



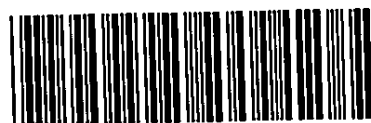
**MERCHANT NAVY WELFARE BOARD**

**8 Cumberland Place  
Southampton  
SO15 2BH**

**65<sup>th</sup>  
ANNUAL REPORT  
&  
AUDITED FINANCIAL STATEMENTS  
FOR  
YEAR ENDING 31<sup>st</sup> DECEMBER 2012**

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

THURSDAY



A03      27/06/2013      #378  
COMPANIES HOUSE

## **Merchant Navy Welfare Board**

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## **Merchant Navy Welfare Board**

### **Chairman's Report for the Year Ended 31 December 2012**

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In a year that has been one of continuing financial uncertainty, it is something of a relief to be able to report that our investments – upon which we rely almost totally, recovered somewhat. The future of course remains uncertain and many of our constituent charities are under severe financial pressure. Whilst we remain in a relatively strong position, financial prudence remains our on-going watchword.

We are pleased that we have been able to continue the policy introduced five years ago of awarding our grants on an average return of six percent on our capital, thus offering some support to the vital work of our constituents.

Every penny raised through fund-raising is important to the welfare needs of seafarers and although the Board has not actively previously engaged in fund-raising, we were pleased to work with Seafarer's UK to establish the Merchant Navy Fund for the benefit of all seafarers and their dependants with a Merchant Navy background.

During the year the Board hosted the highly successful two day Seafarers' Welfare Conference. To me, this again highlighted the quality, dedication and humility of those people and organisations who serve the welfare needs of our seafarers and with whom it is a privilege to work.

Equally, our Port Welfare Committees remain at the heart of our organisation and with MLC 2006 due to (at last) come into force in August 2013 will assume an increasingly important role. We remain indebted to all members of the 16 committees for their time and expertise.

The Board's Council is representative of the sectors that it serves and there have been a number of changes during the year. I remain extremely grateful to all Trustees for their commitment and judgement in guiding the work of the Welfare Board in its important work. In 2013 we will be conducting a major strategic review and their wisdom will be invaluable in determining our course and direction over the coming years.

Finally, and as always, our thanks to David Parsons, Peter Tomlin and all of the staff in the Southampton office for their energy, commitment and enthusiasm in conducting the work of the Welfare Board.

R J Jones  
Chairman

## **Merchant Navy Welfare Board**

### **Chief Executive's Introduction for the Year Ended 31 December 2012**

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This is a time of collaboration, challenge and concern within the maritime charities and indeed the wider sector. Collaboration is perhaps a very positive outcome stemming from challenges and concerns. Some of this has been achieved through the Maritime Charities Funding Group (MCFG), initiated by the Board in 1998 and transferred to Seafarers UK in 2012. Notwithstanding the very essence of the Board is bringing organisations more closely together and this it continues to do as a major part of its work. It is heartening to see that particularly our Constituent charities, those caring for the Merchant Navy and fishing communities, are working ever more closely through various forums and groups. It is, of course, commonality of objects that help to achieve this. Our colleagues from the Royal Navy are rather more distant from our sector, understandably seeing, I suspect, their interests more closely aligned with the other armed services charities.

To aid collaboration the Board continues to provide services to its Constituents and the MCFG. During 2012 a huge amount of work was undertaken to improve the Seafarer Support website, which we manage on MCFG's behalf, and merge it with the on-line Maritime Charities Handbook. This is now an interactive website allowing those seeking help to identify the most likely source, or sources, of help whilst on line. This service is being increasingly used, as demonstrated by the number of enquiries. This does not ignore the importance of the human contact, which my colleagues, again increasingly, are called upon to provide. Another important update has been carried out on the database of beneficiaries supported by our constituents. This new database will now provide much more detailed demographic information about beneficiaries. It has already demonstrated that, over the last five years, the numbers receiving regular grants have reduced by over 20%, whilst those in receipt of one-off grants remains about the same. At the same time we continue to provide training, the costs of caseworker visits, evaluation studies, information and grants. The latter was in excess of a total £200,000 and this was in addition to all the services we provide. The availability of small capital grants of up to £5,000 throughout the year has been welcomed by the sector.

The Jewels in the Crown of the Board are our Port Welfare Committees and these are one of the most effective examples of collaboration. In almost 20 years with the Board I have seen these become increasingly proactive, bringing together most of those involved with all aspects of seafarers' welfare in their regions. This is not just for the benefit of the Board, but also very much in support of our Constituent organisations. Their success is due to the enthusiasm and interest of the members plus the dedication of my colleagues, current and past, who work so hard on the committees' behalf. From 2013 we are making available up to £1,000 to each of the 16 PWCs to use in the promotion of seafarers' welfare locally.

Challenges and concerns are closely aligned and something that affects all of us in these turbulent times. The greatest of these will be maintaining standards of welfare provision against an ever more difficult fundraising environment. In collaboration with Seafarers UK we have established the "Merchant Navy Fund". This was launched in November and is intended to raise funds from the Merchant Navy for the Merchant Navy. I take the view that if we cannot persuade our own people to contribute to such a fund then there is little chance of gaining support from the wider public, most of whom have no connection or knowledge of the industry. The money will be held in a restricted fund by Seafarers UK and distributed only to those charities caring for people with a Merchant Navy background and their dependents. The only cost is that of promotion (there are no additional staff employed by either charity) and these are being shared equally by both of us. A recent review by the National Council of Voluntary Organisations (NCVO) predicted that up to 20% of UK charities would need to be wound up in the near future. Many of these will be as a result of losing government contracts, but others will simply fail to raise sufficient funds. A worrying scenario, one that will have very considerable impact and, inevitably, reduce welfare provision on an already strained system.

Port based welfare provision too is not immune from these challenges. During 2012 we have seen some significant cutbacks in this sector and, to prevent further erosion, it will almost certainly be necessary to raise more funds - probably by trying to extend the voluntary levy system. We can only hope that the expected UK's ratification of ILO's Maritime Labour Convention in June 2013 will add impetus to this.

In conclusion I must add my personal thanks to my small team of colleagues, who all work so hard to ensure we provide the highest quality of services. I also want to thank the Board's Council who give us such good and positive support. During 2013 both they and the staff will be involved in a major strategic review. This follows a survey of our Constituents and PWC members. The review will set the direction of the Board for much of the next decade. Before my retirement I will be looking closely at the charts and helping to set new courses.

Captain David Parsons MNM MNI  
Chief Executive

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The trustees present their 65th Annual Report and the audited Financial Statements for the year ended 31st December 2012. 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**

**"Supporting the provision of quality welfare services for seafarers"**

### **OBJECTIVES**

The Key Objectives of the Merchant Navy Welfare Board are to

- Ensure that all welfare needs are met through the most effective deployment of resources
- Facilitate the work of Constituent organisations through the provision of grants and specialist support services
- Provide a dedicated welfare support and referral service for UK seafarers and their dependants
- Manage and support Port Welfare Committees to develop local welfare services
- Encourage and enable closer collaboration amongst both Constituent organisations and Port Welfare Committees
- Represent and raise awareness of seafarers' welfare issues at national level

NB 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, achievements 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.

