

The Royal Alfred Seafarers' Society



Annual Report 2019

*Caring for seafarers for
more than 150 years*





PATRON:
H.R.H. The Princess Royal



IMAGE CREDITS:

FRONT COVER: D-Day veterans Lieutenant Commander Geoffrey Haskins, Légion d'honneur, and Robert Ball, Légion d'honneur, honour their fallen comrades at 2019's D-Day commemorations

IMAGES THROUGHOUT: Our gratitude goes to Gary Davies of Maritime Photographic for kindly supplying some of the maritime images featured in this report. For more information and to browse his full collection, please visit www.maritimephotographic.co.uk

Welcome

The 2019 Annual Report for The Royal Alfred Seafarers' Society



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Welcome to the Annual Report and Financial Statements of The Royal Alfred Seafarers' Society for the year 2019.

I am very pleased to report that this was another successful year for the Society, and we achieved our aim — providing the highest quality care to former seafarers and their dependants in need. Our financial management plan was again 'on target' and we reached 'break-even', as well as making several significant improvements to our wonderful Home and the facilities we are fortunate enough to provide. Our invested reserves have also performed well under the careful management of the Fund Managers at Rathbones. This satisfactory result could not have been achieved without the supportive grants of a number of maritime charities and legacies which we gratefully acknowledge and are listed in the detailed annual accounts.

Much has been achieved in 2019 which will be described in detail in this Annual Report. This includes the remodelling of the exit from the bar adjacent to the lounge and the creation of an outside seating area, as well as improvements to the pathways and the completion of the refurbishment of all the rooms in Belvedere House. I was delighted to plant two new trees in Duffy Park (our landscaped North Field), which has become a favourite relaxation space for our residents and tenants, their families and our staff to enjoy the varied flora and fauna around the ponds and pathways. The local herons are patiently keeping an eye out for any fish.

Our in-house training capability provided by Sharon Hicks has ensured that our staff have met all of their training targets. Similarly, the residents have benefitted from the wide range of activities arranged by Louise Boxall and her team of co-ordinators, so we thank the many performers and providers, including local school children, who have come in to engage with the residents.

We bade farewell, on his retirement to West Sussex, to our Honorary Chaplain, Reverend Art Barron, after many years of faithful service to our community, and are delighted that the Reverend Canon Bill Christianson, a former Secretary General of the Mission to Seafarers, has agreed to take up this position once he has obtained the permission of the Bishop of Southwark.

The Royal Alfred continues to be well served by Definition, our PR and advertising professionals from Leeds. We have been shortlisted for more awards within Surrey and nationally whilst our website and social media presence continues to provide an up-to-date perspective of the care we provide.

We are also fortunate to have monthly quality assurance inspections by Care Homes Consultant Rob Fawcett. Clinical governance is of the utmost importance and these regular inspections demonstrate compliance with the regulations of the Care Quality Commission and the Health and Social Care Act(s) and so much more. Rob and his wife, Angie, decided to retire in December so we thank them for their unstinting service to the Society for the last seven years. The value of their quality assurance was amply demonstrated by the overall Good rating the Society received after the Care Quality Commission's unexpected inspection.



RESIDENTS AND STAFF MARK REMEMBRANCE SUNDAY



HRH THE PRINCESS ROYAL ARRIVING AT THE AGM

I am most grateful to the Trustees for making my succession as Chairman a seamless transition from the tenure of Captain Duncan Glass with no resignations or retirements. We welcomed two new Trustees at the Annual General Meeting in 2019, Mr Bernie Watson (Honorary Treasurer) and Captain Steven Clinch, who have brought their respective expertise to bear most effectively in the financial and risk assessment areas. It was also fitting that former trustee, Commodore Ian Gibb MBE MNM, was elected as a Life Member at the AGM. Sadly, the Pension Fund lost a Trustee due to the unexpected and sudden death of Mr John Neads who had served the Fund for many years. His knowledge of pension legislation and even more importantly our pensioners will be greatly missed.

In conclusion, I wish to thank our Patron, HRH The Princess Royal, for her ongoing support of the Society's work which was amply demonstrated by honouring us with her presence at last year's AGM, presenting Captain Glass with his Vice President's Certificate, and speaking with everyone, over 100 guests, during the luncheon. We are fortunate indeed to have a Royal Patron who keeps a weather eye on our delivery of care to our community.

Lieutenant Commander Philip Wake
OBE RD* MSc FNI RNR
Chairman (Signed On Original)



CHIEF EXECUTIVE OF THE ROYAL ALFRED SEAFARERS' SOCIETY, COMMANDER BRIAN BOXALL-HUNT OBE

As I write this much-shortened Foreword summarising The Royal Alfred Seafarers' Society's activity for the last Financial Year ending 31 December 2019, the nation is in the grip of the COVID-19 pandemic, and we at the Weston Acres site are working hard daily to keep our service to residents and tenants safe and effective.

Whilst doing so, it is still possible for me to look back at 2019 with huge satisfaction, not least as we accommodated every seafarer who came to us and qualified for our help, and still balanced the books with a very small surplus. Financial assistance from main maritime charities is key to our ability to keep subsidising those seafarers not able to pay the full cost of care, and ensure our quality of care is high; as we currently draw down on reserves to weather the present difficulties, more help will be crucial to our eventual recovery.

Of course, much else was achieved and I know that the new Chairman, Philip Wake, whom I am delighted to welcome on behalf of the staff, has covered a good deal more in his introduction.



ROBERT BALL, CDR BRIAN BOXALL-HUNT, LIEUT CDR GEOFFREY HASKINS ON D-DAY IN 2019



THE AGM UNDERWAY LED BY OUR PATRON HRH THE PRINCESS ROYAL

If I were to list my own key points of the year, amongst a plethora my top four would have to be: welcoming our Patron to the Annual General Meeting, the smooth transition of Chairmen, achieving a Good overall from the Care Quality Commission unexpected inspection and, perhaps my favourite of all, the commemoration of the 75th anniversary of the D-Day Landings.

For the latter, I felt a real sense of privilege in accompanying our two D-Day veterans to Portsmouth, Geoffrey Haskins and Robert Ball, the former who was a Midshipman RN in the bombarding warships off the beaches and the latter a Merchant Navy officer in shipping supplying stores and soldiers for the invading forces. En-route to the concert sung and told by schoolchildren and masterminded by Geoff's talented grandson, we stopped in the village of Southwick which housed the Allied Forces high command, and studied the wall map room left intact from those days.

So, let me finish this necessarily shortened Foreword by returning to the situation we find ourselves in whilst writing it. At the time of writing, the pandemic still has weeks to run yet in our country, and there will undoubtedly be sad moments and difficult challenges yet to come.



CLLR DOROTHY ROSS-TOMLIN, HER HUSBAND AND HRH THE PRINCESS ROYAL AT THE AGM

I thus wish to sign off by paying my own personal tribute to the key staff at Belvedere House, and all of those who have supported them so far in the most difficult of circumstances. With some staff members necessarily isolated at home, the burden of keeping our service connected to those in our care has fallen on the remainder; to the Home and Business Managers, Heads of Department and every member of the team who has stepped up and helped across all departments wherever needed, I salute and sincerely thank you and feel privileged to be your Chief Executive.

At this stage, it is impossible to foretell how rough our passage through the stormy waters will be, but I am confident that I will be able to record in the next edition of our Annual Report, the one written this time next year, that everyone in the Royal Alfred Seafarers' Society did their very best in 2020 – and their duty.

Commander Brian Boxall-Hunt
OBE FNI Royal Navy
Chief Executive (Signed On Original)





Countless Smiles
& Laughs Shared...

600,000
Hours of Care Provided



10%
Increase in
Visitors to
the Website



526 Years
of Dedicated Collective
Service Between our
Staff to The Society

69
New Facebook Likes



Royal
Visitor

75th
Anniversary of the
D-Day Landings

15%
Reduced
Electricity
Usage

74,000
Fewer Single-Use
Plastics Used



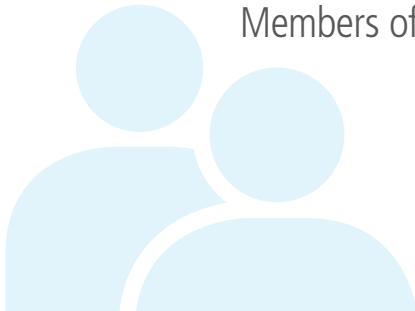
52
Pieces of
Media
Coverage

20%
Reduced
Gas
Usage



More Than
1,000
Hours of Training

103
Members of Staff





THE BOARD

Members and Officers

Patron

HRH The Princess Royal

Vice-Patron

The Earl of Inchcape 1994

President

The Viscount Cobham (Trustee from 2008) 2015

Vice-Presidents

CAPT. A.D. Braithwaite OBE RD RNR
(Trustee From 1976) 2013

CAPT. Sir Malcolm Edge KCVO FNI 1988

CAPT. D.C. Glass OBE MNM
(Trustee From 2003) 2019

D.M. Gundry JP FCIPD FICS
(Trustee From 1990) 2017

J.A.H. West (Trustee From 1970) 2000

Hon. Treasurer

B.A. Watson FCA Dip ChA 2019

Trustees And Members Of The Board Of Management

Chairman

LT CDR P. Wake OBE RD* MSc FNI RNR
(Trustee From 2012) 2019

Vice Chairman

CAPT. A. McCourt (Trustee From 2015) 2019

Other Trustees

CAPT. S. Clinch 2019

Mrs E.A. Gibb BEM 2006

CDR S.E. Lochner JP DL RN 2017

A. Parker 2014

Dr R.D. Reubin 2005

Cllr Mrs D.A. Ross-Tomlin 2008

Hon. Treasurer

B.A. Watson FCA Dip ChA 2019

Co-Opted Visiting Committee Members

CAPT. M.R. Lowle

Mrs D.M. Parker

P.E. Seager MA ACIB

Pension Fund Trustees

P. G. Dawes LI. B FCIS FRSA

Ms B.A. Kasey RGN RMA DIPHE

J. Neads FCIS FPMI MCMI (Deceased 24.10.19)

Chief Executive

CDR B.P. Boxall-Hunt OBE FNI RN

Honorary Chaplain

The Reverend A. Barron (Retired 3.4.19)

Life Members

CDRE I. Gibb MBE FNI FRSA FRGS MNM

Captain M.R. Lowle



Registered as a Charity No. 209776

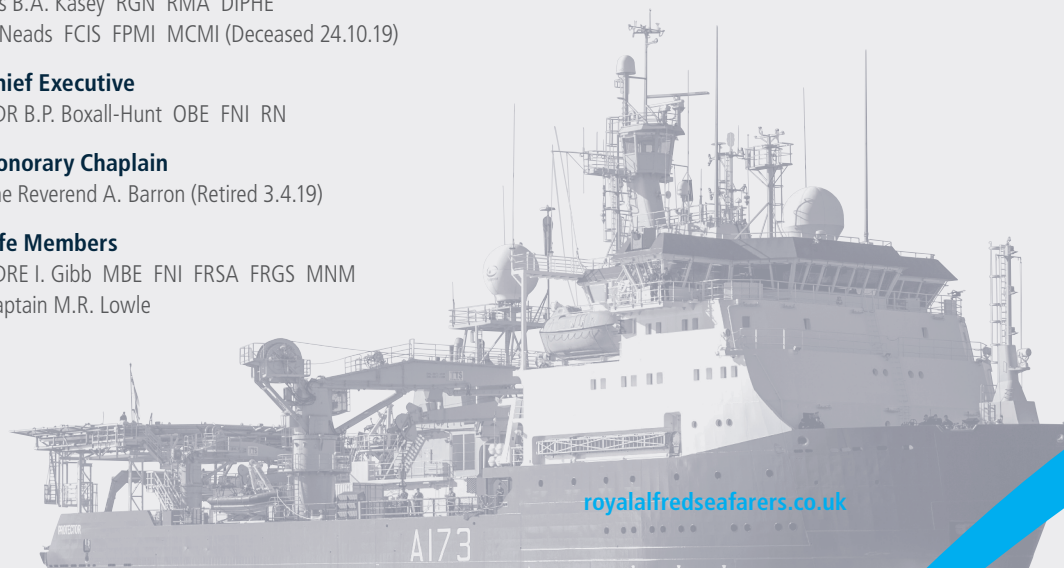
WHERE IT ALL HAPPENS – PROVIDING A
SAFE HAVEN FOR SEAFARERS IN THE LEAFY
ENVIRONS OF THE SURREY COUNTRYSIDE

Welcome to the 154th Annual Report and Financial Statements of The Royal Alfred Seafarers' Society for the year ended 31st December 2019.

This Annual Report presents the Society's audited Financial Statements for 2019 and summarises its activities during that year. It is laid out in accordance with the new Charities Statement of Recommended Practice (SORP) guidelines. Besides advising subscribers and donors how their benefactions have been put to use, it describes, for the information of all those concerned with the welfare of seafarers, the establishment administered by the Society for the benefit of retired seafarers and their dependants.

At the time of signing these accounts and report, three months after the end of the Financial Year 2019, the nation is in the grip of the COVID-19 pandemic; it is thus pertinent to add here that the Society will be affected, but to an as yet unknown degree. The statement on "Going Concern" made later in this report is thus reinforced since we shall be deploying our substantial reserves as necessary to continue meeting our Royal Charter objectives.

Limited quantities of previous Annual Reports are available upon request. The most recent Reports can also be viewed and downloaded at royalalfredseafarers.co.uk



royalalfredseafarers.co.uk

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Registered Home Manager:

Miss B. A. Kasey RGN RMA DIP HE

Business Manager:

Mrs. Karen Goddard

Medical Officer Retained:

Dr. L. A. Nathan



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Telephone: 01737 353 763

Email: enquiries@royalalfred.org.uk
or CEO@royalalfred.org.uk

Website: royalalfredseafarers.co.uk

Auditors:

Haysmacintyre

Actuary:

M.L. OWEN

PR Marketing Agents:

Definition

Lawyers:

Wedlake Bell LLP

Investment Managers:

Rathbones

Accountants:

Menzies



The Royal Alfred Seafarers' Society is a registered charity incorporated under Royal Charter. As stated in this Royal Charter, the objects of the Society are:

- To provide, carry on or maintain a Home or Homes or Housing for the care of aged, infirm or disabled seafarers or their widows or dependants
- To act as trustee or almoner for granting relief to seafarers as defined above or to the widows or dependants of any such seafarers. This function has been in abeyance since 1996

The Society is governed by a Board of Management, consisting of not less than eight nor more than 18, whose members are Trustees. All powers of the Society are vested in and exercised by the Trustees, except in so far as by the Charter or the Byelaws they are expressly required to be exercised by the Society in General Meeting. Potential Trustees are recruited largely by word of mouth and introduced to the Society by an incumbent.

Every candidate for membership of the Board shall be a 'fit and proper person' nominated by at least one member of the Society, elected at an Annual General Meeting and may serve for up to three years and a further term of three years if so elected. Any conflict of interest should be properly declared as appropriate.

Once elected, each Trustee is inducted on site at the Home, made fully aware of all operational aspects and duties, given the NCVO Good Trustee Guide, or other similar publication for guidance/reference, and booked on any training course considered necessary at the best opportunity.

All matters dealt with by the Board are decided by a simple majority of those members present, unless the Charter or Byelaws otherwise provide, each member having one vote excepting the Chairman of Board meetings who has a second or casting vote.

