET OUR RESPONSIBILITIES**

### **Deployment**

We are represented in approximately 80 ports and harbours within the UK with ten Mission Centres (seven traditional buildings and three smaller facilities) and seven Welfare Offices, backed up by ten Auxiliary Superintendents, 54 Honorary Agents, four fundraising Regional Organisers and the Head Office staff. Additionally we engage one Auxiliary Superintendent on an associate status at Port Stanley in the Falklands and we benefit from the support of a volunteer welfare team on the Isle of Man.

### **The Mission's work amongst the Fishing Communities**

Fishing is by far the UK's most dangerous civilian occupation. It is the primary responsibility of Mission Port Staff to provide comfort and practical support to the bereaved families of fishing tragedies and assistance to injured and shipwrecked fishermen. Additionally most fishermen are self-employed and are paid by receiving a share of the value of the catch and, therefore, in the case of a sinking or serious accident occurring, money rapidly runs out. In these cases our staff are adept at rapidly putting in place emergency financial support for the families and children.

One of the key objectives of all our Port Staff is to reach out to the large retired fishing community many of whom live in conditions of penury.

### **Non EU Foreign Fishermen**

There are about 13,000 fishermen working in the catching sector in the UK Fleet and owing both to shortages of local manpower and the impact of economic factors making many boats of marginal profitability, as many as one in twelve of the crews are currently likely to be of foreign origin, mainly Filipinos although there is an increasing number from African countries. They carry out their work through a transit visa and licensing system which assigns them to a particular vessel. In special circumstances they can be licensed to live ashore but most live onboard their boats in harbour. Furthermore, unlike their EU/UK peers who are likely to work on a profit share of the catch basis, they receive very modest fixed wages most of which are likely to be remitted back home. Frequently foreign fishermen arrive in the UK with insufficient warm clothing and the Mission Staff do their utmost to provide them with the right type of kit.

Whilst the more modern boats offer perfectly comfortable harbour living accommodation, the facilities onboard many of the older or smaller vessels can be very limited in terms of showers, toilets and laundry equipment. Accordingly where the Mission has Centres, foreign fishermen from these types of boats are very much encouraged to use its facilities, often at no cost as it is appreciated that they have little, if any, money to spend. Indeed to meet the need for shore facilities, the Mission has opened up "Mini-Centres" in Troon, Kilkeel and North Shields which provide recreational, laundry and shower facilities. The Mission also continues to be active in lobbying the Northern Ireland port authorities to make similar provision in the ports of Ardglass and Portavogie where there are significant numbers of foreign fishermen but no Mission premises. For the foreign fisherman, the Mission Centre provides a warm, secure environment to access the internet, make telephone calls to his family and enjoy a cup of coffee with colleagues.

### **2010 Statistics**

During the course of last year the Mission work can be summarised in the following statistics:

- Support for 1,597 fisherfolk in receipt of grants

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- 7,525 fisherfolk visited in hospital or home
- 88 fishermen received emergency financial assistance (sinkings or incidents)
- 87 children of fishermen helped
- 53 fishermen put up in emergency accommodation
- 223 funerals conducted

### **STRATEGIC OBJECTIVES – OUR ACHIEVEMENTS**

Our achievements against our key objectives are summarised as follows

#### **To adapt the Mission Port facilities and Port Missioner's work to the changing Fishing Industry.**

The Mission Chaplain completed a very extensive Port Review in 2008, visiting all the UK's major fishing ports in the course of his investigations. The Review highlighted the need to provide coverage on an area, as opposed to port, basis and also the need to reach out to an estimated 50,000 retired fishermen and their families many of whom live in destitution. Progress in the past year includes the appointment two new Auxiliary Staff in Fife and Portavogie and 13 new Honorary Agents have been recruited.

The Lochinver Centre was no longer meeting the needs of local and visiting fishermen and was sold to the local community after the year end. Also the Eyemouth canteen was shut as it was not needed by the fishing community.

The Port Staff are encouraging safety consciousness amongst fishermen and have distributed at a very significant discount over 250 sets of new design oilskins with built-in buoyancy aids. Several Port Staff participated in RNLI Sea Safety Training and this will enable them to provide advice to fishermen on safety issues.

#### **To recruit and retain committed Port Staff of suitable calibre.**

Three new Port Staff were recruited during 2010 and it is pleasing to note that of recent the Mission is succeeding in attracting very high calibre staff. The improvement of Port Staff training and greater job stability will hopefully contribute towards improving staff job satisfaction and retention. A number of Port Staff have commenced theological training.

#### **To modernise the Mission's organisation and support infrastructure.**

The new head office is continuing to prove a success and has delivered yet more savings through staff efficiencies. The concept of appointing Mission Area Officers on the South coast of England and on the Clyde Estuary has provided much needed support for the mainly inshore fishermen living and working in these areas. The use of IT Conferencing facilities has provided improved opportunities for training and consultation at very modest cost.

#### **To continue to develop a well-diversified fundraising base in all regions underpinned by a high PR profile.**

The Mission's Direct Marketing programme and Trust Fundraising remain the mainstays of the fundraising effort albeit it has been a very difficult year for both these income streams as well as for Community Fundraising. The Mission continues to invest in National Events. The aim is to use events to attract long-term corporate support. The Major Donor programme has proved disappointing. Future efforts will be directed at identifying specifically within port areas potential major donors to link to local projects.



