



MERCHANT NAVY WELFARE BOARD

**8 Cumberland Place
Southampton
SO15 2BH**

**64th
ANNUAL REPORT
&
AUDITED FINANCIAL STATEMENTS
FOR
YEAR ENDING 31st DECEMBER 2011**

**REGISTERED COMPANY NUMBER: 453053
REGISTERED CHARITY NUMBER: 212799
CHARITY NUMBER (SCOTLAND): SC039669**

SATURDAY



A18AXFKG

A04

05/05/2012

#19

COMPANIES HOUSE

Merchant Navy Welfare Board

**Contents of the Financial Statements
for the Year Ended 31st December 2011**

	Page
Chairman's Report	1
Chief Executive's Introduction	2
Report of the Trustees	3 to 21
Report of the Independent Auditors	22 to 23
Statement of Financial Activities	24
Balance Sheet	25
Notes to the Financial Statements	26 to 33

Merchant Navy Welfare Board

for the Year Ended 31st December 2011

Chairman's Report

On behalf of the Council, I am pleased to introduce this year's annual report in which you will read of the many achievements of the Board during the year

2011 continued to be a challenging year for charitable fund raising, especially for those who, like ourselves, are heavily reliant on investment income. I am pleased to report however that our position remains strong. The Board, of course, is not immune from wider repercussions, but we would very much like to be able to increase the funds available to support services and grants to our Constituent charities. We will continue to explore, with our members, possible ways to achieve this.

The number of Constituents continues to rise with The Seamen's Welfare Fund (Gibraltar) joining shortly. They are greatly welcomed for the valuable role they play in providing seafarers' welfare in the Crown Colony.

A great strength of the Board is the role played by the Port Welfare Committees and we continue to be indebted to the chairman and members of those committees who give willingly of their time and so ably share their expertise for the collective benefit of the maritime community.

Sadly it is a source of frustration that, despite lobbying, the government has yet to ratify the Maritime Labour Convention 2006. When it does so, it will give greater prominence and momentum to the role of the Board and its PWC's.

With only a small staff the Board undertakes and successfully completes, or manages, a large number of projects. Without doubt this is due to the energy and commitment of David Parsons, Peter Tomlin and all the other staff. I am most grateful to them all. It is significant that David Parsons was recently awarded the Merchant Navy Medal.

The Board is structured to have Trustees who are representative of the sectors that we serve and 2011 saw a number of changes. My grateful thanks go to all Trustees for their vision, expertise and support in meeting the Board's objectives. My special thanks go to Captain Tom Crookall MBE who retired from the Board after 20 years' service, which included more than 7 years as chairman and add congratulations to him also on being awarded the MN Medal.

The Board exists to support its Constituent members in providing the highest quality of welfare to seafarers and their dependants, whether they are resident or visiting our ports. This is only achieved thanks to the ever increasing excellent cooperation and goodwill, for which my colleagues on the Council and I remain truly grateful. The welfare needs of those we serve can surely best be met by such close collaboration, which can only lead to greater effectiveness and efficiency. The Board looks forward to engaging ever more closely with its Constituents and Port Welfare Committees to best meet these objectives.

R J Jones
Chairman

Merchant Navy Welfare Board

for the Year Ended 31st December 2011

Chief Executive's Introduction

At the time of writing the last report the charity sector was bracing itself for the adverse impact of the global economic downturn and government cutbacks. Whilst the Board has seen a small reduction in its income there has been little indication, during 2011, of increased demands for financial assistance. It is clear however that the financial situation and welfare of many people is deteriorating and the impact of much of what is happening is yet to be realised.

The Board has remained in a strong position to sustain essential services which includes supporting Constituents and Port Welfare Committees by, for example, continuing to provide training courses, arranging and funding home visits by caseworkers, undertaking evaluation studies, lobbying government and providing information. We are also updating our website and the register of grants to individual recipients. Importantly we remain in a good position to undertake new projects, which includes new training packages, looking at the welfare needs of professional yacht crews and enhancing services as a provider of information.

Two important conferences were held in 2011. The Board brought together Constituent and Port Welfare Committee (PWC) members for a full day meeting on the 14th June at Trinity House in London. This was an opportunity to raise issues of interest to members and seek their views on current and future requirements. The success of this has prompted the Board to arrange a two-day conference for members between 26th and 27th of June 2011 in Southampton. This will be a high profile event coinciding with Seafarers Awareness Week and include speakers and topics carefully chosen to interest both Constituent and PWC members. Also during 2011 the Maritime Charities Funding Group (MCFG) held its second two-day conference at the St James Street Conference Centre in central London during October. This too was well attended and brought together charity representatives from the Royal and Merchant Navies as well as the fishing fleet. This marked the conclusion of several of the projects that have been undertaken by MCFG since the launch of its "Supporting Seafarers and Their Families" in 2007.

The MCFG has been chaired and administered by the Board since it was established in 1998. Members agreed that, with the conclusion of these projects, it was an opportune time to circulate the administration and chairmanship. At the beginning of 2012 these roles passed to Seafarers UK, although the Board remains a very active member and continues to chair some of the forums. The MCFG has achieved a great deal, particularly over recent years, which demonstrates the benefits of collaboration, particularly in undertaking projects which would be difficult for one member to achieve alone.

Of particular significance is the impending ratification, by the UK Government, of the Maritime Labour Convention 2006. Whilst at the time of writing the exact timing of this is unknown, the Board is reassured that this will take place in the foreseeable future. As far as welfare provision for seafarers in the United Kingdom is concerned, Government should have no cause for concern. This is already in place with the employers, trade unions and voluntary sector each playing their proper roles. Indeed much of the convention is based on the UK model and for the Board's part we fulfill the "recommendation" to have in place a national welfare board and port welfare committees.

As Chief Executive of the board for more than 18 years, I am still hugely encouraged and moved by the dedication and support of those who work and volunteer in this small but vital sector. Our role as a coordinator could not be achieved without enormous goodwill and collaboration and in these difficult times that becomes ever more essential. Once again, despite the challenges for the UK maritime welfare sector, the Board remains in a strong position to support its members and looks forward to working with them ever more closely in the future.

Captain David Parsons MNM MNI - Chief Executive

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trustees present their 64th Annual Report and the audited Financial Statements for the year ended 31st December 2011. The trustees have adopted the provisions of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) as updated in May 2008.

MISSION STATEMENT

"Promoting the provision of the highest quality welfare services to merchant seafarers and their dependants in the United Kingdom"

OBJECTIVES

The Key Objectives of the Merchant Navy Welfare Board are to

- Promote the highest quality of welfare services for merchant seafarers and their dependants
- Ensure that all real welfare needs are met
- Ensure the most effective deployment of resources
- Facilitate the work of Constituent Members by providing support services
- Encourage co-operation between Constituent Members
- Provide grants to support the work of Constituent Members
- Maintain Port Welfare Committees to co-ordinate and promote welfare activities locally.
- Lobby Government and other authorities to maximise support for seafarers' welfare

N B The wording shown above summarises the formal Objects, a copy of which may be obtained from the Chief Executive

STATEMENT OF PUBLIC BENEFIT

The objectives, activities, achievement and performance of the Board, which the charity undertakes for the public benefit, are clearly set out in this report. The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission for England & Wales (the Commission) in determining the activities undertaken by the Board. In the interest of transparency, the trustees make the following statements on the two key principles of public benefit:

- The clear benefits provided by the Board are delivered through the key objectives set out above and reflected in the disclosure of charitable expenditure in the Statement of Financial Activities
- The primary objective of the Board is to help improve the effectiveness of all those charities caring for merchant seafarers, fishermen and their dependants and this is done irrespective of nationality, religion or ethnic background
- No detriment or harm arising from the work of the Board has been identified
- The beneficiaries are those charities caring for merchant seafarers, fishermen and their dependants. This is directly in accordance with the terms of the Board's constitution
- The Board is active within the United Kingdom and has worldwide connections
- People in poverty are at the heart of what the Board does. It is not aware of any Constituent Member excluding benefits from anybody in poverty
- There are no private benefits of which the Board is aware

NATURE OF THE GOVERNING DOCUMENT

The Board is governed by Articles of Association adopted by a Special Resolution on 20th May 2010. These comply with the provisions of the Companies Act 1985 as amended by the Companies Act 2006 and the provisions of the Charities Act 1993 as amended by the Charities Act 2006.

REGISTRATION DETAILS

The Board is a Company Limited by Guarantee and as such it does not have share capital. The company is registered in England and Wales under company number 453053. The Board is also registered with the Charity Commission for England & Wales under its registered number 212799 and in Scotland with the Office of the Scottish Charity Regulator (OSCR) under number SC039669.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

TAXATION STATUS

The Board, as a registered charity in England and Wales, is exempt from taxation on its charitable activities. This has been confirmed by H M Revenue & Customs.

