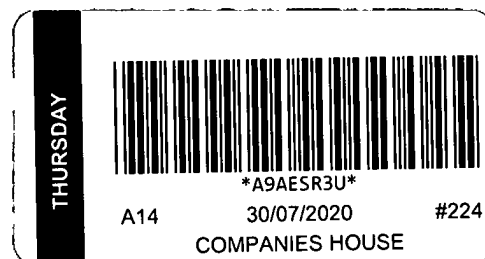




THE FISHERMEN'S MISSION

Trustees' report and financial statements

For the year ended 31 October 2019



**Royal National Mission to Deep Sea
Fishermen**

(A Company limited by guarantee) 24477
Company Registration Number
England & Wales Charity Registration 232822
Number
Scotland Charity Registered Number SC039088

**Mazars LLP, South
West**

5th Floor, Merck House
Seldown Lane
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Royal National Mission to Deep Sea Fishermen

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

CONTENTS	Pages
Council Members and Advisers	2
Trustees' Report (incorporating the Strategic Report)	3 – 14
Report of the Independent Auditors	15 – 17
Statement of Financial Activities	20
Balance Sheet	21
Cash Flow Statement	22
Notes to the Financial Statements	23- 37

Royal National Mission to Deep Sea Fishermen

Members of the Council who served during the year

Mr Michael Vlasto OBE
Ms Elizabeth Woodhatch
Mr Ian Gatt
The Venerable Simon Golding CBE
Rear Admiral Sir Jeremy de Halpert KCVO
Mr Trevor James
The Very Reverend Dr David Lacy DL
Mr Thomas Maier
Dr Jonathan Shepherd
Mr Edward Whittle

Chairman
Deputy Chair

Secretary and Registered Office

Commodore David Dickens CBE RN
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4400 Parkway
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Whiteley
Hants PO15 7FJ

Executives

Commodore David Dickens CBE RN (Chief Executive)
Mrs Alison Godfrey (Director of Business Development)

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SO15 2FF

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Southampton SO14 2AQ

Investment Advisers

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Wiltshire SP1 3HP

Registered Auditors

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Poole
Dorset BH15 1TW

Investment Managers

Sarasin & Partners
Juxon House
100 St Pauls Churchyard
London
EX4M 8BU

Royal National Mission to Deep Sea Fishermen

TRUSTEES' REPORT

INTRODUCTION

The Trustees, who are also Directors of the Charity for the purpose of the Companies Act, present their annual report (incorporating the Strategic Report) and the audited financial statements for the year ended 31 October 2019. The Trustees confirm that the annual report and financial statements comply with the governing document, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015), the Companies Act 2006 and relevant law and United Kingdom Accounting Standards.

The Royal National Mission to Deep Sea Fishermen (or 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 five times a year. The Executive consists of the Chief Executive and the Director of Business Development to undertake the routine management of the Fishermen's Mission.

STRATEGIC REPORT

In May 2019, Council reviewed their 2016-2021 Strategy. A new strategy for the period 2019-2024 was introduced from July 2019.

MISSION

The Fishermen's Mission maintains a Christian presence in fishing communities around the British Isles to provide, practical, welfare and spiritual support to active and retired fishermen and their families.

VALUES

The charity's values are founded on our ecumenical Christian faith and our commitment to provide practical help that makes a positive difference in people's lives.

The charity's focus is the people in need of the practical assistance and support we provide.

The charity's work reflects the things that matter to us and which we care about.

- To be open and welcoming to everyone
- To listen hard, because needs are often complex, deeply personal and ever-changing
- To be trusted to work with care, integrity and discretion
- To be purposeful, resilient, open and straightforward
- To work collaboratively to solve wide-ranging challenges

The charity's values align closely with the Nolan Principles of conduct in public service and the NCVO Charity Ethical Principles.

FUNDAMENTAL TASKS

- To provide a 24/7 emergency response to all fishing emergencies at sea:
 - Provide assistance to the families of fishermen who have been killed or seriously injured.
 - To look after the survivors of fishing vessel accidents.

Royal National Mission to Deep Sea Fishermen

- To assist injured or ill fishermen and, where appropriate, arrange for them to receive enhanced medical attention.
 - To source emergency accommodation and catering facilities where there is no alternative provision.
- To make emergency grants to fishermen and their families in times of need.
- To help fishermen's families in cases of illness or distress.
- To provide Christian pastoral and practical support and access to specialist advice and counselling, in relation to the full range of welfare issues, including problems with debt, alcohol and drugs, benefit and employment issues, sickness, bereavement, stress and family and relationship difficulties.
- To facilitate and disperse regular and one-off grants from other charities to fishermen and their families.
- To provide welfare and support to overseas fishermen working in the UK industry, especially those that live aboard boats.
- To alleviate loneliness through home and hospital visits to retired fishermen and their families.
- To officiate at fishermen's funerals when requested.

2018/19 PERFORMANCE AGAINST COUNCIL'S STRATEGY

Summary

At the Strategic Review in May 2019, Trustees considered progress against the strategic objectives since 2012. It was considered that satisfactory progress had been made with all strategic objectives. It was also acknowledged that regular Strategic Reviews had driven performance and progress as circumstances and priorities changed over the period.

The year 2018/19 was particularly notable for the initiation of the joint GetSeaFit programme in partnership with Seafarers' Hospital Society and funded by Seafarers UK. For the Fishermen's Mission the programme is a key element of the strategic objective for early interventions to reduce the scale and frequency of future health and wellbeing needs. The impact of the delivery of significant numbers of real short-term health outcomes, has been matched by increased awareness of health outreach as a powerful tool to tackle the health and lifestyle challenges facing fishing communities.

By the end of the first year it has become clear that dental and mental health are two particularly serious wellbeing issues. The programme will be adjusted to reflect this development for 2020.

The charity has also been involved with research led by Seafarers UK into financial resilience in fishing communities, along with early discussions with DEFRA on potential research into the wider sustainability of coastal communities.

At the 2019 International Christian Maritime Association (ICMA) world conference in Taiwan, the Fishermen's Mission chaired a panel discussion on welfare support to fishing communities, from which ICMA acknowledged that internationally the profile of and support to the welfare of fishermen would become a key focus.

While uncertainties over Brexit delayed plans for further research into needs among fishermen in Ireland, steady progress in relationship building continued. Frontline staff have also been tasked to include those working in aquaculture in their outreach work.

Royal National Mission to Deep Sea Fishermen

Strategic Objectives

Enhance support to both active and retired fishermen and their families.

