

REGISTERED COMPANY NUMBER: 3320318 (England and Wales)
REGISTERED CHARITY NUMBER: 1069833 (England and Wales)
REGISTERED CHARITY NUMBER: SCO43085 (Scotland)

**REPORT OF THE TRUSTEES
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022**

**FOR
STELLA MARIS**



STELLA MARIS

STELLA MARIS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

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THE YEAR ENDED 31 DECEMBER 2022**

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities Statement of Recommended Practice (SORP 2019), applicable to charities preparing their accounts. This is in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Objectives

Stella Maris exists to support seafarers, fishers and their families in the UK and around the world. The object of the charity is to promote and advance the general and pastoral welfare of the People of the Sea worldwide, regardless of creed, gender or ethnic origin.

Stella Maris is the largest ship-visiting network in the world and is the official maritime charity of the Catholic Church. We operate under the oversight of the Vatican Dicastery for Promoting Integral Human Development. All our work is consistent with Christian principles and recognised practices of the Catholic Church.

Why does Stella Maris exist?

There are more than 1.5 million seafarers in the world, and they deliver more than 90% of the goods bought and sold in the UK. But their work can be tough, long and lonely. Seafarers and fishers work away from home for up to 12 months at a time, sometimes longer. They may face loneliness, isolation, danger and even exploitation. Many come from the world's poorer nations and work for low wages, often providing vital support to extended families at home. In port, due to rapid turn-around times, seafarers and fishers often have limited or no access to facilities ashore.

Who are the 'People of the Sea' supported by Stella Maris?

Seafarers on board merchant ships and all who, for whatever reason, are undertaking a voyage.

Fishers on board fishing vessels.

Maritime personnel and port workers, including those who work on production platforms offshore or in port.

Those preparing for the work above, those who have retired from this work, and their families.

What does Stella Maris do?

In the UK, Stella Maris provides a team of full-time and part-time paid ship-visiting chaplains, assisted by a team of volunteers, whose task is to visit ships calling in ports around the UK. Their role is to:

- Listen to and counsel seafarers and fishers onboard ships.
- Support the People of the Sea in the practice of their Christian faith by, for example, celebrating Mass and the sacraments of the Catholic Church, and providing prayer, fellowship and faith resources.
- Provide practical help, such as Wi-Fi access to enable communication with home, and transport to shops, church and seafarers' centres.
- Provide support and advocacy in times of crisis, including in cases of hospitalisation, exploitation and unpaid wages.
- Develop a team of local volunteers to widen the provision of this work.
- In addition, through the implementation of our International Strategy, Stella Maris UK supports the work of Stella Maris overseas, assisting our global network to support the People of the Sea in 57 countries, with more than 1,000 chaplains and volunteers worldwide, enabling up to 70,000 ship visits annually by the Stella Maris worldwide network.
- We also advocate on behalf of the People of the Sea with national and international bodies, and the shipping industry, particularly regarding human rights and welfare.

All Stella Maris services are provided free, across as broad a geographical area as resources allow, regardless of any factor other than need. Many seafarers and fishers visiting the UK are Catholics, but our service provision is not restricted to those who adhere to the Catholic faith.

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Significant Activities and Mission in 2022

Less than two months into 2022, the world was rocked by the outbreak of war in Ukraine. One in seven of the world's seafarers are Russian or Ukrainian. There are 77,000 Ukrainian seafarers and many of the globe's 55,000 vessels rely on Ukrainian workers. From day one of the conflict, Stella Maris was on the ground supporting seafarers and their families facing an unprecedented crisis. Throughout 2022 we have poured time, energy and funds into ensuring vital support for seafarers and their families affected by this conflict. But our five strategic priorities meant that we also supported seafarers of all nationalities, right around the world:

- 1) **The Friend when one was needed.** Our mission is relational. Day in, day out, primarily through ship visiting, Stella Maris chaplains and volunteers checked in with seafarers and fishers and responded to their needs. We provided free booklets on mental health, essential clothing and supplies, emotional and pastoral support, and helped seafarers connect with their families back home. As our reputation grows, more industry partners reach out to us to when seafarers are in distress. In 2022, we saw growing recognition that face-to-face interactions with mariners by chaplains and volunteers cannot be replaced. The impact of small kindnesses, which form the basis of our ministry, can never be under-estimated.
- 2) **Support in a Crisis.** When war broke out between Russia and Ukraine, we immediately reached out to our Stella Maris colleagues in Odesa, Ukraine. They made clear their commitment to supporting those affected by the war, despite the risks to their own welfare. Working in close partnership with Stella Maris Ukraine, we provided emergency financial support to seafarers and their families throughout 2022. With the help of charity partners, we also supported refugees being accommodated in Kaszuby, Poland, by Stella Maris Poland.



5% of the world's
seafarers are Ukrainian



300 Ukrainian seafarers'
families received grants
from us totalling £150,000



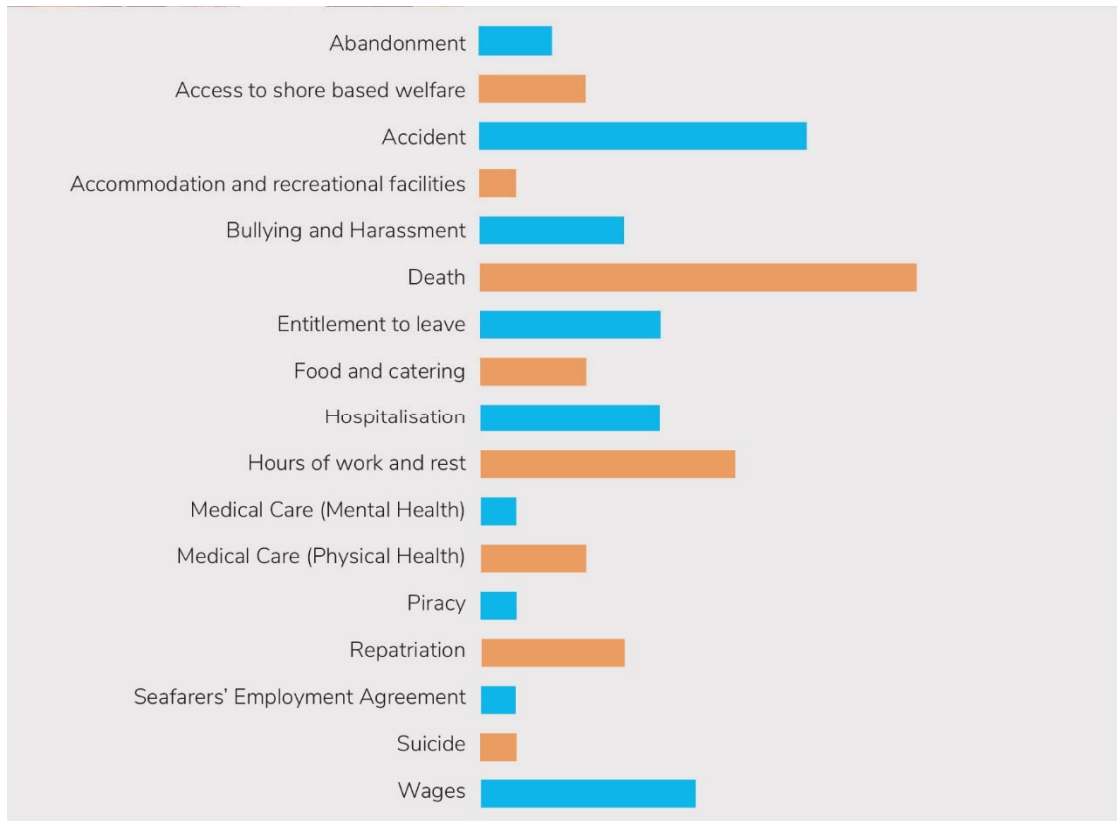
6,420 mobile phone SIM cards
were given by us to seafarers
affected by the war – to contact
their loved ones back home