REGISTERED OFFICE

The registered office of the Board is 8 Cumberland Place, Southampton SO15 2BH
Telephone 023 8033 7799 Fax 023 8063 4444 e-mail enquiries@mnwb.org.uk
Website www.mnwb.org

WELFARE ORGANISATIONS SUBSCRIBING TO THE CONSTITUTION OF THE BOARD (CONSTITUENT MEMBERS)

Aged Merchant Seamen's and Sunderland Distressed Mariners Fund	Royal Liverpool Seamen's Orphan Institution
Apostleship of the Sea, Great Britain	Royal Merchant Navy School Foundation
Broughton House Home for Disabled Ex-Servicemen	Royal National Mission to Deep Sea Fishermen
Centres for Seafarers	Sailors' Children's Society ** (formerly Sailors' Families' Society)
Erskine Hospital	Sailors' Orphan Society of Scotland
Grimsby Sailor's & Fishing Charity	Sailors' Society
Guild of Benevolence of the IMarEST	Scottish Nautical Welfare Society
Humber Seafarers' Service	Scottish Veterans' Residences
Honourable Company of Master Mariners charities	Seafarers UK (King George's Fund for Sailors)
Liverpool Sailors' Home Trust	Seamen's Christian Friend Society
Lowestoft Fishermen's and Seafarers' Benevolent Society	Seamen's Hospital Society
Manx Marine Society	Seamen's Welfare Fund (Gibraltar)*
Marine Society & Sea Cadet Association	Shipwrecked Mariners' Society
Merchant Navy Association	SSAFA Forces Help
Merchant Navy Association of Northern Ireland	Trinity House
Merchant Seamen's War Memorial Society	Trinity House, Hull
Mersey Mission to Seafarers	Tyne Mariners' Benevolent Institution
Mission to Seafarers	Veterans' Aid
Nautilus Welfare Fund	Whitby Merchant Seamen's Hospital Houses
Queen Victoria Seamen's Rest	Willie Seager Memorial Trust
Royal Alfred Seafarers' Society	Wilson's Mariners' Homes

N B These are not connected Charities within the meaning of the SORP 2005

*The Board is pleased to welcome, as a new Constituent Member, the Seamen's Welfare Fund (Gibraltar), with effect from 1st February 2012. This was established in 1977 for "the charitable purposes of alleviating hardship and providing amenities to Gibraltar seamen, to seamen generally in Gibraltar and to the dependents of various seamen with the widest of powers but excluding the provision of benefits to Seamen's Clubs or Organisations which are situated outside Gibraltar"

** The Sailors Families Society changed its name to the Sailors Children Society on 1st December 2011

Each year the Board holds an annual meeting to which representatives of all Constituent members and Port Welfare Committees are invited. This meeting is an opportunity to discuss and review a wide range of topics.

Under its Articles of Association the Board is no longer required to hold a formal Annual General Meeting. For any constitutional changes it will hold an Extraordinary General Meeting to which all Constituent members will be invited.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

TRUSTEES AND MEMBERSHIP OF THE COUNCIL

The Board's trustees are known as its Council. New members are appointed by the Council and selected primarily on the basis of the skills and experience required by the Council in order to carry out their responsibilities effectively in the best interest of the Charity. The Board informs Constituents of any vacancies for which they can then apply and applicants subsequently go through a selection process before appointment.

Under the Articles, Council can have a maximum of 20 and minimum of 8 members. If reasonably possible and in the interests of the Charity, members of the Council are drawn in equal numbers of persons from the following backgrounds: Ship Owners & Ship Managers, Trade Unions, the Voluntary Sector, and persons able to make a particular contribution of value to the Charity because of their specialist expertise. Council currently aims to have a total of 16 members, 4 from each of the backgrounds. Once appointed and subject to reselection, a Council member can serve for up to three consecutive 3 year terms in office (9 years in total) following which he, or she, must have a minimum of a one year break. The previous system of electing members was dispensed with on adoption of the new Articles in 2010, although to ensure continuity, the elected members are being retired by rote between 2011 and 2013. With effect, therefore, from the 2011 Annual Meeting the longest serving members from each of the above backgrounds began to retire although, subject to meeting the criteria, they are permitted to reapply. The Board's Chief Executive is responsible for seeking applications for consideration by Council.

Details of Council membership during 2011 and changes, before 1st May 2012, were as follows:

Chairman: R J Jones, elected to this position on 20 05 10

Vice Chairman: A M Dickinson, re-elected to this position on 20 07 11

N B The Chairman is elected, by Council, for a three year term of office and the Vice Chairman for a one year term.

Ship Owners' & Ship Managers Representatives:

Capt A Cassels (Appointed 14 06 11)

D Colclough (Appointed 14 06 11)

Capt T Crookall MBE, MNI (Retired 14 06 11)

R J Jones (Chairman) (Elected 05 01 07)

T E Springett (Elected 22 05 02)

K Temperton (Retired 14 06 11)

Trade Union Representatives:

M Carden, RMT (Appointed 14 06 11)

A M Dickinson, Nautilus International (Vice-Chairman) (Elected 20 12 00)

M Jess, Nautilus International (Appointed 19 10 11)

P Moloney, Nautilus International (Appointed 20 05 10 - Retired 21 07 11)

S Todd, RMT (Elected 08 09 03)

F Welsh, RMT (Retired 14 06 11)

Voluntary Sector Representatives:

Lt Col I Ballantyne RM FCMI, Scottish Veterans' Residences (Elected 22 05 07)

Revd D S Potterton, Sailors' Society (Elected 22 05 07)

I Scott, Sailors' Childrens' Society (Retired 14 02 12)

Cdre M Williams CBE RN, Shipwrecked Mariners' Society (Retired 14 06 11)

Revd A Wright (Appointed 14 06 11)

Persons able to make a particular contribution of value to the Charity because of their specialist expertise:

Cdre B Bryant CVO RN, Seafarers' UK (Selected 22 05 10)

Ms S Buchanan, Charity Consultant (Elected 10 07 07)

L McFadyen, Solicitor (Appointed 20 05 11)

G Lane, Chartered Accountant (Elected 04 04 05)

The Board wishes to place on record its appreciation for the major contributions made by all the members of Council and in particular its huge appreciation for the support of its work by the following four members who retired on 14th June 2011. These were:

Capt Tom Crookall MBE MNM, elected by the Chamber of Shipping, served on Council since 1991. During his first few years in office he was serving as senior management of Blue Star Line. On his retirement from that company the Chamber invited him to remain on Council and he was elected as Chairman in 2000, stepping aside to become Vice Chairman in 2007. During his long tenure of office he oversaw the sale of the last Merchant Navy Hotel in London,

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

which led to major increases in the support that the Board was able to give to both its Constituent charities and Port Welfare Committees. Council would also like to place on record its congratulations to him on being awarded the Merchant Navy Medal during 2011 in recognition of his contribution to seafarers' welfare as a trustee and chairman of the Board

Mr K Temperton, also elected by the Chamber of Shipping, served on Council since 2005. During his tenure of office he was part of the senior human resources management team of the Royal Fleet Auxiliary, which is among the largest employers of British merchant seafarers, particularly ratings. His experience was of great value to the Board.

Mr Frank Welsh MNM was elected by the RMT union in 1996 where he was an official. He continued to represent RMT following his retirement and brought to Council a wealth of experience both as a former serving seafarer and later as a union official. Council would also like to place on record its congratulations to him on being awarded the Merchant Navy Medal during 2011 in recognition of his contribution to seafarers' welfare as a trustee of both the Board and the Merchant Seamen's War Memorial Society.

Cdre Malcolm Williams CBE RN, Chief Executive of the Shipwrecked Mariners Society, was elected by the maritime charities in 2004. He brought with him valuable experience as CE of the largest of the maritime charities awarding both one off and regular grants to individuals.

New Council Members The Board welcomes the new members of Council who bring with them very considerable knowledge and experience from across the sectors. Captain Andrew Cassels is Technical Vice President Safety, Health, Marine & Engineering and SPU Marine Authority with BP Shipping. Mr David Colclough is General Manager, Fleet Personnel, Princess Cruises. Mr Mike Jess is Assistant General Secretary of Nautilus International. Mr Mark Carden is Assistant General Secretary of the RMT Union. Revd Andrew Wright is Principal Chaplain to the Royal National Mission for Deep Sea Fishermen.

Council would also like to place on record its congratulations to Cdre Barry Bryant RN on being awarded the CVO during 2011 in recognition of his contribution to the work of Seafarers UK over many years.

INDUCTION AND TRAINING OF TRUSTEES

All newly appointed trustees are provided with an induction pack that includes the governing documents, latest annual report, recent minutes of Council and other relevant meetings, publicity literature and the Charity Commission's relevant publications and information leaflets. Within the first few months of their election, Council members are invited to attend a day's induction at the Board's offices where they are introduced to the staff, given a comprehensive insight into the daily operation and a briefing on the Board's strategy and projects. The 'Trustee Role Description', outlining the general duties of the Board, is reviewed annually.

COMPANY SECRETARY

Capt D A Parsons MNM MNI, Chief Executive

Council would also like to place on record its congratulations to Captain Parsons on being awarded the Merchant Navy Medal during 2011 in recognition of his contribution to seafarers' welfare both in his capacity, over 18 years, with the Board and as trustee for three other maritime charities.

PROFESSIONAL ADVISERS

Auditors:
Sheen Stickland LLP
7 East Pallant
Chichester
West Sussex
PO19 1TR

Bankers:
Barclays Bank PLC
171-172 High Street
Southampton
SO14 2YB

Investment Manager:
Berry Asset Management PLC
79 Pall Mall
London
SW1Y 5SE

Solicitors:
Blake Lapthorn
Harbour Court
Compass Road
North Harbour
Portsmouth
PO6 4ST

Accounts Administration:
Winchester Bourne Ltd (Formerly Winchester Business & Accounting Services Ltd)
4 Leylands Business Park
Colden Common
Winchester
SO21 1TH

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

STAFF

As at the date of this report the Board employs seven full time members of staff directly in its work. Details of staff members employed during 2011 were as follows

Captain David Parsons MNM MNI - Chief Executive
Mr Peter Tomlin MBE - Deputy Chief Executive
Mrs Susan Newcombe - Port Welfare Committee Manager
Mrs Carolyn Lewis - Port Welfare Committee Manager
Mrs Sally Oliver - Welfare Support Manager
Mrs Rebecca Stanley - Office Manager and Personal Assistant to the Chief Executive (until November 2011)
Miss Sarah Edward - Training and Project Support Manager
Ms Louise Fairweather - Office Administrator (from November 2011)

Additionally, on behalf of the Maritime Charities Funding Group (MCFG), the Board took responsibility for the employment and day to day management of the Programme Manager, Mrs Valerie Coleman. Her salary, employer's pension contribution and expenses were paid out of the restricted fund set up to administer the MCFG Programme. Mrs Coleman's employment was transferred, under the TUPE regulations, to Seafarers UK with effect from 1st January 2012.

VOLUNTEER HELP

The Board does not utilise volunteers for its day to day activities.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board's Council normally holds four meetings per annum. The meetings are used to review current and agree future policy, strategy, financial matters including investments, services to Constituent charities and grant distribution. In addition it holds an annual meeting for Constituent and Port Welfare Committee members. In the event of needing to make any amendments to the Articles of Association the Board will arrange an EGM.