### **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 HM 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](mailto:enquiries@mnwb.org.uk)  
Website [www.mnwb.org](http://www.mnwb.org)

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

Aberdeen Seafarers' Centre*	Royal Alfred Seafarers' Society
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
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
	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, Aberdeen Seafarers' Centre, with effect from 2<sup>nd</sup> February 2013. The charity was formed in 2008 and opened the new seafarers' centre in Aberdeen in December 2011.

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 31 December 2012**

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**TRUSTEES AND MEMBERSHIP OF THE COUNCIL**

The Board's trustees are known as its Council. New members are appointed by 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 new Articles in 2010 however, to ensure continuity, elected members are being retired by rote between 2011 and 2013. With effect 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 2012 and changes up to the date of this report were as follows:

**Chairman:** R J Jones, elected to this position on 20 02 10  
**Vice Chairman:** A M Dickinson, re-elected to this position on 18 07 12

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 20 05 11)  
D Colclough (Appointed 20 05 11)  
R J Jones (Chairman) (Re-elected 20 05 10)  
T E Springett (Appointed 20 05 12)

***Trade Union Representatives:***

M Carden, RMT (Appointed 20 05 11)  
A M Dickinson, Nautilus International (Vice-Chairman) (Appointed 20 05 12)  
M Jess, Nautilus International (Appointed 19 10 11)  
S Todd, RMT (Re-elected 20 05 10)

***Voluntary Sector Representatives:***

Lt Col I Ballantyne RM FCMI, Scottish Veterans' Residences (Appointed 20 05 12)  
Revd D S Potterton, Sailors' Society (Retired 20 05 12)  
Revd Canon K Peters, Mission to Seafarers (Appointed 20 05 12)  
I Scott, Sailors' Children's Society (Retired 14 02 12)  
Ms D Thomas, Sailors' Children's Society (Appointed 20 05 12)  
Revd A Wright (Retired 07 02 13)

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

Cdre B Bryant CVO RN, Seafarers' UK (Appointed 20 05 10)  
Ms S Buchanan, Charity Consultant (Retired 20 05 12)  
L McFadyen, Solicitor (Appointed 20 05 11)  
G Lane, Chartered Accountant (Appointed 20 05 12)

***New Council Members*** The Board welcomed two new members of Council who bring with them very considerable knowledge and experience from across the sectors:

*Revd Canon Ken Peters*, Justice and Welfare Secretary, Mission to Seafarers

*Ms Deanne Thomas*, Chief Officer, Sailors' Children's Society

***Retired Council Members*** The Board wishes to place on record its appreciation for the contributions made by all members of Council and in particular its gratitude to the four members who retired on, or after, 20<sup>th</sup> May 2012. These were:

*Ms Sarah Buchanan* was elected to the Board on 10<sup>th</sup> July 2007 having completed managing the MCFG Supporting Seafarers & their Families report earlier that year. Her enormous experience in the general welfare sector, coupled with her work on behalf of the MCFG, was of great value to Council.

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Report of the Trustees  
for the year ended 31 December 2012**

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*Mr Ian Scott*, Chief Officer, Sailors' Children's Society was elected, by the Voluntary Society Class on 8<sup>th</sup> July 2008 and served on Council for four years. He used his experience with helping younger families in support of the Board and the Maritime Charities Funding Group (MCFG)

*Revd David Potterton*, Principal Chaplain, Sailors Society was elected by the Voluntary Society Class on 22<sup>nd</sup> May 2007 and served on Council for five years. During that time he brought to the Board understanding, in depth knowledge and experience of the work of the port based welfare charities

*Revd Andrew Wright*, Chaplain to the Royal National Mission for Deep Sea Fishermen was selected, by the Voluntary Society Background on 14<sup>th</sup> June 2011 and retired on 7<sup>th</sup> February 2013. He brought to Council an understanding of the welfare issues surrounding the fishing industry. Revd Wright retired due to his appointment as Secretary General to the Mission to Seafarers

**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

**PROFESSIONAL ADVISERS**

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

**Bankers:**  
CAF Bank Ltd  
25 Kings Hill Avenue  
West Malling  
Kent  
ME19 4JQ

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

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

**Accounts Administration:**  
Winchester Bourne Ltd  
4 Leylands Business Park  
Colden Common  
Winchester  
SO21 1TH

**Merchant Navy Welfare Board**  
**Report of the Trustees**  
**for the year ended 31 December 2012**

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**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 2012 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  
Miss Sarah Edward - Training and Project Support Manager  
Mrs Louise Furber - Office Administrator

**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 joint meetings 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

**FINANCIAL REVIEW**

Income from unrestricted resources for the year amounted to £458,575 (2011 - £358,499) whilst total unrestricted resources expended amounted to £728,756 (2011 - £751,295) A deficit for the year amounted to £270,181 (2011 deficit £392,796)

As detailed elsewhere in this report grants awarded in the year totalled £207,313 (2011 - £227,189)

Income in respect of restricted resources amounted to £163,127 (2011 - £528,301) and expenditure amounted to £235,801 (2011 - £435,852)

Investment performance is dealt with later in the report but the total realised and unrealised gains and losses amounted to £1,146,479 gain (2011 - £698,664 (loss)) for the year This has resulted in the value of investments under management increasing to £12,346,978 (2011 - £11,502,335)

Overall net assets stand at £12,485,212 (2011 - £11,681,588)

**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 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 2012, with a value of £12,346,978 (2011 - £11,502,335) 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

**Merchant Navy Welfare Board**  
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£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. During 2012 a total of £17,235 (2011 - £10,969) was received in donations, whilst legacy income amounted to £62,721 (2011 - £35,000). Two legacies have yet to be finally settled, each pending the sale of property.

***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 MCFG's "Supporting Seafarers and their Families Evaluation Study" of 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 for 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 £46,222 (2011 - £59,032), based on the number of transactions. The Board utilises benchmarks to monitor investment performance and reviews investment returns on a quarterly basis.

***Portfolio Performance***

During 2012 investments increased in value by 7.3% (against a decrease of 10.1% in 2011).

The Asset Allocation as at 31st December 2012 was as follows -

	2012	2011
UK Gilts and Fixed Interest	4.6%	5.6%
International Fixed Interest	6.6%	7.3%
UK Growth	8.6%	4.2%
UK Income	30.2%	34.6%
Europe	7.6%	3.5%
USA	16.6%	12.6%
South East Asia	10.0%	7.7%
Emerging Markets	5.3%	5.0%
Japan	0%	3.7%
Property	4.8%	5.4%
Alternative Investments	4.7%	6.1%
Cash	1.0%	4.3%
	100%	100%

***Grants Added Back***

Some of the grants awarded dating back to 2011 were not fully expended and a total of £21,184 was added back into the Board's funds (2011 - £7,021).