The Board is responsible for appointing a Chief Executive, who runs the Society on its behalf and is the nominated Responsible Individual under the Care Act 2014 for the Care Home and may appoint any other officers and employees to carry on the business of the Society. Some elements of the Society's affairs are either outsourced or draw on the expertise of retained consultancies, e.g. payroll, human resources, health and safety, clinical governance.

Belvedere House is subjected to regular inspection, at least every three years, from the Care Quality Commission and the most recent results of these 'audits' of our establishment (April 2019) found us to be Good overall accompanied by an outstanding written report.



OUTGOING CHAIRMAN, CAPTAIN DUNCAN GLASS, AND NEW CHAIRMAN LIEUTENANT COMMANDER PHILIP WAKE, WELCOME CLLR DOROTHY ROSS-TOMLIN TO THE AGM



HMS BIRMINGHAM AT SPEED ESCORTING BRITISH MERCHANT SHIPS IN THE PERSIAN GULF

The Society, then known as The Belvedere Institution, had as its original objectives in 1865 the maintenance of establishments for the care of aged and infirm merchant seamen and the provision of grant assistance to those living in the wider community and in need of help.

The grant-making function has been in abeyance since 1996, when our remaining beneficiaries were passed to the Shipwrecked Mariners' Society. Although the care of seafarers and their dependants is at our core, the present Royal Charter gives much wider latitude as to who may be admitted to our Homes and Housing.

As our raison d'être thus remains, of course, the care of seafarers and their dependants, it is incumbent upon the Board of Management to ensure that our Homes and Housing are available to all such persons, irrespective of their financial situation, who fit the current necessary criteria.

For some years now our facilities have maintained seafarer numbers at a substantial proportion of around two-thirds of the total complement, and this is now regularly around 90 per cent, reaching 96 per cent towards the end of 2018. During the year 2019, a total of 118 men and women were accommodated permanently in the Home and Housing, of whom 108 qualified as seafarers.

It is our aim to not only maintain the usual high proportion of seafarers in our care, but to actually increase it as much as possible. We realise that to do so will require the Society to maintain its high standards of care and extend its profile within the seafaring and ex-service community; to this aim a marketing strategy and plan are used as a guide. Assisted by our marketing and advertising agent, Definition, this plan regularly delivers solid success.

The Society has a strategic plan from which a rolling five-year business and financial plan is derived and updated. Our strategic vision is to maintain the Weston Acres site, meeting current demands, whilst exploring options for providing care and accommodation services in other more traditional seafaring locations nationwide.

The Society is most grateful to Her Majesty and our other subscribers listed below:

W & R Barnett Limited	Royal Naval Association, Wittering & District	Shepherd Neame Brewery	The West Hartlepool Steam Navigation Company
The "Not Forgotten" Association	Mr J Conacher	Mrs I M Hanson	The Edgar Lee Foundation
Mrs S Bonnor	The Royal Navy & Royal Marines Charity	St George's Day Club Lunch	West Croydon Chapter of Royal Arch Masons
The Privy Purse Charitable Trust	Dauntless Association	Mr G L Haskins	Mr R L'Estrange
Mr M Brookman	Mrs D A Scanlan	St Matthew with Holy Trinity Parochial Church Council	Mr K A Williams
Mr E Roberts	Mr S Dickens	Mr B M Hutchins	The "Lest We Forget" Association
Mr M R F Cartwright	Captain E M Scott	St Peter's Church PCC, Woodmansterne	Mr K R Woodburne
Royal Naval Association, Hanworth	Mr R & Mrs J M Elliott	The Inchcape Foundation	Merchant Navy Masonic Lodge no. 781
Mrs A L Cawley	Scottish White Fish Producers' Association, Fraserburgh Branch	Trichem South Limited	Mr P J J Woollcombe
Royal Naval Association, Romford & Hornchurch	Mrs P Ewen	The Innholders' Charitable Foundation	Niarchos (London) Limited
Mr J R Chapman	Seafarers UK	Trinity House Maritime Charity	The Woolpack Public House, Banstead
Royal Naval Association, Southend on Sea	The Joseph Strong Frazer Trust	The Executors of Mr & Mrs A E Johnson-Newell	and many others who wished to remain anonymous.
The Reverend Canon Bill Christianson	Seven Seas Club Laristan Fund	Mrs S A Ward	
	Mr J A Gunning	Sir James Knott Trust	



THE SOCIETY'S PATRON, HRH PRINCESS ANNE, PRESENTING A PERSONAL TOKEN OF APPRECIATION TO CAPT. DUNCAN GLASS

In another prolific year for everyone at The Royal Alfred, 2019 saw our patron HRH The Princess Royal attend the Society's Annual General Meeting, a celebration of International Women's Day and a contribution from our residents to the unique D-Day commemorations in Portsmouth.

Throughout the year our dedicated communications agency, Definition, has worked to raise the profile of the Home in both online and print publications. Definition has secured news coverage in national media outlets, as well as care, maritime and regional publications to raise awareness of the Society and its work and to help generate new resident, volunteer and employee enquiries.

The Society's Patron, HRH Princess Anne, joined Trustees, staff, residents, tenants, volunteers and other distinguished guests to mark the Society's 153rd AGM this year. The event included a talk from guest speaker Commodore Ian Gibb MBE who enjoyed a long career at sea as captain of many P&O cruise liners including SS Canberra and MV Oriana. Now a life member of The Royal Alfred Seafarers' Society, Commodore Gibb is also an Elder Brother at Trinity House and dedicated his speech to outgoing Chairman Captain Duncan Glass who retired following 16 years as a Trustee of the Society.

On International Women's Day in March, the Society had the honour of celebrating the outstanding work carried out by female care workers and professionals in the industry.

Councillor Dorothy Ross-Tomlin, Trustee of the Society and Mayor of Reigate and Banstead, said: "It's very relevant to be talking about our team on International Women's Day as two thirds of our senior staff are women and have instilled a professional, kind and caring atmosphere at the Home, ensuring all residents are well looked after."

On the 75th anniversary of the D-Day landings, two Royal Alfred veterans were invited to take part in a special commemorative musical service in Portsmouth for the fallen heroes of WWII.

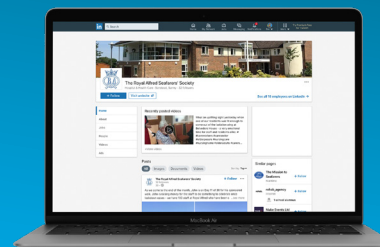
Society residents Lieutenant Commander Geoffrey Haskins, Légion d'honneur, and Robert Ball, Légion d'honneur, both gave their experiences of the D-Day landings for a musical project led by young British composer, and grandson of Geoffrey, James Olsen.

Our social channels play a big part in keeping residents' family and friends connected with what is going on at the Society, with pictures and videos from activities and events.

They also act as an informative tool and showcase the Home for those who might want to find out more about how to choose a care home. To support this, in 2019 we launched a new social platform in order to continue sharing information about the Royal Alfred.

LinkedIn launch

In 2019 we wanted to continue raising the profile of the Society, as well as sharing our wealth of care industry knowledge to attract the best staff to work at the Home. We launched a LinkedIn page for the Society where we share industry best practice, help, guidance and thought leadership on care sector topics.



Website widgets





We were happy to welcome the Care Quality Commission for a surprise visit in 2019, where we received a Good score in our inspection. We were also proud to be awarded a 9.9 out of 10 review on Carehome.co.uk based on reviews from the last few years and a 'very good' food hygiene rating. This year we also became accredited as a Living Wage Employer, formalising our commitment to pay the living wage to all our staff. Both the CQC report and the Carehome.co.uk review can be found via widgets on our homepage.



Online growth

This year we saw nearly a 10 per cent increase in visitors to the Society's website, with an average of 1,609-page views per month and 84 per cent of visitors being new to the site, suggesting increased awareness of the Royal Alfred and its work. More than 60 per cent of web traffic to the website came from organic searches which means visitors are actively searching for the Society online by name.

Follow us online and on social media to keep up-to-date with all our activities:

-  royalalfredseafarers.co.uk
-  The Royal Alfred Seafarers' Society
-  Royal Alfred Seafarers
-  @RASeafarers

Activities & Events

The Royal Alfred Seafarers' Society Open Day 2019

The Society prides itself on delivering a schedule of exciting events to keep residents entertained and local stakeholders engaged. Our dedicated activities team runs BBQs, family events, quizzes, entertainment and concerts, as well as celebrations for birthdays and calendar dates.

On 10 July 2019, the Society opened its doors to supporters, members and the local community as part of our annual Open Day; a key event in our calendar which takes place in celebration of Seafarers Awareness Week each year.

This year, our Open Day was attended by the Society's Trustees, the Deputy Mayor of Reigate & Banstead Borough Council, Cllr Rosemary Absalom, and a choir from Woodmansterne Primary School. Guests were invited to meet residents whilst celebrating the work of the maritime charity Seafarers UK, which provides support for those that look after the welfare needs of seafarers, ex-seafarers and their dependants. Residents shared stories of their time at sea with visitors, while pupils from the school hosted a sing-along.

The day showcased the fantastic facilities at our Home, including our bar, salon, specialist dementia annexe, and beautiful grounds that now feature the recently completed North Field site – a landscaped recreational area for residents.



A ROYAL ALFRED WELCOME FOR THE OPEN DAY



THERAPY PONY BLOSSOM PAYS A FESTIVE VISIT TO OUR RESIDENTS

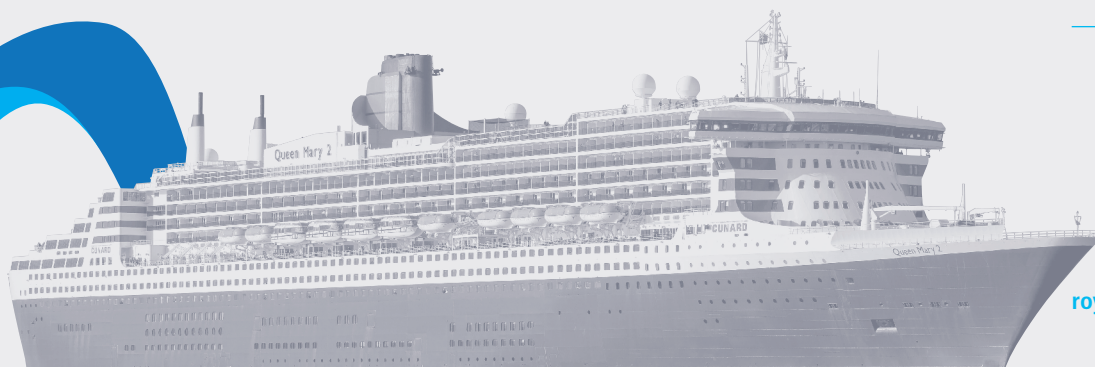


EASTER FUNDRAISING PARTY

Activities To Make Their Day

Every Christmas, we welcome therapy animals from Kingswood Shetland Ponies to the Society to spend time with our residents. The visits provide residents and tenants with the opportunity to spend time with Blossom the pony and several guinea pigs and rabbits as a therapy tool.

Throughout the year, our team provides daily activities to benefit everyone at the Society, from music sessions and quizzes to baking, arts and crafts, and excursions. These kinds of activities are important for helping to reduce anxiety and loneliness. Social interaction and stimulation brought about through activities such as therapy animal visits is key for our residents that may be bed-bound and find moving around the Home difficult. It is very rewarding to see our residents responding positively to the tailored care packages the Society offers.



Trustee

Councillor Dorothy Ross-Tomlin



I have been lucky enough to be involved with the Royal Alfred Seafarers' Society since 2007, after first being introduced to the charity at a 100th birthday party I attended when I was Mayor of Reigate and Banstead.

After my first visit to the Home, I fell in love with the Society and was soon asked by Chief Executive, Commander Brian Boxall-Hunt, to be a Trustee – saying yes was the best decision I've ever made and I've not looked back since.

Being involved with the Royal Alfred is a truly wonderful experience and, as Chair of the Visiting Committee, I really feel as though I am making a positive difference to the residents and tenants here at the Home. Many of our volunteers have come to us following some involvement with the Home, perhaps as a relative of a resident, but we also have local volunteers who know of us by reputation. I would suggest that anyone who is interested in volunteering calls at the Home and they will be given further information as to how they can support us.

As Chair of the Visiting Committee, I spend time with the residents, the Home Manager, the staff and the Chief Executive. I chair meetings of our Committee and report back to our Board of Trustees. I hold my fellow Trustees, the Chief Executive and the staff in very high regard as I think they all do a marvellous job to make the Royal Alfred such a special place.

One thing that I always find when I visit Belvedere House is the outstanding care provided to the residents, many of whom are normally very frail and elderly. But the staff here really do care for all those they look after – and you can tell just by the atmosphere around the Home – there is always a family feeling here.

"It is a privilege to be involved with a care home that has such an atmosphere of care and kindness."

I get a real sense of fulfilment from my involvement with the Royal Alfred Seafarers' Society. It is so important to ensure that the environment for our residents is consistently professional and caring and that we all work as a team. The welfare and care for our residents is always the absolute priority.

There is also a lovely sense of community with the tenants that live here at Weston Acres. I feel very fortunate to be able to chat to them whenever I visit and listen to their tales from life at sea, some of their stories are amazing and it's heart-warming to know that as ex-seafarers, together they all have these tales to share with each other.

Staff

Weston Acres Estates Team

At Weston Acres, the Estates team is the cog that keeps the Society moving. From groundkeepers to maintenance, the team is in charge of the day-to-day running and upkeep of the entire site.

We caught up with the team to reflect on the year gone; the successes, changes and most-treasured accomplishments...

Environmental

Becoming more environmentally friendly has been a big focus for the Society in 2019, allowing us to make savings to invest back into the Home. Maintenance Assistant James Woodcroft, said that changing all lightbulbs to LED helped reduce the energy output of the house considerably and made him feel like he was doing his bit to help the environment, whilst Maintenance Assistant Nick Potroanchenu added that the boiler upgrade has helped reduce energy costs.



WESTON ACRES



Refurbishments

As well as environmental changes to the Home, the Estates team has been responsible for the completion of a number of other refurbishment projects, with 95 per cent of all jobs carried out by the in-house team.

The largest project this year was the complete refurbishment of all upstairs tenant flats in Weston Acres, a project taking three years to complete, and which has had widespread praise from tenants.

New Technology

The Society is fortunate to receive donations and legacies from charities and individuals, to allow it to keep providing vital support for seafarers. This year, we were able to invest in a new smart bus, with 360° viewpoint technology. Driver Remus Boloc has been a driver for residents and tenants at Belvedere House for more than five years. He said...

"I have been a driver for residents and tenants at Belvedere House for over five years. Being the person that takes them to pick up their prescriptions and to their medical appointments still makes me proud every single day"

Tenant

Lieutenant Commander Geoffrey Haskins LDH (FR) RNZN



I joined the Royal Navy in 1943 as a Midshipman. The Royal Navy taught me everything, from how to use my knife and fork correctly, to how to shoot a gun and salute the right people. In 1944, I was called up for the D-Day landings as my first assignment at just 17 years old.

After training, I was sent off on a cruiser, which was quite daunting as we all knew we were going to France, we just didn't know exactly where. D-Day was such a top-secret mission, that I nearly got into trouble with my Captain when I recognised one of the locations as we were sailing up to the beach – "That's Arromanches!" I called out, which raised some eyebrows on the bridge. "How did you know that?" and I had to explain to my superiors that I recognised the beach as I had visited with my family previously on our holiday.