154 Ukrainian refugees were
housed at our retreat centre
in Poland

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Meanwhile, seafarers and their families in crisis elsewhere were supported through our Centenary Emergency Fund across a range of distressing and difficult incidents. The chart below shows a breakdown of our crisis caseload in 2022, where seafarers and fishers were supported in each case:



- 3) **Advocating for Change.** We continued to champion the rights of seafarers and fishers around the world, raising the profile of their work and advocating for better welfare. Because our chaplains and ship visitors are involved daily in the lives of seafarers, fishers and their families, our voice carries weight, credibility and insight. Areas of advocacy included:
- a) **Ukraine Freedom of Navigation.** In 2022, we advocated for seafarers trapped on their vessels due to the war in Ukraine, and called for open shipping corridors from the principal Ukrainian ports.
 - b) **Modern Slavery.** We called for an end to the practice of using transit visas to bring migrants to the UK to work on fishing vessels, in a bid to tackle modern slavery.
 - c) **Abandonment.** We convened a webinar to highlight the scourge of abandonment of seafarers, bringing together senior figures from the shipping industry, the International Maritime Organisation, church and civil society. At this webinar, we drew upon the outstanding work of Stella Maris Kenya in supporting the crew of an abandoned fishing vessel in Mombasa.
 - d) **Access to Shore Leave.** In a media interview in February, our Chief Executive Officer Martin Foley called for the shipping industry to prioritise post-pandemic shore leave.
 - e) **Human Trafficking.** Stella Maris Thailand chaplain Apinya Tajit received a US Trafficking in Persons Report Hero Award in July for her work supporting trafficked fishers, and we helped to publicise this prestigious award.
 - f) **Database.** Stella Maris is extending the use of its database internationally to record injustices and abuses at sea more comprehensively, including cases of abandonment, modern slavery and trafficking.

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- 4) **Faith Resources.** Most seafarers we meet have a Christian faith background, and many are Catholic. Throughout 2022, we provided faith resources, prayer, and live-streamed Masses for them (as demonstrated by the statistics in the boxes below).



Spiritually supporting Ukrainian seafarers was a key focus for our chaplains during 2022. Our Odesa port chaplain Fr Alex took to YouTube to deliver weekly Gospel readings and reflections which were distributed by us over social media to Ukrainian seafarers. These videos were watched hundreds of times, and helped sustain the faith of Ukrainian seafarers and their families during the early months of the war.

- 5) **Extending our Reach.** Stella Maris is the world's largest ship visiting network, based in 353 ports in 57 countries. Our extensive team of more than 1,000 chaplains and volunteers meant we could support seafarers, wherever they were in 2022. Needs among seafarers are growing, so we are expanding the Stella Maris presence around the world. In 2022, donors' support helped extend our reach worldwide. Specific projects include:
- a) During 2022 the expansion of Stella Maris into Northern Ireland was consolidated. We stepped up our work there by supporting fishers facing the loss of their livelihoods. When their certifications expired during the Covid-19 pandemic, some fishers could not afford to renew them. With financial support from the Vatican, we helped re-train and re-certify the fishers to ensure they could continue to work after the restrictions were lifted.
 - b) Capacity building work with our Stella Maris colleagues in Kenya and South Africa continued. With support from a grant, we also ran workshops in three continents to train chaplains to provide improved support for seafarers and fishers. Stella Maris chaplains from 16 countries were involved in the training, which was held in Rome in Italy, Durban in South Africa, and Manila in the Philippines
 - c) In Namibia, we worked with the local church to train a new team of chaplains. Stella Maris Namibia is now awaiting official recognition by the Bishops' Conference. Meanwhile, feasibility studies were carried out (with a view to establishing Stella Maris teams) in Tanzania and the United Arab Emirates.
 - d) In October we proudly hosted the 25th Stella Maris World Congress in Glasgow. We welcomed 180 Stella Maris delegates from more than 20 countries to the city where the charity was founded just over 100 years ago. During this conference, Stella Maris chaplains from all over the world discussed issues affecting seafarers and fishers worldwide. They shared experiences and best practice, learning from each other.

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Governance

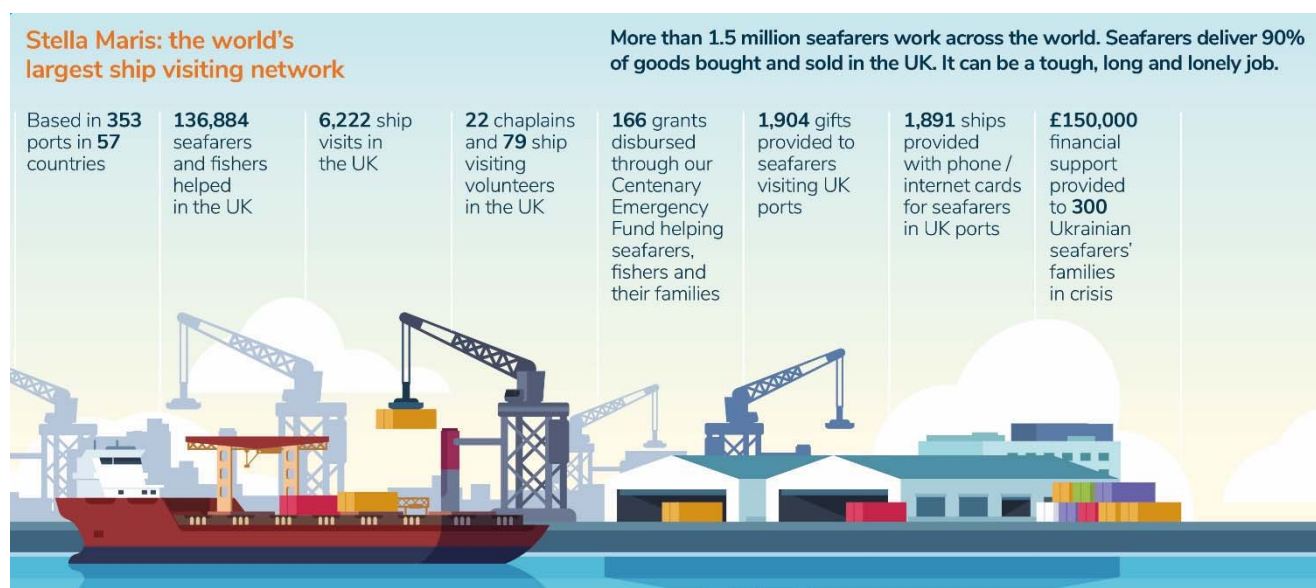
There were no trustee appointments during 2022. The work of governance is carried out through the main board and three sub-committees; the Finance, Audit and Risk Committee; the Safeguarding and Welfare Committee and the International Committee. During 2022, the Safeguarding and Welfare Committee oversaw an external review of staff wellbeing. Its findings and recommendations will inform future initiatives to support the welfare of all those working on behalf of Stella Maris.