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Port Fundraising was extremely resilient with some truly remarkable success stories. The continuing development of port and coastal fundraising will form a pivotal role in the Mission's future Fundraising Strategy.

**To develop strong links with other maritime charities and in particular to achieve enhanced cooperation with fishermen's charities.**

Progress in cooperation with other fishermen's charities has remained challenging, but discussions have been initiated with the Shipwrecked Mariners Society to explore mutually beneficial ways of working closer together. The Mission is now a strong participant within the UK arm of the International Christian Maritime Association (ICMA) and was a leading participant at a UK ICMA training conference.

**To foster the work of the Local Advisory Committees (LACs).**

Most of our Mission centres or welfare offices are supported by robust, committed LACs. The work of the LAC is absolutely vital in providing local support and guidance to the Port Missioner and they also provide advice to the Mission Council on important local policy issues. The LACs are being consulted upon future changes of strategic direction of the Mission and have very much contributed to an excellent level of port fundraising.

### **FUTURE PLANS**

Future plans, in line with the Vision, include

- Continuing to improve the harbour facilities available for foreign fishermen, particularly in the Northern Ireland ports
- Continuing to rationalise the port facilities, downsizing to more cost-effective premises where appropriate
- Increasing the project effort aimed at improving safety-consciousness amongst fishermen
- Undertaking efforts to reach out to those retired fishermen in need who live in non-fishing communities
- In cooperation with the Seamen's Hospital Society, undertaking further initiatives to improve the health of fishermen such as extending the provision of free occupational physiotherapy to injured fishermen

### **OUR FINANCES**

#### **Fundraising**

As experienced by many small to medium-sized charities 2010 was an extremely difficult year for fundraising and with the exception of local port fundraising, all major income streams continued to register a marked downturn compared to the pre-recession year of 2008.

Direct Mailing There were five targeted appeals during the course of the year, realising an average gross income of £45,403 (£45,500 in 2009). Additional donations brought the gross direct marketing income to £255,903 (£247,000 in 2009). However, with fewer than 11,000 active donors, many of whom are elderly and on restricted incomes, the Mission has to recruit a new generation of younger donors to sustain this level of income. This is a problem all charities face and although it is recognised present circumstances are not conducive to donor recruitment, the Mission is determined to push forward with an active recruitment drive.

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Community Fundraising Community Fundraising, through innovation, hard work and commitment saw an increase in net income to £112,623 (£91,000 in 2009) Community fundraising continues to be exceptionally challenging The team, which now numbers four, faces the problem all community fundraisers face and that is to recruit more volunteers to support their activities A revitalised volunteer recruitment campaign is to be launched in 2011

National Events The National Events programme continues to be developed, highlights in 2010 included a Kilimanjaro Climb and the Royal Parks Half Marathon A dedicated Events Manager was employed with the objective of laying the building blocks upon which the income stream can grow Unfortunately the 150<sup>th</sup> Anniversary of the Fish & Chip industry proved less successful for the Mission than had been hoped and the financial outcome for events was to merely break even The major objective for National Events in 2011 is to attract teams from the corporate sector to participate in a new series of UK challenge events.

Major Donors, including Corporate Supporters Relationship building with potential major donors and corporate supporters can be a long drawn out and challenging process And undoubtedly the present economic climate has only added to these difficulties The corporate sector shows some signs of progress whereas the Mission's Major Donor campaign has barely got off the ground Future strategy is to focus on linking potential major donors from port areas to local projects

Legacies In 2010 there was a further decline in legacy income to £471,530 compared to £512,000 the previous year The average annual income received from legacies over the past 5 years is £782,318 This income stream is volatile but long term declines are anticipated

### **Major Grant Givers**

We received grants from a number of trusts and other charities In particular we are indebted to the Corporation of Trinity House, Seafarers UK (King George's Fund for Sailors), Seamen's Hospital Society, Shipwrecked Mariners Society and the Merchant Navy Welfare Board for their substantial contributions towards our revenue costs, capital works and port projects Gross Trust income was £333,175 compared to £398,000 in 2009.

### **THANK YOU**

We are most grateful to those many companies, trusts and individuals who very generously donated their money, time or influence towards successfully supporting our work during the year 2010

### **OVERALL RESULTS**

We recorded £23,500 less income than the previous year This was principally due to a fall in port services income

The Reserve investments, incorporating a widely diversified range of Invesco Perpetual and M & G funds, experienced an upturn of 17% (upturn of 30% during 2009) as the markets continued to recover from the 2008 financial crisis The portfolio generated £122,000 in dividend/interest payments To meet the requirement of FRS 17 the Pension Fund income and expenditure are shown on the Mission accounts The FRS valuation indicated a modest deficit of £7,000 versus a £1,170,000 deficit the year previous This actuarial gain has significantly contributed to a large positive net movement in funds The revaluation fund is valued at £1,173,000 The balance sheet bottom line increased by £1,492,000 The Mission's free reserves at 31 October stood at £2,527,000 Free reserves available for use by the Mission are

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deemed to be those that are readily realisable, less funds whose uses are restricted or else designated for a particular purpose. The calculation excludes funds invested in property and other fixed assets that will continue to be used in the day to day running of the Mission.