We witnessed many things, including the downing of a V-1 flying bomb into the Thames Estuary, when a Spitfire chased a V-1, tipped it off-course with its wing and it plummeted into the water. Not many people alive today can say that they have experienced such things.

I spent 25 years in naval uniform and I'm very proud of my rich maritime history. After the war, I specialised in navigation and became a Hydrographic Surveyor, then I relocated to the New Zealand Royal Navy where I eventually became a Lieutenant Commander; working on exciting projects like the Cook Strait Power Cable, a 380 mile-long transmission system connecting the electricity networks of the North and South Islands of New Zealand.

After my naval career, I moved into the offshore oil industry, where I worked as Chief Surveyor of Shell UK Exploration & Production across Nigeria, Brunei, Ireland and Norway. My last job was as the Professional Assistant to the International Hydrographic Bureau.

"I have made wonderful memories at sea and feel grateful that I can share them with likeminded seafarers at the Royal Alfred."

I came to the Royal Alfred in 2017 as a tenant after the death of my wife, as I was suddenly faced with being alone. It was a big decision for me to make, as I moved out of the lovely apartment I shared with my wife, but it was the best thing I could possibly have done because I've not been lonely since.

My favourite part of the Royal Alfred is the bar, which is our social hub and such an important place for many that live here. I run the Tuesday evening film club for tenants, where we watch films together. One of the great things about this place is that we all come from such a variation of seafaring backgrounds – we are a real community and it's special that we all have the sea in common.

Letters of Thanks from 2019

"My father, who had dementia, was a resident at Belvedere House for just over a year. He had a very nice room, with its own toilet, which overlooked the garden. The home is run to high standards, is clean, and is relatively modern. The surrounding grounds contain formal gardens and a large area which consists of a wildflower meadow and two large ponds. My father loved to walk around the pond and look at the wildflowers and insects. There are also three enclosed courtyard gardens where residents can sit and enjoy the sunshine. Dogs are welcome so I used to take mine to see him and he would play ball with her in the garden.

The staff are very caring and look after their residents very well. They are happy to talk with you about any issues and deal with any concerns you may have. There is a variety of activities for the residents to participate in if they wish to do so and range from music therapy to arts and crafts."

"We have seen such improvement in her mental and physical health and haven't seen her this happy in years. We can't recommend this place enough."

"My father-in-law is the happiest he has been. Belvedere House is clean and tidy. Staff are so friendly and helpful. A five-star home."

"Ever since walking into The Royal Alfred on my first visit, I have received nothing less than perfection in every manner. The staff, in every form, are simply wonderful – caring, understanding, personal – and will do absolutely anything for you. It truly feels like one big family and my mother has settled incredibly fast and is so very happy.

The entertainment is superb with something on at least once every day and the staff are fantastic at getting the residents to join in. The food is simply delicious, and the cooks work so terribly hard. Everyone is treated with such dignity and I could never imagine finding a place so perfect in every way for my mother."

"My mother has only been at Belvedere House for less than a month and I have to say that I have found all the staff outstanding! The level of care is very thorough, highly professional and totally amazing. I have appreciated the warm welcome my mother received. There are so many activities throughout the week as well as a peaceful seating area next to a beautiful pond with little waterfalls!"

"The wonderful care that my Mum is receiving; the friendly staff, cleanliness, catering, activities and events, everything is superb. Choosing a nursing home is one of the toughest moments but we have been so blessed with the RASS from day one. Mum is very happy so that makes the rest of the family happy. I cannot thank the RASS and praise them enough."

We gratefully acknowledge donations made to the Society during 2019 in memory of the following:

Mrs E Adams	Mrs G W Longstaff
Mrs L Carey	Captain W V Lusted
Mrs S Conacher	Mrs J Morris
Mrs P Cullimore	Mrs J M Pettitt
Mr J Dickerson	Mr L Stuckey
Mr D I Hobern	Mr S F Ticehurst
Mrs E Hodge	Mrs R Wilson
Mrs M Hughes	Lt Cdr J R Woods
	Mr A J Donoyou



A FITTING FLORAL SALUTE TO A MARINER WHO HAS "CROSSED THE BAR"

Legacies

We gratefully acknowledge bequests to the Society from the following:

Mrs I J Loosemore
Mrs M V Thompson

Statement of Public Benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011, in having due regard to the Charity Commission's General Guidance on Public Benefit and are reporting this here as they are required to do under the same directive.

We review our aims, objectives and activities continually. This review looks at what we have achieved and the outcomes of the work, then assesses the level of success of each activity and the benefits they have brought to those people for whom we are responsible for assisting under our Royal Charter.

The Charity Commission's General Guidance on Public Benefit (mentioned above) is very much used to help us ensure that our aims, objectives and activities remain focused and that those set for the following year and beyond accord with this doctrine also.

Investment Policy

The Society's policy is to:

- Maintain a diverse portfolio of quoted stocks
- Maintain the value of the portfolio in real terms
- Maximise the total return from capital and income combined while maintaining a medium level of risk
- Delegate investment of available funds to the Investment Committee of the Board which, in turn, delegates investment management to external investment managers on a discretionary basis, with a defined mandate

Risk Assessment

As required, the Board of Management reviews the Society's Risk Management Policy at regular intervals and the Risk Register at least annually, in particular drawing upon the deep expertise and knowledge in this subject held by some Trustees.

Having considered the primary areas of financial, operational, physical, regulatory and reputational risk, the Board is confident that the appropriate means of control have been adopted. Prudent management practices together with constant awareness of changes in the operating environments are felt to be in force.

As the Society runs a care home, the two risks from a comprehensive risk register with most serious impact have been determined as follows (with the management controls):

- **Risk:** outbreak of infection leading to loss of life
Controls: tight Legionella and infection controls plus good training
- **Risk:** serious accident leading to death of a resident or tenant
Controls: risk assessments, comprehensive care plans, thorough and regular health and safety audits and good staff training

The Society's key Management Staff are responsible for the day-to-day management of risk and for passing to all levels of staff the necessity for constant awareness of all types of risk and of the need to act in such a way as to minimise any adverse events

Staff Pay and Benefits

Society staff pay and benefits are set by reference to the annual surveys by professional incomes data services, local information or other relevant bodies and are consistent within the care industry. The Society always aims to offer terms equivalent to or exceeding the market rate subject to the Society's financial capability.

Controlled and monitored by:

- **Measurement:** annual review of salaries and benefits through appropriate comparisons with other relevant data
- **Reference:** professional data services, like for like comparison, local information or other relevant bodies and shall be consistent within the care industry
- **Audit:** comparison and calculation criteria held by CEO
- **Report:** by CEO at annual pay review

Additionally, it is the Society's declared intention that no member of staff should be paid less than the National Living Wage quoted at the time and thus is a member of the Living Wage Foundation. Subsequently, the Society is committed to and achieved a minimum £9 per hour for all in 2019, one year ahead of HM Government's declared policy on the National Living Wage. It is intended that this be raised in 2020 to £10 per hour minimum for all in the Society's employ.

The Society has a group pension scheme, now run on an auto-enrolment basis, open to all staff which matches an employee's contribution of four per cent gross annual salary with an employer's contribution of eight per cent.

Contribution of General Volunteers

The Society highly values the contribution its 27 volunteers make to the smooth running of the nursing care home and sheltered housing – both individually and collectively. Tasks such as 'befriending', where a volunteer spends time with an individual resident or tenant to increase their quality of life, running the bar for special occasions when the regular bar staff are absent (it would close otherwise), or assisting with activities, help enormously. None of the help provided by volunteers has a financial implication i.e. they are over and above the provision of care and running of the Home, but add that significant little extra.

Fundraising

The Royal Alfred Seafarers' Society does not fundraise as a matter of policy; therefore the charity has not made any fundraising appeals to the general public during the year and is unlikely to do so in the future. There has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the charity is not registered with the fundraising regulator and received no fundraising complaints in the year.

Statement of Trustees' Responsibilities

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year, and of its position at the end of the year. In preparing financial

statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles of the most recent Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, enabling them to oversee the finances whilst ensuring that the financial statements comply with the Charities Act 2011. The Trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention or detection of fraud and other irregularities.

Tangible Fixed Assets and Depreciation

Assets costing more than £7,500 are generally capitalised and depreciated improvements which enhance the future economic benefits of the property or extend its overall useful life are capitalised and fully written off over the expected useful life of the property. Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer and IT – *33.3 per cent per annum*
Furniture and Equipment – *20 per cent per annum*
Motor vehicles – *50 per cent per annum*
Freehold Buildings – *estimated useful life of assets, generally 50 years*
Freehold land – *none*

The Home Manager's Report

Anne Kasey, Clinical Manager



This year saw several changes at the Royal Alfred, including the Society making positive adjustments to help reduce our carbon footprint. We also finished refurbishing tenants' flats in our Weston Acres estate and 2019 also saw us mark D-Day 75, a commemoration that our tenants and residents were honoured to mark with a special event.



NORTH FIELD SITE

With environmental issues dominating the headlines in 2019, we wanted to ensure as a Home we were doing all that we could to make a difference ourselves. Plastic consumption is a big issue for the care sector, however we made the effort to cut our plastic usage by 74,000 items per year by preventing 52,000 plastic cups and 22,000 wet wipes from reaching landfill in 2019 alone simply by switching to non-plastic alternatives. We have reduced our reliance on fossil fuels after installing solar panels, which have cut electricity bills by around 15 per cent. The Home's sustainable pellet-fired biomass boiler has reduced gas usage by around 20 per cent and a 135 metre borehole has also been sunk to supply fresh water at a projected saving of £8,000 per year, all of which is invested back into the Home to benefit staff and residents.

We celebrated International Women's Day in March and honoured all the wonderful women we are lucky enough to call our colleagues. The care industry is dominated by female workers (84 per cent of workers in care homes with nursing staff are female), however I was proud as a member of the Senior Management Team (SMT) to also see two thirds of our SMT and Head of Department roles being occupied by women.



INTERNATIONAL WOMEN'S DAY 2019



CLLR DOROTHY ROSS-TOMLIN SPEAKS WITH HRH THE PRINCESS ROYAL

Our 2019 Annual General Meeting was one to remember, as our patron HRH The Princess Royal honoured us with her presence for our 153rd AGM in May. The Princess Royal joined Trustees, staff, residents, tenants and volunteers in celebrating another successful year in which we sustained an average occupancy rate of 94 per cent and reached record high staff training levels of 100 per cent, enabling the best standard of care to be delivered to residents. After ten years as Chairman, we also saluted Captain Glass farewell as he retired and was succeeded by Lieutenant Commander Philip Wake RNR.



HRH THE PRINCESS ROYAL AND VICE ADMIRAL WILKINSON OF SEAFARERS UK



OUR D-DAY VETERANS GEOFFREY AND ROBERT

On 6th June, it was time to mark D-Day's 75th anniversary which we commemorated with a unique event. Our D-Day veteran tenants Lieutenant Commander Geoffrey Haskins, Légion d'honneur, and Robert Ball, Légion d'honneur, contributed accounts of their experiences as part of an innovative musical project. Their D-Day tales were set to the backdrop of a beautiful classical composition by young British composer, and grandson of Geoffrey, James Olsen, which was shown at an event in Portsmouth. The event was attended by members of the Bournemouth Symphony Orchestra and the Portsmouth Cathedral's children's choir. I know I am not alone when I say it is an absolute pleasure to know Geoffrey, Robert and their wartime stories so well.



OPEN DAY WITH DEPUTY MAYOR OF REIGATE AND BANSTEAD

Seafarers Awareness Week was in July and in celebration we opened our doors once again for our annual Open Day, which was attended by the Society's Trustees, the Deputy Mayor of Reigate & Banstead Borough Council, Cllr Rosemary Absalom, and a choir from Woodmansterne Primary School. We are always so very proud to welcome people to the Home and demonstrate our facilities which include its very own bar, salon, specialist dementia annexe, and extensive grounds.



FAMILY FUN AT THE SUMMER FUNDRAISER

In the summertime we try to take advantage of our beautiful 14-acre grounds which are so very well looked after by our maintenance team. This summer we decided to hold a Fundraising Day for our residents, tenants and family members to raise funds for our amenity fund which helps us pay for extra trips and entertainment for our residents. We hosted a BBQ and held a raffle for guests to enter, it also got quite competitive with those who took part in the summer games! We love holding events like this that all residents, tenants, family members and staff can get involved with; it really helps to cement the seafaring community we have here at the Royal Alfred and we hope that all the family members enjoy visiting us too, as we know the residents enjoy it.

Social events like these are one part of what I believe help to make the Society a lovely place of work. We have a workforce of nearly 100 employees and almost half of our staff have been working with us for five years or more – collectively dedicating more than 500 years to the Society and its residents. Compared to an industry average of 23 per cent, The Royal Alfred boasts a very low staff turnover of just 14 per cent, which is why we are so proud that so many of our staff choose to remain on our workforce for such lengths of time. Our staff regularly complete staff satisfaction surveys and they always come back with high rates of job satisfaction.

In October we honoured our long-serving staff members in true Royal Alfred fashion – with a delicious, celebratory afternoon tea, courtesy of our wonderful catering team. Employees from each department were recognised, including care, kitchen and back of house staff along with Chief Executive Commander Brian Boxall-Hunt and myself.



SOME OF OUR TEAM AT THE SURREY CARE AWARDS

In November, we were nominated for Care Team of the Year and one of our talented Chefs, Janice, was also nominated for Chef of the Year at this year's Surrey Care Awards. We were delighted to be finalists in the awards and enjoyed a lovely evening at Epsom Downs Racecourse where a table of us celebrated our hard work over the year. When we attend award ceremonies, we always take a mixture of staff so everyone can enjoy a night of celebration for working hard.

I am always so very proud of the team we have here at the Society, it wouldn't be the place it is today without everyone that works so hard to make it a wonderful Home for the residents and tenants. The nature of our work means staff have to come to terms with the sad fact of life that nobody lives forever, and this can be particularly hard for the workforce as we deal in end of life care.

Bonds are formed between carers, nurses, kitchen and maintenance staff with the residents so when they pass away this can be hard. However, we are here to make people's lives as comfortable as possible in those last months of life and I truly believe that every member of staff contributes to this experience – whether that is by making a resident's favourite meal, taking care of the grounds for them to enjoy or with the activities and trips out planned by our Activities team – we all contribute in some way to the quality of overall end of life care that we are here to offer those we look after.

In 2020, the Royal Alfred will celebrate 155 years and it will also mark my 37th year with the Society. I have seen so much change during my time here and I am excited about the direction in which the Society is moving. I would like to say a special thanks to everyone that makes the Royal Alfred such a special place to work and an even better Home for those that call Belvedere House and Weston Acres just that.

The full financial statements of the Society for the year ended 31st December 2019 appear on pages 35-54 of this report. The aim of this short summary is to highlight some key points and thus briefly put the figures into some perspective.

Overall

In short, 2019 was a satisfactory year financially which saw the Society achieve its strategic aim of break-even, plus a very small surplus of £18,645 much helped financially by grants from Trinity House (£100,000), The Royal Navy and Royal Marines Charity (£40,000) and Seafarers UK (£10,000). With increased staff costs to meet National Living Wage requirements and retain high quality team members, grants such as these are a key feature of maintaining an excellent service at reasonable cost. Consistently good Home occupancy – albeit lower than planned in 2019 – at 92 per cent is highly creditable in itself, although by no means a certainty.