Public Benefit

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

ACHIEVEMENT AND PERFORMANCE

Trustees have monitored activity of the charity throughout 2022. The impact of Stella Maris is reflected in the stories of ongoing care for seafarers and fishers in crisis; the messages of thanks and appreciation from crews following our visits, and the knowledge that the support we provide prevents an escalation of problems and mental health issues. Our strategic partnerships with ship managers, owners, P&I clubs, legal firms and flag states increasingly helped to raise the profile of seafarers' and fishers' welfare during the year. Some of our key statistics for 2022 are set out in the infographic below:



FINANCIAL REVIEW

Investment Policy and Environmental Sustainability

- 1) **Scope of Investment Powers.** The trustees are empowered by the Articles of Association to invest any trust monies, as authorised by law, in such manner as they think fit.
- 2) **Investment objectives.** The trustees have adopted a policy for the portfolio of investments that is designed to optimise returns over the longer term and thus provide a regular flow of funds to support Stella Maris's operating activities both in the UK and overseas.
- 3) **Who can take investment decisions?** In managing our financial reserves and regularly assessing market risk, the trustees draw up the investment policy and this is reviewed annually.

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- 4) **Attitude to risk.** Our investment strategy is to accept a level of medium risk, with a balance sought between realising a target income and achieving capital growth. Investments are divided among equities, bonds, cash and alternatives. The portfolio is externally managed by investment managers who are regulated by the Financial Conduct Authority.
- 5) **How investments will be managed and reporting requirements for investment managers.** Updates on the value of the portfolio are provided to us monthly. Once a year we discuss the performance of the investments with our investment manager, the prevailing and anticipated economic conditions, a forecast of future trends and we look at our future cash requirements to be funded by these investments.
- 6) **Types of investment, including ethical considerations.** In the implementation of this policy, the trustees follow the Charity Commission guidance for the investment of charitable funds. We are mindful of our status as an official agency of the Catholic Bishops' Conference of Scotland and the Catholic Bishops' Conference of England and Wales when investing the charity's assets. Our investment portfolio is consistent with, and will reflect, Catholic teaching. We will not invest in businesses that conduct activities contrary to Catholic Church teaching. The following examples illustrate our approach:

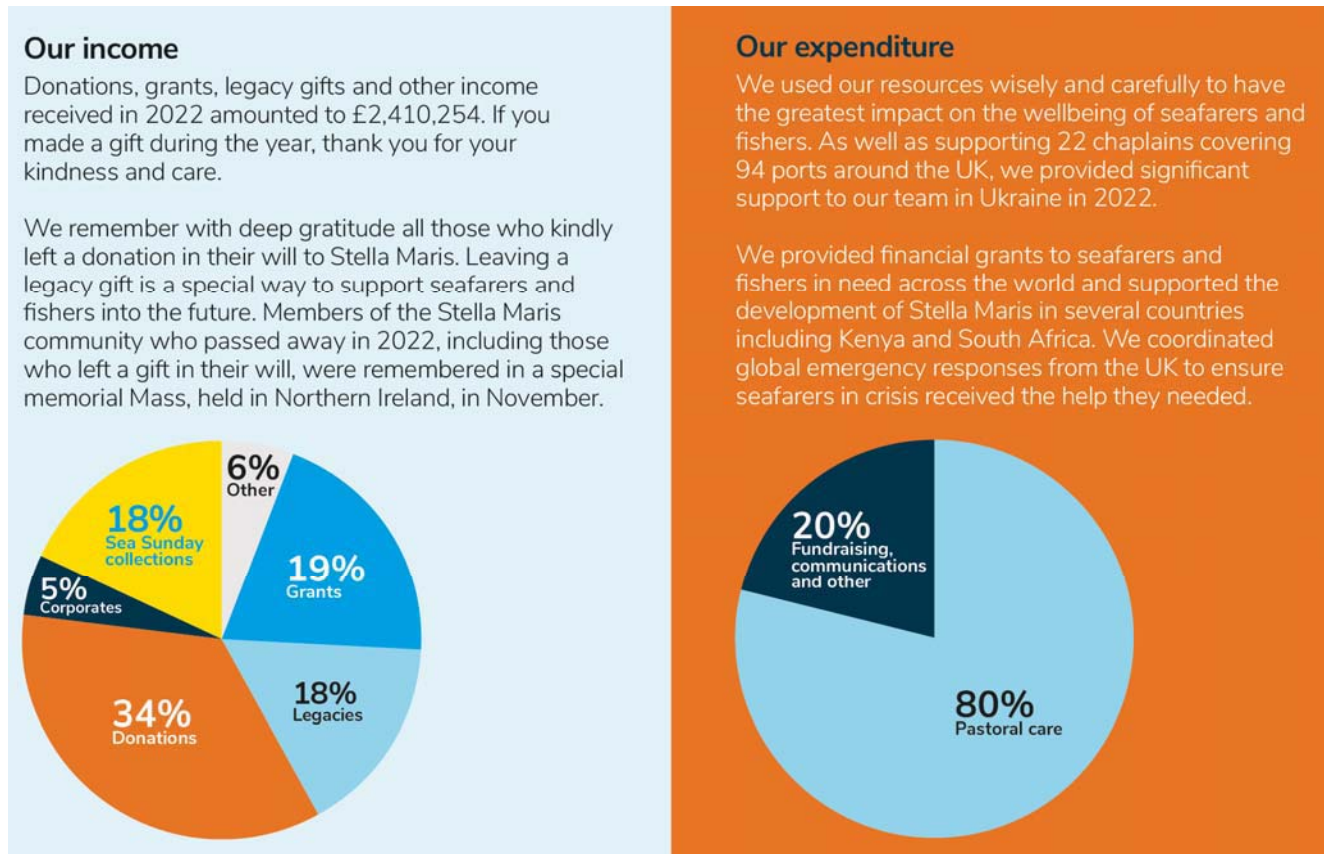
<u>Restriction</u>	<u>Notes</u>
<i>Sanctity of life</i>	Companies engaged in the provision and/or practice of abortion, embryo research and euthanasia are excluded. Also excluded are companies engaged in the manufacture of contraceptives.
<i>Labour standards</i>	Companies that fail to comply with International Labour Organisation (ILO) labour standards are excluded.
<i>Pornography</i>	Companies with over 10% of turnover resulting from adult entertainment related products and services are excluded.
<i>Fossil fuels</i>	Companies engaged in fossil fuel extraction are excluded.