The Council takes the view that internal controls provide adequate safeguards. All transactions are properly authorised and recorded thus ensuring that any material errors and irregularities are detected and prevented.

RISK ASSESSMENT

The Board has a formal risk management process, which identifies the role for the Council as

- Ensuring that the identification, assessment and mitigation of risks are linked to the achievement of the Board's operational objectives
- Ensuring that the process covers all areas of risk e.g. financial, governance, operational and reputational and is focused primarily on major risks including those arising from investment issues, such as reviewing the Investment Asset Allocation in the light of global economic problems
- Ensuring that the process seeks to produce a risk exposure profile that reflects the Board's views as to the level of acceptable risk
- Reviewing and considering the principal results of risk identification, evaluation and management

To ensure that risk management is a continuous process and embedded in all management and operational procedures, a revision of the risk profile is completed annually by the Chief Executive and includes positive confirmation that controls are in place to mitigate material risks.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

FINANCIAL REVIEW

Income from unrestricted resources for the year amounted to £358,499 (2010 - £211,758) whilst total unrestricted resources expended amounted to £751,295 (2010 - £777,557) A deficit for the year amounted to £392,796 (2010 deficit £569,799)

As detailed elsewhere in this report grants awarded in the year totalled £227,189 (2010 - £293,541)

Income in respect of restricted resources amounted to £528,301 (2010 - £258,204) and expenditure amounted to £435,852 (2010 - £418,447)

Investment performance is dealt with later in the report but the total realised and unrealised gains and losses amounted to £698,664 (loss) (2010 - £1,326,062 (gain)) for the year This has resulted in the value of investments under management decreasing to £11,502,335 (2010 - £12,795,870)

Overall net assets stand at £11,681,588 (2010 - £12,680,599)

RESERVES POLICY

The Council annually reviews the level of the Board's reserves available to meet the on-going ability to finance administrative costs, other services to Constituent Members and grants To determine and monitor the appropriate reserves level, the Board assesses likely future demand for grants and services against income expectation The Council, when determining the financial forecasts, considers the appropriate level of reserves The Board takes the view that the investments held as at 31st December 2011, with a value of £11,502,335 (2010 - £12,795,870) are adequate to provide income to sustain the current levels of demand increasing in line with the retail price index From that amount a sum of £250,000 is considered necessary, as a reserve, to ensure that the Board can maintain its activities for a further year without interruption

INCOME

Donations and Legacies

Whilst the Board does not actively fundraise it is always extremely grateful for any donations and legacies, which are fully utilised in support of its objects

Investment Income

The Board's primary source of income is from its investments and since 2007 a 6% total return policy has been adopted. Whilst this continues to be maintained, it is reviewed annually and can be revised in light of needs and changing circumstances The policy accepts a higher risk strategy intended to provide greater return. This decision was taken following the publication of the Supporting Seafarers and their Families Evaluation Study in 2007 This provided evidence that there would be an on-going need for support to Constituent charities, at a similar level, until around 2026, particularly those caring for domiciled seafarers and their dependants Following that time it is anticipated that, whilst there will probably be similar on-going needs for port based welfare services, the number of resident ex-seafarers and their dependants will decrease significantly

Berry Asset Management plc are the Board's appointed investment managers and their commission costs and fees amounted to £59,032 (2010 - £31,040), based on the number of transactions The Board subscribes to the WM Index to provide a benchmark for investment performance and reviews the performance of its investment manager on a quarterly basis

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

FINANCIAL REVIEW (Continued)

Portfolio Performance

During 2011 investments decreased in value by 10.1% (against an increase of 6% in 2010)

The Asset Allocation as at 31st December 2011 was as follows:-

	2011	2010
UK Gilts and Fixed Interest	5.6%	4.5%
International Fixed Interest	7.3%	7.1%
UK Growth	4.2%	6.9%
UK Income	34.6%	29.3%
Europe	3.5%	1.9%
USA	12.6%	11.4%
South East Asia	7.7%	10.5%
Emerging Markets	5.0%	7.3%
Japan	3.7%	6.8%
Property	5.4%	4.3%
Alternative Investments	6.1%	8.3%
Cash	4.3%	1.7%
	100%	100%

Grants Added Back

Some of the grants awarded in 2010 were not fully expended and a total of £7,021 was added back into the Board's funds

Restricted Funds

The Board maintains three restricted accounts as follows

Maritime Charities Funding Group (see later in the Report)

Until the 31st December 2011 the Board administered a fund on behalf of the Maritime Charities Funding Group (MCFG) which was held in a restricted fund in a separate client current account with Barclays Bank plc. Contributions of £240,000 (2010 - £240,000) was received as grants from among the members - the Board, Nautilus International, Royal Navy & Royal Marines Charity, Seafarers UK, Seamen's Hospital Society and Trinity House to cover the programme administration and development. A surplus of £121,730 (2010 - £180,463) was brought forward, whilst expenditure amounted to £298,934 (2010 - £299,481). All remaining funds were transferred to Seafarers UK on 1st January 2012. Prior to this date each MCFG member agreed to make further a contribution to this fund in 2012 of £30,000, totalling £180,000. The overall restricted fund balance at the year-end was £63,636 (2010 - £121,730). A breakdown is disclosed under note 18 to the Financial Statements.

Vehicle Replacement Programme Fund

Four maritime charities contribute annually to this programme over a five year period. These are Merchant Navy Welfare Board £65,000, ITF Seafarers Trust £65,000, Seafarers UK £40,000, and Trinity House £40,000. This restricted fund has been established to provide grants towards the replacement of vehicles used for port based welfare services. Contributions amounting to £275,000 were received during 2011 (2010 - £40,000) and a surplus of £54,664 (2010 - £129,169) was brought forward. A total of 10 vehicles were replaced during the year (2010 - 11 vehicles). The last anticipated contributions to this fund will be paid in late 2012, subject to an annual review by each of the partners. The programme is expected to conclude in October 2013 when all vehicles, used by UK maritime charities for port based welfare, will have been replaced.

Merchant Navy Medal Fund (see later in the Report)

The Board is responsible for the administration and management of the accounts for the Merchant Navy Medal Fund. This is another restricted fund, again held in a separate client account with Barclays Bank plc. A surplus of £20,756 was brought forward and income totalling £3,352 was received during 2011 (2010 - £14,956). A total of £4,410 (2010 - £4,461) was expended during the year and a surplus of £19,698 was carried forward into 2012.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

FINANCIAL REVIEW (Continued)

EXPENDITURE

Staff

As at the date of this report the Board employs 7 full time members of staff directly involved in its work

Pensions

Following six months satisfactory service all members of staff are entitled to enter a contributory stakeholder pension fund provided by the Board. All eligible members of staff are included.

Offices

The Board began a 10 year lease for its offices at 8 Cumberland Place, Southampton SO15 2BH in December 2010. These premises adequately meet the Board's space requirements both for now and in the foreseeable future.

Professional fees

The Board incurred professional fees in 2011 for audit and accountancy purposes.

Appointment of Auditors

Under the Articles of Association the Council is responsible for appointing the auditor.

Accountancy fees

The Board's accounts administration is undertaken by Winchester Bourne Ltd (Formerly Winchester Business & Accounting Services Ltd). The Board would, once more, like to place on record its gratitude to the long-standing Accounts Manager, Mrs Jane Roberts (nee Malone), for all her efforts and assistance.

General Expenses

Included in these are costs associated with the Royal British Legion's annual Festival of Remembrance 2011 which takes place every November. For several years the Board has funded the travel and hotel costs for veteran merchant seafarers, from various conflicts, plus a standard bearer, to represent the Merchant Navy at this important event. The Festival is seen as an opportunity to highlight, to the general public and armed services, the significance of the contribution made by the Merchant Navy and fishing fleets since the early part of the 20th Century to date. This has included seafarers who have sailed in hostile waters where the UK has not been directly involved, for example the Vietnam War.

For the third successive year, the Board, with agreement of The Royal British Legion, also sponsored 5 cadets, under training at Warsash Maritime Academy, who accompanied the veterans. This provided an ideal opportunity to highlight the Merchant Navy across the generations. It is heartening to report that all representatives were again included in the Armed Services parade, as the only civilians. This recognises the role of the Merchant Navy in support of the UK and its Forces. The Board would like to place on record its gratitude to The Royal British Legion for their recognition, within the Festival, of the contribution made by the Merchant Navy and fishing fleets during times of conflict. Additionally the Board would like to thank the Merchant Navy Association's Standard Bearer, Mr 'Wings' Barry, for parading the Red Ensign and Warsash Maritime Academy, in particular their Cadet Liaison Officer Mr David Baker for organising the cadets, each of whom was a great credit to today's Merchant Navy.

Subscriptions & Publications

The Board is a subscribing member of two UK-based umbrella organisations, the National Council for Voluntary Organisations (NCVO) and the Association of Charity Officers (ACO). It also subscribes to the International Committee for Seafarers' Welfare (ICSW). The Board's Chief Executive was elected to ICSW's Executive Council (formerly Presidium) in April 2010.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

ACHIEVEMENTS AND PERFORMANCE - SERVICES TO CONSTITUENT MEMBERS & PORT WELFARE COMMITTEES

Introduction

The Board's dedicated staff continued to pursue challenging initiatives in a very positive and constructive manner, and provided a high standard of service to its Constituent and Port Welfare Committee members. A number of valuable projects were initiated, remained on-going or, in some cases, were completed. The Board encourages all those involved with its objectives to comment on its strategy and suggest areas in which it might provide additional support. As a result of this work and within the resources available, the Board remains in a strong position to provide a high level of support to members, a situation which is maintained by regular reviews. The Chairman and Chief Executive continue to visit Constituent Members and Port Welfare Committees. This enables a clear mutual understanding of issues such as improved training, better use of resources and the importance of evaluations - all areas in which the Board can make a significant impact.