***Restricted Funds***

The Board maintains, or maintained, three restricted accounts as follows

***Maritime Charities Funding Group – now closed - (see later in the Report)***

Until the 31st December 2011 the Board administered the funds 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. All remaining monies were transferred to Seafarers UK on 1st January 2012, with the agreement of all MCFG members.

***Vehicle Replacement Programme Fund (see later in the Report)***

Four maritime charities have contributed annually to this five year programme. These are Merchant Navy Welfare Board, ITF Seafarers Trust, Seafarers UK and Trinity House. This restricted fund has been established to provide grants towards the replacement of vehicles used for port based welfare services. The 2011/12 contributions by the subscribers were Merchant Navy Welfare Board £65,000 (paid 2011), ITF Seafarers Trust £65,000, Seafarers UK £40,000 and Trinity House £40,000. Expenditure was £163,006. The overall restricted fund balance at the 2012 year-end was £190,817. A breakdown is disclosed under note 19 to the Financial Statements.

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*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 bank account. Income totalling £15,770 was received during 2012 (2011 - £3,352). A total of £9,099 (2011 - £4,410) was expended during the year and a surplus of £6,671 was carried forward into 2013 (2012 - £19,698). The overall restricted fund balance at the 2012 year-end was £26,369. A breakdown is disclosed under note 18 to the Financial Statements.

**EXPENDITURE**

**Staff**

As at the date of this report the Board employs seven 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 current 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 2012 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. The Board would, once more, like to place on record its gratitude to the long-standing Accounts Manager, Mrs Jane Roberts, for all her efforts and assistance.

**General Expenses**

Included in these are costs associated with the Royal British Legion's annual Festival of Remembrance 2012 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 the fourth successive year, the Board, with agreement of The Royal British Legion, also sponsored 4 cadets, under training at Warsash Maritime Academy, to accompany 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).

## 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 (PWC) 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 and a major review will be undertaken in 2013. This will follow responses to a questionnaire sent to all Constituent and Port Welfare Committee members seeking their views about the current strategy and how they perceive the Board's future role.

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 it maintains by regular reviews. The Chairman and Chief Executive continue to meet with 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 internet. The Board's own website, [www.mnwb.org](http://www.mnwb.org) was improved and extended 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, PWC 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 internet can be measured by the increasing number of applications and enquiries that are received by email. The website contains links to other maritime organisations.

The Board also has a page on Facebook, the social media website, [www.facebook.com/TheMNWB](http://www.facebook.com/TheMNWB) is 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:

- **Bereavement Awareness:** In 2012 one course was held for 12 trainees and up to two are planned for 2013.
- **Caseworking:** SSAFA Forces Help has kindly opened its own courses up to MN and fishermen's' welfare workers and 13 trainees have attended in 2012 in various locations. These will continue in the future. Subject to demand one bespoke course for maritime based caseworkers will be arranged in 2013.
- **Substance Abuse Awareness.** There were no courses requested in 2012 but this course remains available, subject to demand.
- **Managing Aggression & Violence.** There were no courses requested in 2012 but this course remains available, subject to demand.
- **Ship Welfare Visitor:** Three Ship Welfare Visitor courses were held in 2012 in Aberdeen, London and Southampton for a total of 49 trainees. Beginning in 2013, the content is being revised to include MLC 2006 (see below) and up to four courses are planned.
- **MLC 2006:** This course was established, for port welfare workers who had completed a Ship Welfare Visitor Course, as an introduction to those parts of MLC 2006 that would impact on their work. The training began in 2011 in areas based around the Board's 16 PWCs. The training concluded with six such courses during 2012 in Belfast, Gibraltar, Falmouth, Immingham, Newport and South Shields for a total of 52 trainees. This course has now been concluded with much of the content being merged into the Ship Welfare Visitor course.
- **Merchant Navy Background:** This course is intended for lay personnel working in administration or seafarers' homes to provide them with a better understanding of the background of the shipping industry and seafarers. This is being launched in 2013 and will be run by the Board's Chief Executive.
- **Lone Working.** This is a new course, run by the Suzy Lamplugh Trust, intended to prepare students for making lone visits to clients and will be launched in 2013 subject to demand.

## **ACHIEVEMENTS AND PERFORMANCE continued**

- ***Introduction to Workplace Health & Safety*** This is a new on-line, certificated, basic Health & Safety training course, accredited by the British Safety Council and is available from the Board whose Deputy Chief Executive is a qualified trainer

### ***Caseworking - Home Visit Costs***

The Board is fully committed to the benefits of providing trained caseworkers to visit those people who are seeking charitable assistance, or are under review, in their own homes. Caseworkers can assist with completing application forms and often help to assess a client's circumstances. The Board, on behalf of all but one of its Constituent members will, on their behalf, arrange visits by a SSAFA Forces Help, or maritime charities, trained caseworker. It reimburses SSAFA with the basic costs. In 2012 a total of 309 visits were arranged by the Board's staff (2011 – 243) at a cost of £8,402. This was a substantial increase and indicative that seafarers and their families are beginning to feel the impact of cuts to statutory support and increased costs of living. The exception to this arrangement is the Shipwrecked Mariners' Society, which arranges caseworkers directly. Notwithstanding, again the Board makes a contribution to partially reimburse the Society's costs. This contribution amounted to £9,479 in 2012.

### ***Register of Grants to Individuals***

The Board has, for many years, maintained a register of the names and details of those persons who have applied for, or are in receipt of a grant from one of its Constituent charities. This includes both regular and one-off grants. The original purpose of this register was to reduce duplication and avoid, albeit rare, cases of fraud. More recently the potential for the information contained in the register has been recognised by the MCFG. All those involved in the sector recognise that the large reduction in numbers of seafarers in the latter third of the 20<sup>th</sup> century is beginning to impact on demand. In particular the register can provide statistics and profiles such as annual numbers of those receiving and applying for help, geographical area numbers of seafarers (using postcodes), ages, marital status and purposes of a one-off grant. This will enable projections and demographic profiles, allowing maritime charities to better plan for future needs.

To enable better access to information, the content of the register has been transferred to a new database. This has been an extensive task as, at the same time, each entry has been carefully checked for accuracy. During the early part of 2013 all appropriate Constituents will be asked to check details held for their beneficiaries to ensure that these are up to date. This register is maintained under the rules of the Data Protection Act 1998. The Board would like to record its thanks to Mrs Sally Oliver and Mrs Louise Furber for their contribution to welfare support.

### ***Evaluation Studies***

The Board can arrange evaluation or feasibility studies, as requested by its Constituent members 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 on a port by port basis. This will help societies involved identify gaps or duplication of services. Since 2010 evaluations have been undertaken in Humberside and Milford Haven. During 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, the reports will be reviewed and regularly updated. In addition further 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 should 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 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 2012 no new leaflets were published, although several remained in preparation, awaiting information from local sources. Those for Aberdeen, Liverpool and Southampton were reprinted. The leaflets are also available to download from the Board's website [www.mnwb.org](http://www.mnwb.org).