Highlights:

- Successful first complete year of the joint GetSeaFit programme. To date:
 - Around 300 health checks delivered
 - Over 300 people have received dental checks including oral cancer screening.
 - c.150 people have received high priority dental treatment, with many more referred for follow-on interventions.
 - Dental checks have identified a significant oral health problem in fishing communities.
 - After an understandably slow start Mental Health Trainers at Newlyn and Bridlington have received regular referrals.
 - Programme has highlighted mental health as a priority area for fishing communities.
 - The physiotherapy network has proved very popular and effective among active fishermen.
 - Through over 1000 engagements the Health Trainers have witnessed growing interest in health and lifestyle issues, especially among the active community.
 - Engagement and partnership working at the quayside with a range of wellbeing agencies such as Macmillan, the British Heart Foundation and Prostate Cancer UK.
- Engagement with Seafarers' UK research into the financial resilience of fishermen.
- 40+% increase in the number of successful grant applications, with a significant rise in the total amount of financial assistance provided to those in need.
- Provided training for all port staff on mental health awareness and professional boundaries.

As part of the move to a new Quality Assurance model, a routine of formal pastoral and professional supervision was introduced from August 2019.

Improve the collection, quality, management and use of our data.

Building on practical experience, systems and processes continue to be adjusted to improve further the consistency and granularity of data. Enhancements in the quality of data and information have fed through into improved analysis and articulation of key management information, informing both strategic and operational decision making.

The planned switch from Microsoft 365 to Raisers' Edge NXT was delayed from October 2019 to allow more time to rationalise data sets and collection methodologies. It is anticipated that the switch will be staged, with pilot roll outs from around mid-2020.

In June 2019, Council approved the creation of a new post of Digital Fundraiser to expand the charity's e-reach especially through social media. The post will be advertised from January 2020.

Extend our support to wider areas, both geographical and occupational.

Throughout the year steady progress has been made in outreach to the aquaculture industry, especially in the Highlands and Islands of Scotland. On advice from industry leaders, work has been focused on smaller independent growers.

Royal National Mission to Deep Sea Fishermen

Visits both to and from authorities in the Republic of Ireland have continued during 2019, although Brexit uncertainties (for both sides) have understandably restricted progress. However, regular operational level liaison into the Republic of Ireland continues to be well received.

Provide or work with others to offer lifestyle improvements for both active and retired fishermen and their families.

GetSeaFit has been at the centre in this element where engagement with a broad range of local and national service providers has made a real contribution to the effectiveness of quayside health check events.

Routinely, as a member of the Merchant Navy Welfare Board's (MNWB) coordination groups on both serving seafarers and the retired and dependent populations, continue to formulate and deliver pan-sector projects and initiatives to improve outcomes.

Improve cooperative and collaborative engagement with others. At the same time explaining to industry and beyond our work, our vision to 2024 and the relevance of the Fishermen's Mission.

The GetSeaFit programme has generated many opportunities for increased cooperation and collaboration, with even more potential opportunities on the horizon. By year end it was clear that this influence was being felt beyond the health agenda into areas such as social care. New working relationships have been formed across the spectrum of state, commercial and third sector organisations.

The charity remains engaged with the Maritime and Coastguard Agency's tripartite working groups on the Work in Fishing Convention and Fishing Industry Safety. The charity also has membership of the Gangmasters Labour Abuse Authority's Liaison Group and the Seafish Ethics Common Language Group and has attended All Party Parliamentary Groups with a fishing focus. In addition, support and advice have been provided to individuals seeking compliance with the latest legislation.

Enhance further the reputation and the face of the Fishermen's Mission by improving service quality and consistency and the governance of our charity.

Council commissioned an independent review of the Executive that reported in March 2019. Subsequently, Trustees' decided to introduce changes in the management of operations to drive improvement and development in compliance and quality assurance. It was also decided to introduce additional resource in the digital fundraising area from early 2020.

The planned introduction of a new Quality Assurance system in 2019 had to be delayed into 2020 due to higher priority activities.

During this year a Senior Compliance and Audit Administrator was appointed. The focus is particularly on the Data Protection Act 2018, cyber security, and compliance against regulators within the sector. Cyber Essentials Accreditation was again awarded.

Equality and Diversity Objectives

Council sets strategic diversity objectives, along with in-year targets:

Royal National Mission to Deep Sea Fishermen

Objectives for 2018/19

- Trustees to review skills and succession plan, with increasing diversity as a core aspiration.
- Explore options for a beneficiary voice on the Council.
- All staff to receive at least entry-level equality and diversity training.
- All frontline staff to receive online training in Filipino culture.
- Executive to advocate diversity agenda to core maritime operational and strategic groups.

In mid-2019, Trustees completed a skills audit and updated plans for the succession of both post holders and members. Priorities for recruiting were identified, with a focus on open recruiting, skill sets and increasing diversity, especially of life experience, on Council. At year end plans were in place for a Trustee recruiting campaign from January 2020 with an aim to find and select some new Trustees including a 'beneficiary voice' by April 2020.

Unfortunately, due to higher priority training requirements it was not possible to rollout entry level diversity training to all staff and this will be programmed for FY 19/20 along with cultural training for frontline staff.

Objectives for 2019/20

Trustees have established the following objectives for the next 12 months:

- Complete the recruitment of at least 2 new Trustees to enhance the diversity and skill sets of Council.
- Equality and diversity training for all Trustees and staff.
- Seek to engage a wider diversity of candidates in the recruitment of staff.
- All frontline staff to receive online training in Philippine culture.
- Identify key minority groups and develop a plan to engage more closely at both operational and strategic levels.

2018/19 IMPACT

The statistical assessment for 2018/19 remains provisional due to the continued transition to on-line reporting. An in-year change to the classification of repeat visits has reduced the year-on-year comparability of home and hospital visit figures. With this caveat, core statistics that generally show consistency with previous years, are as follows:

- Support for 4,031 (2017/18 3,352) beneficiaries in receipt of grants in the sum of £1.2m (2017/18 £988,375).
- Around 4,203 (2017/18 5,344) beneficiaries were visited at home and in hospital (excluding repeat visits).
- 235 (2017/18: 182) fishermen received emergency financial assistance.
- 54 (2017/18 101) fishermen assisted following accidents, injury or sickness at sea.

In common with the last few years, extensive support was provided to migrant crew working in the UK especially in Northern Ireland and Scotland.

The trend towards more complex casework has continued, with staff involvement for extended periods of time.

Royal National Mission to Deep Sea Fishermen

PUBLIC BENEFIT

The Trustees of the Council have referred to the guidance published by the Charity Commission in reviewing the Fishermen's Mission's aims and objectives and in planning future activities.

A revised Strategy through to 2024 was introduced from August 2019. The high-level strategic objectives are reviewed by the Council Members on an annual basis and these are developed into change objectives and outcomes for the forthcoming twelve months. A five-year rolling business plan sets out the assumptions for future predicted income and the costs incurred in meeting its activities.

FINANCIAL RISK MANAGEMENT

The principal financial risk is a significant increase in the Retirement Benefit Pension Scheme deficit threatening the sustainability of the Fishermen's Mission work/strategy.

RISK MANAGEMENT

In accordance with SORP 2015, key risks have been identified and measures undertaken to mitigate them. All risks are recorded on a Council endorsed Risk Register, which was subject to six monthly reviews. The Council's top 5 risks are as follows:

1. Significant increase in the Retirement Benefit Pension Scheme deficit threatening sustainability of Fishermen's Mission's work/strategy.