- 7) **Morgan Stanley Capital International (MSCI) Grading.** In 2022 our investment portfolio received an AA ESG grading from the MSCI. MSCI, a provider of critical decision support tools and services for the global investment community, uses a 'AAA' to 'CCC' ratings scale to measure over 8,500 companies according to their exposure to industry-specific and financially material ESG risks, and their ability to manage those risks relative to peers.
- 8) **Investment Performance.** Our investment strategy is aligned with our operational strategy, and international projects can be funded using our investment portfolio to provide a higher income.
- 9) **Environmental Sustainability.** As an organisation, we follow various steps to reduce our carbon footprint and impact on the environment. For example:
- We encourage the use of remote meetings (over the Microsoft Teams platform) to reduce travel.
 - Many of our support staff have the ability to work from home in order to reduce travel,
 - We discourage our staff from printing off emails and documents unless strictly necessary to save paper and trees.
 - We offer digital communication methods to our supporters (an alternative to postal communications) to reduce paper and save trees.
 - Our Head Office building encourages recycling of products and has energy saving devices, such as lights that switch off automatically when no movement in the room is detected.

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Income and Expenditure

Donations, grants and legacy gifts from individuals and funders, and other income, totalled more than £2 million in 2022; only the second time we have crossed this milestone. This was principally due to generous support from individual donors, trusts and foundations, corporates and church parishioners, as well as the generosity of a number of supporters who remembered Stella Maris in their wills. But while the cost of living crisis has not strongly hit our income, it has affected our expenditure and we ended the year with an operating deficit of £302,624 at the net income level. The infographic below shows the percentage breakdown of income and expenditure in 2022:



Sea Sunday

Every year, usually in July, the Catholic Church dedicates a Sunday to the People of the Sea, known as 'Sea Sunday.' In England and Wales, churches are asked to provide a second or 'retiring' collection to support Stella Maris and its work. In 2022, Sea Sunday took place in July. Income from Sea Sunday collections received in 2022 was £429,152, which was higher than 2021 but lower than pre-pandemic Sea Sunday giving levels. With many churches seeing reduced congregations following the pandemic, our aim is to inspire more churches to participate in Sea Sunday in order to grow income.

Legacies

We received legacy donations which totalled £430,615 in 2022 which was higher than our annual average over previous years. We are very grateful to all those who remember Stella Maris in their wills.

Appeals

We ran three direct mail fundraising appeals in 2022, at the start of Lent, Autumn Harvest and Christmas. In addition, we sent our Annual Review to donors in the summer, as a thank you and update (report) mailing which prompted further donations. Our strategy of increased segmentation in fewer appeals per year is not only saving costs, but also delivering higher income.

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Our Harvest appeal invited ad hoc donors to become regular givers. It was very successful, with 58 new direct debit commitments totalling more than £10,000 a year. In addition, 21 supporters increased their gift, at a total value of an additional £1,500 per year. £26,000 was also raised in one-off donations. Meanwhile the Christmas appeal featured, for the first time, a 'gift catalogue' which people could buy a range of gifts for seafarers, such as well-being, faith, clothing, connection (SIM cards) and pastoral gifts.

Major Donors

We are most grateful for the generous support we receive from our major donors. Our face-to-face engagement with major donors has been slowly scaling up following the lifting of pandemic restrictions. We held a reception for our London/South East England supporters on board HQS Wellington in September. Our 25th World Congress took place in Glasgow in October and local supporters were invited to attend some of its events.

Corporates

Our work with corporates yielded our highest ever income in this area of around £140,000. We attended several significant events, including the UK Chamber of Shipping annual dinner and various conferences. Our mental health support programme for Ukrainian seafarers has been funded by a corporate partner.

Trusts and Foundations

We had a very successful year in terms of raising grants from trusts and foundations, totalling £453,147, to support our work in the UK and overseas. Significant grants included:

- Two grants from the Vatican totalling €170,000 for our training and re-certification project for fishers in Northern Ireland.
- A grant of €90,000 from the Vatican for the Stella Maris refugee centre in Poland.
- A grant of £86,000 from the Seafarers' International Relief Fund for our refugee centre in Poland for families of Ukrainian seafarers.
- A grant of £69,000 from The Seafarers Charity for our response work to Typhoon Odette in the Philippines.
- The final instalment of £50,000 for a grant from Porticus towards our project developing training materials for Stella Maris chaplains globally.
- A grant of £31,000 from the Merchant Navy Welfare Board for Lone Worker Devices for our UK chaplains.
- A gift in-kind of 400 mobile phone SIM cards from the Vodafone Foundation for seafarers affected by the Ukraine Crisis.

Fundraising Approach

- 1) **Management.** The trustees have delegated day-to-day management of fundraising to the CEO and his team of experienced fundraisers employed by Stella Maris. This is documented with job descriptions, clear lines of reporting and accountability. We also have one part-time contractor working on digital fundraising who is closely managed by the Director of Development (including through three-weekly one-to-one support and supervision meetings).
- 2) **Regulation.** Stella Maris is an Organisational Member of the Chartered Institute of Fundraising and follows its recommended fundraising best practices. Our fundraising activities are also regulated by the Fundraising Regulator. A detailed fundraising report is submitted to each trustees' meeting. Our Director of Development is a longstanding Individual Member of the Chartered Institute of Fundraising and has for many years served as a Committee Member on its Fundraising in Christian Organisations Special Interest Group.

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- 3) **Standards.** In our fundraising, we take various steps to protect vulnerable people and other members of the public from unreasonable or intrusive behaviour, etc. For example, we do not use street fundraisers (i.e. “chuggers”); we do not do door-to-door fundraising; we do not buy or rent lists of addresses; we have reduced our number of appeals to supporters to only three per year; we do not mail previous donors who have not given to us in the last three years, and if an elderly/vulnerable donor makes multiple donations in relatively quick succession, we double-check with them and ideally their family member/friend/carers (if applicable) that they actually meant to make all these donations to us.
- 4) **Complaints.** A small number of fundraising complaints were received and logged during the year (2022: 3, 2021: 4). Typically, these related to our online donation payment system, for which donors are encouraged by the third party supplier to pay a small processing fee to it. In response, we have relayed this feedback to the supplier concerned and we are looking at alternative suppliers.
- 5) **General Data Protection Regulation (GDPR).** We actively seek to confirm consent from our supporters where required to remain compliant with GDPR legislation.
- 6) **Thanks.** We would like to express our gratitude to all our donors for their continued support, including our largest funders: The Seafarers’ Charity, ITF Seafarers Trust, Merchant Navy Welfare Board and TK Foundation. Many thanks to our faithful knitters who turned out hundreds of woolly hats for grateful seafarers and fishers. Profound thanks to the hundreds of churches around the UK which took part in Sea Sunday in July. Together, these church congregations kindly donated over £429,000 to support our work with seafarers and fishers. Across the UK, more than 70 people gave up their time to visit ships during 2022. This community of dedicated Stella Maris volunteers made an enormous difference to the lives of seafarers and fishers. We are so grateful for the faithful generosity of Stella Maris supporters. We receive grants from trusts, donations from companies in the maritime industry, collections by church congregations, legacies and gifts from individuals. These all support our chaplains to provide everyday care for seafarers and fishers in ports in the UK and around the world.
- 7) **Fundraising Priorities 2023.** Our fundraising priorities for 2023 are to:
 - a) **Continue to grow digital fundraising.** We will continue to encourage donors to move away from postal donations, to have more people giving digitally. We are researching and developing forms of contactless giving in churches, and developing other routes to encourage and grow online giving.
 - b) **Continue to grow numbers of regular givers.** In order to build sustained, dependable income, we will continue to direct donors towards regular giving rather than ad hoc giving.
 - c) **Increase engagement with major donors and corporate partners.** We will nurture and develop our relationships with major donors and key corporate funders through events and meetings.
 - d) **Create a Port Parishes programme.** We aim to increase our engagement with Catholic parishes in or near major UK ports, in order to recruit more local volunteers and bring new donors on board.
 - e) **Support a Sailing Pilgrimage.** We are teaming up with supporter Russ Fairman who will be running a round-Britain sailing event in 2023 to raise awareness of our work and celebrate 100+ years of Stella Maris. He will be sailing more than 2,000 nautical miles around the UK, taking along other supporters as crew for different legs of the journey. He sets off from Southampton in April 2023 for 10 weeks of this marathon sail.