The Net Movement of Funds for the year was a £1,492,000 inflow (2009 £315,000 outflow) which has been transferred to the relevant funds.

### **Income**

Donations and gifts totalled £1,459,000 an increase of £15,600 on the previous year. Again there was very commendable fundraising from the ports which totalled £420,000 – an excellent effort. Centre canteen and accommodation receipts at £408,000 were £67,900 less than the previous year. This continued downturn was mainly due to a smaller fishing fleet and adverse factors caused by the recession and a significant reduction in the use of Centre accommodation facilities.

### **Expenditure**

Total Resources expended decreased by £99,000 (3.5%) compared to 2009. The number of staff employed decreased by 8 to 73, mainly due to the reduction of canteen staff in the Centres.

### **Retirement Benefit Scheme (RBS)**

The 31<sup>st</sup> October 2009 Triennial Valuation revealed a deficit of £401,000 compared to the £460,000 deficit of the 2006 Valuation. During 2010 the RBS investments made very solid progress and the 2010 Valuation update is likely to indicate a marked reduction in the deficit. The FRS 17 Valuation on 31<sup>st</sup> October 2010 indicates a deficit of only £7,000 but this figure is driven by a number of technical factors.

### **Reserves Policy**

The Mission's Reserves are there to support the routine work of the Mission within the UK's Fishing Community. As the Mission has a relatively small level of discretionary expenditure within its annual outlay, it is aimed to maintain the charity's free reserves at a level of approximately two year's operating costs of £4M. This level of reserves will underpin the restructuring of the Mission which will take place 2011 – 2016. If necessary the Reserves are available to provide contingency funding to the RBS Fund. The Reserves Policy is reviewed annually.

### **Statement of Investment Principles**

The Reserves are invested in fixed interest and absolute return holdings and a balanced portfolio of UK and overseas equities within a range of pooled investment funds, predominantly managed by Invesco Perpetual. The Mission's investment policy is directed at income and steady capital growth whilst at the same time containing risk. Within these policy objectives the long term aim is to progressively invest in the ethical pooled funds sector.

### **MEMBERS OF THE COUNCIL**

The Members of the Council during the year were as shown on page 2. In accordance with the provisions of the company's Articles of Association, Mr Peter Catchpole, Mrs Jill Henderson, Mr Jamie Parker and the Reverend Brian Wilkinson retired by rotation at the Annual General Meeting in April 2010 and were re-elected. Council Members are appointed based upon their

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knowledge of the fishing industry or the specific skills and experience they can bring to bear. On joining the Council they receive a comprehensive briefing package and undertake induction visits to a number of ports.

### **RESPONSIBILITIES OF MEMBERS OF THE COUNCIL**

United Kingdom company law requires the directors of the company who are also the Members of the Council, to prepare financial statements for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the financial year and of its incoming resources and resources expended for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

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

The directors have taken all steps that they ought to have taken in order to make themselves aware of any information relevant to the audit, establish that auditors are aware of that information and that there is no information relevant to the audit of which the company's auditors are unaware.


### **RISK MANAGEMENT**

In accordance with SORP 2005, key risks have been identified and measures undertaken to mitigate them. All risks are recorded on a Council endorsed Risk Register, which is subject to six monthly reviews.

### **AUDITORS**

In accordance with section 487 of the Companies Act 2006, a resolution proposing that Mazars LLP be reappointed as auditors of the charitable company will be put to the forthcoming Annual General Meeting.

BY ORDER OF THE COUNCIL

  
DAVID HARRIS  
Chairman

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## **Independent Auditors' Report to the Members of Royal National Mission To Deep Sea Fishermen**

We have audited the financial statements of Royal National Mission to Deep Sea Fishermen for the year ended 31 October 2010 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and related notes. These financial statements have been prepared under accounting policies set out therein.

### **Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the

## **ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN**

### **Independent Auditors' Report to the Members of Royal National Mission To Deep Sea Fishermen (continued)**

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 October 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements



**Mazars LLP, Chartered Accountants (Statutory Auditor)**

**Michael Stewart (Senior Statutory Auditor)**

Regency House, 3 Grosvenor Square, Southampton, Hampshire, SO15 2BE

23 FEBRUARY 2011

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

## STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 October 2010

	Notes	Unrestricted Funds 2010 £	Designated Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Voluntary Income Donations and gifts		1,386,177	-	72,941	1,459,118	1,443,537
Legacies		424,335	-	54,126	478,461	513,194
Investment Income	2	178,576	-	-	178,576	115,060
<b>Incoming resources from charitable activities</b>						
Income from catering and accommodation		407,991	-	-	407,991	475,855
<b>TOTAL INCOMING RESOURCES</b>		<u>2,397,079</u>	<u>-</u>	<u>127,067</u>	<u>2,524,146</u>	<u>2,547,646</u>
<b>RESOURCES EXPENDED</b>						
<b>Less: Costs of generating funds</b>						
Fundraising and publicity	3	622,516	-	-	622,516	638,896
<b>Charitable activities</b>						
Charitable expenditure	3	1,855,150	-	211,952	2,067,102	2,147,594
<b>Governance</b>						
Governance costs	3	57,453	-	-	57,453	59,996
<b>TOTAL RESOURCES EXPENDED</b>		<u>2,535,119</u>	<u>-</u>	<u>211,952</u>	<u>2,747,071</u>	<u>2,846,486</u>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>						
	5	(138,040)	-	(84,885)	(222,925)	(298,840)
Transfers between funds	4	132,093	(132,093)	-	-	-
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Unrealised gain on investment assets		397,707	-	-	397,707	686,751
Net realised gain on investment assets		52,445	-	-	52,445	-
Net realised gain/(loss) on sale of fixed assets		135,628	-	-	135,628	(45,978)
Actuarial gain/(loss) on defined pension scheme	13/17	1,129,000	-	-	1,129,000	(657,000)
<b>NET MOVEMENT IN FUNDS</b>		<u>1,708,833</u>	<u>(132,093)</u>	<u>(84,855)</u>	<u>1,491,855</u>	<u>(315,067)</u>
<b>RECONCILIATION OF FUNDS</b>						
Balance brought forward at 1 November 2009	13	<u>1,984,137</u>	<u>4,192,898</u>	<u>1,067,450</u>	<u>7,244,485</u>	<u>7,559,552</u>
<b>Balance carried forward at 31 October 2010</b>		<u><u>3,692,970</u></u>	<u><u>4,060,805</u></u>	<u><u>982,565</u></u>	<u><u>8,736,340</u></u>	<u><u>7,244,485</u></u>

## ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

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### NOTE OF HISTORICAL SURPLUS OR DEFICIT For the year ended 31 October 2010

	2010 £	2009 £
Reported net outgoing resources for the financial year	(222,925)	(298,840)
Gain/(Loss) on disposal of fixed and investment assets	188,073	(45,978)
Realisation of investment revaluation gain of previous years	114,229	-
Historical cost net increase/(decrease) in funds for the year	<u>79,377</u>	<u>(344,818)</u>

### SUMMARY INCOME AND EXPENDITURE ACCOUNT For the year ended 31 October 2010

	2010 £	2009 £
Total income of continuing operations	2,524,146	2,547,646
Total expenditure of continuing operations	<u>(2,747,071)</u>	<u>(2,846,486)</u>
Net expenditure before asset disposals	(222,925)	(298,840)
Gain/(Loss) on disposal of fixed and investment assets	<u>188,073</u>	<u>(45,978)</u>
Net expenditure for the year	<u>(34,852)</u>	<u>(344,818)</u>

The summary income and expenditure account is derived from the statement of financial activities on page 14 that provides full information on the movements during the year on all funds of the charity. It excludes unrealised gains on investments and actuarial gain/loss as incoming resources but includes realised movements, all other restricted and designated funds and the general reserve fund.



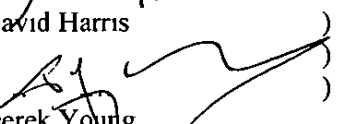
# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

## BALANCE SHEET AS AT 31 OCTOBER 2010

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	7	3,853,808	4,000,641
Investments	8	4,322,627	3,872,501
		<u>8,176,435</u>	<u>7,873,142</u>
<b>CURRENT ASSETS</b>			
Stocks	9	4,376	5,407
Debtors	10	76,860	126,499
Cash at bank and in hand		563,649	493,128
		<u>644,885</u>	<u>625,034</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	11	(77,980)	(83,691)
		<u>566,905</u>	<u>541,343</u>
<b>NET CURRENT ASSETS</b>			
<b>NET ASSETS BEFORE PENSION LIABILITY</b>		8,743,340	8,414,485
Defined benefit pension scheme liability	17	(7,000)	(1,170,000)
		<u>8,736,340</u>	<u>7,244,485</u>
<b>NET ASSETS AFTER PENSION LIABILITY</b>	12		
		<u>8,736,340</u>	<u>7,244,485</u>
<b>FUNDS</b>			
Unrestricted funds			
- General fund	13	2,527,362	2,265,007
- Revaluation reserve	13	1,172,608	889,130
- Designated funds	13	4,060,805	4,192,898
Pension reserve	17	(7,000)	(1,170,000)
Restricted funds	13	982,565	1,067,450
		<u>8,736,340</u>	<u>7,244,485</u>

The financial statements on pages 14 to 31 were approved by the Members of the Council on 23<sup>rd</sup> February 2011 and were signed on its behalf by

  
David Harris

  
Derek Young

Members of the Council

## ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

### CASH FLOW STATEMENT

For the year ended 31 October 2010

	Notes	2010 £	2009 £
<b>Net cash outflow from continuing operating activities</b>	19(a)	(182,965)	(170,079)
<b>Returns on investments and servicing of finance:</b>			
Interest received		56,668	22,569
Interest paid		(9,076)	(44,051)
Dividends received from investments (gross)		121,908	92,491
		<u>169,500</u>	<u>71,009</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>		169,500	71,009
<b>Taxation</b>			
Corporation tax paid		-	-
		<u>-</u>	<u>-</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(232,574)	(335,867)
Sale of tangible fixed assets		316,533	306,931
Sale of fixed asset investments		707,540	-
Purchase of fixed asset investments		(707,513)	(900,000)
		<u>83,986</u>	<u>(928,936)</u>
<b>Net cash outflow from capital expenditure and financial investment</b>		83,986	(928,936)
<b>Net cash inflow/(outflow) before financing</b>		<u>70,521</u>	<u>(1,028,006)</u>
		<u>70,521</u>	<u>(1,028,006)</u>
<b>Increase/(Reduction) in cash and cash equivalents</b>	19(b)	70,521	(1,028,006)

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2010

### 1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Companies Act 1985 and the Statement of Recommended Practice – Accounting and Reporting by Charities, (the ‘SORP’), published by the Charity Commission in March 2005. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention, except as modified by the inclusion of investments at market value, and in accordance with the Companies Act 2006 where appropriate, and the Statement of Recommended Practice – Accounting and Reporting by Charities issued in March 2005.