### ***Seafarers' Homes Consultancy***

Through MCFG, the Board currently utilises the expertise of the Institute of Public Care (IPC) at Oxford Brookes University which undertakes consultancy work. This can be of considerable value to Constituent charities responsible

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**ACHIEVEMENTS AND PERFORMANCE continued**

for providing seafarers' accommodation. This service is intended to provide advice on all categories of homes about accessing, or improving local authority support and reviewing standards. During 2012 IPC visited and advised several organisations, the costs of which are covered under MCFG project funding.

**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 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.

Fifteen PWCs cover the entire coastline of the United Kingdom with another covering the Port of Gibraltar. Each committee is comprised 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). The Committee meet three times a year and one of the meetings 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 2012 PWC membership was 417 (2011 - 421). The overall membership continues to reflect the importance of these committees within their local maritime communities. There were 48 meetings and 16 AGMs (as in 2011). The Committees were well represented at the Board's first two-day joint meeting of representatives of its Constituents and PWCs on 26th and 27th June in Southampton. The success of this meeting identified the benefits of such conferences. Whilst these will be biennial, in future, the alternate year will be used to hold a seminar for representatives of all PWCs. In 2013 this event is planned to take place in Southampton on 11th and 12th September.

***Committees and chair***

<i>Committee</i>	<i>Chair</i>	<i>Committee</i>	<i>Chair</i>
<b>Bristol*</b>	Mr G Strickland	<b>North and East Scotland</b>	Supt M Campbell OBE
<b>Central and West Scotland</b>	Capt M Clark	<b>Northern Ireland</b>	Capt T Wright
<b>East Anglia</b>	Revd P Paine	<b>North West (England)</b>	Mr J Wilson
<b>Gibraltar</b>	Capt J Ferro MBE	<b>South Wales</b>	Mr E Watts
<b>Haven (River Orwell)**</b>	Capt J Coleman	<b>Southern (England)</b>	Mr N Atkinson
<b>Humber</b>	Mr I Scott	<b>South West (England)</b>	Capt M Sutherland MBE
<b>London and South East</b>	Capt P White	<b>Tees Area***</b>	Capt J Drewitt
<b>Milford Haven</b>	Mr J Bowen	<b>Tyne Area</b>	Capt P Wynn

\* Bristol - Mrs Julie Gough retired as Chair of the Bristol PWC in July 2012. She represented Bristol Port Company for many years, much of which as chairman, until the time of her retirement. The Board would like to extend its gratitude for the contribution and enthusiasm she gave to this committee.

\*\* Haven - Mr Mike Hibbert, former Chair of the Haven PWC, sadly died in September whilst in office, after a long illness. He originally represented P&O Ferries, Felixstowe, but remained as chairman following his retirement. Again he was a great supporter of seafarers' welfare and the Board extends its condolences to his family.

\*\*\* Tees Area - Mr John Knight retired as Chair of the Tees PWC in October 2012. He represented the local port users (shipping agents) and had been chairman for many years. He also chaired the local committee responsible for distributing the income from the highly successful port levy scheme on Teeside. Again the Board would like to extend its gratitude for the contribution and enthusiasm he gave to this committee.

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. Meetings 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 PWCs are asked to comment on all new local grant applications that are being made to any MCFG member. Their comments and support can be invaluable to the potential funder, or funders. They will also be a key factor in assisting the Board in its evaluation of welfare provision in the ports. Again their knowledge and experience will be invaluable in this project.

## **ACHIEVEMENTS AND PERFORMANCE continued**

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 Chairs, Vice Chairs and committee members whose contribution is the primary reason for their success. In recognition of the importance of the PWCs, the Board provides full secretarial and support services and attends each meeting. 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 they each provide to their 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. The Terms of Reference for PWCs take into account the relevant parts of MLC 2006 and also current best practice and at the time of this report these are being reviewed. Suggestions and comments are hugely valued by the MCFG which recognises the wealth of experience among PWC members. In the early part of 2013 a consultation questionnaire was sent to all PWC members asking them for their views about the Board's current strategy and issues that they would like to see addressed in the future. Their views and breadth of experience is welcomed by the Council, who are currently working to determine the Board's future strategy.

The benefits of PWCs (and a welfare board) have long been highlighted in the instruments of the International Labour Organisation (ILO) and its 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. The PWCs support the Board and other organisations to ensure that these are maintained to the highest possible level. MLC 2006 is expected to be ratified by the UK Government in mid-2013 and comes into force globally in August.

The importance of the PWCs is increasingly recognised by the maritime community. Council has agreed that they can do much to inform and publicise seafarers' welfare among their local communities. In an effort to assist with this the Board has set aside an annual sum of up to £1,000 per PWC, which can be used, subject to the sanction of the Board, for this purpose. This is a pilot project for 3 years which, if successful, will almost certainly be extended. There is an opportunity to utilise this fund during Seafarers Awareness Week beginning 25th June. This is an initiative launched by Seafarers UK to raise the awareness of the general public about the importance of seafarers to the UK.

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 when considering an application. Members' 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 seafarers and considered useful by ship welfare visitors and centres alike.

## **ACHIEVEMENTS AND PERFORMANCE continued**

### **ANNUAL CONFERENCE 2012**

On 26<sup>th</sup> - 27<sup>th</sup> June 2012 the Board hosted its first two day Seafarers' Welfare Conference at the Dolphin Hotel in Southampton for delegates from 45 maritime organisations and each the 16 Port Welfare Committees. Officially opened by the Lord Lieutenant of Hampshire, Dame Mary Fagan DCVO JP, the conference provided delegates with an overview of Seafarers' Welfare past and present, as well as the potential shape of the sector in the future. In his opening address to over 70 delegates the Chairman, Mr Bob Jones, declared that the conference was "all about the seafarers and those people providing for their welfare"

#### ***Presentations included***

- Social Media in the Maritime Environment *Ann Brine, AMB Marketing*
- Care Homes - the Royal Alfred experience *Cdr Brian Boxall-Hunt, Chief Executive, Royal Alfred Seafarers' Society*
- Financial Assistance - grants to individuals in need *Cdre Malcolm Williams, Chief Executive, Shipwrecked Mariners' Society*
- Seafarers' Centres - meeting the challenge *Capt John Hughes, Chairman, Centres' for Seafarers*
- A day in the life of a  
Port Chaplain *Revd Roger Stone, Apostleship of the Sea*  
Fishermen's Mission Superintendent *Sen Supt Tim Jenkins, Fishermen's Mission*  
ITF Inspector *Tommy Molloy, International Transport Workers' Federation*
- Full Time Port Chaplains and emergency response *Revd Canon Ken Peters, Director of Justice and Welfare, Mission to Seafarers*
- Fishermen's welfare and safety *Cdre David Dickens, Chief Executive, Fishermen's Mission*
- Befriending a stranger *Revd Mark Warner, Community Relations Co-ordinator, Sailors' Society*

#### ***Keynote Speeches***

- Fundraising on behalf of the maritime charities *Cdre Barry Bryant, Director General, Seafarers UK*
- Maritime Piracy Humanitarian Response Programme *Roy Paul, Director, Maritime Piracy Humanitarian Response Programme*

During the conference dinner Captain Ian McNaught, Deputy Master of Trinity House, told the audience about the work of his organisation and included some anecdotes about his former role as the last master of the QE2 (Queen Elizabeth 2)

In his closing address Captain David Parsons, the Chief Executive, praised the passion and care for seafarers' welfare that was the driving force motivating all those involved in this important sector. He went on to advocate ever closer collaboration and partnership working between organisations.