Reserves Policy

Stella Maris’ consolidated reserves fund (as at 31 December 2022) stands at £4,494,132 (FY2021 £5,306,509), of which £186,503 is represented by the fixed assets and £4,041,264 by investments within general funds. Total restricted reserves at the 2022 year-end were £232,947 (FY 2021 £222,334).

We review our reserves policy regularly. Our aim is to maintain our reserves at a sufficient level to ensure our financial resilience and sustainability, including protecting us against risks identified in the Risk Register. Our reserves policy sets out the target reserves level and the key principles by which we will manage any excesses or deficits compared to the target. Our aim is to strike the appropriate balance between ensuring a sustainable

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financial position and using our funds to fulfil our charitable mission. Free reserves represent the unrestricted general funds of Stella Maris and exclude the restricted funds held and funds that have been allocated by our Trustees. The free reserves also exclude any funds that could only be realised by disposing of fixed assets held for charitable use.

The trustees have determined that holding free reserves within the range £2,185,000 to £2,415,000 (£2.3M +/- 5%), an amount equivalent to 12 months unrestricted expenditure, will enable the charity to smooth volatility and minimise disruption to Stella Maris activities.

The trustees intend to utilise £750k from reserves to projects as follows:

- To cover the International strategy for next 3 years (£600k).
- To provide additional chaplaincy positions for next 3 years in Scotland & Northern Ireland (£75k) and North West Chaplaincy (£75k).

In addition, the trustees have allocated £975k from the reserves to:

- Cover the Sea Sunday reduction in income following COVID – 25% reduction for the next 3 years (£375k).
- Provide an investment volatility cushion (£500k).
- Pay for unbudgeted essential costs, where these cannot be funded by other means. (£100k).

Therefore, our separately allocated funds total £1,725,000. Our free reserves for 2022 (Reserves less fixed assets less restricted funds) less the trustee allocated funds total £2,321,000 and fall within the target range.

If free reserves fall below the target range, we will aim to address any deficits within 5 years. If free reserves are above the target range, we will transfer surpluses to designated funds and spend these within 5 years.

FUTURE PLANS

In the coming years, the People of the Sea will need the support of Stella Maris more than ever. Supporting Ukrainian seafarers and their families will continue to be a key focus, especially as economic hardship starts to bite. Our priorities for 2023 are:

- 1) **Continue to ensure chaplains and ship visitors in the UK are resourced** – spiritually, practically, and financially – to serve the People of the Sea with ever greater effectiveness. Through the implementation of our port parishes strategy, we will ensure that local parishes become an even greater source of prayer, people (volunteers) and financial support for our mission.
- 2) **Grow the UK mission of Stella Maris** in Northern Ireland, North East Scotland and North West England through the employment of port chaplains and recruitment of volunteer ship visitors.
- 3) **Support Stella Maris colleagues overseas** to strengthen their work and our global network through ongoing implementation of our international strategy, focusing on capacity building in South East Asia, the Middle East, and Eastern and Southern Africa.
- 4) **Continue to support Ukrainian seafarers and their families**, especially as economic hardship starts to bite while the war continues.
- 5) **Support the growth in our mission** by consolidating recent years' income growth and continuing to diversify our income sources.
- 6) **Recruit a new Chief Executive Officer** following the resignation of Martin Foley after 13 years' service.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Stella Maris (UK) is an agency of both the Catholic Bishops' Conference of England and Wales (<https://www.cbcew.org.uk>) and the Catholic Bishops' Conference of Scotland (<https://www.bcos.org.uk>).

Stella Maris is a Registered Charity in England and Wales No 1069833, a Registered Charity in Scotland No SC043085 and a Company limited by Guarantee No 3320318.

The Articles of Association were agreed in 1997 and amended by Special Resolutions dated 24 July 2002, 6 June 2005, 1 April 2008, 9 June 2011, 15 March 2012, 4 December 2014, 16 July 2019 and 6 July 2021.

Recruitment and Appointment of Trustees

Trustees are appointed by the Bishop Promoters of Scotland and England and Wales by joint decision. Each Bishop Promoter acts for and on behalf of the Bishops' Conference of which he is a member.

Trustees are appointed on the basis of suitable qualifications and experience, including senior clergy experienced in chaplaincy and those with knowledge of the global maritime industry. They are invited to undertake regular training provided by our solicitors and specialist third party providers. Trustees also receive support from the Charity Commission and charity publications, and updates from the Chief Executive Officer.

Members of the Board of Trustees are also directors and members under the terms of the Companies Act. Members have no beneficial interest in the charity or any other company or charity with whom Stella Maris works in collaboration or cooperation.

The main Board of Trustees meets three times a year and takes reports and recommendations from the Finance, Audit and Risk Committee, the International Committee, and the Safeguarding and Welfare Committee.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related transactions are disclosed in the notes to the accounts. Trustees are required to disclose all relevant interests at each meeting.

Related charities and organisations

During 2022, the trustees, along with trustees of our partners the Mission to Seafarers and Sailors' Society, completed the transfer of our legal responsibility for the seafarers' centres in Immingham, Bristol and Felixstowe to the Queen Victoria Seamen's Rest (the seamen's mission of the Methodist Church).

Key management remuneration

Stella Maris benchmarks the pay and remuneration of key management personnel against the pay and remuneration of their counterparts in similar sized charities in the Catholic Church and maritime sector. Salaries are reviewed on an annual basis.

Risk management

The trustees' risk assessment and risk management programme covers all aspects of the operation and conduct of the charity. The process is managed through a risk register. It is a board document, which is reviewed by the full trustee board at least once a year.

The risk evaluation process encompasses the following factors:

- 1) **Strategic.** Risks that impact the sustainable delivery of the objects of the charity. The assessment is mindful of our responsibilities to our main partner organisations: other maritime charities, Stella Maris colleagues overseas, the Dicastery for Promoting Integral Human Development and International Christian Maritime Association (ICMA).

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- 2) **Operational.** Risks that impact the safe and continued delivery of the support services provided by the charity to seafarers and fishers. These risks include activities undertaken by the trustees, officers of the charity, port and cruise chaplains and their volunteers.
- 3) **Financial.** Risks that impact the financial good health of the charity. These include investment performance, revenue from fundraising activities, cost control, sustainability, accounting controls, security and anti-fraud controls.