Thus our continued reliance on the generosity of fellow maritime charities is vital to ensure that we fill the gap in income created by those seafarers whom we care for but whom are unable to meet the actual cost of care, despite help from local authority funding, which in itself is often well short of the mark. Together with the all-important income from our investment portfolio, based upon its essential maintenance at around £10million minimum, this insures us against deficit and failure.

Keeping the Home full throughout, or as near as possible, remains especially satisfying as this means that the service we provide is both valued and highly rated, and continues to meet a real need amongst seafarers. Income from resident fees and tenant rents remained robust throughout the year, and expenditure was then contained below most budgeted levels, although some additional key maintenance projects were completed. So, both key pillars of financial success were held up: that of an adequate income stream and also expenditure under strict control.

A further, overall point must be made, and that is the good fortune of legacies. Although we do include the acquisition

of legacies in our marketing strategy, it is only by luck that we benefit. We were most fortunate in 2019 to receive several modest legacies, some from people known to us and a couple as a result of what must be credited to successful marketing. With one of these we completed the purchase of the replacement 'minicoach' and also purchased a most useful utility vehicle, able to take a wheelchair and staff member in comfort and thus more easily complete hospital visits.

Finally, the balance of the accumulated legacies allowed us to amend our application for grants, specifically the usually kind and generous offer of a grant from Seafarers UK reduced to £10,000. With welcome grants from Trinity House and the Royal Navy and Royal Marines Charity already in the pipeline, it was apparent that we would reach break-even at year-end with this reduced amount of help. If no 'windfall' of legacies next year, we will once again, and undoubtedly more so, rely on the availability of grants from our fellow maritime charities to bridge the gap in care funding.

Finally, the Society has for over 30 years, along with four other national charities, owned a fifth share in some 84 acres of greenbelt, agricultural land in Warlingham, Surrey. This was contracted to a promoter, Wellbecks, in 2019 to seek inclusion in the local authority plan with a view to eventual sale for development. A value at agricultural prices has thus now been included as an unrealised asset/ investment and continues to be a long-term asset unlikely to be realised in cash for many years yet.

Performance Of Investments

Following significant falls in December 2018, stock markets rebounded strongly at the start of 2019 as investors realised that the sell-off was overdone and valuations became more attractive. Notably, the S&P 500 Index enjoyed its best January since 1987. The major catalyst for the rally was the change in the Fed's monetary policy outlook and the indication that interest rates would be cut. Signs of a trade deal between the US and China also helped.

The remainder of the year was full of mood swings. In the spring and summer, fears of slowing global growth resurfaced and anxious investors piled into the safety of government bonds, driving down yields and causing the US yield curve to invert. As sentiment improved, not only did US equities reach a new peak, but industrial stocks, which do well in business cycle upswings, outperformed utility stocks, a safer bet in hard times.

Although the world economy continues to expand, unresolved trade conflicts around the world have not eased the uncertainty. Global trading volumes have fallen for most of 2019 and there are signs that manufacturing activity has also dipped.

For once the polls were right – the Conservative Party secured a large majority in the House of Commons in December and UK shares and sterling surged following the result and the additional clarity that it should provide over Brexit. Financial markets tend to like continuity, especially when the alternative is near-unprecedented change. UK equities outperformed overseas equities as a result, with domestic and smaller companies leading the charge. The Royal Alfred Seafarers portfolio produced strong returns and ended the year up 17.6 per cent.

SORP 2015, FRS 102 and "A Going Concern"

With the introduction of the new SORP (Statement of Recommended Procedures – interpreted as 'Required Procedures') and FRS 102, this report has followed new accounting rules and procedures leading to many changes of presentation over previous years' accounts. One element of change is now the requirement for Trustees to declare whether the Society is a 'going concern'; the answer must be, and is, an unequivocal yes to both parts of the question. Rooted in a Royal Charter and achieving well our charitable aims, under strong and comprehensive governance, our affairs are guided by regularly updated strategic, business and financial plans looking 20 years ahead with the next five years in detail. With solid levels of reserves, sufficient income streams and a firm control over expenditure, the Society is considered by the Board of Management to be most certainly a 'going concern' for the forthcoming year and indeed the foreseeable future.

Reserves

The Board of Management keeps the Reserves Policy under regular review. The Society holds reserves in order to ensure as far as possible that its prime objectives may be met in the future. Total free reserves at present stand at £12.3million, based on the standard calculation of unrestricted funds less tangible assets, and are required for any of the following purposes:

- To provide working capital

- To maintain up to 12 months' expenditure in reserves so as to ensure that our services are not compromised in the short term. In the year under review this figure amounts to £4million
- To provide for the (anticipated future replacement or) major improvement of care home and housing facilities. At today's values, it is estimated that the maximum commitment in this respect would be £8 million

The amount of the free reserves is, therefore, considered adequate.

Statement of Trustees' Responsibilities

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year, and of its position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles of the most recent Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the 'going concern' basis, unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity, enabling them to oversee the finances whilst ensuring that the financial statements comply with the Charities Act 2011. The Trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention or detection of fraud and other irregularities.

Approved by the Trustees on 25 March 2020 and signed on their behalf, by:

C P Wake OBE RD* FNI
Chairman
(Signed On Original)

B P Boxall Hunt OBE FNI
Chief Executive
(Signed On Original)

Independent auditors' report to the Trustees of the Royal Alfred Seafarers' Society.

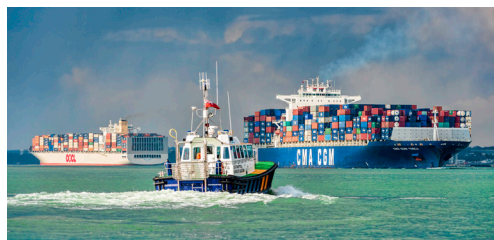
We have audited the financial statements of The Royal Alfred Seafarers' Society for the year ended 31st December 2019 which comprise Statement of Financial Activities, the charity Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31st December 2019 and of the charity's net movement in funds 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page seven, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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.

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

Conclusions relating to 'going concern'

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of audit report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's 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 charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

For and behalf of Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London EC4R 1AG

Date: 25th March 2020

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



IMAGE COURTESY OF THE IMPERIAL WAR MUSEUM

Statement of financial activities for the year ended 31 December 2019

		Unrestricted funds	Restricted funds	Total funds	Total funds
		2019	2019	2019	2018
	Note	£	£	£	£
INCOME FROM:					
Donations, grants and legacies	2	293,756	11,819	305,575	399,980
Charitable activities	3	3,382,827	-	3,382,827	3,145,555
Investments	4	373,984	-	373,984	339,672
TOTAL INCOME		4,050,567	11,819	4,062,386	3,885,207
EXPENDITURE ON:					
Raising funds:					
Voluntary income		30,852	-	30,852	37,257
Investment management		53,952	-	53,952	50,976
Charitable activities	5	3,952,863	6,074	3,958,937	3,774,554
TOTAL EXPENDITURE		4,037,667	6,074	4,043,741	3,862,787
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		12,900	5,745	18,645	22,420
Net gains/(losses) on investments	9	1,674,879	-	1,674,879	(864,944)
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		1,687,779	5,745	1,693,524	(842,524)
NET MOVEMENT IN FUNDS		1,687,779	5,745	1,693,524	(842,524)
Transfer between funds		-	-	-	-
RECONCILIATION OF FUNDS:					
Total funds brought forward		15,403,173	-	15,403,173	16,245,696
TOTAL FUNDS CARRIED FORWARD		17,090,952	5,745	17,096,697	15,403,173

All activities relate to continuing operations.

The notes on pages 40 to 54 form part of these financial statements.

Full comparative figures for the year ended 31 December 2019 are shown in note 20.

Balance sheet as at 31 December 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	8		4,772,850		4,821,417
Investments	9		11,572,960		9,849,361
			16,345,810		14,670,778
CURRENT ASSETS					
Debtors	10	320,766		481,996	
Cash at bank and in hand		715,165		649,972	
		1,035,931		1,131,968	
CREDITORS: amounts falling due within one year	11	(285,044)		(399,573)	
NET CURRENT ASSETS			750,887		732,395
TOTAL ASSETS LESS CURRENT LIABILITIES			17,096,697		15,403,173
Defined benefit pension scheme asset	12		-		-
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			17,096,697		15,403,173
CHARITY FUNDS					
Restricted funds	13		5,745		-
Unrestricted funds	13		17,090,952		15,403,173
TOTAL FUNDS			17,096,697		15,403,173

The financial statements were approved by the Trustees on 25 March 2020 and signed on their behalf, by:

Signed on the Original

C P Wake OBE RD* FNI
Chairman

The notes on pages 40 to 54 form part of these financial statements.

Signed on the Original

B P Boxall-Hunt OBE FNI
Chief Executive

Cash flow statement for the year ended 31 december 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	15	(88,998)	(123,044)
Cash flows from investing activities:			
Dividends, interest and rents from investments		373,984	339,672
Purchase of tangible fixed assets		(171,074)	(290,584)
Proceeds from sale of investments		374,438	953,807
Purchase of investments		(423,157)	(706,059)
Net cash provided by/(used in) investing activities		65,193	296,836
Change in cash and cash equivalents in the year			173,792
Cash and cash equivalents brought forward		649,972	476,180
Cash and cash equivalents carried forward	16	715,165	649,972



IMAGE COURTESY OF THE IMPERIAL WAR MUSEUM

Notes to the financial statements for the year ended 31 December 2019

1. ACCOUNTING POLICIES

The Royal Alfred Seafarers' Society is a charity established by Royal Charter and registered with The Charity Commission in England and Wales, registered number 209776. The registered office is shown on page 1.

1.1 Statement of compliance

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The Royal Alfred Seafarers' Society constitutes a public benefit entity as defined by FRS 102.

1.2 Going Concern

The Society's affairs are guided by regularly updated Strategic, Business and Financial plans looking 20 years ahead with the next five years in detail. With solid levels of reserves, sufficient income streams and a firm control over expenditure, the Society is considered by the Board of Management to be a going concern for the forthcoming year and the foreseeable future.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

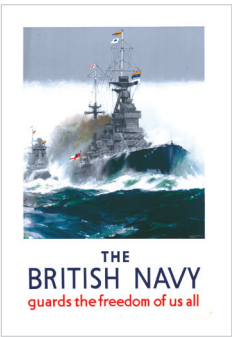


IMAGE COURTESY OF THE IMPERIAL WAR MUSEUM



Notes to the financial statements for the year ended 31 December 2019

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: 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 Trust 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 executor's 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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Income from nursing home fees and tenant rentals is recognised in the period to which the income related and any amounts received in advance for future periods is carried forwards as deferred income.

Income from donations and grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Donated land/assets are recognised at the fair value at the date received. Where there is no reliable estimate of the fair value, donated land/assets will be recognised only once this value has been established.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in managing investments

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Notes to the financial statements for the year ended 31 December 2019

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised and depreciated. Improvements which enhance the future economic benefits of the property or extend its overall useful life are capitalised and are fully written off over the expected useful life of the property.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer and IT	-	33.3% per annum
Furniture and Equipment	-	20% per annum
Motor vehicles	-	50% per annum
Freehold Buildings	-	estimated useful life of assets - generally 50 years
Freehold Land	-	none

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

The valuation of freehold land was carried out by a chartered surveyor and is valued at its Existing Use Value (EUV) based on agricultural values. No depreciation is provided in respect of this land.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Debtors

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

Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Notes to the financial statements for the year ended 31 December 2019

1. ACCOUNTING POLICIES (continued)

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Pensions

The cost of providing pensions for employees is charged against the Statement of Financial Activities over the average working lives of members in accordance with the recommendation of the pension scheme actuary. The pension scheme is a defined benefit scheme the assets of which are held independently from the assets of the Society.

The Society also contributes to the employees' group pension scheme. The contributions are held in funds held independently of the Society's assets.

The Society has fully implemented the requirement of FRS102 relating to employee benefits. The deficit has been included in the balance sheet.

1.14 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In the opinion of the Trustees the main estimate and assumption that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the useful life of fixed assets, which are written off in accordance with the depreciation policies set out in note 1.6.

The valuation of the pension scheme assets and liabilities is carried out by the scheme actuary based on various assumptions and estimates. Details are given in Note 12.

The valuation of donated land is carried out by a chartered surveyor based on various assumptions and estimates. The amounts recognised in these accounts have been estimated based on current agricultural values and future plans of the Charity.

1.15 Employee benefits

A liability is recognised for any overtime hours earned during the year which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the hourly rate of the overtime worked.

Notes to the financial statements for the year ended 31 December 2019

2. INCOME FROM DONATIONS, GRANTS AND LEGACIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Donations			
Donations	26,110	11,819	37,929
Legacies			
Parish	24,951	-	24,951
Quinn	66,943	-	66,943
Loosemore	1,000	-	1,000
Thompson	17,092	-	17,092
Wright	2,660	-	2,660
Other	5,000	-	5,000
Grants			
The Corporation of Trinity House	100,000	-	100,000
RN&RM Charity	40,000	-	40,000
Seafarer's UK	10,000	-	10,000
Total	293,756	11,819	305,575

PRIOR YEAR INCOME FROM DONATIONS, GRANTS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Donations			
Donations	58,664	13,116	71,780
Legacies			
Roberts	10,000	-	10,000
Parish	150,000	-	150,000
Huntley	10,000	-	10,000
Davis	5,000	-	5,000
Wright	65,000	-	65,000
Grants			
The Corporation of Trinity House	68,200	-	68,200
RN&RM Charity	20,000	-	20,000
Total	386,864	13,116	399,980

Notes to the financial statements for the year ended 31 December 2019

3. INCOME FROM CHARITABLE ACTIVITIES

	Total funds 2019 £	Total funds 2018 £
Belvedere House Care Home	3,190,410	2,972,493
Weston Acres Housing	192,417	173,062
	<u>3,382,827</u>	<u>3,145,555</u>

4. INVESTMENT INCOME

	Total funds 2019 £	Total funds 2018 £
Dividends	372,983	338,813
Bank Interest Receivable	1,001	859
	<u>373,984</u>	<u>339,672</u>

5. CHARITABLE EXPENDITURE

	Belvedere House Care £	Weston Acres Housing £	Support Costs £	Total 2019 £
Computer, Phone & IT	24,993	4,709	7,214	36,916
Legal & Professional	60,277	5,834	13,526	79,637
Other Office Costs	79,087	151	10,618	89,856
Rent & Rates	8,592	7,582	-	16,174
Light & Heat	57,663	22,923	-	80,586
Heating project	8,233	-	-	8,233
Repairs & Maintenance	238,679	66,026	5,413	310,118
Insurance	19,138	5,461	2,730	27,329
Motor and Travel	5,295	-	-	5,295
PPS	9,708	-	2,283	11,991
Agency Costs	82,487	-	-	82,487
Cleaning	50,280	4,500	-	54,780
Other Staff Costs	16,880	-	44,854	61,734
Food & Kitchen	124,456	-	-	124,456
Staff costs	2,471,080	76,007	154,180	2,701,267
Exceptional costs	-	-	17,428	17,428
Bad debts	1,781	3,395	-	5,176
Audit fees	-	-	18,033	18,033
Depreciation	195,315	1,472	18,275	215,062
Activities and amenity fund expenditure	<u>12,379</u>	<u>-</u>	<u>-</u>	<u>12,379</u>
	<u>3,466,323</u>	<u>198,060</u>	<u>294,554</u>	<u>3,958,937</u>

Governance costs totalled £18,033 for the year (2018: £18,900).