Website

An increasingly useful tool for all charities is the Web. The Board's own website www.mnwb.org is being greatly revamped in the early part of 2012. The Board has management control of all aspects of the website, enabling it to respond more quickly to changes. Its primary use is to advise Constituent members, Port Welfare Committee members and the wider public about developments whilst, simultaneously, providing a point of contact for those people seeking support. Also included are downloadable application forms for the use of potential beneficiaries requiring help and charities seeking grants. The significance of the Web can be measured by the increasing number of applications and enquiries that are received by email. The Board has also activated a page in a social media website <https://www.facebook.com/TheMNWB> intended to give regular updates on its day to day activities.

Training Courses

The Board is committed to providing on-going training courses for its Constituent and Port Welfare Committee members. These currently include:

Ship Welfare Visitors - This two-day course, funded by the Board, has been developed in partnership with its Constituent Members involved in seafarers' ministry and continues to be extremely well valued and popular. The goal, supported by all those societies involved in port based welfare, is that all staff and volunteers working in this sector attend the course. Successful completion entitles an individual to be issued with an identification card and certificate. The former provides evidence to port authorities and ships' masters that he, or she, has a sound knowledge of issues such as health and safety, security, ship board protocol and seafarers' welfare. In 2011 four courses were held for a total of 41 personnel - Bristol (13), Gibraltar (5), Liverpool (13) and London (10). The delegates were newly recruited staff and volunteers. In addition Preliminary Distance Learning packages are made available as an interim arrangement.

The Board arranges courses at accessible locations and covers reasonable travel and hotel costs for delegates to attend from any part of the UK. It has also made the course available internationally through the International Committee on Seafarers Welfare (ICSW), although the Board retains all copyrights. A further 3 courses are planned to take place in the UK during 2012.

ILO Maritime Labour Convention 2006 - the ILO Maritime Labour Convention 2006 (MLC 2006) has major implications for seafarers' welfare. Many of the requirements affect employment conditions for seafarers which, inevitably, have a major impact on their welfare. The Convention also stipulates that, where port based welfare services are provided, they should meet certain standards. The UK and Gibraltar are fortunate in that there are good standards of welfare provision for visiting seafarers. Nevertheless, it is important that all those involved in port based welfare have a clear understanding of those parts of the Convention which may impact on their daily work. It was originally expected that MLC 2006 would be ratified by the UK government during the latter part of 2010. This unfortunately did not take place and despite pressure from the maritime industry there is no clear date for ratification. The Board is disappointed by this delay, particularly as the UK was one of the leading proponents of the Convention.

Notwithstanding the delay in ratification the Board, in partnership with those charities providing port based welfare services, the Chamber of Shipping, Maritime and Coastguard Agency (MCA) and Nautilus International developed a training package to cover MLC 2006. A pilot course in March was followed by five full courses during 2011. A total of 42 personnel attended in Edinburgh (10), Felixstowe (8), Liverpool (9), London (6), and Southampton (9). Six further courses are planned for 2012 at venues largely based around the Board's Port Welfare Committees.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

ACHIEVEMENTS AND PERFORMANCE - SERVICES TO CONSTITUENT MEMBERS & PORT WELFARE COMMITTEES continued

Caseworking - This is a two day course and one was held for a total of 14 personnel in London. Once again the Board would like to place on record its thanks to SSAFA Forces Help, in particular their trainer Brian Rowe, who has trained the maritime charities over many years.

The Board has taken into account that there is now only a small number of newly appointed staff and volunteers from Constituents, throughout the UK, needing to attend this important course. This has made it increasingly difficult to find sufficient numbers available in a suitable place, at a date convenient to all. To help resolve this issue SSAFA has kindly agreed to make all their courses available to personnel from the maritime charities. They have also agreed to increase the maritime content, which will have the added bonus of preparing their own volunteers to visit seafarers and their dependants. The Board will fund all training and hotel costs for those attending.

Managing Aggression & Violence - One course was held in 2011 for 12 personnel in London. Further courses will be held in 2012 subject to demand.

Substance Misuse Awareness - One course was held in 2011 for 9 personnel in London. Further courses will be held in 2012 subject to demand.

Merchant Navy Awareness - This course will be completed in early 2012 following which it will be made available to Constituent charities whose staff can benefit from a better understanding of the Merchant Navy and seafarers' backgrounds.

Bereavement Awareness - The Board, in answer to requests from among its Constituent and PWC members, provided a pilot course on handling bereavement. This was held in late 2011 at the Salvation Army's training college in London and was attended by 19 personnel. The course was extremely well received by all those who attended with the content designed to address all levels of bereavement. It included topics from initially breaking news to family and loved ones to direct and indirect on-going support. The Board would like to place on record its thanks to the Salvation Army and also the MCFG Programme Manager, Mrs Valerie Coleman, who made the contacts and helped set out the course agenda. At least one further course is planned for 2012. More will be arranged subject to the availability of a suitable trainer.

Other Training - The Board is introducing basic health and safety courses in the latter part of 2012. It is also reviewing the possibility of providing a training package for "lone workers" from a well-known charity. In the meantime it is always pleased to consider any other training packages that will be of mutual benefit to its Constituent Members.

Caseworking - Home Visit Costs

The Board acts as a clearinghouse for numerous enquiries from seafarers and their dependants, plus other organisations and the general public. In this role it endeavours to direct suitable applicants for assistance to those charities best suited to their needs.

Charities processing applications for financial assistance from individuals, or reviewing a regular beneficiary, are encouraged to arrange a home visit. Such visits enable organisations, through a trained caseworker, to have a better understanding of needs and, by regular reviews, changes in their circumstances. This can be carried out by a representative of one of the charities who has undergone caseworker training. Alternatively, the Board has an agreement with SSAFA Forces Help to utilise their nationwide and occasional overseas network of trained caseworkers. A caseworker can assist by helping to access the best levels of help and guidance in obtaining statutory benefits as well as charitable assistance from both maritime and non-maritime sources. The Board supports the costs of those acting on behalf of another organisation, which includes SSAFA Divisions. Additionally it covers the costs of SSAFA Forces Help caseworkers acting directly for the Shipwrecked Mariners' Society. The Board would like to place on record its thanks to SSAFA Forces Help and all other caseworkers for their willingness to carry out this important work and their kind co-operation.

In 2011 the number of home visits arranged through, and funded by, the Board was 243 (2010 - 332) at a cost of £4,613 (2010- £9,953). In addition it contributed £7,010 (2010 - £11,750) towards the costs of caseworking carried out on behalf of the Shipwrecked Mariners Society. Whilst cutbacks in government and local authority support does not appear to have impacted on caseworking in 2011, the number of requests for financial assistance is anticipated to increase.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

ACHIEVEMENTS AND PERFORMANCE - SERVICES TO CONSTITUENT MEMBERS & PORT WELFARE COMMITTEES continued

Register of Grants to Individuals

The Board maintains a register of the names and details of those persons who are in receipt of regular grants, have received a 'one-off' grant, or have applied successfully, or unsuccessfully, for financial assistance. This register is maintained under the rules of the Data Protection Act 1998 and enables Constituent charities to identify and reduce duplication in the application process and ensure best use of resources. During 2012 it is intended to transfer this information onto a new database that will provide much better statistics and demographics. This information will be invaluable to both the grant making charities and the MCFG members who support them as it will provide much clearer projections.

Evaluation Studies

The Board continues to arrange evaluation studies, as requested by its Constituent Members, in ports and facilities to promote the most effective and highest standards of welfare services for both serving and retired seafarers within the UK and Gibraltar.

UK Ports Study

The Board, using its own staff, is reviewing welfare provision, against any gaps or duplication, on a port by port basis. Since 2010 evaluations had been undertaken in Humberside and Milford Haven. Over 2012 and 2013 the Board plans to review the following ports: Aberdeen, Bristol, Cardiff, Falmouth, Felixstowe, Gibraltar, Grangemouth, Great Yarmouth, Liverpool, Milford Haven, Newport, Southampton, Tees, Tilbury and Tyne. Once this work has been completed, albeit with regular future updates, other ports will be considered for review in the future.

This is a considerable undertaking being carried out with the full support of and in close collaboration with Constituent and PWC members involved in this work. This is intended to provide clear guidance as to the future needs and structure of port based welfare services around the UK. The findings are intended to enable those charities providing these essential services and the grant making organisations to better understand the needs and plan for the future. The study will take into account the requirements and recommendations included in the ILO Maritime Labour Convention 2006 and provide useful PWC feedback reports to the societies providing front line services.

Port Information Leaflets

The Board prepares and publishes, with guidance from its Port Welfare Committees, Port Information Leaflets for seafarers visiting UK ports and Gibraltar. These are extremely popular among seafarers, providing information about the welfare services, useful contacts, shops and recreation facilities. During 2011 three new leaflets were completed for Birkenhead, Port Talbot, and Sheerness in addition to reprints. Others already published are Aberdeen, Belfast, Bristol, Cardiff, Dundee, Falmouth, Fawley, Felixstowe, Gibraltar, Grangemouth, Great Yarmouth, Hull, Immingham, Invergordon, Larne, Leith, Liverpool, Montrose, Newport, North Tees, Plymouth, Portsmouth, Sharpness, South Tees, Southampton, Tilbury, Tyne and Warrenpoint. Leaflets are reviewed on an annual basis and re-printed when necessary. Copies are also available on the MNWB website for seafarers to download. At the time of this report, in addition to reprints (and revisions where needed), six further leaflets were in preparation to be published during 2011 for Goole, Harwich, Ipswich, Pembroke, Seaham and Sheerness. The Board is very dependent upon local organisations providing information in good time.

Seafarers' Homes Consultancy

Through MCFG the Board currently utilises the expertise of the Institute of Public Care, Brookes University, Oxford (IPC) to undertake consultancy, for the benefit of those Constituent charities responsible for providing seafarers' homes. This service is intended to provide advice to all categories of homes on accessing or improving local authority support and reviewing standards. During 2011 IPC visited and advised several organisations.