Risk assessment

The principal risk during 2022 was deterioration in our financial performance due to the ongoing impact of Covid-19, the cost-of-living crisis and UK and global financial turbulence. In addition, we continued to monitor the implementation of the 2021 safeguarding review to manage risk in this area. We also monitored our GDPR-compliance, risks occasioned by our use of social media and risks of cyber-attack.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered company number

3320318 (England and Wales)

Registered charity number

1069833 (England and Wales)
SCO43085 (Scotland)

Registered office

39 Eccleston Square
London
SW1V 1BX

Trustees

Right Reverend Bishop Hugh Gilbert
Right Reverend Bishop Paul Mason
Mr Robert Ashdown
Mr William Azuh
Mrs Helen Brennan – Resigned 24 January 2022
Mr James Brennan - Resigned 25 May 2022
Fr David Burke
Miss Luisa Campbell
Mrs Theresa Crossley
Mrs Maita Crowe
Mr James Gosling OBE
Mr John Hood
Mr James Muir
Mr Esteban Pacha

Chief Executive Officer

Mr Martin Foley

STELLA MARIS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

Auditors

Price Bailey LLP
Chartered Accountants
Statutory Auditors
8th Floor, Dashwood House
69 Old Broad Street
London
EC2M 1QS

Solicitors

Stone King
13 Queen Square
Bath
BA1 2HJ

Bankers

Lloyds Bank
PO Box 1000
BX1 1LT

The Co-operative Bank
City Office
80 Cornhill
London
EC3V 3NJ

Investment Fund Managers

Waverton Investment Management Ltd
16 Babmaes Street
London
SW1Y 6AH

STELLA MARIS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Stella Maris for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 operation.

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and,
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small companies note

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Auditors

The auditors, Price-Bailey LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 26th September 2023 and signed on its behalf by:



Mr Esteban Pacha - Chairman

STELLA MARIS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF STELLA MARIS

Opinion

We have audited the financial statements of Stella Maris (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022, and of the 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

STELLA MARIS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustees Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Charity and the sector in which it operates and considered the risk of the Charity not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting and tax legislation. In relation to the operations of the Charity this included compliance with the Companies Act 2006, Charities Act 2011, Charities Commission, OSCR and SORP 2019.

STELLA MARIS

The risks were discussed with the audit team and we remained alert to any indications of non-compliance through the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Board meetings, reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and enquiries of management and officers of the Charity. We have also reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.

Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We reviewed systems and procedures to identify potential areas of management override risk.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for> . This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Cooper-Davis FCCA ACA (Senior Statutory Auditor)

For and on behalf of:

Price Bailey LLP

Chartered Accountants

Statutory Auditors

8th Floor, Dashwood House

69 Old Broad Street

London

EC2M 1QS

Date: 26 September 2023

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

		Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
		£	£	£	£
	Notes				
INCOME AND ENDOWMENTS					
Donations and legacies	2	1,595,198	708,683	2,303,881	2,021,102
Investment income	3	106,373	-	106,373	109,067
Other income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total		1,701,571	708,683	2,410,254	2,130,169
EXPENDITURE ON					
Raising funds	4	551,899	-	551,899	529,728
Charitable activities					
Pastoral care to seafarers	5	<u>1,462,909</u>	<u>698,070</u>	<u>2,160,979</u>	<u>2,047,887</u>
Total		2,014,808	698,070	2,712,878	2,577,615
NET INCOME/(EXPENDITURE)		(313,237)	10,613	(302,624)	(447,446)
Net gains/(losses) on investments		<u>(509,753)</u>	<u>-</u>	<u>(509,753)</u>	<u>578,978</u>
NET MOVEMENT IN FUNDS		(822,990)	10,613	(812,377)	131,532
RECONCILIATION OF FUNDS					
Total funds brought forward		5,084,175	222,334	5,306,509	5,174,977
TOTAL FUNDS CARRIED FORWARD		<u>4,261,185</u>	<u>232,947</u>	<u>4,494,132</u>	<u>5,306,509</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The company has no recognised gains or losses other than those stated above.

STELLA MARIS
(REGISTERED COMPANY NUMBER: 3320318)
BALANCE SHEET
AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	11	186,503	90,915
Investments	12	<u>4,041,264</u>	<u>4,855,313</u>
		4,227,767	4,946,228
CURRENT ASSETS			
Debtors	13	278,787	154,707
Cash at bank and in hand		<u>118,670</u>	<u>303,074</u>
		397,457	457,781
CREDITORS			
Amounts falling due within one year	14	<u>(131,092)</u>	<u>(97,500)</u>
NET CURRENT ASSETS		<u>266,365</u>	<u>360,281</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,494,132</u>	<u>5,306,509</u>
NET ASSETS		<u>4,494,132</u>	<u>5,306,509</u>
FUNDS	15		
Unrestricted funds		4,261,185	5,084,175
Restricted funds		<u>232,947</u>	<u>222,334</u>
TOTAL FUNDS		<u>4,494,132</u>	<u>5,306,509</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 notes on pages 24 to 34 form part of these financial statements.

Approved and authorised for issue by the board of trustees on 26th September 2023 and signed on its behalf by:



Ms Luisa Campbell – Trustee



Mr Esteban Pacha - Trustee

STELLA MARIS

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Cash generated from operations	A	<u>(341,209)</u>	<u>(175,082)</u>
Net cash provided by (used in) operating activities		<u>(341,209)</u>	<u>(175,082)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(147,491)	(52,387)
Purchase of fixed asset investments		(1,209,696)	(655,544)
Sale of tangible fixed assets		-	-
Sale of fixed asset investments		1,513,992	690,564
Interest received		-	-
Net cash provided by (used in) investing activities		<u>156,805</u>	<u>(17,367)</u>
Change in cash and cash equivalents in the reporting period		(184,404)	(192,449)
Cash and cash equivalents at the beginning of the reporting period		<u>303,074</u>	<u>495,523</u>
Cash and cash equivalents at the end of the reporting period		<u>118,670</u>	<u>303,074</u>

STELLA MARIS

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

A. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(812,377)	131,532
Adjustments for:		
Depreciation charges	51,903	53,343
Losses/(gain) on investments	509,753	(578,978)
(Profit)/loss on disposal of fixed asset	-	-
Interest received	-	-
(Increase)/Decrease in debtors	(124,080)	224,585
Increase/ (Decrease) in creditors	33,592	(5,564)
Net cash provided by (used in) operating activities	<u>(341,209)</u>	<u>(175,082)</u>

B. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 January 2022	Cash flows	As at 31 December 2022
	£	£	£
Cash	303,074	(184,404)	118,670

STELLA MARIS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, being investments which are included at market value.

The registered office of Stella Maris is 39 Eccleston Square, London, SW1V 1BX.
The functional currency is the pound sterling.

Going Concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. For at least a period of 12 months following the date of the approval of these financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- the date on which the charity is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Estate that a distribution will be made; or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executors intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations and grants are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before Stella Maris is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income and accrued in debtors.