Notes to the financial statements for the year ended 31 December 2019

5. PRIOR YEAR CHARITABLE EXPENDITURE

	Belvedere House Care £	Weston Acres Housing £	Support Costs £	Tot 2018 £
Computer, Phone & IT	13,789	1,480	4,861	20,1
Legal & Professional	54,843	17,520	28,154	100,5
Other Office Costs	41,659	313	19,554	61,5
Rent & Rates	25,670	8,098	922	34,6
Light & Heat	41,879	21,427	-	63,3
Heating project	-	-	56,144	56,1
Repairs and maintenance	159,588	35,505	997	196,0
Insurance	18,361	4,729	4,730	27,8
Motor and Travel	3,191	97	12,288	15,5
PPS	6,185	-	2,475	8,6
Agency costs	27,084	-	-	27,0
Cleaning	45,027	3,444	-	48,4
Other Staff Costs	38,031	75	32,089	70,1
Food and Kitchen	157,887	-	-	157,8
Staff Costs	2,407,947	61,242	141,627	2,610,8
Exceptional Costs	-	-	47,109	47,1
Bad debts	3,940	-	-	3,9
Audit fees	-	-	18,900	18,9
Depreciation	186,302	1,571	17,820	205,6
	<u>3,231,383</u>	<u>155,501</u>	<u>372,110</u>	<u>3,774,5</u>

6. NET INCOME

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets: - owned by the charity	215,062	206,314
Auditors' remuneration: audit of financial statements	13,250	12,400
Auditors' remuneration: other fees	<u>2,700</u>	<u>2,600</u>

Notes to the financial statements for the year ended 31 December 2019

7. STAFF COSTS

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	2,346,329	2,267,473
Social security costs	201,617	193,047
Other pension costs	153,321	150,295
	<u>2,701,267</u>	<u>2,610,816</u>

The average number of persons employed by the charity during the year was as follows:

	2019 No.	2018 No.
Care Staff	57	59
General Staff	39*	31
Management and Administration	5	4
	<u>101</u>	<u>94</u>

The number of higher paid employees was:

	2019 No.	2018 No.
£60,001 - £70,000	1	1

Total employers pension contribution of £5,487 (2018: £5,447) were paid for the provision of defined contribution schemes relating to higher paid staff.

No trustee received remuneration for their services (2018: Nil).

Three trustees were reimbursed total travel and meeting expenses of £677 during the year (2018: £653).

Remuneration for key management personnel was £215,343 (2018: £208,594).

*Methodology for recording staff numbers has changed from FTE to actual numbers employed. In reality there has been no increase in General Staff numbers from 2018.

Notes to the financial statements for the year ended 31 December 2019

8. TANGIBLE FIXED ASSETS

	Freehold Land £	Freehold Property £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 2019	40,000	6,855,567	844,108	172,947	7,912,622
Additions	-	-	91,008	80,066	171,074
Disposals	-	-	-	(68,467)	(68,467)
At 31 December 2019	<u>40,000</u>	<u>6,855,567</u>	<u>935,116</u>	<u>184,546</u>	<u>8,015,229</u>

Depreciation

At 1 January 2019	-	2,261,012	743,500	86,693	3,091,206
Charge for the year	-	163,789	23,451	27,822	215,062
Disposals	-	-	-	(63,888)	(63,888)
At 31 December 2019	-	<u>2,424,801</u>	<u>766,951</u>	<u>50,627</u>	<u>3,242,379</u>

Net book value

At 31 December 2019	<u>40,000</u>	<u>4,430,766</u>	<u>168,165</u>	<u>133,919</u>	<u>4,772,850</u>
At 31 December 2018	<u>40,000</u>	<u>4,594,555</u>	<u>100,608</u>	<u>86,254</u>	<u>4,821,417</u>

All fixed assets are either for direct charitable use, or for activities in the furtherance of the charity's objectives.

9. FIXED ASSET INVESTMENTS

	Listed securities £	Cash £	Freehold Land £	Total £
Market value				
At 1 January 2019	9,558,340	291,021	-	9,849,361
Additions	423,157	259,314	-	994,886
Disposals	(633,751)	-	-	(633,751)
Revaluations	<u>1,362,464</u>	<u>-</u>	<u>312,415</u>	<u>1,674,879</u>
At 31 December 2019	<u>10,710,210</u>	<u>550,335</u>	<u>312,415</u>	<u>11,572,960</u>
Historical cost				
	<u>6,854,805</u>	<u>550,335</u>	<u>-</u>	<u>7,405,140</u>

Notes to the financial statements for the year ended 31 December 2019

9. FIXED ASSET INVESTMENTS (continued)

Investments at market value comprise:

	2019 £	2018 £
Listed investments	10,710,210	9,558,340
Cash	550,335	291,021
Freehold land at Warlingham	312,415	-
Total market value	<u>11,572,960</u>	<u>9,849,361</u>

All the fixed asset investments are held in the UK.

10. DEBTORS

	2019 £	2018 £
Resident and tenant debtors	101,006	290,366
Other debtors and accrued income	128,945	175,664
Prepayments	90,815	15,966
	<u>320,766</u>	<u>481,996</u>

11. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	19,842	28,476
Other taxation and social security	51,060	51,204
Funds held on behalf of residents	12,978	15,057
Other creditors	38,851	37,069
Accruals	68,313	78,767
Fees in advance	94,000	189,000
	<u>285,044</u>	<u>399,573</u>

Deferred income

	2019 £	2018 £
Deferred income at 1 January 2019	189,000	77,024
Resources deferred during the year	94,000	189,000
Amounts released from previous years	(189,000)	(77,024)
Deferred income at 31 December 2019	<u>94,000</u>	<u>189,000</u>

Deferred income is made up of payments received in advance from residents for the next financial year.

Notes to the financial statements for the year ended 31 December 2019

12. PENSIONS AND OTHER POST RETIREMENT BENEFITS

The Society operates a defined benefit Pension Scheme. The assets of the Scheme are held by the Trustees of the Scheme, separately from those of the Society, and are invested with Aviva in a with-profits pension policy. When a member retires, the Trustees secure the member's pension and, where relevant, the contingent spouse's pension in an immediate annuity policy with Aviva on the basis of the guaranteed annuity rates under the policy. The Society's contributions to the Scheme are calculated so as to spread the cost of purchasing pensions over the period up to the date when members retire or decide to take their benefits in accordance with the rules. The contributions required are reviewed by a qualified independent actuary every three years.

On 30 March 2007, the Scheme closed to future service, breaking the link to members' future salaries. Benefits are based on service and salary at the date of closure or leaving service. Pensions in payment are increased annually in accordance with the Rules of the Scheme.

The Society now pays contributions to the employees' group personal pension.

The disclosures below relate only to the defined benefit Pension Scheme.

The latest full triennial actuarial valuation of the Scheme was carried out at 1 March 2017. The valuation excluded the value of the Scheme's immediate annuity policies. The value of the Fund's assets and liabilities at that date, which related only to the deferred pensioners, was £316,000 and £319,000 respectively, thus disclosing a small deficit of £3,000. The Society is making good this deficit by the payment of contributions of £100 per month up to 31 December 2020.

During the year, the Society paid contributions to the Scheme of £1,200 (2018: £1,200).

During the year, one deferred pensioner retired so there are only two deferred pensioners remaining (2018: 3). As at 31 December 2019, there were 39 pensions in payment (2018: 38) with annual pensions in payment of £296,880 pa (2018: £285,051 pa).

The market value of the Aviva with-profits insurance policy as at 31 December 2019 was £203,459 (2018: £239,004). The old Guaranteed Annuity Fund has now been reduced to £Nil (2018: £7,486).

The Scheme's assets also include immediate annuity policies insured with Aviva valued at £5,038,000 (2018: £4,766,000) and the value of these annuities is included in these accounts. The inclusion of these figures does not impact on the deficit or surplus in the Scheme since these annuities are fully secured with Aviva.

The valuation of the defined benefit liabilities does not reflect any additional liabilities which may result from the requirement to equalise benefits relating to Guaranteed Minimum Pensions arising from pensionable service prior to 5 April 1997. The expected cost impact cannot be reliably estimated at the present time so, consequently, no provision has been made.

The actuary has provided the following information about the financial position of the Scheme as at 31 December 2019 as required by Financial Reporting Standard FRS 102.

Balance Sheet	2019	2018
Fair value of scheme assets	£5,241,000	£5,005,000
Present value of liabilities	(£5,161,000)	(£4,918,000)
Total	£80,000	£87,000

The Scheme surplus revealed by these calculations as at 31 December 2019 is not recognised in the Society's balance sheet.

Notes to the financial statements for the year ended 31 December 2019

Income statement	2019	2018
Service cost	-	-
Past service cost	-	-
Settlements/Curtailments	-	-
Net interest cost on net DB liability	£2,000	£3,000
Total	£2,000	£3,000

Statement of Comprehensive Income	2019	2018
Actuarial gains (losses) on scheme assets	£411,000	£8,000
Actuarial gains (losses) on scheme liabilities	(£421,000)	(£36,000)
Net scheme asset not shown as asset on B/S	(£80,000)	(£87,000)
Total	(£90,000)	(£115,000)

Movement in assets during the year	2019	2018
Assets at beginning of year	£5,005,000	£5,265,000
Interest income (expense)	£121,000	£117,000
Employer contributions	£1,000	£1,000
Benefits paid	(£297,000)	(£386,000)
Actuarial gains (losses) on scheme assets	£411,000	£8,000
Assets at end of year	£5,241,000	£5,005,000

Movement in liabilities during the year	2019	2018
Liabilities at beginning of year	£4,918,000	£5,154,000
Current service cost	-	-
Interest cost	£119,000	£114,000
Benefits paid	(£297,000)	(£386,000)
Actuarial (gains) losses on scheme liabilities	£421,000	£36,000
Liabilities at end of year	£5,161,000	£4,918,000

The principal long-term financial assumptions used in the FRS 102 valuation were:

	2019	2018
Discount rate	1.7%	2.5%
Retail Price Inflation	3.0%	3.2%
Consumer Price Inflation	2.0%	2.2%
Rate of increase in pensions in payment	3.0%	3.2%
Rate of increase in deferred pensions	2.0%	2.2%

The mortality assumptions are subject to regular review; the mortality table used in the valuation as at 31 December 2019 was S2PMA/S2PFA CMI Model 2018 [1.25%] (2017: CMI Model 2017 [1.25%]) which gives the following life expectancies at age 60:

	2019	2018
Male	26.0	26.6
Female	28.1	28.6

Notes to the financial statements for the year ended 31 December 2019

13. STATEMENT OF FUNDS

	2019 Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	2019 Carried Forward £
Designated funds					
Parish Legacy	17,000	-	(17,000)	-	-
	17,000	-	(17,000)	-	-
General funds					
General Funds	15,386,173	4,050,567	(4,020,667)	1,674,879	17,090,952
	15,403,173	4,050,567	(4,037,667)	1,674,879	17,090,952
Restricted funds					
Amenity Fund	-	11,819	(6,074)	-	5,745
	15,403,173	4,062,386	(4,043,741)	1,674,879	17,096,697

Designated funds have been set aside by the Trustees for the purposes set out above. The "Parish Legacy" fund was used to fund a replacement and upgraded "minicoach" and utility vehicle in order to continue the provision of regular outings in improved comfort.

The restricted Amenity Fund represents monies specifically given to provide additional amenities for the residents and staff of the homes run by the charity.



Notes to the financial statements for the year ended 31 December 2019

13. STATEMENT OF FUNDS (continued)

PRIOR YEAR STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Designated funds					
Building Work	-	-	-	-	-
North Field Landscaping	87,000	-	(87,000)	-	-
Parish Legacy	-	150,000	(133,000)	-	17,000
	<u>87,000</u>	<u>150,000</u>	<u>(220,000)</u>	<u>-</u>	<u>17,000</u>
General funds					
General Funds	16,162,195	3,722,091	(3,629,170)	(868,944)	15,386,173
Defined benefit pension scheme	(4,000)	-	-	4,000	-
	<u>16,158,195</u>	<u>3,722,091</u>	<u>(3,629,170)</u>	<u>(864,944)</u>	<u>15,386,173</u>
Total Unrestricted funds	<u>16,245,195</u>	<u>3,872,091</u>	<u>(3,849,170)</u>	<u>(864,944)</u>	<u>15,403,173</u>
Restricted funds					
Amenity Fund	501	13,116	(13,617)	-	-
Total of funds	<u>16,245,696</u>	<u>3,885,207</u>	<u>(3,862,787)</u>	<u>(864,944)</u>	<u>15,403,173</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Tangible fixed assets	4,772,850	-	4,772,850	4,821,417
Fixed asset investments	11,572,960	-	11,572,960	9,849,361
Current assets	1,030,186	5,745	1,035,931	1,131,968
Creditors due within one year	(285,044)	-	(285,044)	(399,573)
	<u>17,090,952</u>	<u>5,745</u>	<u>17,096,697</u>	<u>15,403,173</u>

Notes to the financial statements for the year ended 31 December 2019

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Tangible fixed assets	4,821,417	-	4,821,417	4,752,192
Fixed asset investments	9,849,361	-	9,849,361	10,969,244
Current assets	1,131,968	-	1,131,968	821,331
Creditors due within one year	(399,573)	-	(399,573)	(297,572)
	<u>15,403,173</u>	<u>-</u>	<u>15,403,173</u>	<u>16,245,195</u>

15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	1,693,524	(842,524)
Adjustment for:		
Depreciation charges	215,062	206,314
Disposals of fixed assets	4,579	15,045
(Losses)/gains on investments	(1,674,879)	872,136
Dividends, interest and rents from investments	(373,984)	(339,672)
Decrease/(increase) in debtors	161,230	(136,344)
(Decrease)/increase in creditors	(114,530)	102,001
Net cash used in operating activities	<u>(88,998)</u>	<u>(123,044)</u>

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	715,165	649,972
Total	<u>715,165</u>	<u>649,972</u>

17. CONTINGENT LIABILITIES

The Trustees have confirmed that there were no contingent liabilities which should be disclosed at 31 December 2019 (2018: none).

Notes to the financial statements for the year ended 31 December 2019

19. CAPITAL COMMITMENTS

At 31 December 2019 the charity had capital commitments as follows:

	2019 £	2018 £
Expenditure contracted	-	20,000
	<u>-</u>	<u>20,000</u>

20. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES 2018

Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
INCOME FROM:			
Donations, grants and legacies	2 386,864	13,116	399,980
Charitable activities	3 3,145,555	-	3,145,555
Investments	4 339,672	-	339,672
TOTAL INCOME	3,872,091	13,116	3,885,207
EXPENDITURE ON:			
Raising funds:			
Voluntary income	37,257	-	37,257
Investment management	50,976	-	50,976
Charitable activities	5 3,758,990	15,564	3,774,554
TOTAL EXPENDITURE	3,847,223	15,564	3,862,787
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)	24,868	(2,448)	22,420
Net gains on investments	9 (864,944)	-	(864,944)
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES	(840,076)	(2,448)	(842,524)
Actuarial (losses)/gains on defined benefit pension schemes	-	-	-
NET MOVEMENT IN FUNDS	(840,076)	(2,448)	(842,524)
Transfer between funds	(1,947)	1,947	-
RECONCILIATION OF FUNDS:			
Total funds brought forward	16,245,195	501	16,245,696

How You Can Help The Society

Every donation or legacy makes a vital contribution and we are grateful for all the gifts we receive. A suitable donation form is provided on page 57 of this Report together with a standing order form on page 58 if you wish to make regular donations.