The Right Worshipful the Mayor of Southampton, Councillor Derek Burke, formally closed the event declaring his delight that MNWB had chosen to hold their conference in the maritime city of Southampton. He was enthused by the dedication shown in supporting seafarers.

The Board would like to place on record its thanks to all those who contributed their time to this important and very successful conference and in particular to the guest speakers for their significant contributions. Thanks also go to Peter Tomlin and Sarah Edward of the Board's staff who put together the programme and organised the venue.

### ***MNWB Services to Seafarers' Welfare Award 2012***

During the conference dinner, the Board's Chairman presented the MNWB Award for Services to Seafarers' Welfare to Mrs Penny Philips, Chairman of the Falmouth Mission to Seafarers in recognition of her work in establishing and supporting the local Flying Angel seafarers' centre in the port.

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**ACHIEVEMENTS AND PERFORMANCE continued**

**Grants**

The Board remains committed to providing grant support to its Constituent charities for both capital projects and start-up costs. In 2012 it agreed £207,313 in grants (2011 - £227,189). The funds available for grants reflect the surplus income after revenue costs and services to Constituents (which are a core priority) are deducted. Before allocating grants 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. Under its Small Grants Programme the Board can allocate grants of up to £5,000, four times a year, up to an annual limit of £50,000.

**Grants awarded 2012**

<b><i>Apostleship of the Sea Great Britain</i></b>	£15,000
To establish a new drop-in centre in the Port of Kings Lynn	
<b><i>Bristol Seafarers' Centre</i></b>	£3,995
Provision of replacement equipment in seafarers' internet café	
<b><i>Invergordon Seafarers' Centre</i></b>	£811
Provision of additional equipment in seafarers' internet café	
<b><i>Liverpool International Seafarers' Centre</i></b>	£350
Contribution to Falklands Memorial Service	
<b><i>Maritime Charities Funding Group (Managed by Seafarers UK)</i></b>	£50,000
Contribution towards management and project costs for 2012 (£30,000) and 2013 (£20,000)	
<b><i>Merchant Navy Day Annual Service, London</i></b>	£500
Contribution	
<b><i>Merchant Navy Medal Fund</i></b>	£100
Contribution to Merchant Navy Medal administration costs	
<b><i>Mission to Seafarers</i></b>	£32,957
Provision of new and replacement IT equipment in UK seafarers' centres £21,000	
Belfast, Flying Angel Club, refurbishment of seafarers' lounge £2,300	
Fowey, Flying Angel Club, two replacement phones for seafarers' use £657	
South Shields, Flying Angel Club, Replacement kitchen equipment £5,000	
North Tees, Flying Angel Club, Replacement carpet public rooms £4,000	
<b><i>Nautilus Welfare Fund</i></b>	£41,000
Contribution towards refurbishment of care home	
<b><i>Queen Alexandra's Hospital Home, Worthing</i></b>	£5,000
Contribution towards replacement beds	
<b><i>Queen Victoria Seamen's Rest, London</i></b>	£6,000
Upgrading seafarers' internet cafe	
<b><i>Royal Alfred Seafarers' Society - Belvedere House Care Home, Banstead, Surrey</i></b>	£19,000
Mobility, kitchen and occupational therapy equipment	
<b><i>Royal National Mission to Deep Sea Fishermen</i></b>	£20,000
Upgrade of mum centres in Northern Ireland	
<b><i>Sir Gabriel Woods Mariners Home, Greenock, Scotland</i></b>	£12,500
Replacement carpet in the Korsikoff Unit	
<b><i>St Paul's Annual Service for Seafarers</i></b>	£100
Contribution	
<b>Total funds provisionally awarded for grants</b>	<b><u>£207,313</u></b>

## **ACHIEVEMENTS AND PERFORMANCE continued**

### ***Vehicle Replacement Programme***

The Port Welfare Vehicle Replacement Programme is a five year collaborative project managed by the Merchant Navy Welfare Board (MNWB) which commenced in October 2008. The programme will see the replacement of all vehicles used in and around the ports by those charities providing seafarers' welfare (the missions), which includes fishermen. The funding partners are MNWB, ITF Seafarers Trust, Seafarers UK and Trinity House. In 2008 many of these vehicles were well beyond their economic life, some aged over 12 years! When the programme culminates later this year there will be a fleet of 68 minibuses, MPVs, or cars that are a maximum of five years old. The recipient societies also make a contribution which includes the part exchange value of the old vehicle. In 2012 fourteen vehicles were replaced. The last 11 remaining vehicles are planned to be replaced by the end of September. These are essential tools of the trade for those visiting and/or transporting seafarers around the ports and the local communities. What is often forgotten is that these are working in harsh environments that take a toll of even the sturdiest vehicle.

In these times, when the missions are finding fundraising increasingly difficult and resources stretched, this programme has been an enormous help. The total number of vehicles within the UK fleet has reduced by almost 20% since 2008 (then 82) - a demonstration, perhaps, that there have been economies. As a result the total funding received in the first four years, £840,000, will now be sufficient to complete this programme and thus there has been no need for the fifth year's contribution from the supporting partnership members.

The missions, both at head office and local levels, through the MNWB Port Welfare Committees, have emphasised how vital this support is and are therefore anxious to see it extended beyond 2013. The Council has already agreed that, if other partners are prepared to support the programme in the future, then it too remains fully committed. The missions, of course, pay for the running costs of each vehicle, which over a lifespan, often exceeds the purchase cost. The fact that just one organisation, MNWB, effectively manages the programme and funds means that the whole process is simplified. This must be one of the most effective examples of a collaborative project, from the perspective of both the funders and recipients. The Board and its partners' thanks go to Peter Tomlin, Deputy Chief Executive, for managing the project.

### ***MARITIME CHARITIES FUNDING GROUP (MCFG)***

The Board was the founding member of the MCFG established in 1997, (albeit then known as the Grants to Organisations Working Group). At the beginning of 2012, following agreement to rotate these functions the administration and chair was transferred to Seafarers UK, who will produce the 2013 MCFG Annual Report and Accounts, which will include an update on all projects. The restricted fund was closed at that time and the balance transferred to Seafarers UK with the agreement of all the members. Nevertheless it continues to support the work of the MCFG and, in particular, is pleased to manage the on-going "Seafarer Support and Maritime Charities Welfare Guide" programme - see below.