PORT WELFARE COMMITTEES

Introduction

The Port Welfare Committees (PWCs) are an essential and integral part of the Board's work. The contribution made by members allows the Board and its Constituents to better understand the issues that affect seafarers locally, nationally and internationally. The meetings also provide the Board with a platform to disseminate information considered of interest to its members.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

ACHIEVEMENTS AND PERFORMANCE - SERVICES TO CONSTITUENT MEMBERS & PORT WELFARE COMMITTEES continued

Fifteen PWCs cover the entire coastline of the United Kingdom with another covering the Port of Gibraltar. Each committee comprises of representatives from organisations concerned directly, or indirectly, with the welfare of seafarers visiting the ports and the locally domiciled seafaring community. Members are drawn from various backgrounds which include the maritime charities, port authorities, port health authorities, maritime trade unions and ship owners (commonly represented by the shipping agents). Each committee meets three times a year, one of which is combined with an AGM. The AGM is an opportunity to confirm membership, explore opportunities for inviting new members and elect, or re-elect, the Chairman and Vice Chairman. In 2011 PWC membership was 421 (2010 - 440). The overall membership reflects the importance of these committees within their local maritime communities. There were 48 meetings and 16 AGMs (2010 - 47 and 16) during the year. The Committees were well represented at the Board's Annual one day meeting of representatives of its Constituents and PWCs on 14th June. The success of this meeting identified the benefits of extending it to a two-day conference scheduled to take place between 26th and 27th June 2012.

Committees and chairmen

<i>Committee</i>	<i>Chair</i>	<i>Committee</i>	<i>Chair</i>
Bristol	Mrs J Gough	North and East Scotland	Supt M Campbell
Central and West Scotland	Capt M Clark	Northern Ireland	Capt T Wright
East Anglia	Revd P Paine	North West (England)	Mr J Wilson
Gibraltar	Capt J Ferro MBE	South Wales	Mr E Watts
Haven Ports	Mr M Hibbert	Southern (England)	Mr N Atkinson
Humber	Mr I Scott	South West (England)	Capt M Sutherland MBE
London and South East	Capt P White	Tees Area	Mr J Knight
Milford Haven	Mr J Bowen	Tyne Area	Capt P Wynn

A very significant aspect of PWCs is that of enhancing local networking. Quite commonly, although all the members work and live in comparatively small areas, many do not encounter one another on a regular basis. The meetings, almost always conclude with an informal buffet lunch. These offer an excellent opportunity for members to understand each other's roles and responsibilities within the maritime community. This can be invaluable in times of crisis or even, for example, when trying to resolve access problems to a particular berth.

The Board cannot emphasise too strongly its appreciation for the support given by PWC members, most of whom have very demanding work commitments. It would therefore like to place on record its gratitude to all the Chairmen, Vice Chairmen and committee members whose contribution is the primary reason for their success.

The Terms of Reference for PWCs take into account the relevant parts of MLC 2006 and also current best practice. It is also planning to publish an information leaflet covering the work of the PWCs.

The benefit of PWCs (and a welfare board) has long been highlighted in the instruments of the International Labour Organisation (ILO). Their Maritime Labour Convention 2006 (MLC 2006) emphasises the importance of Port Welfare Committees. Whilst this part of the Convention is not mandatory, it makes clear that where welfare is provided it should meet with certain minimum standards. In reality these standards are already in place within the UK and Gibraltar, where the committees support the Board and other organisations in ensuring that they are maintained to the highest possible level.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

ACHIEVEMENTS AND PERFORMANCE - SERVICES TO CONSTITUENT MEMBERS & PORT WELFARE COMMITTEES continued

In recognition of the importance of the PWCs, the Board provides full secretarial and support services and attends each meeting. In recent years the committees have become increasingly proactive which, in a very positive way, has led to the need to increase the level of support. To support the PWCs the Board has two Port Welfare Committee Managers - Mrs Susan Newcombe and Mrs Carolyn Lewis - who take responsibility for eight committees each and are also very involved in other duties for the Board. The success of the committees is due in great part to the support and enthusiasm each provides to the members.

The purpose of PWCs is to act as an information and communication channel between local members and the Board. Members are encouraged to report on issues of welfare at each meeting, where experiences and problems shared can result in solutions, or useful suggestions. The Board, in turn, uses PWCs to disseminate information about its own work and that of other relevant organisations' as well as other issues of interest. In some cases local involvement has been readily given in support of various pilot projects. Suggestions and comments are hugely valued by the MCFG which recognises the wealth of experience among PWC members.

PWCs are also asked to review and comment upon any local capital or start up grant applications to MCFG members within their areas. Again the experience among the members is hugely valuable and, in discussing an application, their views about the merits of a project and also, perhaps, how it might be undertaken more effectively are greatly welcomed. The committees also contribute towards the content of local Port Information Leaflets published by the Board, which are very well received by the seafarers and considered useful by ship visitors and centres alike.

ANNUAL CONFERENCE 2011

On 14th June 2011 the Board held its Annual Conference for its Constituent Members and Port Welfare Committees (PWCs) at Trinity House. The event was used to review welfare provision throughout the UK and in Gibraltar and consider the implications for the future. The Board's chairman, Mr Bob Jones, opened the event by reminding delegates that these are challenging times, not only financially, but also because of changes in working practices aboard ship and ashore. The keynote speakers were:

Vice-Admiral Sir Alan Massey, Chief Executive of the Maritime and Coastguard Agency welcomed the work of the maritime charities in providing on-going support to seafarers and fishermen alike. He outlined the work of his own agency, which was to ensure that safety standards both aboard vessels and around the UK coastline are maintained. At that time the MCA was undergoing a major review of the coastguard services. Whilst this inevitably meant reducing the number of stations around the UK, it was intended to provide a more efficient and cost-effective level of service. He was particularly pleased that local representatives of the MCA were now members of most PWCs and he would continue to support their participation.

John Wilson, Chairman, North-west PWC (Chief Executive, Mersey Seafarers Centre) spoke about the important role that PWCs played locally and welcomed the support of the Board. This had a significant role in providing on-going support to committees, including training courses, evaluation studies and grants. He particularly emphasised the importance of the vehicle replacement programme, which helped to ensure that charities involved in port based welfare had modern vehicles.

Canon Ken Peters, Justice and Welfare Secretary, Mission to Seafarers highlighted the importance of seafarers centres in providing a secure and safe environment for seafarers in port. The challenge was to keep centres viable and provide a hospitable environment with access to modern communications and other facilities.

Revd David Potterton, Principal Chaplain, Sailors Society talked about the importance of providing chaplains and volunteers in visiting ships and meeting the pastoral and practical needs of seafarers, who increasingly had very little opportunity to enjoy shore leave and thus became isolated.

Captain Dan Conley, Chief Executive, Fisherman's Mission explained that his society continued to evolve to meet the needs of fisherman such as the employment of foreign seafarers aboard some of the UK fishing fleet. He advised that larger underused mission centres would be replaced by drop in centres whilst superintendents and volunteers would continue to support both the active fishermen and retired fishing communities.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

ACHIEVEMENTS AND PERFORMANCE - SERVICES TO CONSTITUENT MEMBERS & PORT WELFARE COMMITTEES continued

Captain John Middleton Deputy Harbourmaster, Milford Haven Port Authority (MPHA) reminded delegates of the importance of the seafarers visiting ports. MHPA considered a content seafarer to be a safer seafarer and as a result had put in place a voluntary port levy scheme, used to support the local seafarers' centres

Mr Neil Atkinson, Principal Surveyor, MCA covered the challenges faced by the Agency preparing for the UK ratification of MLC 2006, which would impact on all British vessels and all those visiting UK ports. Each vessel would be subject to regular compliance inspections, with particular emphasis given to those with a poor record. Port State Control agencies would share information in order that such vessels could be inspected on arrival at their next port.

Mr Dennis Treleaven, Head of Grants, Seafarers UK spoke of the challenges for the grant making organisations and the importance of properly prepared applications providing as much information as possible. Seafarers' UK was anxious to look at potential outcomes and was pleased to provide advice to applicants.

Paul Moloney, Assistant General Secretary, Nautilus International covered issues affecting modern seafarers. Fatigue was a major concern on some ships, leading to serious accidents. Work was on-going with Warsash Maritime Academy and the Seafarers International Research Centre in Cardiff to address this problem. Piracy also was an increasing problem challenging governments, employers and seafarers and expected to proliferate, impacting on the lives and welfare of seafarers and their families. Nautilus International was lobbying for an effective unified approach to this serious issue.

Peter Slade, Director of Horizon Sales, SatCom, Global spoke about the IT revolution and the opportunities that it provided for shipowners and their seafarers to access better and cheaper on board communications anywhere in the world. He noted that the costs of satellite communications continued to fall which meant that accessibility for seafarers would increase. At that time it was unclear as to how many vessels were providing free, or low-cost, communications but clearly this was an increasing market.

Captain David Parsons, Chief Executive, MNWB explained that the Board's role remained to support charities through many of these complex and difficult challenges. He emphasised that it was committed to providing on-going training courses, evaluation studies, caseworking costs, grants, and so on, adding that all suggestions would be considered.

Mr Bob Jones, Chairman, MNWB concluded that the Board's success was, in large part, due to the support it received from both its Constituents and PWCs. The latter in particular consisted of volunteers, all of whom had busy lives, but nevertheless gave willingly of their time to support seafarers' welfare. During his first 12 months as chairman he had visited all the PWCs and met many of the Constituents. He had been very impressed by their dedication and enthusiasm and extremely grateful for the warm welcome he had received on each occasion. He reiterated that the Board would remain supportive of their work and welcomed any new initiatives from its members.

MNWB Services to Seafarers Welfare Award 2011

At the conclusion of the Conference the Board's Chairman presented two MNWB Awards for Services to Seafarers' Welfare to

Superintendent Geoff Chandler, Royal National Mission to Deep Sea Fishermen in recognition of 43 years service in the fishing ports of Fleetwood, Grimsby, Lossiemouth, Ayr, North Shields, Fraserburgh, Eyemouth and Hull. During this time he supported families and communities, often through tragic circumstances, demonstrating the highest level of support to the fishing communities.

Robert Goldwin MBE, Mediterranean Mission to Seafarers in recognition of 35 years' service as treasurer. During that time he worked diligently to ensure that the Mission was an effective presence for seafarers visiting Gibraltar, which included improving its facilities and ensuring that it remained financially sound. He continues to use his knowledge and influence to ensure that this work is continued.