Action – Sustain Reserves Strategy to ensure Council's covenant remains sound. Ensure the Retirement Benefit Pension Scheme investments are matched to the Actuary's recommended investment policy and increase the Fishermen's Mission's annual contribution to deficit reduction if required.

2. Reputation – Single media event resulting in fundamental undermining of reputation and trust, with possible failure of the charity.

Action – Pro-active engagement through social media and website with both managed from Head Office. Clear guidance on dealing with media has been provided to all staff. Official spokespersons identified, and administration of press releases formalised.

3. Future significant downturn in fundraising – Fishermen's Mission becomes unsustainable with the need to re-organise operations or close.

Action – In light of adverse media coverage of some major charities throughout 2018 Council maintains a close interest in this risk. Development of revised quality assurance processes and a sustained focus on ensuring that policies and procedures, especially in key areas such as Safeguarding, continue to reflect best practice.

4. Fishermen's Mission resources over-stretched – staff unable to respond effectively or consistently and/or reserves eroded to maintain service levels.

Action – Revitalise volunteer arrangements. Develop effective prioritisation systems and seek alternative methods of sustaining more routine activities/visits.

5. Adverse publicity leading to erosion of reputation and trust. Probable impact on fundraising and ability to deliver charitable objects.

Action – See Risk 2. Pro-active engagement through social media and website with both managed from Head Office. Clear guidance on dealing with media has been provided to all

Royal National Mission to Deep Sea Fishermen

staff. Official spokespersons identified, and administration of press releases formalised, along with contingency planning and additional training for staff and volunteers.

While a formal risk to reflect possible implications of Brexit did not appear in the Top 5 Risks during the year, Trustees did delay some activities and decisions to ameliorate risks associated with a no-deal Brexit.

FUNDRAISING

The Fishermen's Mission is registered with the Fundraising Regulator and works within their Code of Fundraising Practice which came into effect in October 2019 and the Institute of Fundraising's guidance. During the period of this report no complaints were received regarding any fundraising appeals or practices. To ensure protection of vulnerable people the Fishermen's Mission never purchases names or addresses for fundraising purposes nor sells any information that it holds and only contacts those people who have donated or offered support. No third parties are ever employed by the Fishermen's Mission to undertake fundraising on their behalf although a small voluntary team operate a House to House collection scheme that is fully monitored. All fundraising and marketing is carried out within the compliance framework of the Data Protection Act 2018.

In common with most of the sector, voluntary income came under pressure in 2018/19. However, more income was generated than in the previous five years with reduced costs and steady progress was made in the development of less traditional funding streams. This is a result against the downward trend for voluntary income that is being reported throughout the fundraising community. The Fishermen's Mission recognises both the hard work and commitment of all the staff team in raising this income alongside a deep gratitude for the support of donors throughout the UK.

Integration of Port and Head Office Fundraising

Following a full review in August 2019, it was decided to end the programme of integrated fundraising teams. While the programme had demonstrated some promise in overall team development in some areas this was not replicated across regions that covered a large geographical area. Following a successful 'Fundraising in 15 minutes' workshop programme for all staff, this initiative is being continued on a monthly basis to encourage, enthuse and support all the teams in their fundraising efforts.

Partnership Fundraising

Developed as a new role in late 2017/18 this role is progressing well in line with our Fundraising Strategy plans. New Partnerships have been formed as well as the launch of the 'Mission 100' Club that encourage business partners to become more involved in the charity's work and to seek new opportunities for support.

Fundraising from Trusts, Grant Making Foundations & Partners

Partnerships with grant making trusts remain vital to the Fishermen's Mission, this is particularly true of the long-term funding relationships within the maritime sector, including Seafarer's UK, Trinity House and the Merchant Navy Welfare Board. Outside of the sector key support is received from a sound base of grant making foundations and partner including Thomas J Horne Memorial Trust, Edith Murphy Foundation and the Dulverton Trust. There remains, however, a need to develop and broaden this support base, particularly in relation to the implementation of the Strategic Plan 2019 – 2024 and the key to this development rests with future project-based funding opportunities.

Royal National Mission to Deep Sea Fishermen

Digital and Social Media

Following an independent Executive Review in Spring 2019, the focus has increased on increasing resources allocated to Digital Fundraising initiatives. Introduction of the use of a contactless payment device is being piloted. As previously noted, following the review Council has approved the appointment of a Digital Fundraiser to develop online digital fundraising presence.

Supporters of the Fishermen's Mission

The Fishermen's Mission is proud to be supported by so many loyal friends from around the UK and beyond. It is a privilege to receive help and friendship from the charity's supporters. The Fishermen's Mission values each and every letter and gift that is received as well as being deeply grateful for those who pray each week for the charity's work and staff using the Prayer Calendar. It is recognised that giving is a very personal decision and the Fishermen's Mission is proud that so many people choose to support its work and recognises the vital support that donors and volunteers bring to the charity.

Legacy Income

Income from legacies remains a key component of our income. In common with much of the sector, legacies received in 2018/19 were significantly down compared to the last five years. While it is recognised that legacy giving is changing and that the value of gifts may decline over time, for this period the change to probate handling may also have been the key factor. The Fishermen's Mission remains deeply indebted to those who choose to make this final gift.

PR and Marketing

All branding and marketing will be refreshed in 2020 to reflect a need for a greater digital communications presence.

OUR FINANCES

Overall Results

Financial Year 2018/19 was a sound year for the Fishermen's Mission's finances. An operating deficit of £155,680 (2017/18: £531,245 surplus) was over budget due to a modest shortfall in budgeted income. To meet the requirement of Section 28 of the FRS 102, the Retirement Benefit Pensions Scheme fund income and expenditure are shown within the Fishermen's Mission's accounts.

The improvement to the balance sheet position in the large part reflects the healthy performance of investments and the removal of the pension deficit during the year.

Fishermen's Mission Reserves

Reserves Policy

To reflect their general judgements, the Fishermen's Mission's Trustees maintain financial reserves to achieve 5 key objectives:

1. Funds for the early stages of major fishing emergencies.
 2. Generation of income/revenue for sustained operations.
 3. Sufficient funds to ameliorate short and longer-term challenges to the charity's continuity.
- Minimum reserve 2 years costs for operations.

Royal National Mission to Deep Sea Fishermen

4. Adequate funds to fulfil the employer's covenant to the Retirement Benefit Pension Scheme.
5. Provision of resources for activities in support of Council's strategic vision.

Investments

Sarasin and Partners LLP are appointed as the charity's Investment Managers, with funds invested in their pooled Charities Fund. Over the period, performance has met the benchmark criteria set by Trustees and has remained competitive with providers of similar investment vehicles. A commentary on performance is included under Investment in the notes to the accounts.