(b) **Subscriptions, donations and collections**

Income from subscriptions, donations and collections is accounted for on an accruals basis. Any significant income related to the year end and received at the Mission’s headquarters or main bankers after the year end is accrued in the financial statements.

Gifts in kind are included in incoming resources as soon as they are received at an estimate of their value to the Mission.

(c) **Legacies received**

Legacy income is recognised when received.

(d) **Depreciation**

Depreciation is calculated so as to write off the cost of tangible fixed assets over their expected useful economic lives on the following basis:

Freehold property	2% straight line
Long term and short term leasehold property	Amortised over period of the lease
Motor vehicles	33% reducing balance
Furniture, fixtures and fittings	20% reducing balance
Computer equipment	25% straight line

The Mission’s policy is to capitalise all assets over £500.

(e) **Capital grants**

Capital grants are recognised in restricted or unrestricted funds in accordance with the conditions of the grantor.

(f) **Stock**

Stock is stated at the lower of cost and net realisable value.

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2010 (continued)

### 1 PRINCIPAL ACCOUNTING POLICIES (continued)

(g) **Investments**

Investments are stated at market value. Any unrealised gains and losses on investments are taken directly to the statement of financial activities.

(h) **Investment income**

Investment income is shown on a cash received basis.

(i) **Classification of expenditure**

Administration/Support costs have been reapportioned to direct charitable and fundraising costs dependent on the expense i.e. headcount/direct/evenly across cost centres in accordance with guidance in the SORP. Expenditure includes any VAT, which cannot be recovered and is reported to the part of the expenditure to which it relates. Resources expended are accounted for on an accruals basis.

(j) **Charitable expenditure**

Charitable expenditure includes all costs associated with the Mission and Welfare centres situated throughout the United Kingdom.

(k) **Publicity expenses**

Publicity expenses include the cost of producing Network, the Mission's magazine, there is no cover price for this publication. No administration expenses are included in this category.

(l) **Fundraising expenditure**

Fundraising expenditure includes a proportion of administration charges and includes depreciation costs on motor vehicles and equipment. Fundraisers spend a proportion of their time doing work of a charitable nature. The costs of this have been allocated to charitable expenditure.

(m) **Administration/Support expenses**

Administration/Support expenses include building running costs and all related charges (including salaries) of head office. Administration/Support expenses are re-allocated to charitable and fundraising expenditure by headcount/direct/evenly across cost centres.

(n) **Governance costs**

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2010 (continued)

### 1 PRINCIPAL ACCOUNTING POLICIES (continued)

#### (o) Operating lease

Rental payments under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease

#### (p) Pension costs

The charitable company participates in a defined benefit scheme. The defined benefit scheme pension costs are assessed in accordance with actuarial advice and based on the most recent actuarial valuation of the scheme. Pension costs and disclosures have been reported in accordance with Financial Reporting Standard No. 17 "Accounting for Retirement Benefits" (FRS 17).

The Mission also operates a defined contribution scheme. Contributions payable to this scheme are included in the Statement of Financial Activities in the period to which they relate.

#### (q) Funds

Restricted funds are funds whose use is legally restricted to specific uses whether by a trust deed or by a letter received with the original gift.

Designated funds are funds whose use is not legally restricted but whose purpose has been designated by the Council. The Council is entitled to change its mind and use these funds in whichever way it sees fit. The Designated fund is currently committed to cover the carrying value of the fixed assets and the Pension Contingency.

The general fund covers all items that do not fall into the above categories.

### 2 INVESTMENT INCOME

	2010 £	2009 £
Bank Interest	1,668	22,569
Pension Interest (FRS 17)	55,000	-
Income from Investments	<u>121,908</u>	<u>92,491</u>
	<u>178,576</u>	<u>115,060</u>

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2010 (continued)

### 3 TOTAL RESOURCES EXPENDED

	Charitable		Fundraising and Publicity	
	2010	2009	2010	2009
	£	£	£	£
Manual staff costs	240,940	264,156	-	-
Uniformed staff costs	772,085	742,015	-	-
Salaries and related costs	-	-	355,384	359,532
Depreciation	140,513	151,496	12,143	18,019
Catering and accommodation expenditure	149,558	166,412	-	-
Centres operating costs	500,977	550,848	-	-
Fundraising operating costs	-	-	165,749	168,644
Welfare payments	58,841	61,892	-	-
Training-	-	-	-	-
Publicity – non educational	-	-	5,127	7,146
Educational publicity	5,127	7,146	-	-
Administration/Support costs	183,521	181,429	78,653	77,755
Pension interest (FRS17)	-	25,900	-	9,100
Pension deficit payment	-	-	-	-
Other pension movement (FRS17)	15,540	(3,700)	5,460	(1,300)
	<u>2,067,102</u>	<u>2,147,594</u>	<u>622,516</u>	<u>638,896</u>