The Board would like to place on record its thanks to Trinity House for their kindness in donating the venue for this important conference and to all the guest speakers for the significant contributions to a very successful event.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

ACHIEVEMENTS AND PERFORMANCE - SERVICES TO CONSTITUENT MEMBERS & PORT WELFARE COMMITTEES continued

MARITIME CHARITIES FUNDING GROUP (MCFG)

Since this was established by the Board in 1997, (albeit then known as the Grants to Organisations Working Group) the Maritime Charities Funding Group (MCFG) has been chaired and administered by the Board

The aims of MCFG continue to be to foster a better understanding between the maritime charities awarding grants to other organisations. Membership consists of the Board, Nautilus International (also representing the ITF Seafarers Trust), The Royal Navy & Royal Marines Charity, Seafarers' UK, Seamen's Hospital Society and Trinity House. The primary purpose of the MCFG is to ensure that overall resources are jointly used to best effect. MCFG members also seek to encourage best practice including the use of existing resources and assets, whilst accepting that maritime charities applying for financial support fulfil their statutory requirements.

The MCFG collaborates closely when considering grant applications in order that consideration can be given to sharing grants for larger projects and also ensures there is no duplication. Nonetheless the Board, like other members, properly remains autonomous when deciding its policies and agreeing grants.

As the administrator the Board acted as treasurer and employed and managed the Programme Development Manager. The Work Programme, which was extended by 12 months until October 2011, enabled most of the projects to be completed. Due to their complexities however some projects will not be completed until 2012.

The second conference of maritime charities took place, in London, between 18th & 19th October 2011. This was used to review outcomes and progress and consider the views of the sector on the way forward. The future of the MCFG was also considered, by the members, ahead of the conference, where the views of the delegates were also taken into account. Following these discussions, in order to complete the outstanding projects and leave time to review the future arrangements, the MCFG agreed to extend the work programme until the end of 2012. MCFG produces its own annual report outlining each of the initiatives in detail. This is available from the Board. Below is a brief summary of the various projects and work programme.

Accommodation Review In 2010 the MCFG funded the costs of a review of older seafarers' accommodation to enable both the charities and the MCFG to better respond to the needs. The MCFG commissioned the consultants, the Institute of Public Care (IPC), Brooks University of Oxford to undertake further work within the sector. Subsequently a number of seafarers' accommodation providers have received advice.

Debt Advice The MCFG, in 2011, provided the last contribution towards a three year project funding a Debt Advisor to work with the Seafarers Advice and Information Line (SAIL).

Family Support In late 2010 the Sailors' Children's Society were contracted to manage a two-year pilot project in Cornwall and Devon to undertake and review a more holistic approach to caseworking among seafarers' families. This project remains to be completed and a report on the outcomes will be published in 2012.

Health Development Programme The Seamen's Hospital Society is the administrator for two projects, one to provide better health and fitness for seafarers and the other examining various aspects of health care. This project remains to be completed and a report on the outcomes will be published in 2012.

Maritime Charities Welfare Guide The Board, at the request of the members took responsibility for updating the Maritime Charities Welfare "Handbook". This is a guide to all charities known to specifically assist seafarers from across the three sectors. The "handbook" was converted from a passive and out of date publication to an active website in which visitors by entering the sort of help they are seeking can be signposted to the organisation/s best able to assist. It is complimentary to the Seafarer Support service (*see below*). The Board and other MCFG members would like to record their thanks to Mr P Tomlin MBE, Deputy Chief Executive, for all his hard work in setting this up.

Minority Ethnic British Seafarers This piece of work remains in abeyance.

Older Seafarers Support Again in late 2010 the Nautilus Welfare Fund was contracted to manage a two-year pilot project in Merseyside to undertake and review a more holistic approach to caseworking among older seafarers and their dependants. This project also remains to be completed and a report on the outcomes will be published in 2012.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

ACHIEVEMENTS AND PERFORMANCE - SERVICES TO CONSTITUENT MEMBERS & PORT WELFARE COMMITTEES continued

Seafarer Link This pilot project has enabled retired seafarers, many of whom live alone, to meet on a social telephony service with up to twelve peers. The MCFG is endeavouring to find further funds for this very important project which brings together many who are often very lonely.

Seafarer Support (Single Point of Contact and Better Publicity of the Maritime Charities) This project is managed by the MNWB on behalf of MCFG. The Supporting Seafarers and their Families Report of 2007 emphasised the need to extend publicity and contact with the maritime charities to the numerous eligible people who had little or no knowledge of the network, but were clearly eligible for practical or financial assistance. As a direct result the MCFG agreed to set up a referral line which would enable seafarers, or their dependants, to make contact with organisations best able to respond to their needs.

This line, Seafarer Support, was established during 2009 on a freephone number, **0800 121 4765**, together with an associated website, www.seafarerssupport.org. The Board was initially awarded a grant for a twelve month pilot project on the basis of its extensive knowledge of the maritime charities and welfare sector, which has been extended until at least the end of 2012. The service continues to be advertised within the maritime press and increasingly contacts are coming via personal recommendations. Whilst the number of phone calls remain steady, the number of internet enquiries has increased significantly. The service currently accounts for around two and a half staff days per week, which is charged to MCFG. The calls cover a wide remit ranging from financial assistance, practical help and other support. Seafarer Support is available across the sector to the Royal Navy, Merchant Navy and fishing industry and is also available to all dependants, widows, widowers and those who have separated in a marriage. The Maritime Charities Welfare Guide is now embedded within the Seafarer Support website.

Forums The MCFG has three forums monitoring and advising on developing the recommendations contained within the 2007 study. These forums are the Working Age, Working Age Families and Older Seafarers. The Working Age forum is exclusively Merchant Navy and has been transferred back to the Board from early 2011. The Older Seafarers Forum is chaired by the Board, as are its two sub committees, one looking at accommodation provision and the other at grants to individuals. All the original MNWB working groups can be reinstated at any time should the need arise.

2011 Conference The MCFG hosted a two day conference at the St James Park Conference Centre, London on 18th and 19th October. This included a wide range of topics associated with the projects outlined above and gave the opportunity to review the outcomes of the MCFG's four year work programme and the way ahead. The conference was chaired by Michael Grey MBE MNM, a highly respected maritime journalist, whilst the key note speaker was Martyn Lewis CBE, chairman of NCVO. The MCFG were very grateful to Messrs Grey and Lewis as well as the other guest speakers who all contributed to this successful event. Delegates came from a wide cross section of organisations from across the three sectors: Royal Navy, Merchant Navy and fishing fleets.

Programme Manager Mrs Valerie Coleman has been in post since October 2007 and has worked hard to take the work programme forward. She agreed to extend her fixed term contract into a normal working contract. The MCFG and the Board would like to take this opportunity of thanking Mrs Coleman for all her efforts to date.

The MCFG is a good example of what can be best achieved by collaboration. Most of the work programme and certainly all the earlier research could not be undertaken by one member alone. Once all the projects have been evaluated members will need to assess their value and consider whether they should be extended into longer-term programmes. The members have each agreed that most on-going projects should not be funded on an equal basis. Each will need to be considered upon merit, the sectors it benefits and the objectives of the various members.

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

ACHIEVEMENTS AND PERFORMANCE - SERVICES TO CONSTITUENT MEMBERS & PORT WELFARE COMMITTEES continued

Future Chairmanship and Administration During 2011 the MCFG members agreed, supported by the Board, that in future the administration and chairmanship should be rotated among the membership organisations on a three yearly basis. With effect from 1 January 2012 this role, along with surplus funds, was transferred to Seafarers UK. The elected chairman, from that date, was Cdre Barry Bryant CVO RN. Employment of the Programme Manager, Mrs Valerie Coleman, was also transferred at that time under the TUPE regulation.

Vehicle Replacement Programme

For expediency this five year programme was credited to the MCFG. In reality, for good reasons, only three MCFG members contribute to this important fund namely the Board at £65,000 per annum, Seafarers UK and Trinity House at £40,000 each per annum. In addition the ITF Seafarers Trust contributes £65,000 per annum. The Trust's interests in MCFG are represented by Nautilus International, who is one of the ITF's UK affiliates. The programme, which began its fourth year in October 2011, was established to help fund replacement vehicles, owned by UK-based maritime charities, involved in port based welfare over a five-year period. At the end of the project no vehicle involved in this important work, which is a mix of cars, people carriers and minibuses, will be more than five years old. In 2011 ten vehicles were replaced under the scheme (2010 - 11 vehicles). In addition one minibus is being funded on a lease arrangement in Merseyside and the costs of this are being assessed against those of an identical purchased vehicle. This should enable maritime charities to decide whether lease or purchase is most cost-effective.

Merchant Navy Medal Fund

Since 2009 the Board has, with the agreement of the maritime sector, acted as the administrator and treasurer for this increasingly prestigious award. The Merchant Navy Medal (MNM) is presented for "courage afloat" and "meritorious service" to the Merchant Navy and fishing sectors. Whilst an unlimited number of medals can be presented for courage, only 20 can be awarded for meritorious service. The award is presented towards the end of each year at an increasingly widely publicised event. The 2011 ceremony took place in Trinity House and the Corporation very kindly provided both the venue and all refreshments at no cost. On this occasion one award was made for courage and a further 20 for meritorious service. These were once again presented by the Patron, Admiral The Right Honourable Lord West of Spithead GCB DSC PC. Three persons associated with the Board were among the recipients and these were Captain Tom Crookall MBE (former trustee and chairman), Mr Frank Welsh (former trustee) and Captain David Parsons MNI (Chief Executive).

A large number of maritime organisations are involved in the committee and each makes a welcome contribution towards its costs. In addition major generous contributions have been received from the Gosling Foundation and both are greatly appreciated as they will provide funds to cover the costs of new medals and ribbons.

The Chairman of the Merchant Navy Medal Fund is Captain Matthew Easton and the Vice Chairman is Revd Michael Keulemans MNM. Revd Keulemans was the original inspiration behind this award and both he and Captain Easton have worked tirelessly to promote and enhance recognition of the medal. The Board is proud to be associated with the medal and pleased to act as the administrator. The committee is actively lobbying government to have the Merchant Navy Medal become a national recognised award.