### ***Seafarer Support and Maritime Charities Welfare Guide***

The Board hosts and manages the Seafarer Support website [www.seafarersupport.org](http://www.seafarersupport.org) on behalf of the MCFG. This site was developed in 2008, as a pilot project, to allow web based enquiries from both potential clients and others acting on their behalf (there is also a Freephone enquiry line). Its success led to the MCFG agreeing that the programme should continue, in perpetuity, subject to regular reviews. At the behest of the MCFG the site was linked to the extensively updated "Maritime Charities Welfare Guide" and this was launched in early 2012. MNWB is funded by the MCFG to provide this service. This enables enquirers to interrogate the site to access details of the charity, or charities, best able to provide assistance. In addition it is a comprehensive database of all those charities known to have connections with the maritime sector. This is regularly updated to ensure contact details and information held is up to date. This website won an Award for Excellence and the Best in Class Trophy from the Institute of Internal Communications during the year. The Board's gratitude goes to Peter Tomlin, Deputy Chief Executive and Sarah Edward, Training and Project Support Manager for their hard work and efforts in the provision of this extensively refurbished website. Since its launch in July 2009 and as of 31<sup>st</sup> December 2012, Seafarer Support has received

- Freephone Helpline - 2,651 calls
- Website
  - 11,732 Unique Visitors
  - 17,082 Visitors
  - 407,408 Hits

#### **During 2012**

- Freephone Helpline - 706 calls
- Website
  - 5,232 Unique Visitors
  - 8,247 Visitors
  - 251,659 Hits

## **ACHIEVEMENTS AND PERFORMANCE continued**

Furthermore, through its searches, the website has generated

- 24,389 impressions with the top 5 searches below (out of a total of 35 welfare categories) including
  - Grants for Individuals - 8,554
  - Sheltered Housing - 4,678
  - Benefits Advice - 3,596
  - Disability Support - 3,566
  - Holiday Accommodation - 3,088

## **MERCHANT NAVY MEDAL FUND**

Since 2009 the Board, with the agreement of the maritime sector, has 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 up to 20 can be awarded in any one year for meritorious service. The award is presented towards the end of each year at an increasingly widely recognised event. A large number of maritime organisations are involved as members of the committee and each makes a welcome contribution towards its costs. In addition generous contributions have been received from the Gosling Foundation and 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 Chief Executive acts as the Secretary of the Fund and the Board is proud of its close association and pleased to act as the administrator. The committee is actively lobbying government to allow the Merchant Navy Medal to be granted an "Order of Wear" (nationally recognised award). In the event that this is granted the committee is anxious to ensure that its expertise and wide industry knowledge is used to recommend nominations.

In 2012 four awards were made for "Acts of Courage Afloat" and eleven for "Meritorious Service". These awards were presented in two separate ceremonies, one in the UK and the other in Gibraltar.

The first awards once again took place in Trinity House, London, who very kindly provided both the venue and all refreshments. The second presentation took place in Gibraltar at the Governor's Residence and the Board and Medal Committee would like to record their thanks for the kind hospitality of the Governor and his staff.

The London awards were presented by the Patron, Admiral The Right Honourable Lord West of Spithead GCB DSC PC. The UK citations were:

### **Meritorious Service and Honoris Causa**

Professor M L BARNETT, Head of Maritime Research, Faculty of Maritime and Technology, Southampton Solent University for services to marine safety, especially the study into watchkeeping fatigue.

Mrs M BRAZIER, Executive Assistant, Royal Alfred Seafarers' Society for services to retired merchant seafarers and their families (Honorary).

Mrs P BROWN, MBE for services to Merseyside Maritime Museum and merchant marine heritage in Liverpool (Honorary).

H M CAMPBELL, formerly Senior Superintendent, Royal National Mission to Deep Sea Fishermen, Fraserburgh for services to fishermen's welfare in NE Scotland (Honorary).

Chief Engineer D I FULLER, OBE, Principal Marine Surveyor, Maritime and Coastguard Agency for services to the fishing industry and Institute of Marine Engineering, Science and Technology.

Captain L A HOLDER, Chairman, Videotel Marine International Ltd for services to the Nautical Institute and marine safety training.

Chief Engineer A HOWARD, Vice President Operations, BP Shipping Ltd for services to the tanker sector, especially the design of environmentally friendly LNG carriers.

J M KNIGHT, Director, Cockfield Knight and Co Ltd for services to shipbroking and the Tees Port Welfare Committee (Honorary).

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**ACHIEVEMENTS AND PERFORMANCE continued**

Captain J W MURRAY for services to the Nautical Institute and Sunderland Aged Merchant Seamen's Homes

Commodore N D SQUIRE, CBE, Chairman, Merchant Navy Training Board for services to the Nautical Institute and Trinity House Merchant Navy Cadet Scholarship Scheme

Five further medals were presented in Gibraltar by His Excellency, The Governor, Vice Admiral Sir Adrian Johns KCB, CBE, ADC at his Residence, on 14<sup>th</sup> February 2013 The Gibraltar citations were

**Acts of Courage Afloat**

The Medals for personnel in Gibraltar were presented by the Governor, Vice Admiral Sir Adrian Johns KCB, CBE, ADC The following awards for acts of courage afloat were presented to all four crew members of the tug MT EGERTON (TP Towing) for brave conduct in manoeuvring slop barge 1707 to safety during a major fire at an oil treatment plant, North Mole, Port of Gibraltar, 31/05/2011

Captain D PINCHO, Master

E LARA, Engineer

T PENALVER, deckhand

W PENALVER, deckhand

**Meritorious Service**

Captain J J FERRO, MBE for services to the Port Welfare Committee and Mission to Seafarers, Gibraltar

## **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. During 2013 the Council will undertake a major review of its current and future strategy. This will follow an analysis of responses to questionnaires sent to Constituent and Port Welfare Committee members. The outcome of this review will do much to set the Board's course for the next decade, although the strategy will continue to be reviewed annually as before.

### ***Completed targets***

- Holding a Biennial Meeting for Constituent and Port Welfare Committee representatives
- Major updating of MNWB website
- Establishing a course covering an "Understanding of the Merchant Navy
- Review with Constituent charities the effectiveness of fundraising
- Provision of the interactive Maritime Charities Welfare Guide linked to the Seafarer Support website

### ***On-going projects***

- Support the Constituent members as appropriate
- Support and maintain the 16 Port Welfare Committees
- Provide training packages
- Provide evaluation and feasibility studies where appropriate
- Support the role of the MCFG
- Maintain and update the Seafarers Support and Maritime Charities Guide
- Support and encourage home visits by trained caseworkers
- Major updating of database Register of Grant Recipients
- Complete induction pack for new Port Welfare Committee members
- Review with appropriate Constituents 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

### ***Future projects***

- Undertake a major review of MNWB strategy using feedback from Constituent and Port Welfare Committee members
- Encourage other maritime funding charities to continue supporting the Vehicle Replacement Fund
- Consider managing an international partnership project to encourage, support and mentor the establishment of Seafarers' Welfare Boards and Port Welfare Committees around the world

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of the 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.