Whatever you decide to do, please send the forms to us, making sure to include the bank's full address to which we can forward the standing order form. We set out below some information on how you can help our work to continue.

By Donation Under Gift Aid

If you pay sufficient income tax or capital gains tax you can make tax-efficient donations of any amount to charities. If you do make your donation under Gift Aid rules, The Royal Alfred Seafarers' Society can claim 25 pence from HM Revenue & Customs for every pound you donate. If you pay a higher rate of tax you can reclaim the higher rate component in your own tax return.

If you can increase the value of your gift, whether one-off or regularly by standing order, please complete the Gift Aid declaration on page 57 and return it with your donation.

By Give As You Earn

If your employer operates Give as You Earn you can take advantage of the facility to the benefit of The Royal Alfred Seafarers' Society.

By Remembering the Society in Your Will

Legacies are a certain way of ensuring that your support for The Royal Alfred Seafarers' Society continues after your death. They provide a very important source of income and help to ensure that our work carries on in the future.

If you are kind enough to remember the Society in your Will, we suggest that the following wording might be appropriate:

"I give and bequeath to The Royal Alfred Seafarers' Society (Registered Charity No. 209776) the sum of £..... OR all the residue of my estate OR percent of the residue of my estate

And I declare that the receipt of the Chief Executive or other authorised officer for the time being of the Charity shall be sufficient discharge to my executors."

Notes on Donating

- 1

You can cancel this declaration at any time by notifying the Society
- 2

To be eligible under Gift Aid rules, you must pay an amount of income tax and/or capital gains tax at least equal to the tax that the Society reclaims on your donations in the tax year (currently 25p for each £1 you give). If in the future your circumstances change and you no longer pay tax on your income and capital gains equal to the tax that the Society reclaims, you must cancel your declaration (see note 1)
- 3

If you pay tax at the higher rate you can claim further tax relief in your Self-Assessment tax return
- 4

If you are unsure whether your donations qualify for Gift Aid tax relief, please speak to us or ask your local tax office for leaflet IR113 Gift Aid
- 5

Please notify the Society if you change your name or address



Donation Form

Donation

I enclose a cheque for £
as a gift to the work of the Society for the benefit and aid of
British seafarers, their widows/widowers and dependants.

Gift Aid
Declaration

Please read carefully the notes on page 55; if you are eligible, and wish to do so, please complete the following information to enable The Royal Alfred Seafarers' Society to reclaim the tax direct from the Government on your behalf:

*I would like the above donation and any future donations to be made to The Royal Alfred Seafarers' Society through the Gift Aid Scheme.

* Delete if not applicable to your donation.

TEAR HERE

Title:

Full Name:

Address

Postcode:

Date:

I (Full Name):

Of (Address):

Postcode:

Request you to pay to:

National Westminster Bank plc, St Nicholas Centre, Sutton, Surrey SM1 1DH

for the credit of The Royal Alfred Seafarers' Society (Sort Code 60-21-08 Account No. 43455743)

The Sum of (Amount in Words):

The Sum of (Amount in Figures):

£

Starting on this Date

and thereafter monthly/annually until further notice.

Signature

Today's Date

To (Name of Bank):

Of (Address):

Postcode:

Your Account Number

TEAR HERE

Buy a copy of our book and help seafarers in need



In 2015, we marked our 150th anniversary with the publication of a commemorative book – Home From Sea.

It tells the story of how the Royal Alfred came to be, its people and places, and the difference it has made to seafarers' lives over 150 years, all the way up to the present day.



To order a copy of the book, please contact the Society on 01737 353763. Books are priced at £10 each (including postage and packing), with proceeds from each sale donated to Seafarers UK. Gift Aid will also apply.



The Royal Alfred Seafarers' Society

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Banstead, Surrey, SM7 3HB

Telephone: 01737 353 763

Email: enquiries@royalalfred.org.uk

Website: royalalfredseafarers.co.uk

Facebook: Royal Alfred Seafarers

Twitter: @RASeafarers

Registered as a Charity No. 209776



Slide Show Pages

THE ROYAL ALFRED SEAFARERS' SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ROYAL ALFRED SEAFARERS' SOCIETY

Opinion

We have audited the financial statements of The Royal Alfred Seafarers' Society for the year ended 31 December 2020 which comprise of the Statement of Financial Activities, the Charity Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Charity's affairs as at 31 December 2020 and of the Charity's net movement in funds 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 Charity'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 Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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

THE ROYAL ALFRED SEAFARERS' SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ROYAL ALFRED SEAFARERS' SOCIETY

we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Charity;
- sufficient accounting records have not been kept; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 8, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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:

Based on our understanding of the Charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Care Standards Act 2000 and the Care Quality Commission (CQC) (Registration) Regulations 2009, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;

THE ROYAL ALFRED SEAFARERS' SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ROYAL ALFRED SEAFARERS' SOCIETY

- Reviewing the controls and procedures of the Charity to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year end financial reporting process;
- Challenging assumptions and judgements made by management in their critical accounting estimates including the valuation of the donated land held within investments; and
- Reviewing the assumptions and judgements used by the professional actuary in relation to the Society's pension asset.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Signed on Original

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London

Date: 24 March 2021

EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ROYAL ALFRED SEAFARERS' SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:					
Donations, grants and legacies	2	640,659	22,040	662,699	305,575
Charitable activities	3	2,840,976	-	2,840,976	3,382,827
Investments	4	<u>259,490</u>	<u>-</u>	<u>259,490</u>	<u>373,984</u>
TOTAL INCOME		<u>3,741,125</u>	<u>22,040</u>	<u>3,763,165</u>	<u>4,062,386</u>
EXPENDITURE ON:					
Raising funds:					
Voluntary income		77,405	-	77,405	30,852
Investment management		40,913	-	40,913	53,952
Charitable activities	5	<u>3,785,612</u>	<u>18,033</u>	<u>3,803,645</u>	<u>3,958,937</u>
TOTAL EXPENDITURE		<u>3,903,930</u>	<u>18,033</u>	<u>3,921,963</u>	<u>4,043,741</u>
NET (EXPENDITURE)/INCOME BEFORE INVESTMENT (LOSSES)/GAINS		(162,805)	4,007	(158,798)	18,645
Net (losses)/gains on investments	9	<u>(698,560)</u>	<u>-</u>	<u>(698,560)</u>	<u>1,674,879</u>
NET (DEFICIT)/SURPLUS		(861,365)	4,007	(857,358)	1,693,524
NET MOVEMENT IN FUNDS		(861,365)	4,007	(857,358)	1,693,524
Transfer between funds		-	-	-	-
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>17,090,952</u>	<u>5,745</u>	<u>17,096,697</u>	<u>15,403,173</u>
TOTAL FUNDS CARRIED FORWARD		<u>16,229,587</u>	<u>9,752</u>	<u>16,239,339</u>	<u>17,096,697</u>

All activities relate to continuing operations.

The notes on pages 16 to 31 form part of these financial statements.

Full comparative figures for the year ended 31 December 2020 are shown in note 18.

THE ROYAL ALFRED SEAFARERS' SOCIETY

THE ROYAL ALFRED SEAFARERS' SOCIETY

BALANCE SHEET AS AT 31 DECEMBER 2020

	Not e	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	8		4,878,297		4,772,850
Investments	9		<u>9,673,703</u>		<u>11,572,960</u>
			14,552,000		16,345,810
CURRENT ASSETS					
Debtors	10	314,376		320,766	
Cash at bank and in hand		<u>1,758,596</u>		<u>715,165</u>	
		2,072,972		1,035,931	
CREDITORS: amounts falling due within one year	11	<u>(385,633)</u>		<u>(285,044)</u>	
NET CURRENT ASSETS			<u>1,687,339</u>		<u>750,887</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			16,239,339		17,096,697
Defined benefit pension scheme asset	12		<u>-</u>		<u>-</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>16,239,339</u>		<u>17,096,697</u>
CHARITY FUNDS					
Restricted funds	13		9,752		5,745
Unrestricted funds	13		<u>16,229,587</u>		<u>17,090,952</u>
TOTAL FUNDS			<u>16,239,339</u>		<u>17,096,697</u>

The financial statements were approved by the Trustees on 24 March 2021 and signed on their behalf, by:

THE ROYAL ALFRED SEAFARERS' SOCIETY

C P Wake OBE RD* FNI
Chairman

B P Boxall-Hunt OBE FNI
Chief Executive

The notes on pages 16 to 31 form part of these financial statements.

THE ROYAL ALFRED SEAFARERS' SOCIETY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in) operating activities	15	<u>(88,629)</u>	(88,998)
Cash flows from investing activities:			
Dividends and interest from investments		259,490	373,984
Purchase of tangible fixed assets		(328,127)	(171,074)
Proceeds from sale of investments		2,377,502	374,438
Purchase of investments		<u>(1,176,805)</u>	(423,157)
Net cash provided by investing activities		<u>1,132,060</u>	154,191
Change in cash and cash equivalents in the year	A	1,043,431	65,193
Cash and cash equivalents brought forward		<u>715,165</u>	649,972
Cash and cash equivalents carried forward	16	<u>1,758,596</u>	<u>715,165</u>

A Analysis of changes in net cash funds

	At 1 January 2020	Cashflows	At 31 December 2020
£	£	£	
Cash at bank and in hand	715,165	1,043,431	1,758,596
Total cash and cash equivalents	<u>715,165</u>	<u>1,043,431</u>	<u>1,758,596</u>

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

The Royal Alfred Seafarers' Society is a charity established by Royal Charter and registered with The Charity Commission in England and Wales, registered number 209776. The registered office is shown on page 1.

1.1 Statement of compliance

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with 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) (Charities SORP) effective 1 January 2019 and the Charities Act 2011.

The Royal Alfred Seafarers' Society constitutes a public benefit entity as defined by FRS 102.

1.2 Going Concern

The Society's affairs are guided by regularly updated Strategic, Business and Financial plans looking 20 years ahead with the next five years in detail. With solid levels of reserves, sufficient income streams and a firm control over expenditure as fully tested by the COVID 10 pandemic, the Society is considered by the Board of Management to be, most assuredly, a going concern for the forthcoming year and the foreseeable future.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: 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 Trust 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 executor's 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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Income from nursing home fees and tenant rentals is recognised in the period to which the income related and any amounts received in advance for future periods is carried forwards as deferred income.

Income from donations and grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Government grant income paid under the Coronavirus Job Retention Scheme (CJRS) has been recognised in the Statement of Financial Activities in the period to which the underlying furloughed staff costs relate to.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Donated land/assets are recognised at the fair value at the date received. Where there is no reliable estimate of the fair value, donated land/assets will be recognised only once this value has been established.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in managing investments

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities. All expenditure is inclusive of irrecoverable VAT.

1.

6 Tangible fixed assets and depreciation

All assets costing more than £7,500 are capitalised and depreciated. Improvements which enhance the future economic benefits of the property or extend its overall useful life are capitalised and are fully written off over the expected useful life of the property.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer and IT	-	33.3% per annum
Furniture and Equipment	-	20% per annum
Motor vehicles	-	50% per annum
Freehold Buildings	-	estimated useful life of assets - generally 50 years
Freehold Land	-	none

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

The valuation of freehold land was carried out by a chartered surveyor and is valued at its Existing Use Value (EUV) based on agricultural values. The land was last revalued in 2019 when it was recognised as an investment property. The Trustees do not consider that the value has materially changed since this date. No depreciation is provided in respect of this land.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.9 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Debtors

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

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.1

0 Pensions

The cost of providing pensions for employees is charged against the Statement of Financial Activities over the average working lives of members in accordance with the recommendation of the pension scheme actuary. The pension scheme is a defined benefit scheme the assets of which are held independently from the assets of the Society.

The Society also contributes to the employees' group pension scheme. The contributions are held in funds held independently of the Society's assets.

The Society has fully implemented the requirement of FRS102 relating to employee benefits. The scheme surplus is not recognised on the Society's balance sheet.

1.1

1 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In the opinion of the Trustees the main estimate and assumption that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the useful life of fixed assets, which are written off in accordance with the depreciation policies set out in note 1.6.

The valuation of the pension scheme assets and liabilities is carried out by the scheme actuary

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

based on various assumptions and estimates. Details are given in Note 12.

The valuation of donated land is carried out by a chartered surveyor based on various assumptions and estimates. The amounts recognised in these accounts have been estimated based on current agricultural values and future plans of the Charity. Further details are given in Note 1.7 above.

1.1

2 Employee benefits

A liability is recognised for any overtime hours earned during the year which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the hourly rate of the overtime worked.

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

INCOME FROM DONATIONS, GRANTS AND LEGACIES

	Unrestrict ed funds 2020 £	Restrict ed funds 2020 £	Total funds 2020 £
Donations			
Donations	14,397	17,040	31,437
Legacies			
Hunter – Robertson – designated	300,000	-	300,000
Harris	10,000	-	10,000
Grants			
The Corporation of Trinity House	100,000	-	100,000
RN&RM Charity	65,000	-	65,000
Merchant Navy Welfare Board	-	5,000	5,000
London Borough of Hillingdon	945	-	945
Surrey County Council	120,511	-	120,511
Coronavirus Job Retention Scheme (CJRS)	29,806	-	29,806
Total	640,659	22,040	662,699

PRIOR YEAR INCOME FROM DONATIONS, GRANTS AND LEGACIES

	Unrestricted funds 2019 £	Restrict ed funds 2019 £	Total funds 2019 £
Donations			
Donations	26,110	11,819	37,929
Legacies			
Parish	24,951	-	24,951
Quinn	66,943	-	66,943
Loosemore	1,000	-	1,000
Thompson	17,092	-	17,092
Wright	2,660	-	2,660
Other	5,000	-	5,000
Grants			
The Corporation of Trinity House	100,000	-	100,000
RN&RM Charity	40,000	-	40,000
Seafarer's UK	10,000	-	10,000
Total	293,756	11,819	305,575

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

INCOME FROM CHARITABLE ACTIVITIES

	Total funds 2020 £	<i>Total funds 2019 £</i>
Belvedere House Care Home	2,661,882	3,190,410
Weston Acres Housing	179,094	192,417
	<u>2,840,976</u>	<u>3,382,827</u>

INVESTMENT INCOME

	Total funds 2020 £	<i>Total funds 2019 £</i>
Dividends	258,923	372,983
Bank Interest Receivable	567	1,001
	<u>259,490</u>	<u>373,984</u>

CHARITABLE EXPENDITURE

	Belvedere House Care £	Weston Acres Housing £	Support Costs £	Total 2020 £
Computer, Phone & IT	12,204	459	1,686	14,349
Legal & Professional	29,063	-	16,655	45,718
Other Office Costs	53,229	7,716	16,512	77,457
Rent & Rates	8,318	5,631	-	13,949
Light & Heat	48,392	25,285	-	73,677
Carpet project	7,336	-	-	7,336
Borehole Project	10,350	-	-	10,350
Repairs & Maintenance	121,728	20,238	357	142,323
Insurance	22,173	6,335	3,168	31,676
Motor and Travel	7,227	-	2,678	9,905
PPS	3,794	3,794	2,037	9,625
Agency Costs	12,138	-	-	12,138
Cleaning	52,337	4,372	-	56,709
Medical Supplies	66,350	-	-	66,350
Other Staff Costs	24,091	-	41,022	65,113
Food & Kitchen	104,851	-	-	104,851
Staff costs	2,535,596	89,833	170,733	2,796,162
Exceptional costs	2,357	-	709	3,066
Bad debts	513	1,886	-	2,399

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Audit fees	-	-	24,780	24,780
Depreciation	203,714	1,401	17,565	222,680
Activities and amenity fund expenditure	13,032	-	-	13,032
	<u>3,338,792</u>	<u>166,950</u>	<u>297,902</u>	<u>3,803,645</u>

Governance costs totalled £24,780 for the year (2019: £18,033).