#### Governance Costs

	2010	2009
	£	£
Salaries and related	32,783	32,902
Council expenses including AGM	15,871	19,477
Audit fee	8,799	7,617
	<u>57,453</u>	<u>59,996</u>

### 4 TRANSFER BETWEEN FUNDS

	Unrestricted Funds	Designated Funds	Restricted Funds
	£	£	£
Transfer to designate unrestricted funds in respect of the carrying value of tangible fixed assets	132,093	(132,093)	-
	<u>132,093</u>	<u>(132,093)</u>	<u>-</u>

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2010 (continued)

### 5 NET OUTGOING RESOURCES

The net outgoing resources for the year are stated after charging/ (crediting)

	2010 £	2009 £
Depreciation of tangible fixed assets	198,501	212,235
Auditors' remuneration		
- audit fees	8,799	7,617
- other fees	-	-
Income from investments	(178,576)	(115,060)
(Profit)/loss on sale of investments	(52,445)	-
(Profit)/loss on disposal of fixed assets	(135,628)	45,978
Interest Payable		
- bank interest	9,076	9,051
- pension scheme interest (FRS17)	-	35,000
Operating lease rentals		
- plant and equipment	7,426	8,049

The above figures are extracts from the incoming and expended resources

### 6 EMPLOYEE INFORMATION

The average weekly number of persons employed by the group during the year is analysed below

	2010 Number	2009 Number
Missionary workers – uniformed staff	30	30
Administration staff – Head office	11	11
Ancillary staff (Ports)	32	40
	<u>73</u>	<u>81</u>

In addition to the above employees, the group used the services of 9 (2009 9) auxiliary staff, who worked on average 7 to 10 hours per week

Employment costs for all full time and part time staff

	2010 £	2009 £
Wages and salaries	1,305,891	1,311,826
Social security costs	115,638	111,181
Pension costs		
- Retirement Benefit Scheme	-	-
- Group Personal Pension Scheme	96,036	80,937
Pension deficit payment	-	-
Redundancy costs	5,500	-
	<u>1,523,065</u>	<u>1,503,944</u>

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2010 (continued)

### 6 EMPLOYEE INFORMATION (continued)

The number of employees whose emoluments for the year exceeded £60,000 is as follows

	2010 Number	2009 Number
£60,001 - £70,000	2	2

The pension contributions made by the employer on behalf of the employees above were £24,908 (2009 £11,551)

#### Council members' remuneration and expenditure

No Council member received any remuneration for the year (2009 £nil) Costs relating to council members' expenditure included in governance expenses were for accommodation, travel and meal costs £8,062 (2009 £9,552) 8 Council Members claimed expenses during the year (2009 11)

### 7 TANGIBLE FIXED ASSETS

	Freehold and leasehold property £	Motor vehicles £	Furniture fixtures, fittings and computer equipment £	Total £
<b>Cost</b>				
At 1 November 2009	4,686,158	293,792	793,773	5,773,723
Additions	156,948	41,016	34,609	232,573
Disposals	(199,425)	(56,133)	(39,223)	(294,781)
At 31 October 2010	4,643,681	278,675	789,159	5,711,515
<b>Depreciation</b>				
At 1 November 2009	980,940	174,749	617,393	1,773,082
Charge for year	100,625	51,325	46,551	198,501
Disposals	(31,143)	(47,703)	(35,030)	(113,876)
At 31 October 2010	1,050,422	178,371	628,914	1,857,707
<b>Net book values</b>				
At 31 October 2010	3,593,259	100,304	160,245	3,853,808
At 31 October 2009	3,705,218	119,043	176,380	4,000,641



# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2010 (continued)

### 8 FIXED ASSET INVESTMENTS

	Listed Investments £
<b>Market value</b>	
At 1 November 2009	3,872,501
Additions	707,513
Disposals	(655,094)
Net unrealised investment gain	397,707
	<u>4,322,627</u>
At 31 October 2010	<u>4,322,627</u>
<b>Historical cost</b>	
At 31 October 2010	3,150,019
	<u>2,983,371</u>
At 31 October 2009	<u>2,983,371</u>

Fixed Asset Investments as at 31 October 2010 consist of the following

	£
Scandia M&G Global Basics	199,738
Scandia M&G Global Dividend Inc	123,242
Scandia Black Rock US Opportunities	101,994
M & G Corporate Bonds	355,373
Invesco Perpetual Emerging European Shares	84,409
Invesco Perpetual European Equity Fund	303,330
Invesco Perpetual Asian Inc	662,858
Invesco Perpetual Corporate Bond Inc	614,181
Invesco Perpetual Global Smaller Companies	100,662
Invesco Perpetual High Income Inc	935,578
Invesco Perpetual Money	3,723
Invesco Perpetual Latin American Shares	126,311
Invesco Perpetual Hong Kong & China Shares	138,341
Invesco Perpetual Income Inc	572,887
	<u>4,322,627</u>

### 9 STOCK

	2010 £	2009 £
Food and ancillary items for resale	4,376	5,407
	<u>4,376</u>	<u>5,407</u>

## ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

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### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2010 (continued)

#### 10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Other debtors	27,733	6,783
Prepayments and accrued income	49,127	119,716
	<u>76,860</u>	<u>126,499</u>