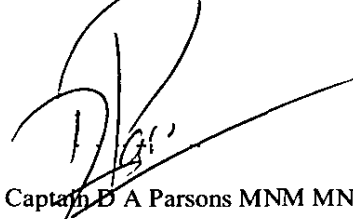
## **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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 1<sup>st</sup> May 2013

**Report of the Independent Auditors  
to the Members of Merchant Navy Welfare Board  
for the Year Ended 31 December 2012**

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We have audited the financial statements of Merchant Navy Welfare Board for the year ended 31 December 2012 on pages twenty two to thirty one. 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 Chairman's Report, the Chief Executive's Introduction and the Report of the Trustees 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 31 December 2012 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.

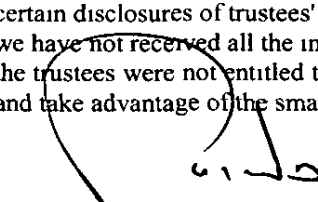
**Opinion on other matter prescribed by the Companies Act 2006**

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.

**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 FCA 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 1<sup>st</sup> May 2013

# Merchant Navy Welfare Board

## Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31 December 2012

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	93,086	160,888	253,974	571,621
Activities for generating funds	3	-	2,239	2,239	-
Investment income	4	365,489	-	365,489	315,179
<b>Total incoming resources</b>		<b>458,575</b>	<b>163,127</b>	<b>621,702</b>	<b>886,800</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Investment management costs	5	46,222	-	46,222	59,032
<b>Charitable activities</b>					
Support Services to Constituent Members	6	55,308	235,801	291,109	485,032
Grants to support the work of Constituent Members		207,313	-	207,313	227,189
Grants Unspent		(21,184)	-	(21,184)	(7,021)
Support to promote welfare activities		362,642	-	362,642	340,808
<b>Governance costs</b>	9	<b>78,455</b>	<b>-</b>	<b>78,455</b>	<b>82,107</b>
<b>Total resources expended</b>		<b>728,756</b>	<b>235,801</b>	<b>964,557</b>	<b>1,187,147</b>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>					
		(270,181)	(72,674)	(342,855)	(300,347)
<b>Other recognised gains/losses</b>					
Realised losses/gains on fixed asset investments		(44,527)	-	(44,527)	404,666
Unrealised gains/losses on fixed asset investments		1,191,006	-	1,191,006	(1,103,330)
<b>Net movement in funds</b>		<b>876,298</b>	<b>(72,674)</b>	<b>803,624</b>	<b>(999,011)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>11,389,489</b>	<b>292,099</b>	<b>11,681,588</b>	<b>12,680,599</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>12,265,787</b>	<b>219,425</b>	<b>12,485,212</b>	<b>11,681,588</b>

### 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 31 December 2012

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	14	21,443	-	21,443	7,349
Investments	15	<u>12,346,978</u>	<u>-</u>	<u>12,346,978</u>	<u>11,502,335</u>
		12,368,421	-	12,368,421	11,509,684
<b>CURRENT ASSETS</b>					
Debtors amounts falling due within one year	16	35,589	-	35,589	109,436
Cash at bank and in hand		<u>70,687</u>	<u>219,425</u>	<u>290,112</u>	<u>461,446</u>
		106,276	219,425	325,701	570,882
<b>CREDITORS</b>					
Amounts falling due within one year	17	(208,910)	-	(208,910)	(398,978)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(102,634)</u>	<u>219,425</u>	<u>116,791</u>	<u>171,904</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>12,265,787</u>	<u>219,425</u>	<u>12,485,212</u>	<u>11,681,588</u>
<b>NET ASSETS</b>		<u>12,265,787</u>	<u>219,425</u>	<u>12,485,212</u>	<u>11,681,588</u>
<b>FUNDS</b>	19				
Unrestricted funds				12,265,787	11,389,489
Restricted funds				<u>219,425</u>	<u>292,099</u>
<b>TOTAL FUNDS</b>				<u>12,485,212</u>	<u>11,681,588</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 1<sup>st</sup> May 2013 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 31 December 2012**

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#### **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 31 December 2012

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#### 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

	2012 £	2011 £
Donations	17,235	10,969
Legacies	62,721	35,000
Grants	145,118	521,280
Miscellaneous income	<u>28,900</u>	<u>4,372</u>
	<u>253,974</u>	<u>571,621</u>

Included in the above is income totalling £145,118 contributed towards the Maritime Charities Funding Group by both the MNWB and other Constituent charities (2011 £515,840). This income is treated as restricted.

The Board has received notification of two legacies. At 31st December 2012 it is not possible to quantify the amount receivable and therefore no provision has been made in the financial statements.

#### 3. ACTIVITIES FOR GENERATING FUNDS

	2012 £	2011 £
Fundraising events	<u>2,239</u>	<u>-</u>

#### 4. INVESTMENT INCOME

	2012 £	2011 £
Quoted UK and non-UK investments	364,498	313,921
UK portfolio cash	<u>991</u>	<u>1,258</u>
	<u>365,489</u>	<u>315,179</u>

#### 5. INVESTMENT MANAGEMENT COSTS

	2012 £	2011 £
Portfolio management	<u>46,222</u>	<u>59,032</u>

# Merchant Navy Welfare Board

## Notes to the Financial Statements - continued for the Year Ended 31 December 2012

### 6. CHARITABLE ACTIVITIES - PROVISION OF WELFARE SERVICES

	2012 £	2011 £
Support services to constituent members		
<b>Unrestricted expenditure:</b>		
Caseworker costs	17,881	14,147
Training course	31,579	33,475
Evaluation studies	1,295	1,421
Port welfare information leaflets	1,349	3,598
Merchant Navy Fund promotion contribution	3,204	-
	<u>55,308</u>	<u>52,641</u>
<b>Restricted expenditure:</b>		
MCFG Evaluation Study of Seafarers Future Welfare Needs	-	295,473
MCFG Transfer of funds to Seafarers UK	63,636	-
Vehicle Replacement Fund	163,066	120,899
MN Medal Fund	9,099	4,410
MN Anchor Fund	-	11,609
	<u>235,801</u>	<u>432,391</u>
Total costs of support services to constituent members	291,109	485,032
Grants to support the work of constituent members	207,313	227,189
Grants unspent	(21,184)	(7,021)
Support to promote welfare activities	362,642	340,808
	<u>839,880</u>	<u>1,046,008</u>

### 7. GRANTS PAYABLE

	2012 £	2011 £
Grants to support the work of Constituent Members	<u>207,313</u>	<u>227,189</u>

A detailed analysis of grants payable to institutions can be found within the trustees report on page 15

### 8. SUPPORT COSTS

	Management £
Support to promote welfare activities	<u>44,672</u>

## Merchant Navy Welfare Board

### Notes to the Financial Statements - continued for the Year Ended 31 December 2012

#### 9. GOVERNANCE COSTS

	2012	2011
	£	£
Support costs	48,689	46,679
Trustees' expenses	1,933	2,571
Trustees' meeting costs	2,473	6,114
Legal fees	1,157	630
Accountancy	16,094	17,908
Auditors' remuneration	8,109	8,205
	<u>78,455</u>	<u>82,107</u>