Interest on deposit funds and dividends on investments are recognised when the amounts can be measured reliably which is normally upon notification of the amount paid or payable by the bank or when the dividend yield has been notified by our investment advisors.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

STELLA MARIS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2022

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in the notes to the accounts.

Donated Goods and Services

Goods donated for on-going use by the charity in carrying out its activities are recognised as tangible fixed assets with the corresponding income recognised as coming from donations within the SOFA.

Donated services are treated as income and a corresponding expense where the benefit is quantifiable and measurable. The value placed on donated services is the estimated value to the charity of the service received, being the price the charity estimates it would pay in the open market for a service of equivalent utility to the charity. Donated services recognised in the financial statements include those

usually provided by an individual or entity as part of their trade or profession for a fee. The value of activities of the charity's volunteers is not considered to be quantifiable and is not recognised in the financial statements as income or expense.

Tangible fixed assets

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

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Individual fixed assets costing £500 or more are capitalised at cost.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in note 17 to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these instruments is detailed below.

Debtors and cash at bank

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand included cash held on deposit or in a current account.

STELLA MARIS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2022

Creditors and provisions

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

Investments

Investments are stated at market value inclusive of accrued income as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value or purchase date if later. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and opening market value, or purchase date if later. Realised and unrealised gains are not separated in the statement of financial activities.

Key accounting estimates and areas of judgement

In preparing the financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material misstatement in the next financial year.

2. DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
Income from:	£	£	£	£
Donations	668,308	265,136	933,444	737,559
Legacies	430,615	-	430,615	134,050
Grants raised for work by Stella Maris in the UK	9,600	211,163	220,763	347,884
Grants raised for work by Stella Maris overseas	-	232,384	232,384	361,673
Sea Sunday collections	429,152	-	429,152	375,444
Ports levy	47,441	-	47,441	48,155
Contribution to Stella Maris overheads	10,082	-	10,082	16,337
			<u>2,303,881</u>	<u>2,021,102</u>

The income from donations and legacies was £2,303,881 (2021: £2,021,102) of which £1,595,198 was unrestricted (2021: £1,311,545) and £708,683 restricted (2021: £709,557).

3. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
	£	£	£	£
Dividends	106,373	-	106,373	109,067

The total dividend income received in 2021 from investments was unrestricted.

Investment income of £52,910 (2021: £49,589) is derived from assets held in the United Kingdom, and income of £53,463 (2021: £59,478) is derived from assets held outside of the United Kingdom.

STELLA MARIS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. RAISING FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Raising donations and legacies				
Staff costs	182,099	-	182,099	187,016
Other direct costs	158,915	-	158,915	143,097
Support costs	175,894	-	175,894	165,202
			<u>516,908</u>	<u>495,315</u>
 Investment managers fees	 34,991	 -	 34,991	 34,413
			<u>551,899</u>	<u>529,728</u>

In 2021 expenditure incurred included £330,113 of direct costs and £199,616 of support costs.
All expenditure on raising funds in 2021 was unrestricted.

5. CHARITABLE ACTIVITIES COSTS

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Pastoral care to seafarers	1,462,909	698,070	2,160,979	2,047,887

In 2021 expenditure incurred included £1,359,423 of direct costs and £688,464 of support costs.

Expenditure in 2021 on charitable activities included £1,548,682 of unrestricted expenditure and £499,205 of restricted expenditure.

6. GRANTS PAYABLE

	2022 £	2021 £
Pastoral care to seafarers	<u>192,347</u>	<u>517,354</u>

The total grants paid to institutions during the year was as follows:

	2022 £	2021 £
To Seafarers, Scotland	8,593	5,782
Queen Victoria Seaman's Rest	-	10,000
AOS Denmark	75,000	80,000
AOS Ukraine	11,000	11,244
AOS Philippines	-	12,472
AOS Barcelona	-	6,086
AOS Chennai	-	5,000
Educational Trust of Archdiocese of Verapoly	-	5,000
SFUK Grant paid to AOS Cochin	-	92,710
SFUK Grant paid to Archdiocese of Verapoly	5,000	129,143
SFUK Grant paid to AOS Manila	65,374	83,300
SFUK Grant paid to AOS South Africa	-	55,097
SFUK Grant paid to AOS Chennai	-	21,520
SFUK Grant paid to AOS Kenya	<u>27,380</u>	<u>-</u>
	<u>192,347</u>	<u>517,354</u>

STELLA MARIS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. SUPPORT COSTS

	Management	Governance costs	Totals 2022	Totals 2021
	£	£	£	£
Costs of generating voluntary income	175,894	-	175,894	165,202
Pastoral care to seafarers	717,587	30,044	747,631	523,262
	<u>893,481</u>	<u>30,044</u>	<u>923,525</u>	<u>688,464</u>

Basis of allocation

Wages, social security, pensions and recruitment and training - Staff time, Establishment costs – Staff time, Motor and travel, administrative and professional fees - Usage

Support costs, included in the above, are as follows:

Management

			2022	2021
	Costs of generating voluntary income	Pastoral care to seafarers	Total activities	Total activities
	£	£	£	£
Staff Costs	139,853	305,729	445,582	451,603
Recruitment and training	42	288,251	288,293	14,039
Establishment costs	20,182	60,545	80,727	87,644
Motor and travel expenses	2,124	8,497	10,621	8,515
Administrative expenses	5,492	21,760	27,252	32,041
Professional fees	<u>8,201</u>	<u>32,805</u>	<u>41,006</u>	<u>73,046</u>
	<u>175,894</u>	<u>717,587</u>	<u>893,481</u>	<u>666,888</u>

Governance costs

	2022	2021
	Pastoral care to seafarers	Total activities
	£	£
Trustees' and board meeting expenses	5,052	223
Auditors' remuneration – fee for statutory audit	13,087	8,813
Insurance	3,776	6,503
Sundries	941	947
Legal fees	<u>7,188</u>	<u>5,090</u>
	<u>30,044</u>	<u>21,576</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Auditors' remuneration	13,087	8,813
Depreciation – owned assets	<u>51,903</u>	<u>53,343</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

During the year six trustees (2021: one) were reimbursed out of pocket expenses for travelling and subsistence totalling £4,366 (2021: £173). Additionally, £1,583 (2021: £997) of expenses were paid on behalf of the trustees' by the charity.