The charity's investments managers have in place an exclusionary ethical policy for the Fishermen's Mission; details of this policy can be found in the Sarasin Guide to Ethical Exclusions accessible via the Sarasin & Partners website. The policy is summarised below:

- There will be no holdings in companies with exposure to the production of tobacco or tobacco-related manufacturing
- The Sarasin CAIFs will also avoid investment in companies that generate significant revenues from:
 - Alcohol
 - Armaments
 - Gambling
 - Adult entertainment

In addition to this exclusionary policy Sarasin & Partners consider the charity to be stewards of our clients' assets, a mind-set that is guided by a commitment to think like owners of the companies in which the charity invests, rather than simply holders of the shares takes. The charity takes an active and responsible approach to investment with the principles of stewardship being embedded at the heart of the investment process.

The analysis of environmental, social and governance (ESG) factors forms an integral part of the consideration for every investment decision. The Trustees strongly believe that this analysis must be conducted by Sarasin's equity and fixed income teams as any material risks and opportunities from ESG issues will influence the valuation of each company. Sarasin also has specialist stewardship analysts within the team, who advise on company engagements and lead the company's policy outreach work.

Guided by the charity, Sarasin scores each potential investment separately on the environmental, social and governance factors and then builds an overall ESG score with a range from A to E (where A is exemplary, and E is un-investable), which then feeds into the valuation methodology of each company.

Investment Performance (source Sarasin & Partners)

For the 12 months to 30 September 2019 the Fishermen's Mission investment portfolio generated a total return of 7.7% ahead of the composite benchmark return of 6.3%, the long-term objective (inflation (UK CPI) +4%) of 5.9% and the peer group return (ARC Steady Growth Charity Index) of 4.9%.

Income generation continued to be strong over the period; the global investment approach and allocation meant that income receipts within the portfolio benefited from weaker sterling over the period. £250k of income was received over the period; the projected income for the next 12 months is c£350k.

Royal National Mission to Deep Sea Fishermen

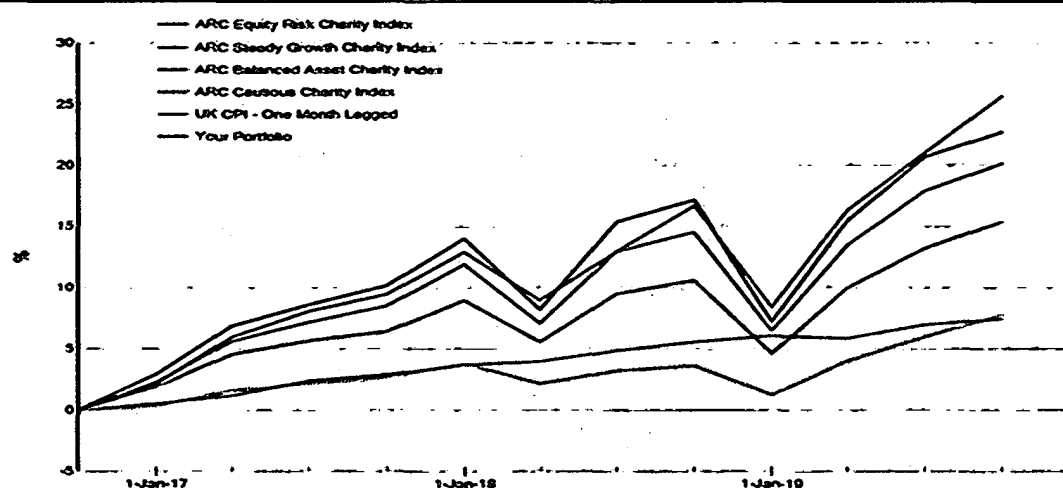
Equities were the major contributor to the outperformance with strong stock selection in both UK (7.1% vs 3.1%) and Global equities (12.0% vs. 7.5%), although there were also strong nominal returns from Fixed Income (12.6% versus 12.3%). Non-government i.e. corporate bonds were the major contributor within fixed income (12.7% vs 11.1%) while index-linked and emerging markets were relative detractors to performance, although with <1% allocated to these areas the impact was negligible.

Otherwise property and alternative investments provided positive and diversified returns; with notably strong performance from physical gold holding and the small allocation to listed private equity within alternatives.

The below table summarises performance over a 1 and 3 year basis against a range of performance comparators, with the chart showing performance in comparison to the ARC peer groups. Please note that the Steady Growth peer group is the relevant peer group for your portfolio.

Performance to 30-Sep-19	1 Year	3 Years Annualised	5 Years Annualised
Portfolio	7.7%	7.9%	
Inflation (FISHERM1-5)	5.9%	6.5%	
Portfolio Benchmark	6.3%	7.8%	
Peer Group	4.9%	6.3%	
Volatility			
Portfolio	9.6%	6.8%	
Portfolio Benchmark	10.0%	6.9%	
Income	Portfolio		
	3.1%		

Cumulative Performance Compared to the ARC Peer Groups



Source: Sarasin & Partners, RIMES, Bloomberg and ARC

Portfolio benchmark (from 1-Feb-18): FTSE All-Share 5% capped (Total Return) (UK) (20%), ICE BofAML Sterling Corporate (8.5%), ICE BofAML UK Gilts All Stocks (8%), MSCI AC World ex UK (Local Currency) (GBP) (25%), MSCI AC World ex UK (Net Total Return) (25%), MSCI All Balanced Property Funds - One Quarter Lagged (4%), S&P Developed Property Net TR (3.5%), UK cash LIBOR 1 Month (Total Return) (5%).

Peer Group: The WM Charity Index was discontinued from March 2018. The peer group performance data used is the ARC Steady Growth Charity Index (further details within the Glossary) which could include an ARC estimate for the most recent period.

Performance is calculated 'net' of Sarasin's investment management fees, using Bid prices. This takes into account receipts to and withdrawals from the portfolio during the period, and their dates. Prices are sourced from Bloomberg.

All volatility figures measure the standard deviation of the monthly returns over the period and are annualised for periods over 1 year. This is not the only method of calculating volatility and other methods may produce different results.

Royal National Mission to Deep Sea Fishermen

Income

The Net Movement of Funds for the year was £1,984,183 inflow (2017/18: £831,742 inflow) which has been transferred to the relevant funds. This large increase has been generated by the gain on the defined benefit pension scheme of £1,136,000 and the unrealised gain on investment assets of £1,1003,863. The designations result in the Fishermen's Mission free reserves at 31 October 2019 now standing at £7,028,279 (excluding pension deficit which currently is zero). Free reserves available for use by the Fishermen's Mission are deemed to be those that are readily realisable, less funds whose uses are restricted or else designated for a specific purpose, this includes a minimum level of 2 years to cover costs for operations as stated in the Fishermen's Mission's reserve policy. 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 Fishermen's Mission.

Donations and gifts totalled £1,769,446, an increase of £210,095 on the 2017/2018 figure. The legacies received were on budget. Building legacies for the future remains a priority and a legacy marketing programme is in place.

Expenditure

Overall centres overhead costs increased from 2017/2018 mainly due to increases in staffing costs. Staff numbers at 31 October 2019 were 71, up from 67 on 1 November 2018.

Retirement Benefit Pension Scheme

From June 2018 the full administration of the scheme was transferred to BBS Actuaries in Bristol. Legal and General LLP have remained the pension Fund Managers.