5. PRIOR YEAR CHARITABLE EXPENDITURE

	Belvedere House Care	Weston Acres Housing	Support Costs	Total 2019
	£	£	£	£
Computer, Phone & IT	24,993	4,709	7,214	36,916
Legal & Professional	60,277	5,834	13,526	79,637
Other Office Costs	79,087	151	10,618	89,856
Rent & Rates	8,592	7,582	-	16,174
Light & Heat	57,663	22,923	-	80,586
Heating project	8,233	-	-	8,233
Repairs and maintenance	238,679	66,026	5,413	310,118
Insurance	19,138	5,461	2,730	27,329
Motor and Travel	5,295	-	-	5,295
PPS	9,708	-	2,283	11,991
Agency costs	82,487	-	-	82,487
Cleaning	50,280	4,500	-	54,780
Other Staff Costs	16,880	-	44,854	61,734
Food and Kitchen	124,456	-	-	124,456
Staff Costs	2,471,080	76,007	154,180	2,701,267
Exceptional Costs	-	-	17,428	17,428
Bad debts	1,781	3,395	-	5,176
Audit fees	-	-	18,033	18,033
Depreciation	195,315	1,472	18,275	215,062
Activities and amenity fund expenditure	12,379	-	-	12,379
	<u>3,466,323</u>	<u>198,060</u>	<u>294,554</u>	<u>3,958,937</u>

6. NET INCOME

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets: - owned by the charity	222,680	215,062
Auditors' remuneration: audit of financial statements	14,500	13,250
Auditors' remuneration: other fees	<u>2,900</u>	<u>2,700</u>

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. STAFF COSTS

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	2,421,953	2,346,329
Social security costs	210,487	201,617
Other pension costs	163,722	153,321
	<u>2,796,162</u>	<u>2,701,267</u>

The average number of persons employed by the charity during the year was as follows:

	2020 No.	2019 No.
Care Staff	56	57
General Staff	38	39
Management and Administration	5	5
	<u>99</u>	<u>101</u>

The number of higher paid employees was:

	2020 No.	2019 No.
£60,001 - £70,000	1	1

Total employers pension contributions of £5,686 (2019: £5,487) were paid for the provision of defined contribution schemes relating to higher paid staff.

No Trustees received remuneration for their services (2019: Nil).

No Trustees were reimbursed for travel and meeting expenses during the year £Nil (2019: £677).

Remuneration for key management personnel was £222,102 (2019: £215,343).

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. TANGIBLE FIXED ASSETS

	Freehold Land £	Freehold Property £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 2020	40,000	6,855,567	935,116	184,546	8,015,229
Additions	-	83,498	244,629	-	328,127
Disposals	-	-	-	-	-
		<u>6,939,065</u>			
At 31 December 2020	<u>40,000</u>	<u>6,939,065</u>	<u>1,179,745</u>	<u>184,546</u>	<u>8,343,356</u>
Depreciation					
At 1 January 2020	-	2,424,801	766,951	50,627	3,242,379
Charge for the year	-	161,607	20,866	40,207	222,680
Disposals	-	-	-	-	-
At 31 December 2020	-	<u>2,586,408</u>	<u>787,817</u>	<u>90,834</u>	<u>3,465,059</u>
Net book value					
At 31 December 2020	<u>40,000</u>	<u>4,352,657</u>	<u>391,928</u>	<u>93,712</u>	<u>4,878,297</u>
				<u>133,919</u>	
At 31 December 2019	<u>40,000</u>	<u>4,430,766</u>	<u>168,165</u>	<u>133,919</u>	<u>4,772,850</u>

All fixed assets are either for direct charitable use, or for activities in the furtherance of the charity's objectives.

9. FIXED ASSET INVESTMENTS

	Listed securities £	Cash £	Freehold Land £	Total £
Market value				
At 1 January 2020	10,710,210	550,335	312,415	11,572,960
Additions	1,176,805	-	-	1,176,805
Disposals	(1,807,721)	(569,781)	-	(2,377,502)
Revaluations	<u>(698,560)</u>	<u>-</u>	<u>-</u>	<u>(698,560)</u>
At 31 December 2020	<u>9,380,734</u>	<u>(19,446)</u>	<u>312,415</u>	<u>9,673,703</u>
Historical cost	<u>6,404,704</u>	<u>(19,446)</u>	<u>-</u>	<u>6,385,258</u>

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. DEBTORS

	2020 £	2019 £
Resident and tenant debtors	132,541	101,006
Other debtors and accrued income	149,862	128,945
Prepayments	31,973	90,815
	<u>314,376</u>	<u>320,766</u>

11. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	153,202	19,842
Other taxation and social security	54,859	51,060
Funds held on behalf of residents	10,976	12,978
Other creditors	48,727	38,851
Accruals	59,409	68,313
Fees in advance	58,460	94,000
	<u>385,633</u>	<u>285,044</u>

	2020 £	2019 £
Deferred income		
Deferred income at 1 January 2020	94,000	189,000
Resources deferred during the year	58,460	94,000
Amounts released from previous years	(94,000)	(189,000)
Deferred income at 31 December 2020	<u>58,460</u>	<u>94,000</u>

Deferred income is made up of payments received in advance from residents for the next financial year.

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

PENSIONS AND OTHER POST RETIREMENT BENEFITS

The Society operates a defined benefit Pension Scheme. The assets of the Scheme are held by the Trustees of the Scheme, separately from those of the Society, and are invested with Aviva in a with-profits pension policy. When a member retires, the Trustees secure the member's pension and, where relevant, the contingent spouse's pension in an immediate annuity policy with Aviva on the basis of the guaranteed annuity rates under the policy. The Society's contributions to the Scheme are calculated so as to spread the cost of purchasing pensions over the period up to the date when members retire or decide to take their benefits in accordance with the rules. The contributions required are reviewed by a qualified independent actuary every three years.

On 30 March 2007, the Scheme closed to future service, breaking the link to members' future salaries. Benefits are based on service and salary at the date of closure or leaving service. Pensions in payment are increased annually in accordance with the Rules of the Scheme.

The Society now pays contributions to the employees' group personal pension.

The disclosures below relate only to the defined benefit Pension Scheme.

The latest full triennial actuarial valuation of the Scheme was carried out at 1 March 2017. The valuation excluded the value of the Scheme's immediate annuity policies. The value of the Fund's assets and liabilities at that date, which related only to the deferred pensioners, was £316,000 and £319,000 respectively, thus disclosing a small deficit of £3,000. The Society made good this deficit by the payment of contributions of £100 per month up to 31 December 2020.

During the year, the Society paid contributions to the Scheme of £1,200 (2019: £1,200).

As at 31 December 2020, there were two deferred pensioners remaining (2019: 2). There were also 39 annuitants (2019: 39) with annual pensions in payment of £308,000 pa (2019: £296,880 pa).

The market value of the Aviva with-profits insurance policy as at 31 December 2020 was £212,070 (2019: £203,459).

The Scheme's assets also include immediate annuity policies insured with Aviva valued at £5,293,000 (2019: £5,038,000) and the value of these annuities is included in these accounts. The inclusion of these figures does not impact on the deficit or surplus in the Scheme since these annuities are fully secured with Aviva.

The valuation of the defined benefit liabilities does not reflect any additional liabilities which may result from the requirement to equalise benefits relating to Guaranteed Minimum Pensions arising from pensionable service prior to 5 April 1997. The expected cost impact cannot be reliably estimated at the present time so, consequently, no provision has been made.

The actuary has provided the following information about the financial position of the Scheme as at 31 December 2020 as required by Financial Reporting Standard FRS 102.

Balance Sheet	2020	2019
Fair value of scheme assets	£5,505,000	£5,241,000
Present value of liabilities	(£5,438,000)	(£5,161,000)
Total	£67,000	£80,000

The Scheme surplus revealed by these calculations as at 31 December 2020 is not recognised in the Society's balance sheet.

Income statement	2020	2019
Service cost	-	-

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Past service cost	-	-
Settlements/Curtailments	-	-
Net interest cost on net DB liability	£1,000	£2,000
Total	£1,000	£2,000

Statement of Comprehensive Income	2020	2019
Actuarial gains (losses) on scheme assets	£479,000	£411,000
Actuarial (losses) gains on scheme liabilities	(£494,000)	(£421,000)
Net scheme asset not shown as asset on B/S	(£67,000)	(£80,000)
Total	(£82,000)	(£90,000)

Movement in assets during the year	2020	2019
Assets at beginning of year	£5,241,000	£5,005,000
	0	
Interest income (expense)	£86,000	£121,000
Employer contributions	£1,000	£1,000
Benefits paid	(£302,000)	(£297,000)
Actuarial gains (losses) on scheme assets	£479,000	£411,000
Assets at end of year	£5,505,000	£5,241,000

Movement in liabilities during the year	2020	2019
Liabilities at beginning of year	£5,161,000	£4,918,000
Current service cost	-	-
Interest cost	£85,000	£119,000
Benefits paid	(£302,000)	(£297,000)
Actuarial losses (gains) on scheme liabilities	£494,000	£421,000
Liabilities at end of year	£5,438,000	£5,161,000

The principal long-term financial assumptions used in the FRS 102 valuation were:

	2020	2019
Discount rate	0.9%	1.7%
Retail Price Inflation	3.0%	3.0%
Consumer Price Inflation	2.1%	2.0%
Rate of increase in pensions in payment	3.0%	3.0%
Rate of increase in deferred pensions	2.1%	2.0%

The mortality assumptions are subject to regular review; the mortality table used in the valuation as at 31 December 2020 was S2PMA/S2PFA CMI Model 2019 [1.25%] (2019: CMI Model 2018 [1.25%]) which gives the following life expectancies at age 60:

	2020	2019
Male	26.2	26.0
Female	28.3	28.1

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13. STATEMENT OF FUNDS

	2020 Brought Forward £	Income £	Expenditur e £	(Losses) /Gains £	Transfers	2020 Carried Forward £
Designated funds						
Hunter-Robertson Legacy	-	300,000	-	-	(83,498)	216,502
	-	300,000	-	-		216,502
General funds						
General Funds	17,090,9 52	3,441,1 25	(3,903,93 0)	(698,56 0)	83,498	16,013,085
Total Unrestricted funds	17,090,9 52	3,741,1 25	(3,903,93 0)	(698,56 0)		16,229,587
Restricted funds						
Amenity Fund	5,745	17,040	(13,033)	-	-	9,752
MNWB	-	5,000	(5,000)	-	-	-
	17,096,6				-	
Total of funds	97	3,763,165	(3,921,963)	(698,560)		16,239,339

Designated funds have been set aside by the Trustees for the purposes set out above. The "Hunter-Robertson Legacy" fund is designated for the upstairs renovation of Belvedere House.

The restricted Amenity Fund represents monies specifically given to provide additional amenities for the residents and staff of the homes run by the charity.

The restricted MNWB Fund represents monies specifically given for the purchase of PPE during the Covid-19 pandemic.

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF FUNDS (continued)

PRIOR YEAR STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditur e £	Gains/ (Losses) £	Carried Forward £
Designated funds					
Parish Legacy	17,000	-	(17,000)	-	-
		-	(17,000)		
	17,000			-	-
General funds					
General Funds	15,386,173	4,050,567	(4,020,667)	1,674,879	17,090,952
Total Unrestricted funds	15,403,173	4,050,567	(4,037,667)	1,674,879	17,090,952
Restricted funds					
Amenity Fund	-	11,819	(6,074)	-	5,745
Total of funds	15,403,173	4,062,386	(4,043,741)	1,674,879	17,096,697

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4.

ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestrict ed funds 2020 £	Designate d funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Tangible fixed assets	4,878,297	-	-	4,878,297	4,772,850
Fixed asset investments	9,673,703	-	-	9,673,703	11,572,960
Current assets	1,846,718	216,502	9,752	2,072,973	1,035,931

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Creditors due within one year	(385,633)	-	-	(385,633) ²	(285,044)
	<u>16,013,085</u>	<u>216,502</u>	<u>9,752</u>	<u>16,239,339</u>	<u>17,096,697</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Tangible fixed assets	4,772,850	-	4,772,850	4,821,417
Fixed asset investments	11,572,960	-	11,572,960	9,849,361
Current assets	1,030,186	5,745	1,035,931	1,131,968
Creditors due within one year	(285,044)	-	(285,044)	(399,573)
	<u>17,090,952</u>	<u>5,745</u>	<u>17,096,697</u>	<u>15,403,173</u>

15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(857,358)	1,693,524
Adjustment for:		
Depreciation charges	222,680	215,062
Disposals of fixed assets	-	4,579
Losses/(gains) on investments	698,560	(1,674,879)
Dividends from investments and bank interest	(259,490)	(373,984)
Decrease in debtors	6,390	161,230
Increase/(decrease) in creditors	100,589	(114,530)
Net cash (used in) operating activities	<u>(88,629)</u>	<u>(88,998)</u>

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash in hand	<u>1,758,596</u>	715,165
Total	<u>1,758,596</u>	<u>715,165</u>

RELATED PARTY TRANSACTIONS

During the year, there were Trustee donations totalling £60 (2019: nil).

18. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations, grants and legacies	2	293,756	11,819	305,575	399,980
Charitable activities	3	3,382,827	-	3,382,827	3,145,555
					<u>339,672</u>
Investments	4	<u>373,984</u>	-	<u>373,984</u>	
					<u>3,885,207</u>
TOTAL INCOME		<u>4,050,567</u>	<u>11,819</u>	<u>4,062,386</u>	
EXPENDITURE ON:					
Raising funds:					
Voluntary income		30,852	-	30,852	37,257
Investment management		53,952	-	53,952	50,976
Charitable activities	5	<u>3,952,863</u>	<u>6,074</u>	<u>3,958,937</u>	<u>3,774,554</u>
				<u>4,043,741</u>	<u>3,862,787</u>
TOTAL EXPENDITURE		<u>4,037,667</u>	<u>6,074</u>		
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		12,900	5,745	18,645	22,420
		<u>1,674,879</u>		<u>1,674,879</u>	
Net gains/(losses) on investments	9	<u>1,674,879</u>	-		(864,944)
NET SURPLUS/(DEFICIT)		<u>1,687,779</u>	<u>5,745</u>	<u>1,693,524</u>	(842,524)

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NET MOVEMENT IN FUNDS	1,687,779	5,745	1,693,524	(842,524)
Transfer between funds	-	-	-	-
RECONCILIATION OF FUNDS:				
Total funds brought forward	<u>15,403,173</u>	<u>-</u>	<u>15,403,173</u>	16,245,696
TOTAL FUNDS CARRIED FORWARD	<u>17,090,952</u>	<u>5,745</u>	<u>17,096,697</u>	<u>15,403,173</u>



haysmacintyre

The Royal Alfred Seafarers' Society

Audit Findings Report

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Manager: Holly Bannerman; hbannerman@haysmacintyre.com

Year Ended 31 December 2020

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1. INTRODUCTION AND EXECUTIVE SUMMARY

This report summarises our key findings in connection with the audit of the financial statements of The Royal Alfred Seafarers' Society ("the Charity") for the year ended 31 December 2020.