10. STAFF COSTS

	2022 £	2021 £
Wages and salaries	1,120,430	1,075,698
Social security costs	112,886	99,783
Other pension costs	<u>109,664</u>	<u>98,834</u>
	<u>1,342,980</u>	<u>1,274,315</u>

Key Management Personnel

The key management personnel of the charity comprise the Trustees, National Director and Development Director. The total employee benefits of the key management personnel of the charity were £158,440 (2021:£154,775)

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

	2022	2021
Chaplaincy	22	22
Fundraising	9	9
Support	<u>6</u>	<u>6</u>
	<u>37</u>	<u>37</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£70,000 - £80,000	<u>1</u>	<u>1</u>

The charity paid contributions to pension scheme for one (2021: one) of those employees with emoluments in excess of £60,000.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2022	11,120	-	242,448	20,056	273,624
Additions	-	2,398	112,178	32,913	147,489
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2022	<u>11,120</u>	<u>2,398</u>	<u>354,626</u>	<u>52,969</u>	<u>421,113</u>
DEPRECIATION					
At 1 January 2022	11,120	-	160,955	10,632	182,707
Charge for year	-	149	44,625	7,129	51,903
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2022	<u>11,120</u>	<u>149</u>	<u>205,580</u>	<u>17,761</u>	<u>234,610</u>
NET BOOK VALUE					
At 31 December 2022	<u>-</u>	<u>2,249</u>	<u>149,046</u>	<u>35,208</u>	<u>186,503</u>
At 31 December 2021	<u>-</u>	<u>-</u>	<u>81,492</u>	<u>9,423</u>	<u>90,915</u>

12. FIXED ASSET INVESTMENTS

MARKET VALUE	Listed Investments £	Cash £	Total £
At 1 January 2022	4,693,325	161,988	4,855,313
Additions	1,209,696		1,209,696
Disposals	(1,365,407)		(1,365,407)
Revaluations	<u>(509,753)</u>		<u>(509,753)</u>
Cash movements in the year		(148,585)	(148,585)
At 31 December 2022	4,027,861	13,403	4,041,264
NET BOOK VALUE			
At 31 December 2022	<u>4,027,861</u>	13,403	4,041,264
At 31 December 2021	<u>4,693,325</u>	161,988	4,855,313

Analysis of investments by type:

	2022 £	2021 £
Equities	2,926,738	3,579,622
Fixed interest securities	578,689	493,055
Property funds	173,059	242,703
Other investments	349,375	377,945
Cash held within the investment portfolio	13,403	161,988
	<u>4,041,264</u>	<u>4,855,313</u>

STELLA MARIS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022**

Geographical analysis of investments:

	2022 £	2021 £
Held inside the United Kingdom	1,013,486	1,258,051
Held outside the United Kingdom	<u>3,027,778</u>	<u>3,597,262</u>
	<u>4,041,264</u>	<u>4,855,313</u>
Historic cost	<u>3,613,362</u>	

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other debtors	230,875	115,015
Prepayments	<u>47,912</u>	<u>39,692</u>
	<u>278,787</u>	<u>154,707</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	65,250	32,830
Social security and other taxes	39,940	38,719
Other creditors	-	10,000
Accrued expenses	<u>25,902</u>	<u>15,951</u>
	<u>131,092</u>	<u>97,500</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2022	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Fixed assets	34,538	151,964	186,502
Investments	4,041,264	-	4,041,264
Current assets	316,474	80,983	397,457
Current liabilities	(131,091)	-	(131,091)
	<u>4,261,185</u>	<u>232,947</u>	<u>4,494,132</u>

Fund balances at 31 December 2021	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Fixed assets	34,464	56,451	90,915
Investments	4,855,313	-	4,855,313
Current assets	291,898	165,883	457,781
Current liabilities	(97,500)	-	(97,500)
	<u>5,084,175</u>	<u>222,334</u>	<u>5,306,509</u>

STELLA MARIS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. MOVEMENT IN FUNDS

	At 1.1.22	Net movement in funds	At 31.12.22
	£	£	£
Unrestricted funds			
Unrestricted	5,084,175	(822,990)	4,261,185
Restricted funds			
Merchant Navy Welfare Board	140,010	11,953	151,963
Pontifical Council for the Promotion of Integral Human Development (International Fund)	82,324	(72,668)	9,656
Marine Training Fund	-	4,607	4,607
Restricted Donations	-	28,929	28,929
Restricted grant income (UK)	-	20,000	20,000
Restricted grant income (INT)	-	17,792	17,792
	<u>222,334</u>	<u>10,613</u>	<u>232,947</u>
TOTAL FUNDS	<u>5,306,509</u>	<u>(812,377)</u>	<u>4,494,132</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted	1,701,571	(2,014,808)	(509,753)	(822,990)
Restricted funds				
Merchant Navy Welfare Board	46,954	(35,001)	-	11,953
Pontifical Council for the Promotion of Integral Human Development	44,470	(117,138)	-	(72,668)
Marine Training Fund	142,141	(137,534)	-	4,607
Restricted Donations	78,526	(49,597)	-	28,929
Restricted grant income (UK)	164,208	(144,208)	-	20,000
Restricted grant income (INT)	232,384	(214,592)	-	17,792
	<u>708,683</u>	<u>(698,070)</u>	<u>-</u>	<u>10,613</u>
TOTAL FUNDS	<u>2,410,254</u>	<u>(2,712,878)</u>	<u>(509,753)</u>	<u>(812,377)</u>

Merchant Navy Welfare Board - grants received for the purchase of motor vehicles, seafarers' room refurbishment and chaplains' computer equipment and peripherals.

Pontifical Council for the Promotion of Integral Human Development (International Fund) & Marine Training – funds to be used to support Stella Maris activities around the world.

Restricted grant Income - grants received from a number of generous sources have been restricted to specific expenditure for which they were provided.

Restricted Donations – donations received from generous supporters, restricted to be spent on seafarers worldwide

STELLA MARIS

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022**

MOVEMENT IN FUNDS

Comparatives for period ending 31 December 2021

	At 1.1.21	Net movement in funds	At 31.12.21
	£	£	£
Unrestricted funds			
Unrestricted	4,992,420	91,755	5,084,175
Restricted funds			
Merchant Navy Welfare Board	82,958	57,052	140,010
Pontifical Council for the Promotion of Integral Human Development (International Fund)	75,099	7,225	82,324
Other restricted grant income	<u>24,500</u>	<u>(24,500)</u>	<u>-</u>
	182,557	39,777	222,334
TOTAL FUNDS	<u>5,174,977</u>	<u>131,532</u>	<u>5,306,509</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted	1,591,187	(2,078,410)	578,978	91,755
Restricted funds				
Merchant Navy Welfare Board	88,225	(31,173)	-	57,052
Other restricted grant income	399,832	(424,332)	-	(24,500)
Pontifical Council for the Promotion of Integral Human Development	7,225	-	-	7,225
Restricted Donation (CEF)	<u>43,700</u>	<u>(43,700)</u>	<u>-</u>	<u>-</u>
	<u>538,982</u>	<u>(499,205)</u>	<u>-</u>	<u>39,777</u>
TOTAL FUNDS	<u>2,130,169</u>	<u>(2,577,615)</u>	<u>578,978</u>	<u>131,532</u>

17. PENSION COMMITMENTS

The Charity operates a defined contribution scheme which is administered independently of the Charity. The cost to the Charity for the year was £109,664 (2021: £98,834). At the balance sheet date the amount due to the pension scheme administrators was £11,358 (2020: £10,684). The expected cost to the Charity in the coming year is expected to be in line with that of 2022.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. RELATED PARTY DISCLOSURES

The total amount of donations to the Charity received by trustees during the year was £90 (2021: nil).

19. ULTIMATE CONTROLLING PARTY

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company.

20. MATERIAL LEGACIES

Legacy income is only included in incoming resources where the legacy has been received or both the receipt and the amount is probable. As at 31 December 2022 the Charity had been notified of the following legacy which had not been recognised as income in these accounts:

An Estate where the Charity is entitled to $\frac{2}{15}$ share of the residual estate. The Charity does not have an estimate for this legacy.

21. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.