The FRS 102 valuation on 31 October 2019 saw a decrease in the scheme's deficit by £1,273,000 to £0. (2017/18: £1,273,000).

Melita Retirement Housing

The status of the discontinued Melita Housing Scheme for former employees was reviewed in detail during the year and it was decided that no changes are required for those remaining on the Scheme. A routine review of the Scheme will be completed every 3 years and there is an ongoing refurbishment programme.

MEMBERS OF THE COUNCIL

The Trustees of the Council during the year were as shown on page 2. In accordance with the provisions of the Company's Articles of Association; The Very Reverend Dr David Lacy, Mr Trevor James and Mr Edward Whittle retired by rotation at the Annual General Meeting in April 2019 and were re-elected. Council Trustees are appointed based upon their knowledge of the fishing industry or the specific skills and experience they can bring to the work of the Mission. On joining the Council, Trustees receive a comprehensive briefing package and undertake induction visits to several ports. The composition of and succession planning for Council is considered formally every year.

Exceptionally, Mr Ian Gatt and The Venerable Simon Golding CBE had their terms of service extended, to retain their extensive experience and knowledge to assist in guiding the Fishermen's Mission through the uncertainties of Brexit and the Strategy Review in May 2019.

FUTURE DEVELOPMENTS

In addition to the details included within the Strategic Report above: '2018/19 Performance against Council's Strategy', the following significant developments are planned for financial year 2019/20:

- Rollout of the last year of the 'GetSeaFit' programme. For 2019/20 several health check events, to include dental checks and drug awareness are planned. Building options for mental health provision will be a focus.
- Partnership working with Seafarers UK and others on projects to improve financial outcomes for fishing families.
- Extend charitable services, notably emergency response, to the Republic of Ireland.
- A review of the charity's coverage of and support to fishing communities in Wales.

RESPONSIBILITIES OF THE MEMBERS OF THE COUNCIL OF MANAGEMENT

The Trustees of the Council of Management (who are also Directors of Royal National Mission to Deep Sea Fishermen for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and;
- that the Trustee has taken all the steps that ought to have been taken as a Trustee to be aware of any relevant information and to establish that the charitable company's auditor is aware of that information.

Royal National Mission to Deep Sea Fishermen

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 for FY 2018/19 will be put to the forthcoming Annual General Meeting.

The Trustees approve their Annual Report and, in their capacity as company directors and approve the Strategic Report incorporated therein.
Signed on behalf of the Trustees.

BY ORDER OF THE COUNCIL OF MANAGEMENT



Mr Michael Vlasto OBE
Chairman

Date 11/02/2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

Opinion

We have audited the financial statements of Royal National Mission to Deep Sea Fishermen (the 'charity') for the year ended 31 October 2019 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 October 2019 and of 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Royal National Mission to Deep Sea Fishermen

The impact of uncertainties due to Britain exiting the European Union on our audit

The Trustees' view on the impact of Brexit is disclosed on page 9.

The terms on which the United Kingdom has withdrawn from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the charity's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the charity as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the charity's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the charity and this is particularly the case in relation to Brexit.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, 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 included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific 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 set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 44(1) (C) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

Royal National Mission to Deep Sea Fishermen

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

Use of the audit report

This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



Jonathan Marchant

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor
Merck House
Seldown Lane
Poole
Dorset
BH15 1TW

Date: 14/02/2020

Royal National Mission to Deep Sea Fishermen

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating the income and expenditure account) For the year ended 31 October 2019

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
INCOMING RESOURCES -					
Incoming resources from generated funds:					
Voluntary Income: Donations & Gifts		1,061,286	708,160	1,769,446	1,559,351
Legacies		760,619	41,907	802,526	1,655,752
Investment Income	2	222,853	-	222,853	211,908
Incoming resources from charitable activities					
Income from accommodation		369	-	369	506
Charity Shop		72,463	-	72,463	69,096
Other incoming resources					
Net realised (loss)/gain on sale of fixed assets		7,323	-	7,323	-
Rental Income		49,310	-	49,310	47,779
TOTAL INCOMING RESOURCES		2,174,223	750,067	2,924,290	3,544,392
RESOURCES EXPENDED					
Less: Costs of generating funds					
Fundraising and publicity		903,336	-	903,336	965,593
Charitable activities					
Charitable expenditure		1,448,762	727,872	2,176,634	2,047,554
TOTAL RESOURCES EXPENDED		2,352,098	727,872	3,079,970	3,013,147
NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER GAINS AND LOSSES					
		(177,875)	22,195	(155,680)	531,245
OTHER RECOGNISED GAINS AND LOSSES					
Unrealised gain/(loss) on investment assets		1,003,863	-	1,003,863	(228,503)
Past service costs on defined pension scheme	16	-	-	-	(288,000)
Actuarial gain/(loss) on defined pension scheme	10/16	1,136,000	-	1,136,000	329,000
Other gains on defined pension scheme	16	-	-	-	488,000
NET MOVEMENT IN FUND		1,961,988	22,195	1,984,183	831,742
RECONCILIATION OF FUNDS					
Balance brought forward at 1 November 2018	10	12,000,552	250,553	12,251,105	11,419,363
Balance carried forward at 31 October 2019	10	13,962,540	272,748	14,235,288	12,251,105

All activities relate to continuing operations. The SOFA includes all gains and losses recognised in the year

Royal National Mission to Deep Sea Fishermen

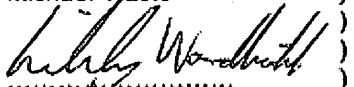
BALANCE SHEET AS AT 31 OCTOBER 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Investments Shares - General	6	11,212,626	10,259,858
Investments – George Watts Fund	6	659,881	608,786
Tangible Assets	7	1,837,912	1,862,662
		<u>13,710,419</u>	<u>12,731,306</u>
CURRENT ASSETS			
Debtors	8	29,736	34,915
Cash at bank and in hand		717,281	986,835
		<u>747,017</u>	<u>1,021,750</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(222,148)</u>	<u>(228,951)</u>
NET CURRENT ASSETS		<u>524,869</u>	<u>792,799</u>
NET ASSETS BEFORE PENSION LIABILITY		14,235,288	13,524,105
Defined benefit pension scheme liability	16	-	(1,273,000)
NET ASSETS AFTER PENSION LIABILITY	12	<u>14,235,288</u>	<u>12,251,105</u>
FUNDS OF THE CHARITY			
Restricted funds	11	272,748	250,553
Designated funds	10/12	6,923,261	6,820,187
		<u>7,196,009</u>	<u>7,070,740</u>
Free reserves			
• Pension deficit	16	-	(1,273,000)
• General fund	10/12	7,039,279	6,453,365
		<u>7,039,279</u>	<u>5,180,365</u>
TOTAL CHARITY FUNDS		<u>14,235,288</u>	<u>12,251,105</u>

The financial statements on pages 20 to 37 were approved by the Members of the Council on 11 February 2020 and were signed on its behalf by:



Michael Vlasto



Elizabeth Woodhatch

Members of the Council

Royal National Mission to Deep Sea Fishermen

CASH FLOW STATEMENT

For the year ended 31 October 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:	18(a)	(390,003)	569,152
Net cash (used in)/provided by operating activities		<u>(390,003)</u>	<u>569,152</u>
Cash flows from investing activities			
Interest received		2,853	2,207
Interest paid		(9,647)	(8,581)
Dividends received from investments (gross)		250,000	250,701
Purchase of tangible fixed assets		(127,883)	(37,118)
Sale of tangible fixed assets		5,157	-
Sale of investments		-	-
Purchase of fixed asset investments		-	(731,276)
Net cash used in investing activities		<u>120,450</u>	<u>(524,067)</u>
Change in cash and cash equivalents in the year		<u>(269,554)</u>	<u>45,084</u>
Cash and cash equivalents at 31 October 2018		986,835	941,751
Cash and cash equivalents at 31 October 2019		<u>717,281</u>	<u>986,835</u>

Royal National Mission to Deep Sea Fishermen

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2019

1. ACCOUNTING POLICIES

The Royal National Mission to Deep Sea Fishermen (or Fishermen's Mission), a company limited by guarantee is incorporated in the United Kingdom and is registered No. 00024477, is registered with the Charity Commissioners (No. 232822) and the Office of the Scottish Charity Regulator (No SC039088). The registered office is Mather House, 4400 Parkway, Solent Business Park, Whiteley, Hampshire, PO15 7FJ.

Basis of preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention, except as modified by the inclusion of investments at market value, and in accordance with applicable Accounting Standards in the United Kingdom, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Statement of Recommended Practice – Accounting and Reporting by provision of the Charities SORP 2015 (FRS 102). A summary of accounting policies, which have been applied consistently, is set out below.

(a) Income from donors and supporters

Income from donations and supporters are 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 at the year end at an estimate of their value to the Mission.

(b) Legacies received

Legacy income is recognised when there is sufficient evidence to provide the necessary certainty that the legacy will be received, and the value of the incoming resource can be measured with sufficient reliability. Estimated legacy income of £845,881 (2018: £477,802) has not been included in the Statement of Financial Activities because the conditions of recognition have not been met.

(c) Tangible fixed assets and depreciation

Depreciation is calculated 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

Individual fixed assets costing more than £1,000 are capitalised at cost and are subsequently stated at cost less depreciation.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2019 (continued)

1. ACCOUNTING POLICIES (continued)

(d) Capital grants

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

(e) Investments

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

(f) Investment income

Investment income is shown on an accruals basis.

(g) 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.

(h) Charitable expenditure

Charitable expenditure includes all costs associated with the Fishermen's Mission and Welfare centres situated throughout the United Kingdom. A proportion of time is spent doing work of a fundraising nature. The costs of this have been allocated to fundraising expenditure.

(i) 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.

(j) 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.

(k) Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2019 (continued)

1. ACCOUNTING POLICIES (continued)

fees and costs linked to the strategic management of the charity. These are included under resources expended within charitable expenditure.

(l) 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.

(m) 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 Section 28 of the FRS 102.

The Fishermen's 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.

(n) 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, the additional contributions that are likely to be required for the Fishermen's Mission's defined benefit pension scheme, a provision for any major emergency and funds to cover 2-year business continuity.

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

(o) Cash and Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are also liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(p) Financial Instruments

The Fishermen's Mission only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Creditors are recognised where the Fishermen's Mission has

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2019 (continued)

1. ACCOUNTING POLICIES (continued)

a present obligation resulting from a past event and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

(q) Going Concern

In making the assessment that the Fishermen's Mission is a going concern, general assumptions and accounting estimates are made, in making the assessment Fishermen's Mission acknowledges the ability of the charity is dependent on the generation of sufficient funds from supporters. An annual budget is produced, in association with a 5-year rolling business plan and this is reviewed by the Trustees annually.

(r) Key Estimations

All accounting estimates are included that could be material to the financial statements. Those estimates used are reasonable in the circumstances and consistent with assumptions used in previous years.

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

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

Accrued in is included at the best estimate of the amounts receivable at the balance sheet date.

2. INVESTMENT INCOME

	2019	2018
	£	£
Bank Interest	2,853	2,207
Net Pension (expense)\income	(30,000)	(41,000)
Income from Investments	250,000	250,701
	222,853	211,908

Royal National Mission to Deep Sea Fishermen

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2019 (continued)

3. TOTAL RESOURCES EXPENDED

3a Costs of generating voluntary income

	Restricted Fund	Unrestricted Fund	Total Funds	Total Funds
	2019	2019	2019	2018
	£	£	£	£
Fundraising	-	798,709	798,709	807,390
Support costs	-	104,627	104,627	158,203
	-	903,336	903,336	965,593

3b Governance cost

	Restricted Fund	Unrestricted Fund	Total Funds	Total Funds
	2019	2019	2019	2018
	£	£	£	£
Salaries and related	-	33,271	33,271	33,435
Council expenses	-	22,703	22,703	24,639
Audit fee	-	14,022	14,022	14,022
	-	69,996	69,996	72,096

3c Direct Costs

	Welfare	Total	Total
	2019	2019	2018
	£	£	£
Manual staff costs	58,147	58,147	61,566
Uniformed staff costs	904,579	904,579	815,250
Depreciation	92,516	92,516	101,188
Mini centre costs	-	-	718
Centres operating costs	750,051	750,051	505,150
Welfare payments	40,795	40,795	65,317
	1,846,088	1,846,088	1,549,189

3d Support Costs

	Costs of Generating Funds	Governance	Welfare	Total	Total
	2019	2019	2019	2019	2018
	£	£	£	£	£
Admin costs (HQ)	121,207	-	330,546	451,753	687,438
	121,207	-	330,546	451,753	687,436

The support costs allocation has been based on employee numbers.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2019 (continued)

3e Analysis of resources expended by expenditure type

	Staff Costs 2019 £	Depreciation 2019 £	Other Costs 2019 £	Total 2019 £	Total 2018 £
Costs of generating funds					
Fundraising	580,903	21,723	284,130	886,756	934,713
Welfare	1,119,043	125,784	843,455	2,088,282	1,918,338
Governance	33,271	-	38,661	71,932	72,096
	1,733,217	147,507	1,166,246	3,046,970	2,925,147

3f Analysis of resources expended by activities

	Activities undertaken directly 2019 £	Support Costs 2019 £	Total 2019 £	Total 2018 £
Welfare	1,846,088	330,546	2,176,634	2,047,554

- 3a. In 2019, of the costs of generating voluntary income £903,336 was to unrestricted funds and £nil to restricted funds.
- 3b. In 2019, of the governance costs £69,996 was to unrestricted and £nil to restricted funds.
- 3c. In 2019, of the direct costs £1,090,987 was to unrestricted funds and £755,101 to restricted funds.
- 3d. In 2019, of the support costs £451,753 was to unrestricted funds and £nil to restricted funds.
- 3e. In 2019, of the resources expended by expenditure type £2,291,869 was to unrestricted funds and £755,101 to restricted funds.
- 3f. In 2019, of the resources expended by activities £1,421,533 was to restricted funds and £755,101 to restricted funds.