Grants

The Board remains committed to providing grant support to its Constituent charities for both capital projects and start-up costs. In 2011 it provisionally awarded £227,189 in grants (2010 £293,541). The decrease in grants reflected the Board's reduced surplus income from its investments against its expenditure on revenue costs and services to its Constituents, which are its core priorities. Before allocating grants the Council reviews the quality of each application and the impact that the project would have on the maritime community. In some cases it will endeavour to share a grant with other organisations, normally members of the MCFG. Due to financial constraints the Board was regrettably unable to meet all the applications in 2011.

Following a number of requests for more flexibility the Board agreed that it could allocate funds, under a small grants programme, four times a year. Under this programme applications of up to £5,000 can be considered on a quarterly basis up to an annual limit of £50,000. This is intended to enable small capital projects to be commenced without the need to await a decision at the end of each year. At the same time the Board also agreed that it was happy to receive applications direct from seafarers' centres, with the caveat that each must be supported by the parent organisation.

Merchant Navy Welfare Board

**Report of the Trustees
for the Year Ended 31st December 2011**

**ACHIEVEMENTS AND PERFORMANCE - SERVICES TO CONSTITUENT MEMBERS & PORT
WELFARE COMMITTEES continued**

Grants awarded 2011

<i>Apostleship of the Sea Great Britain</i>	£1,915
New IT equipment Portsmouth Stella Maris Seafarers Centre £1,400	
WiFi equipment Sheerness Stella Maris Seafarers Centre £515	
<i>Centres for Seafarers</i>	£5,000
Contribution towards new satellite seafarers' centre, Southampton Container Terminal	
<i>Liverpool International Seafarers Centre</i>	£20,300
Provision of 6 Internet cafe satellite seafarers' centres throughout the Port of Liverpool	
<i>MCFG Supporting Seafarers Programme</i>	£40,000
Contribution towards management and project costs	
<i>Merchant Navy Day National Service</i>	£500
Contribution	
<i>Merchant Navy Day Liverpool Service</i>	£500
Contribution	
<i>Merchant Navy Medal Fund</i>	£200
Contribution to Merchant Navy Medal administration costs	
<i>Mission to Seafarers</i>	£9,874
North Tees (Seal Sands) Flying Angel Centre new security safe £874	
Provision of laptops for 12 port chaplains £9,000	
<i>Queen Victoria Seamen's Rest, London</i>	£25,000
Contribution towards refurbishment of residents bedrooms	
<i>Royal Alfred Seafarers' Society - Belvedere House Care Home, Banstead, Surrey</i>	£37,500
Contribution towards construction of new dementia care unit	
<i>Royal National Mission to Deep Sea Fishermen</i>	£10,000
Establishing WebCam communications between all mission stations and head office £1,500	
Provision of IT equipment for Ardglass mission, Northern Ireland £8,500	
<i>Sir Gabriel Woods Mariners Home, Greenock, Scotland</i>	£11,300
Provision of new laundry equipment	
<i>St Paul's Annual Service for Seafarers</i>	£100
Contribution	
<i>Vehicle Replacement Programme</i>	£65,000
4th annual contribution (up to five years)	
Total funds provisionally awarded for grants amounted to	<u>£227,189</u>

Merchant Navy Welfare Board

Report of the Trustees for the Year Ended 31st December 2011

FUTURE STRATEGY

Whilst the on-going strategy is contained within the main body of the report, the Board reviews annually its on-going and future strategy for the next two years and its completed achievements from the previous year

Completed targets

- Initiating an Annual Meeting for Constituent and Port Welfare Committee representatives
- Updating of the MNWB's own information leaflet
- Launch of a new e-newsletter and social networking
- Introduction of revised Terms of Reference for Port Welfare Committees
- Establishing a course covering the handling of bereavement

Future Projects

- Major updating of MNWB website
- Major updating of database Register of Grant Recipients
- Complete induction pack for new Port Welfare Committee members
- Completing the preparation and launch of the Merchant Navy Awareness course
- Review with Constituent charities the effectiveness of fundraising.
- Review with appropriate Constituent the changes in seafarers' communication and IT provision
- Review the opportunities for charities to share "back office" support
- Provide in house health & safety training to Constituent members
- Providing a simple on-line guide to those maritime authorities responsible for seafarers and ships
- Review the access of welfare provision and charitable assistance to professional luxury yacht crews
- Support, in principle, and monitor the Sea Vision campaign to improve public awareness of maritime issues.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Merchant Navy Welfare Board for the purposes of company law) are responsible 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)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP,
- make judgements and 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 business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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

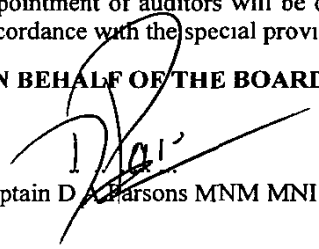
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information

AUDITORS

As noted previously, the Board has dispensed with the requirement to hold an Annual General Meeting. The re-appointment of auditors will be decided by the board annually at a council meeting. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


Captain D. A. Parsons MNM MNI – Chief Executive Date 2nd May 2012

Report of the Independent Auditors to the Members of Merchant Navy Welfare Board

We have audited the financial statements of Merchant Navy Welfare Board for the year ended 31st December 2011 on pages twenty four to thirty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

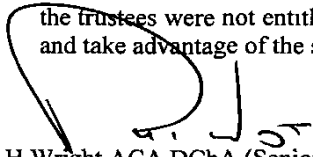
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Merchant Navy Welfare Board**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees



P E H Wright ACA DChA (Senior Statutory Auditor)
for and on behalf of Sheen Stickland LLP
Chartered Accountants
Registered Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date 2nd May 2012

Merchant Navy Welfare Board

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st December 2011**

	Notes	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	43,320	528,301	571,621	300,595
Investment income	3	315,179	-	315,179	209,367
Total incoming resources		358,499	528,301	886,800	509,962
RESOURCES EXPENDED					
Costs of generating funds					
Investment management costs	4	59,032	-	59,032	31,040
Charitable activities					
Support Services to Constituent Members	5	52,641	432,391	485,032	474,359
Grants to support the work of Constituent Members		227,189	-	227,189	293,541
Grants Unspent		(7,021)	-	(7,021)	(7,332)
Support to promote welfare activities		340,808	-	340,808	322,258
Governance costs	8	78,646	3,461	82,107	82,138
Total resources expended		751,295	435,852	1,187,147	1,196,004
NET INCOMING/(OUTGOING) RESOURCES					
		(392,796)	92,449	(300,347)	(686,042)
Other recognised gains/losses					
Realised gains on fixed asset investments		404,666	-	404,666	382,754
Unrealised (losses)/ gains on fixed asset investments		(1,103,330)	-	(1,103,330)	943,308
Net movement in funds		(1,091,460)	92,449	(999,011)	640,020
RECONCILIATION OF FUNDS					
Total funds brought forward		12,480,949	199,650	12,680,599	12,040,579
TOTAL FUNDS CARRIED FORWARD		11,389,489	292,099	11,681,588	12,680,599

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities

The notes form part of these financial statements

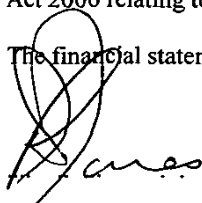
Merchant Navy Welfare Board

Balance Sheet At 31st December 2011

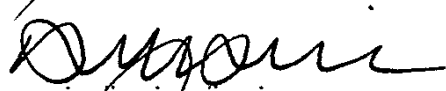
	Notes	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
FIXED ASSETS					
Tangible assets	13	7,349	-	7,349	11,434
Investments	14	<u>11,502,335</u>	<u>-</u>	<u>11,502,335</u>	<u>12,795,870</u>
		11,509,684	-	11,509,684	12,807,304
CURRENT ASSETS					
Debtors amounts falling due within one year	15	42,591	66,845	109,436	67,995
Cash at bank and in hand		<u>45,668</u>	<u>415,778</u>	<u>461,446</u>	<u>62,078</u>
		88,259	482,623	570,882	130,073
CREDITORS					
Amounts falling due within one year	16	(208,454)	(190,524)	(398,978)	(256,778)
NET CURRENT ASSETS/(LIABILITIES)		<u>(120,195)</u>	<u>292,099</u>	<u>171,904</u>	<u>(126,705)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,389,489</u>	<u>292,099</u>	<u>11,681,588</u>	<u>12,680,599</u>
NET ASSETS		<u>11,389,489</u>	<u>292,099</u>	<u>11,681,588</u>	<u>12,680,599</u>
FUNDS	18				
Unrestricted funds				11,389,489	12,480,949
Restricted funds				<u>292,099</u>	<u>199,650</u>
TOTAL FUNDS				<u>11,681,588</u>	<u>12,680,599</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies

The financial statements were approved by the Board of Trustees on 2nd May 2012 and were signed on its behalf by



Mr R Jones - Chairman of the Council



Mr M Dickinson - Vice Chairman of the Council



Captain D A Parsons - Chief Executive

The notes form part of these financial statements

Merchant Navy Welfare Board

Notes to the Financial Statements for the Year Ended 31st December 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company

Incoming resources

All incoming resources excluding voluntary donations, investments income and grants, is recognised on a receivable basis. Provision is made for tax recoverable on income received in the year

Voluntary donations, investment income and grants are recognised when received.

Legacy income is recognised on a receivable basis to the extent that it is reasonably certain that the legacy will be received and the value of the legacy can be measured with sufficient reliability. No provision is made in the accounts for any legacy where there is any doubt over the entitlement, certainty of receipt or measurability

Grants payable

Charitable grants are charged to expenditure at the date they are approved by the Board

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit & legal fees and an apportionment of support costs linked to the governance of the charity

Allocation and apportionment of costs

Expenditure, which does not directly relate to grant making is analysed between charitable support costs, governance and costs of generating funds. Items, which involve more than one cost category are apportioned as appropriate to the cost categories involved

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	- 10% on cost
Computer equipment	- 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities

Fund accounting

Unrestricted funds

The general fund represents undesignated monies retained that provide the working capital, to enable the board to carry out its activities as a provider of services to seafarers. The council of management regularly reviews the level of income funds and the strategic needs of the Board.