Support costs are made up of an apportionment of 30% of the chief executive and his PA's salary and related costs totalling £27,708 (2011 £28,658), together with 30% of head office costs totalling £20,981 (2011 £18,021)

#### 10. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2012	2011
	£	£
Auditors' remuneration	7,329	8,205
Depreciation - owned assets	<u>2,998</u>	<u>8,028</u>

#### 11. TRUSTEES' REMUNERATION AND BENEFITS

There was no remuneration or other benefits to the trustees for either the year ended 31 December 2012 and the year ended 31 December 2011

##### Trustees' Expenses

Trustees' expenses were paid during the year ended 31 December 2012 amounting to £1,933 (2011 - £2,571)

#### 12. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	205,956	267,654
Social security costs	20,754	27,853
Other pension costs	<u>34,201</u>	<u>37,174</u>
	<u>260,911</u>	<u>332,681</u>

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

	2012	2011
Charitable and administration staff	<u>7</u>	<u>8</u>

The MCFG programme manager was transferred under TUPE to Seafarers UK with effect from 1 January 2012

No employee was paid in excess of £60,000 (2011 none)

**Merchant Navy Welfare Board**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012**

**13. TOTAL RESOURCES EXPENDED**

	Staff costs £	Depreciation £	Grants and other costs £	Total Funds 2012 £
Cost of generating funds	-	-	46,222	46,222
Charitable activities	233,203	2,998	603,679	839,880
Governance costs	27,708	-	50,747	78,455
	<u>260,911</u>	<u>2,998</u>	<u>700,648</u>	<u>964,557</u>

**14. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2012	15,377	43,561	58,938
Additions	-	17,092	17,092
At 31 December 2012	<u>15,377</u>	<u>60,653</u>	<u>76,030</u>
<b>DEPRECIATION</b>			
At 1 January 2012	9,515	42,074	51,589
Charge for year	<u>1,128</u>	<u>1,870</u>	<u>2,998</u>
At 31 December 2012	<u>10,643</u>	<u>43,944</u>	<u>54,587</u>
<b>NET BOOK VALUE</b>			
At 31 December 2012	<u>4,734</u>	<u>16,709</u>	<u>21,443</u>
At 31 December 2011	<u>5,862</u>	<u>1,487</u>	<u>7,349</u>

**Merchant Navy Welfare Board**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012**

**15. FIXED ASSET INVESTMENTS**

	Listed investments £	Cash and settlements pending £	Totals £
<b>MARKET VALUE</b>			
At 1 January 2012	11,031,238	471,097	11,502,335
Additions	2,317,704	-	2,317,704
Disposals	(2,322,465)	(341,602)	(2,664,067)
Revaluations	1,191,006	-	1,191,006
At 31 December 2012	<u>12,217,483</u>	<u>129,495</u>	<u>12,346,978</u>
 <b>NET BOOK VALUE</b>			
At 31 December 2012	<u>12,217,483</u>	<u>129,495</u>	<u>12,346,978</u>
At 31 December 2011	<u>11,031,238</u>	<u>471,097</u>	<u>11,502,335</u>
 <b>Historical cost</b>			
	Listed investments £	Cash and settlements pending £	Total £
At 31 December 2012	<u>10,804,278</u>	<u>129,495</u>	<u>10,933,773</u>
At 31 December 2011	<u>10,809,039</u>	<u>471,097</u>	<u>11,280,136</u>
 <b>Analysis of investments at 31 December 2012</b>			
		2012 £	2011 £
<b>Listed investments</b>			
UK quoted investments		6,521,417	6,055,418
Non UK quoted investments		<u>5,696,066</u>	<u>4,975,820</u>
 UK cash held as part of portfolio		12,217,483	11,031,238
		<u>129,495</u>	<u>471,097</u>
		<u>12,346,978</u>	<u>11,502,335</u>

**Merchant Navy Welfare Board**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012**

**15. FIXED ASSET INVESTMENTS - continued**

Investments that are material in the context of the portfolio are as follows

	2012 £	2011 £
Artemis Income Inst Inc	749,505	683,080
Artemis UK Special Situations Inst Acc	-	485,513
Franklin UK Equity Income A Inc	-	639,645
JPMorgan US Equity Inc STG Hedged A Inc	683,097	638,468
M&G American A Acc	-	529,555
Neptune Income B Inc	668,187	626,887
River & Mercantile UK Equity Income A	663,419	584,224
SWIP Property Trust Class B Inc	-	617,104
Threadneedle UK Equity Income Inst	<u>667,507</u>	<u>597,578</u>

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

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Other debtors	19,947	-
Grants receivable	-	65,000
Prepayments and accrued income	<u>15,642</u>	<u>44,436</u>
	<u>35,589</u>	<u>109,436</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Trade creditors	15,869	9,101
Social security and other taxes	5,288	7,121
Other creditors	3,949	3,529
Accruals and deferred income	28,391	211,012
Grants payable	<u>155,413</u>	<u>168,215</u>
	<u>208,910</u>	<u>398,978</u>

**18. OPERATING LEASE COMMITMENTS**

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

	Land and buildings		Other operating leases	
	2012 £	2011 £	2012 £	2011 £
Expiring	-	-	6,929	6,929
Between one and five years	-	-	-	-
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>6,929</u>

# Merchant Navy Welfare Board

## Notes to the Financial Statements - continued for the Year Ended 31 December 2012

### 19. MOVEMENT IN FUNDS

	At 1 1 12 £	Net movement in funds £	At 31 12 12 £
<b>Unrestricted funds</b>			
General fund	11,389,489	876,298	12,265,787
<b>Restricted funds</b>			
MCFG Administration & Projects	63,636	(63,636)	-
Vehicle Replacement Programme	208,765	(17,948)	190,817
MN Medal Fund	19,698	6,671	26,369
Mobile Wifi for Ship Welfare Visitors	-	2,239	2,239
	292,099	(72,674)	219,425
<b>TOTAL FUNDS</b>	<b>11,681,588</b>	<b>803,624</b>	<b>12,485,212</b>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	458,575	(728,756)	1,146,479	876,298
<b>Restricted funds</b>				
MCFG Administration & Projects	-	(63,636)	-	(63,636)
Vehicle Replacement Programme	145,118	(163,066)	-	(17,948)
MN Medal Fund	15,770	(9,099)	-	6,671
Mobile Wifi for Ship Welfare Visitors	2,239	-	-	2,239
	163,127	(235,801)	-	(72,674)
<b>TOTAL FUNDS</b>	<b>621,702</b>	<b>(964,557)</b>	<b>1,146,479</b>	<b>803,624</b>

On 1 January 2012 the administration of the Maritime Charities Funding Group (MCFG) was transferred to Seafarers UK. The balance of funds held was £63,636 which was transferred to the control of Seafarers UK on the same date.

### 20. PENSIONS

Contributions made to the employees stakeholder pension schemes amounted to £34,201 (2011 37,174)

At the balance sheet date contributions of £3,949 (2011 £3,530) were outstanding

### 21. COMPANY LIMITED BY GUARANTEE

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