Royal National Mission to Deep Sea Fishermen

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2019 (continued)

4. NET INCOMING RESOURCES

The net incoming resources for the year are stated after charging/(crediting): -

	2019	2018
	£	£
Depreciation of tangible fixed assets	147,507	157,555
Auditors' remuneration – audit fees	11,470	11,470
(Profit) on disposal of fixed assets	(7,323)	-
Interest payable – bank interest	9,647	8,581
Operating lease rentals – plant and equipment	5,253	4,000
Operating lease rentals – other	83,823	72,296

5. EMPLOYEE INFORMATION

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

	2019 Number	2018 Number
Mission Staff – Port and Fundraising	44	40
Administration Staff – Head Office	11	10
Support Staff (Ports)	16	17
	71	67

Employment costs for all full time and part time staff:

	2019 £	2018 £
Wages and Salaries	1,423,581	1,350,780
Social Security Costs	125,457	118,767
Pension Costs	112,553	106,158
	1,661,591	1,575,705

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

	2019 Number	2018 Number
£60,001 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

The pension contribution made by the employer on behalf of one employee above was £6,460 (2018: £6,333 contribution for one employee).

The charity has identified Key Management Personnel as the current Executive Team and their total remuneration amounts to £179,950, (2018: £176,638).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2019 (continued)

Council members' remuneration, expenditure and donations made

No Council member received any remuneration for the year (2018: nil). Costs relating to Council members' expenditure included in governance expenses were for accommodation, travel and meal costs £15,040 (2018: £15,903). 8 Council Members claimed expenses during the year (2018:11). Donations of £1,502 (2018: £1,343) were received from Council members.

6. FIXED ASSET INVESTMENTS

	Listed Investments £
Market Value	
At 1 November 2018	10,868,644
Purchases	-
Net unrealised investment gain	1,003,863
At 31 October 2019	11,872,507

Fixed asset investment represents:

Cash 1.8%	212,690
Currency Stirling 0.1%	6,767
Mixed Investments 98.1%	11,653,050
	11,872,507

The following investments represents more than 5% of the portfolio by market value:

Sarasin Alpha CIF	11,653,050
	11,653,050

Investment Income of £250,000 is released at £62,500 each quarter and is shown as in Note 2.

7. TANGIBLE FIXED ASSETS

	Freehold and Leasehold Property £	Motor Vehicles £	Furniture, Fixtures, Fittings and Computer Equipment £	Total £
Cost				
At 1 November 2018	2,556,530	335,829	302,881	3,195,240
Additions	2,300	108,260	17,323	127,883
Disposals	-	(51,407)	(93,174)	(144,581)
At 31 October 2019	2,558,830	392,682	227,030	3,178,542
Depreciation				
At 1 November 2018	811,117	267,999	253,462	1,332,578
Charge for year	70,338	55,217	21,951	147,507
Disposals	-	(47,002)	(92,453)	(139,454)
At 31 October 2019	881,455	276,214	182,961	1,340,631
Net Book Values at				
31 October 2019	1,677,375	116,468	44,069	1,837,912
At 31 October 2018	1,745,413	67,830	49,419	1,862,662

Royal National Mission to Deep Sea Fishermen

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2019 (continued)

The Freehold properties include 12 Retirement properties and the Head Office in Whiteley.

The Leasehold properties costs related to works carried out on 4 leased units to make them suitable for Fishermen's Mission use.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other Debtors	928	922
Prepayments and Accrued Income	28,808	33,993
	29,736	34,915

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade Creditors	13,190	22,153
Other Creditors	2,523	3,805
Other Taxes and Social Security	37,325	34,527
Accruals and Deferred Income	169,110	168,466
	222,148	228,951

10. FUNDS

	Unrestricted Funds		Designated Funds	Restricted Funds	Total
	General Fund	Pension Fund	Funds	Funds	
	£	£	£	£	£
At 1 November 2018	6,453,365	(1,273,000)	6,820,187	250,553	12,251,105
Net Incoming Resources for the Year	(314,875)	137,000	-	22,195	(155,680)
Net Unrealised Gain on Investment Assets	1,003,863	-	-	-	1,003,863
George Watts Fund (NE Scotland)	(51,095)	-	51,095	-	-
Actuarial Gain on Defined Benefit Scheme	-	1,136,000	-	-	1,136,000
Transfers Between Funds	(51,979)	-	51,979	-	-
At 31 October 2019	7,039,279	-	6,923,261	272,748	14,235,288

Royal National Mission to Deep Sea Fishermen

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2019 (continued)

11. RESTRICTED FUNDS ANALYSIS

	At 1 November 2018	Incoming	Expenditure	At 31 October 2019
Future Expenditure Fund	1,215	260,987	260,925	1,277
Shetland Fishermen's Association	54,548	-	330	54,218
M J Pipe Trust	16,253	-	9,056	7,197
Seafarers UK (Grant 2018)	15,553	-	15,553	-
Seafarers UK (Grant 2019)	-	170,000	164,378	5,622
Morrison's FFP (Scotland)	333	-	333	-
Morrisons Foundation Trust	-	19,080	3,442	15,638
Seafarers UK (H&WB)	98,253	300,000	288,821	109,432
MNWB (Prison Project)	4,712	-	4,712	-
Age UK	925	-	380	545
W M Mann Foundation	1,500	-	1,500	-
PF Charitable Trust	1,000	-	1,000	-
Far & Wide (Aberdeen)	5,000	-	4,671	329
Acquired Fixed Assets Fund	51,261	27,229	-	78,490
	250,553	777,296	755,101	272,748

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Investments	Net Current Assets	Pension Liability	Total
	£	£	£	£	£
Restricted Funds					
Future Expenditure Fund	-	-	1,277	-	1,277
Seafarers grant Shetland	-	-	5,622	-	5,622
Fishermen's Ass	-	-	54,218	-	54,218
M J Pipe Trust	-	-	7,197	-	7,197
Seafarers Seafit Project	-	-	109,432	-	109,432
Morrison Foundation	-	-	15,638	-	15,638
Far & Wide Aberdeen	-	-	329	-	329
Age UK (Social)	-	-	545	-	545
Acquired Fixed Assets	78,490	-	-	-	78,490
	78,490	-	194,258	-	272,748
Unrestricted Funds					
General Fund	-	11,212,626	(4,173,347)	-	7,039,279
Pension Scheme Fund	-	-	-	-	-
	1,837,912	11,872,507	524,869	-	14,235,288

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2019 (continued)

The Future Expenditure Fund is a fund which consists of income given for the purchase of specific items. The Seafarers grant is a brought forward grant for Kilkeel fund to be used against the year-end loss. The Shetland Fishermen's Association is a restricted fund consisting of income given for use in the Shetland Islands. The M J Pipe Trust is for use in Lowestoft. Seafarers Seafit Project is to underpin the health project around several ports. The Acquired Fixed Assets Fund is a restricted fund consisting of assets with restrictions on use.