#### 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade & sundry creditors	33,994	35,174
Other creditors	33,225	35,162
Accruals and deferred income	10,761	13,355
	<u>77,980</u>	<u>83,691</u>

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2010 (continued)

### 12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Notes	Tangible fixed assets	Investments	Net current assets	Pension liability	Total
	12a	£	£	£	£	£
<b>Restricted funds</b>						
Future Expenditure Fund		-	-	2,801	-	2,801
Shaw Legacy Fund		-	-	400,000	-	400,000
Lytham St Anne's Fund		-	-	5,000	-	5,000
Aberdeen Legacy Fund		-	-	23,860	-	23,860
Stanley Award Fund		-	-	506	-	506
Falkland Island Fund		-	-	7,395	-	7,395
Acquired Fixed Assets Fund		<u>543,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>543,003</u>
		543,003	-	439,562	-	982,565
<b>Unrestricted funds</b>						
Designated – Fixed Assets Fund		3,310,805	-	-	-	3,310,805
Designated – Future Pension Contingency Fund		-	750,000	-	-	750,000
Revaluation Reserve		-	1,172,608	-	-	1,172,608
General Fund		-	3,150,019	(622,657)	-	2,527,362
Pension Scheme Fund		-	-	-	(7,000)	(7,000)
		<u>3,853,808</u>	<u>5,072,627</u>	<u>(183,095)</u>	<u>(7,000)</u>	<u>8,736,340</u>

### 12a RESTRICTED FUNDS ANALYSIS

	At 1 November 2009	Incoming	Expenditure	At 31 October 2010
Future Expenditure Fund	3,910	-	(1,109)	2,801
Shaw Legacy Fund	500,000	-	(100,000)	400,000
Aberdeen Legacy Fund	-	48,351	(24,491)	23,860
Lytham St Anne's Fund	5,000	-	-	5,000
Stanley Award Fund	797	-	(291)	506
Other Restricted Funds	-	60,160	(52,765)	7,395
Acquired Fixed Assets Fund	<u>557,743</u>	<u>18,556</u>	<u>(33,296)</u>	<u>543,003</u>
	<u>1,067,450</u>	<u>127,067</u>	<u>(211,952)</u>	<u>982,565</u>

The Future Expenditure Fund is a fund which consists of income given for the purchase of specific items

The Shaw Legacy Fund is a restricted fund consisting of income given for use in Scotland, the Lytham St Anne's Fund is a restricted fund to be used in the area around Lytham St Annes, the Aberdeen Legacy Fund is to be used in Aberdeen and the Falklands Island Fund is to be used in the Falklands only

The Stanley Award Fund is a restricted fund for an annually presented award for service to the Mission

The Acquired Fixed Assets Fund is a restricted fund consisting of assets with restrictions on use

The Fixed Assets Fund is a designated fund consisting of all fixed assets with no restrictions on use

The Future Pension Contingency Fund is a designated fund for additional contributions that are likely to be required for the Mission's defined benefit scheme pension

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2010 (continued)

The Revaluation Reserve is an unrestricted fund consisting of unrealised gains and losses on the revaluation of investment assets

The General Fund is an unrestricted fund which can be used for any charitable purpose

The Pension Scheme Fund is an unrestricted fund equal to the year end liability of the defined benefit pension scheme

### 13 FUNDS

	Notes	Unrestricted funds		Pension Reserve	Designated Funds	Restricted Funds	Total
		General Fund	Revaluation Reserve				
		£	£	£	£	£	£
At 1 November 2009		2,265,007	889,130	(1,170,000)	4,192,898	1,067,450	7,244,485
Net (outgoing)/incoming resources for the year		(172,040)	-	34,000	-	(84,885)	(222,925)
Net realised gain on fixed assets		135,628	-	-	-	-	135,628
Net realised gain on Investment assets		52,445					52,445
Realisation on disposal of investment assets		114,229	(114,229)				-
Net unrealised gain on investment assets			397,707	-	-	-	397,707
Actuarial gain on defined benefit scheme		-	-	1,129,000	-	-	1,129,000
Transfers between funds	4	132,093	-	-	(132,093)	-	-
At 31 October 2010		<u>2,527,362</u>	<u>1,172,608</u>	<u>(7,000)</u>	<u>4,060,805</u>	<u>982,565</u>	<u>8,736,340</u>

### 14 TAXATION

The Mission is a charity and as such is exempt from taxation on its income and gains to the extent that they are applied to its charitable purpose

### 15 FUTURE CAPITAL EXPENDITURE

	2010	2009
	£	£
Authorised by the Council but not contracted for	176,800	106,200
Contracted for but not provided	nil	nil

### 16 FINANCIAL COMMITMENTS

At 31 October 2010 the Mission had annual commitments under non-cancellable operating leases in respect of equipment as follows

	2010	2009
	£	£
Expiring within one year	-	623
Expiring within two to five years	7,426	7,426
	<u>7,426</u>	<u>8,049</u>

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2010 (continued)

### 17 PENSION COSTS

In accordance with Financial Reporting Standard 17 – Retirement Benefits (FRS 17) the charity is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees

The charity operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity, being invested with investment management companies. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the charity. A qualified actuary on the basis of triennial valuations using the projected unit method determines the contributions.

The scheme was suspended from 1 November 2007 and so no contributions relating to wages and salaries were made during the year ended 31 October 2010. The Mission did make contributions towards administration costs of the pension scheme during the year as agreed in the Schedule of Contributions.