Restricted funds

Restricted funds represent monies set aside for particular projects or purposes in accordance with the instructions of the donor.

Merchant Navy Welfare Board

Notes to the Financial Statements - continued for the Year Ended 31st December 2011

1. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pensions

The charity provides a stakeholder pension scheme for employees. The contributions are charged to the statement of financial activities as they fall due.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

2. VOLUNTARY INCOME

	2011 £	2010 £
Donations	10,969	19,185
Legacies	35,000	-
Grants	521,280	281,410
Miscellaneous income	<u>4,372</u>	<u>-</u>
	<u>571,621</u>	<u>300,595</u>

Included in the above is income totalling £515,840 contributed towards the Maritime Charities Funding Group by both the MNWB and other Constituent charities (2010 £280,748). This income is treated as restricted.

The Board has received notification of three legacies. At 31st December 2011 it is not possible to quantify the amount receivable and therefore no provision has been made in the financial statements.

3. INVESTMENT INCOME

	2011 £	2010 £
Quoted UK and non-UK investments	313,921	208,291
UK portfolio cash	<u>1,258</u>	<u>1,076</u>
	<u>315,179</u>	<u>209,367</u>

4. INVESTMENT MANAGEMENT COSTS

	2011 £	2010 £
Portfolio management	<u>59,032</u>	<u>31,040</u>

Merchant Navy Welfare Board

Notes to the Financial Statements - continued for the Year Ended 31st December 2011

5. CHARITABLE ACTIVITIES - PROVISION OF WELFARE SERVICES

	2011 £	2010 £
Support services to constituent members		
Unrestricted expenditure:		
Caseworker costs	14,147	21,703
Training course	33,475	23,255
Evaluation studies	1,421	1,640
Port welfare information leaflets	3,598	7,771
IT & Broadband support	-	200
Seafarers home consultancy	-	4,556
	<u>52,641</u>	<u>59,125</u>
Restricted expenditure:		
MCFG Administration and Projects	295,473	296,268
Vehicle Replacement Programme	120,899	114,505
MN Medal Fund	4,410	4,461
MN Anchor Fund	11,609	-
	<u>432,391</u>	<u>415,234</u>
Total costs of support services to constituent members	485,032	474,359
Grants to support the work of constituent members	227,189	293,541
Grants unspent	(7,021)	(7,332)
Support to promote welfare activities	340,808	322,258
	<u>1,046,008</u>	<u>1,082,826</u>

6. GRANTS PAYABLE

	2011 £	2010 £
Grants to support the work of Constituent Members	<u>227,189</u>	<u>293,541</u>

A detailed analysis of grants payable to institutions can be found within the trustees report on page 20.

7. SUPPORT COSTS

	Management £
Support to promote welfare activities	<u>56,865</u>

Merchant Navy Welfare Board

Notes to the Financial Statements - continued for the Year Ended 31st December 2011

8. GOVERNANCE COSTS

	2011	2010
	£	£
Support costs	46,679	44,665
Trustees' expenses	2,571	4,125
Trustees' meeting costs	6,114	1,457
Legal fees	630	6,608
Accountancy	17,908	17,567
Auditors' remuneration	8,205	7,716
	<u>82,107</u>	<u>82,138</u>

Support costs are made up of an apportionment of 30% of the chief executive and his PA's salary and related costs totalling £28,658 (2010 £27,482), together with 30% of head office costs totalling £18,021 (2010 £17,183)

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2011	2010
	£	£
Auditors' remuneration	8,205	7,716
Depreciation - owned assets	<u>8,028</u>	<u>7,246</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2011 nor for the year ended 31 December 2010

Trustees' Expenses

Trustees' expenses were paid during the year ended 31st December 2011 amounting to £2,571 (2010 - £4,125)

11. STAFF COSTS

	2011	2010
	£	£
Wages and salaries	267,654	239,759
Social security costs	27,853	24,765
Other pension costs	<u>37,174</u>	<u>35,848</u>
	<u>332,681</u>	<u>300,372</u>

The average monthly number of employees during the year was as follows

	2011	2010
Charitable and administration staff	<u>8*</u>	<u>8*</u>

No employee was paid in excess of £60,000 (2010 none) * Includes MCFG programme manager

Merchant Navy Welfare Board

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2011**

12. TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Grants and other costs £	Total Funds 2011 £
Cost of generating funds	-	-	44,594	44,594
Charitable activities	304,023	8,028	733,957	1,046,008
Governance costs	28,658	-	53,449	82,107
	<u>332,681</u>	<u>8,028</u>	<u>832,000</u>	<u>1,172,709</u>

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1st January 2011	13,665	41,330	54,995
Additions	<u>1,712</u>	<u>2,231</u>	<u>3,943</u>
At 31st December 2011	<u>15,377</u>	<u>43,561</u>	<u>58,938</u>
DEPRECIATION			
At 1st January 2011	8,386	35,175	43,561
Charge for year	<u>1,129</u>	<u>6,899</u>	<u>8,028</u>
At 31st December 2011	<u>9,515</u>	<u>42,074</u>	<u>51,589</u>
NET BOOK VALUE			
At 31st December 2011	<u>5,862</u>	<u>1,487</u>	<u>7,349</u>
At 31st December 2010	<u>5,279</u>	<u>6,155</u>	<u>11,434</u>

Merchant Navy Welfare Board

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2011**

14. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1st January 2011	12,579,889	215,981	12,795,870
Additions	2,462,578	255,116	2,717,694
Disposals	(2,907,899)	-	(2,907,899)
Revaluations	(1,103,330)	-	(1,103,330)
At 31st December 2011	<u>11,031,238</u>	<u>471,097</u>	<u>11,502,335</u>

NET BOOK VALUE			
At 31st December 2011	<u>11,031,238</u>	<u>471,097</u>	<u>11,502,335</u>
At 31st December 2010	<u>12,579,889</u>	<u>215,981</u>	<u>12,795,870</u>

	Listed investments £	Cash and settlements pending £	Total £
Historical cost			
At 31st December 2011	<u>10,809,039</u>	<u>471,097</u>	<u>11,280,136</u>
At 31st December 2010	<u>11,254,359</u>	<u>215,981</u>	<u>11,470,340</u>

Analysis of investments at 31st December 2011

	2011 £	2010 £
Listed investments		
UK quoted investments	6,055,418	6,305,441
Non UK quoted investments	<u>4,975,820</u>	<u>6,274,448</u>
	11,031,238	12,579,889
UK cash held as part of portfolio	<u>471,097</u>	<u>215,981</u>
	<u>11,502,335</u>	<u>12,795,870</u>

Merchant Navy Welfare Board

Notes to the Financial Statements - continued for the Year Ended 31st December 2011

14. FIXED ASSET INVESTMENTS - continued

Investments that are in excess of 5% of the value of the portfolio are as follows

	2011	2010
	£	£
Artemis Income Inst Inc	683,080	705,876
Artemis UK Special Situations Inst Acc	485,513	332,703
Franklin UK Equity Income A Inc	639,645	-
Ignis Cartesian UK Opportunities Inst Acc	-	209,580
JPM US Equity Inc STG Hedged A	638,468	278,899
M&G American A Acc	529,555	573,631
Neptune Income B Inc	626,887	693,401
Rensburg UK Equity Income	-	643,861
River & Mercantile UK Equity Income Fund A	584,224	654,046
SWIP Property Trust Class B Inc	617,104	503,743
Threadneedle UK Equity Income Inst	<u>597,578</u>	<u>626,538</u>

No investments were held at the year end that relate to restricted funds

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Other debtors	-	990
Grants receivable	65,000	40,000
Prepayments and accrued income	<u>44,436</u>	<u>27,005</u>
	<u>109,436</u>	<u>67,995</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	9,101	8,068
Social security and other taxes	7,121	7,112
Other creditors	3,529	3,759
Accruals and deferred income	211,012	63,632
Grants payable	<u>168,215</u>	<u>174,207</u>
	<u>398,978</u>	<u>256,778</u>

17. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2011	2010	2011	2010
	£	£	£	£
Expiring				
Between one and five years	-	-	6,929	-
In more than five years	<u>17,000</u>	<u>17,000</u>	-	-
	<u>17,000</u>	<u>17,000</u>	<u>6,929</u>	<u>-</u>

Merchant Navy Welfare Board

Notes to the Financial Statements - continued for the Year Ended 31st December 2011

18. MOVEMENT IN FUNDS

	At 1 1 11 £	Net movement in funds £	At 31 12 11 £
Unrestricted funds			
General fund	12,480,949	(1,091,460)	11,389,489
Restricted funds			
MCFG Administration & Projects	121,730	(58,094)	63,636
Vehicle Replacement Programme	54,664	154,101	208,765
MN Medal Fund	20,756	(1,058)	19,698
MN Anchor Funds	2,500	(2,500)	-
	199,650	92,449	292,099
TOTAL FUNDS	<u>12,680,599</u>	<u>(999,011)</u>	<u>11,681,588</u>

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	358,499	(751,295)	(698,664)	(1,091,460)
Restricted funds				
MCFG Administration & Projects	240,840	(298,934)	-	(58,094)
Vehicle Replacement Programme	275,000	(120,899)	-	154,101
MN Medal Fund	3,352	(4,410)	-	(1,058)
MN Anchor Funds	9,109	(11,609)	-	(2,500)
	528,301	(435,852)	-	92,449
TOTAL FUNDS	<u>886,800</u>	<u>(1,187,147)</u>	<u>(698,664)</u>	<u>(999,011)</u>

During the first quarter of 2012 all fund balances relating to MCFG Administration & Projects were transferred to Seafarers UK, the new administrators for the fund

19. PENSIONS

Contributions made to the employees stakeholder pension schemes amounted to £37,174 (2010 £35,848)

At the balance sheet date contributions of £3,530 (2010 £3,759) were outstanding

20. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and accordingly does not have share capital