The Designated Fund is a fund consisting of all fixed assets with no restrictions on use. It includes provisions to underpin various Fishermen's Missions strategies including Major Emergencies, increased pension covenant and provision for business development and continuity. The carrying value of the George Watts Fund Trust fund that has been designated to provide an annual income and if required capital project funding for the North East of Scotland. With the uncertainty of Brexit, a number of projects/appointments were postponed until 2020/2021.

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. TAXATION

The Fishermen's 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.

14. FUTURE CAPITAL EXPENDITURE

	2019	2018
	£	£
Authorised by the Council but not contracted for	95,132	110,150
Contracted for but not provided	-	-

15. FINANCIAL COMMITMENTS

At 31 October 2019, the Fishermen's Mission had annual commitments under non-cancellable operating leases expiring as follows: -

	Land & Building		Other	
	2019	2018	2019	2018
	£	£	£	£
Due within 1 year	83,823	72,296	5,253	4,000
Due within 2-5 years	123,125	87,042	6,728	7,743
More than 5 years	31,666	41,666	-	-
	<u>238,615</u>	<u>201,004</u>	<u>11,981</u>	<u>11,743</u>

16. PENSIONS

In accordance with Financial Reporting Standard 102 – (FRS 102) 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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2019 (continued)

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 to spread the cost of pensions over employees' working lives with the charity. A qualified independent actuary on the basis of triennial valuations last carried out on the 31 October 2015, updated to 31 October 2018, 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 2019. The Fishermen's 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. A contribution was made in the year ended 31 October 2019 of £200,000. The expected payment in the year to 31 October 2020 is £200,000.

Principal actuarial assumptions at the year-end were as follows:

	2019	2018
Discount Rate	1.9%	2.7%
Inflation	3.3%	3.5%
Pension increases in deferment (Non GMP)	3.3%	3.5%
RPI minimum 3% pa and maximum 5% pa pension increases	3.5%	3.7%
RPI maximum 5% pa pension increases	3.2%	3.3%
Post retirement mortality:	95% of S2NA CMI 2018 (1.25%)	
	95% of S2NA CMI 2017 (1.25%)	
Life expectancy at age 65 of male aged 65	87.0	87.5
Life expectancy at age 65 of female aged 65	89.1	89.5
Life expectancy at age 65 of male aged 45	88.3	88.9
Life expectancy at age 65 of female aged 45	90.3	91.0

The current asset split is as follows:

	Period to 31 Oct 2019	Period to 31 Oct 2018
Equity	£3,283,000	£5,042,000
Property	£1,042,000	£535,000
Diversified growth fund	-	£1,799,000
Liability Driven Investments (LDI) Strategy	£2,275,000	£822,000
Multi Asset Fund	£3,920,000	-
Cash and net current assets	£803,000	£2,062,000
Total Assets	£11,323,000	£10,260,000

Royal National Mission to Deep Sea Fishermen

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2019 (continued)

Balance Sheet

	31 Oct 2019	31 Oct 2018
Fair value of assets	£11,323,000	£10,260,000
Defined benefit obligation	(£11,134,000)	(£11,533,000)
Surplus/(Shortfall)	189,000	(1,273,000)
Effect of asset ceiling	(189,000)	-
Net asset (liability)/asset	-	(£ 1,273,000)

Amount recognised in Profit and Loss

	Period to 31 Oct 2019	Period to 31 Oct 2018
Current service cost	-	-
Administration costs	£105,000	£166,000
Interest on liabilities	£305,000	£299,000
Interest on assets	(£275,000)	(£258,000)
Past service costs	-	£288,000
Settlements and curtailments	-	-
Total charge to Profit and Loss	£135,000	£495,000

Remeasurements over the year

	Period to 31 Oct 2019	Period to 31 Oct 2018
Return on assets less interest income	(£1,077,000)	(£59,000)
Experience (gains)/loss on experience	(£1,036,000)	-
Losses/(gains) from changes to demographic assumptions	(£290,000)	(£92,000)
Losses/(gains) from changes to financial assumptions	£1,078,000	(£178,000)
Change in impact of asset ceiling	£189,000	-
Total remeasurements	(£1,136,000)	(£329,000)

Change in value of DB liabilities

	Period to 31 Oct 2019	Period to 31 Oct 2018
Value of liabilities at start	£11,533,000	£ 11,768,000
Current service costs	-	-
Members contributions	-	-
Past service costs	-	£288,000
Interest cost	£305,000	£299,000
Benefits paid	(£456,000)	(£552,000)
Change due to settlement or curtailments	-	-
Experience (gain)/loss on experience	(£1,036,000)	-
Assumptions (gain)/loss	£788,000	(£270,000)
Closing defined benefit obligations	£11,134,000	£11,533,000

Royal National Mission to Deep Sea Fishermen

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2019 (continued)

Change in value of assets

	Period to 31 Oct 2019	Period to 31 Oct 2018
Value of assets at start	£10,260,000	£9,895,000
Interest on assets	£275,000	£258,000
Employer contributions	£272,000	£766,000
Member contributions	-	-
Benefits paid	(£456,000)	(£552,000)
Administration costs	(£105,000)	(£166,000)
Settlements and curtailments	-	-
Actuarial gain/(loss) on Scheme assets	£1,077,000	£59,000
Value of assets at end	£11,323,000	£10,260,000

Employer contributions of £766,000 (2018) includes £488,000 received from insurance company relating to a deed error.

GROUP PERSONAL PENSION

The Fishermen's Mission also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Fishermen's Mission in an independently administered fund. The pension cost charge represents contributions payable by the Fishermen's Mission to the fund. At the year end, there were no unpaid contributions (2018: none).

	2019 £	2018 £
Contributions payable by the charity for the year	112,553	106,158

17. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

18. CASH FLOW STATEMENT

(a) Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure)/incoming resources	(148,357)	531,245
Investment income	(222,853)	(211,908)
Interest payable	9,647	8,581
Depreciation on tangible fixed assets	147,507	157,555
Decrease/(Increase) in debtors	5,179	25,174
(Decrease)/Increase in creditors	(6,803)	170,505
Pension scheme contributions in excess of charge	(167,000)	(112,000)
(Gain)/Loss on Disposal of Fixed Assets	(7,323)	-
Net Cash Provided by (Used In) Operating Activities	(390,003)	569,152

Royal National Mission to Deep Sea Fishermen

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2019 (continued)

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

	2019 £	2018 £
(Decrease)/Increase in cash in the year	(269,554)	45,084
Changes in net cash balance from cash flows	(269,554)	45,084
Net cash balance brought forward	986,935	941,751
Net cash balance carried forward	717,281	986,835

(c) Analysis of net cash resources for the year

	At 1 November 2018	Cash Flows £	At 31 October 2019 £
Cash in hand and at bank	986,835	(269,554)	717,281