Additional contributions have been made by the charity from 1 November 2004, such amounts of a regular and one off nature as may be agreed between the trustees and the employer from time to time and recorded in a trustee minute or resolution. These contributions have been made to remove the deficiency in respect of past service at the valuation date. No such contributions were made in the year ended 31 October 2010.

A new Schedule of Contributions has been confirmed.

#### Employee benefit obligations

The amounts recognised in the balance sheet are as follows

	2010 (£'000)	2009 (£'000)
Present value of funded obligations	7,644	7,965
Fair value of plan assets	(7,637)	(6,795)
Deficit at the year end	7	1,170
Related deferred tax asset	-	-
Net liability	<u>7</u>	<u>1,170</u>

Amounts in the balance sheet

	2010 (£'000)	2009 (£'000)
Liabilities	7	1,170
Assets	-	-
Net liability/ (asset)	<u>7</u>	<u>1,170</u>

The amounts recognised in profit and loss are as follows

	2010 (£'000)	2009 (£'000)
Current service cost	58	30
Interest on obligation	438	447
Expected return on plan assets	(493)	(412)
Total	<u>3</u>	<u>65</u>
Actual return on plan assets	<u>1,122</u>	<u>1,373</u>

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2010 (continued)

Changes in the present value of the defined benefit obligation are as follows

	<b>2010</b>
	<b>(£'000)</b>
Opening defined benefit obligation	7,965
Service cost	58
Interest cost	438
Actuarial gain	(501)
Benefits paid	<u>(316)</u>
Closing defined benefit obligation	<u>7,644</u>

Changes in the fair value of plan assets are as follows

	<b>2010</b>
	<b>(£'000)</b>
Opening fair value of plan assets	6,795
Expected return	493
Actuarial gain	628
Contributions by employer	37
Benefits paid	<u>(316)</u>
Closing fair value of plan assets	<u>7,637</u>

The group expects to make no contributions to its defined benefit pension plan in 2010 in relation to wages and salaries

The major categories of plan assets as a percentage of the total plan assets are as follows

	<b>2010</b>	<b>2009</b>
Equities	45.4%	47.0%
Bonds	46.2%	49.0%
Property	3.2%	3.3%
Cash	<u>5.2%</u>	<u>0.7%</u>
	<u>100.0%</u>	<u>100.0%</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	<b>2010</b>	<b>2009</b>
Discount rate at 31 October	5.2%	5.6%
Inflation	3.2%	3.3%
Pension increases (LPI min 3% max 5%)	3.5%	3.3%
Pension increases (LPI max 5%)	3.2%	
Post retirement mortality table	SINA	PA92
Post retirement mortality projections	CMI 2009(1%)	Medium Cohort
Life expectancy for a male aged 65 in 2010	87.2	87.1
Life expectancy for a male aged 65 in 2030	89.5	88.2
Expected return - equities	7.0%	7.0%
Expected return - property	7.0%	7.0%
Expected return - bonds	6.0%	6.0%
Expected return - cash	0.5%	0.5%

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2010 (continued)

Amounts for the current and previous four periods are as follows

	31/10/2010	31/10/2009	31/10/2008	31/10/2007	31/10/2006
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Defined benefit obligation	(7,644)	(7,965)	(6,179)	(7,463)	(7,886)
Plan assets	7,637	6,795	5,696	7,832	7,123
(Deficit)/Surplus	(7)	(1,170)	(483)	369	(763)
Experience adjustments on plan liabilities	684	0	0	471	(102)
Experience adjustments on plan assets	628	961	(2,309)	370	853

## GROUP PERSONAL PENSION

The Mission also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Mission in an independently administered fund. The pension cost charge represents contributions payable by the Mission to the fund. At the year end there were no unpaid contributions.

	2010	2009
	£	£
Contributions payable by the company for the year	<u>96,036</u>	<u>80,937</u>

## 18 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

## 19 CASH FLOW STATEMENT

### (a) Reconciliation of net (outgoing)/incoming resources for year to net cash inflow/(outflow) from continuing operating activities

	2010	2009
	£	£
Net (outgoing) resources	(222,925)	(298,840)
Investment income	(178,576)	(115,060)
Interest payable (Includes FRS17)	9,076	44,051
Depreciation on tangible fixed assets	198,501	212,235
Decrease in stocks	1,031	9,039
Decrease/(Increase) in debtors	49,639	(53,371)
Increase/(Decrease) in creditors	(5,711)	1,867
Pension scheme contributions in excess of charge	34,000	30,000
<b>NET CASH (OUTFLOW) FOR CONTINUING OPERATING ACTIVITIES</b>	<u>(182,965)</u>	<u>(170,079)</u>

# ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2010 (continued)

### (b) Reconciliation of net cash flow to movement in net cash balance

	2010 £	2009 £
(Decrease)/Increase in cash in the year	70,521	(1,028,006)
Changes in net cash balance from cash flows	70,521	(1,028,006)
Net cash balance brought forward	493,128	1,521,134
Net cash balance carried forward	563,649	493,128

### (c) Analysis of net cash resources

	At 1 November 2009 £	Cash Flows £	At 31 October 2010 £
Cash in hand and at bank	<u>493,128</u>	<u>70,521</u>	<u>563,649</u>