We would like to thank Brian Boxall-Hunt, Karen Goddard and Jantimar Wiggins for their help throughout the audit.

Our audit approach

Our work was planned and performed in order to issue an audit opinion on the financial statements in accordance with International Standards on Auditing (UK) ("ISAs") and the terms of our letter of engagement.

Limitations

Our audit procedures, which have been designed to enable us to express an opinion on the financial statements, have included an examination of the transactions and the controls thereon.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

We have included in this report only those matters that have come to our attention as a result of our normal audit procedures and, consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made

Overall conclusion and opinion

At the time of issuing this report we anticipate issuing an unqualified opinion on the financial statements.

2. AUDIT RISKS AND KEY JUDGEMENT AREAS IDENTIFIED DURING PLANNING

We set out below the key areas of focus for our audit identified at the planning stage and the conclusions of our audit work:

Audit risk/key judgement area	How we addressed this	Commentary
<p>Presumed risk in revenue recognition</p> <p>We are required to consider and respond to the risks of improper revenue recognition.</p> <p>There is a risk that income has been incorrectly treated under UK GAAP.</p>	<p>We have undertaken the following procedures to verify the appropriateness of revenue recognition:</p> <ul style="list-style-type: none"> Substantive testing on income recognised in the period covering the accuracy, completeness and occurrence. We selected income on a sample basis from source documentation and confirmed it was appropriately reflected in the financial statements. A review of donations and legacy documentation to ensure the income is complete and cut-off is accurate. An assessment of the appropriateness of the recognition of accrued income and fees in advance. A review of a sample of transactions around the year end to ensure income as being recorded in the correct period. 	<p>The results of our planned audit work are considered to be satisfactory in this area.</p>
<p>Presumed risk of management override</p> <p>We are required to consider and respond to the risks arising from management override of controls.</p> <p>There is a risk of misappropriation of assets and/or misrepresentation of financial information.</p>	<p>We reviewed the accounting estimates and judgements used by management for any risk of potential bias.</p> <p>The controls and procedures were reviewed to assess the risk of potential override and segregation of duties arising.</p> <p>We reviewed the appropriateness of general journal entries posted throughout the year and at year-end for the preparation of the financial statements.</p>	<p>The results of our planned audit work are considered to be satisfactory in this area.</p>

Audit risk/key judgement area	How we addressed this	Commentary
<p>Covid-19</p> <p>There is a risk that remote working may have impacted the financial controls of the Charity, increasing the risk of misappropriation of assets.</p> <p>The impact of Covid-19 will need to be considered to ensure disclosures in the financial statements are appropriate.</p>	<p>We reviewed the controls and procedures of the Charity and ensured these were in place throughout the year.</p> <p>We reviewed the disclosures within the Trustees' Report and financial statements in respect of Covid-19 and ensured these are appropriate.</p>	<p>The results of our planned audit work are considered to be satisfactory in this area. Please see Section 3.2 below for further details.</p>

3. ACCOUNTING AND AUDIT MATTERS

3.1 Qualitative aspects of accounting practices and financial reporting

Warlingham Land

The Warlingham land has not been professionally revalued in the year, and therefore the valuation performed in 2019 has been included within the 2020 financial statements.

Management do not consider that the Warlingham land has materially changed in value for the year ended 31 December 2020. This was evidenced by a review of an expert valuer's farmland index, which tracks the price of bare commercial agricultural land in England and the average change in value from previous year. We are satisfied that there is unlikely to be a material variation in value compared with that included in the financial statements (£312k). However, this evidence is not formal and the current uncertainties arising from matters such as Brexit and Covid-19 are likely to further impact the potential volatility of farmland prices.

For the year ended 31 December 2020, a specific representation has been made by the Trustees in relation to the value of the Warlingham land. Please see **Section 3.2** below.

For the year ending 31 December 2021, we recommend that further work is undertaken to assess the likely risk that the value has changed materially, and if the risk is high then consider engaging an independent professional to perform a valuation.

Covid-19 Accounting Treatment

We reviewed the accounting treatment of income and costs associated with Covid-19 and ensured these were correctly treated in the financial statements. The key areas of this review are noted below:

Coronavirus Job Retention Scheme (CJRS) Income

The government and local authorities announced several grants in March 2020 in support of Covid-19, one of which being the Coronavirus Job Retention

Scheme (CJRS). This grant does not have any performance related conditions attached and is designed to provide immediate financial support.

Under SORP and FRS 102, a charity is required to recognise income where there is evidence of entitlement, receipt is probable and its amount can be reliably measured. In the case of government grants, this is when there is reasonable assurance that the entity will comply with the conditions attaching to the grant and the grant will be received. The CJRS grant income should therefore be recognised in the period to which the underlying furloughed staff costs relate and when there is reasonable assurance that the grant claim will be successful. As the Charity meets the eligibility requirements of the scheme before each month end, any income should be recognised in that month irrespective of when the amount was claimed or received.

As part of our audit we have tested the value of claims made agreeing to the accounts and tested a number of entries within one claim to supporting contracts of employment and letters confirming the member of staff was on furlough. No errors were found from the sample tested. We can also confirm that a total grant of £30k has been correctly recognised as a government grant included within income in the Statement of Financial Activities.

We emailed all clients recently to advise that HMRC are issuing 'nudge' letters to organisations reminding them of the need to ensure that all claims are accurate and advising that they may undertake more detailed investigations into certain claims. So far 27,000 nudge letters have been issued. HMRC have estimated that £3bn has been potentially overclaimed and they have received over 8,000 whistle-blowing reports. It is the responsibility of every organisation that has made a claim to ensure that they carry out a review of the detailed calculations and supporting documentation in support of the claims. Whilst the deadline has now passed for notifying HMRC if you have made an error, any errors which you identify should be notified to HMRC. If you do find any errors, we advise to contact our employment tax team first before approaching HMRC. Fines for unnotified errors can be issued up to 100% of the overclaim.

Covid-19 Support Grants

The Charity received £126k of other support grants during the year to cover the immediate pressures faced by Covid-19. This income has been correctly shown

as unrestricted grant income in the financial statements. We noted one grant for £5k which was restricted to the purchase of PPE. This was fully spent in the year for the purpose intended.

Hunter-Robertson Legacy

During the year, the Charity was notified of a bequest of £300k from the late Hunter-Robertson, a former resident at Belvedere House. Our review of the deceased's will confirmed the legacy had no restrictions imposed by the donor.

This legacy has been designated towards the Charity's building project. The initial stage of this project is expected to be completed by September 2021 and estimated total costs are approximately £2m. An amount of £83k was spent on the project during 2020 and is correctly included within tangible fixed assets. Depreciation will be charged once the project is complete and the bedrooms are in use.

We can confirm that the Trustees approved this designation for the purpose noted above and the financial statements reflect this.

Pension Asset

The scheme is in surplus by £67k at 31 December 2020 (2019: £80k). As in the prior year, no asset has been recorded in the financial statements.

Residents' Funds

Within cash and bank there is a cash balance of £11k held on behalf of residents' funds (2019: £13k). As this money is not held for the use of the Charity, the balance is also held within creditors. Overall this has £nil impact on the balance sheet.

Internal Controls Report

In order to place reliance on the information provided to us by your investment managers to support year end investment valuations and ownership, we review their latest internal controls report. The report available for this audit is for the

year ended 30 September 2020. This report, completed by KPMG LLP for Rathbone Investment Management Limited, assesses the internal control environment in place. As part of good governance, the Trustees should review this document each year and assess the impact on their investment strategy and the impact that the internal control environment may have on the Charity's funds.

On reviewing the report in both the 2019 and 2020 audit, we did not identify any issues which we feel should be brought to your attention. However, this does not cover the full period in which we are reporting on and we therefore recommend that you obtain and review the 2020/21 internal controls report when it becomes available. This will ensure that the controls in operation are adequate and in line with your perceptions.

Debtors

Resident and Tenant Debtors

Resident and tenant debtors at the year-end are £133k (2019: £101k). Included within this balance is an amount of £85k in relation to a former resident of the care home (2019: £41k). We can confirm the full amount was received post year end following the sale of the individual's property.

From our discussions with management, we understand that the outstanding debts are considered recoverable and no bad debt provision is required. This was evidenced by a review of resident and tenant debtors which identified no overdue or unrecovered debts.

Other Debtors

£68k has been included within other debtors in relation to a shortfall of amounts owed by a former resident. This amount is expected to be paid on distribution of the individual's estate. We have reviewed all relevant solicitor correspondence and management's calculations and we consider this amount to be appropriate.

3.2 Accounting and audit matters

Covid-19 Coronavirus Pandemic

The ongoing and developing situation in respect of the Covid-19 pandemic has had a significant impact across most sectors since March 2020. We have therefore considered the specific impact on the Charity's financial position, financial resilience and subsequent events disclosures.

We understand that the Trustees believe there are no material uncertainties that the Charity will not continue as a going concern from 12 months from the date the financial statements are signed. Our review of budgets and cash flow forecasts have not identified any concerns in this assessment. We do however recommend that the Trustees continue to monitor the going concern of the Charity carefully, especially in light of committed capital spend over the next few months.

On the basis of our discussions with management and other audit procedures carried out to date, we do not expect that there will need to be a modification to the going concern statement in the accounting policies note or to the audit report. However, this is a rapidly changing situation, so we will need to discuss these matters with management and update our audit evidence closer to the date of approval of the financial statements.

The Trustees' Report provides details on the impact of Covid-19 on the Charity's activities and the Charity's response to the pandemic and we are satisfied with these disclosures.

Remote Working and Remote Auditing

In light of the Covid-19 pandemic and subsequent lockdown measures, the audit was carried out remotely this year. Although this inevitably causes some new challenges, we are pleased to report that the audit went smoothly and that we have obtained all the audit evidence that we require. The Finance Team at the Charity supported us well during this time and we would like to thank Brian Boxall-Hunt, Karen Goddard and Jantimar Wiggins for their hard work in not only the preparation but also making themselves available to the audit team throughout the audit.

The Finance Team worked remotely for part of the year. We have considered the effect this may have had on the operation of the team's financial controls and we did not identify any issues during our audit work. We would also like to draw your attention to guidance from The Charity Commission on risks to charities working remotely:

<https://www.gov.uk/government/news/coronavirus-covid-19-increased-risk-of-fraud-and-cybercrime-against-charities>

The guidance also includes links to resources for charity employees and trustees, and a webinar run by The Charity Commission and the Fraud Advisory Panel on how to spot fraud and protect your charity.

We recommend that any changes in policies and procedures during this period are formally documented and approved by the Trustees.

ISA (UK) 570 Going Concern

The Financial Reporting Council has issued revisions to International Standard on Auditing (ISA) (UK) 570 'Going Concern'. The revisions increase the work that auditors are required to do when assessing whether an entity is a going concern.

Management have prepared a budget and cash flow forecast to March 2022. These forecasts are based on current tenant fee rates and management's best estimate of future voluntary income, operational costs and capital expenditure.

We challenged management's assessment of going concern and reviewed the appropriateness of the assumptions made. We agreed amounts to underlying corroborative evidence and considered whether these were reasonable in light of the current Covid-19 pandemic.

We understand that the Trustees believe there are no material uncertainties that the Charity will not continue as a going concern from 12 months from the date the financial statements are signed. Our review of the cash flow forecast and post year end management accounts have not identified any concerns in this assessment. We do however recommend that the Trustees continue to monitor the going concern of the Charity carefully.

ISA (UK) 540 Auditing Accounting Estimates and Related Disclosures

The Financial Reporting Council has also issued revisions to International Standard on Auditing (ISA) (UK) 540 'Auditing Accounting Estimates and Related Disclosures'. The revisions introduce more robust requirements for the audit of accounting estimates including enhanced professional scepticism and communications and transparency between the auditor and those charged with governance.

We have performed a review of the Charity's key accounting estimates: depreciation, accruals and the pension asset. We did not identify any issues during our audit work. The work performed on the valuation of Warlingham land is detailed in **Section 3.1** above.

Misstatements

We identified no unadjusted misstatements in the financial statements other than clearly trivial items.

Letter of Representation

International Standards on Auditing require us to obtain written representations from the Trustees when you approve the accounts.

This letter contains standard matters with the following additional item specific to The Royal Alfred Seafarers' Society:

The current valuation of Warlingham land is not considered to be materially different from the professional valuation carried out in 2019.

4. DETAILED CONTROL POINTS

We are pleased to report that we did not identify any control points during our audit. There were also no control points identified during the previous year audit.

5. SECTOR UPDATES AND EMERGING ISSUES

The following are certain key issues which affect charities and which have recently come into effect or are currently being debated and are likely to impact the sector within the next year. During the current pandemic, we have set up a dedicated Covid-19 webpage for charities. This can be found at <https://www.haysmacintyre.com/covid-19-not-for-profit>. This web page is updated daily to ensure that you are up to date with the most relevant information.

A. Charity commission, fundraising regulation and financial reporting

Charity Commission guidance on reporting serious incidents resulting from the Coronavirus pandemic

The Charity Commission have published guidance on reporting serious incidents in light of the particular challenges caused by the pandemic. The guidance acknowledges that the pandemic brings new challenges which were not anticipated when the original guidance was published.

The Charity Commission's usual guidance requires a charity to report financial losses which do not involve a crime where the losses exceed £25,000 or 5% of the charity's income. However, this threshold has been waived for losses occurring due to Covid-19 and the Commission have stated that trustees should *"focus on the significance of the impact of any losses rather than the amount."*

To support trustees in deciding whether an incident is serious the revised guidance provides a number of examples which emphasise the importance of considering the impact on the charity. For instance, the guidance states that a charity should not report a single instance of Covid-19 within the charity. Conversely, if there is an outbreak of Covid-19 which means that a charity cannot deliver services because of staff illness then this would be reportable.

Many charities are also assessing the impact of loss of income given the challenges of fundraising in the current climate. Loss of income is not, in itself, a serious incident but it depends on the impact of the loss of income has on the charity. The guidance explains that loss of income from Covid-19 resulting in the charity being unable to provide services to vulnerable beneficiaries is a serious incident. Similarly, loss of income which will result in the charity being insolvent, or a high likelihood that the charity will be insolvent and forced to close in the next twelve months, is a serious incident. On the other hand, a loss of income with a less serious impact may not be a serious incident.

There are also examples provided by the Charity Commission which are specific to the current pandemic. Examples of matters which would constitute serious incidents include a charity being investigated by HMRC due to alleged abuse of the Coronavirus Job Retention Scheme or a charity being investigated by the police due to alleged breaches of lockdown measures.

The guidance can be found at: <https://www.gov.uk/guidance/reporting-serious-incidents-to-the-charity-commission-during-the-coronavirus-pandemic>

Charity Commission guidance on managing financial difficulties in your charity caused by Coronavirus

The Charity Commission has published a guidance note advising trustees what they should consider where operations have been affected by the pandemic. The guidance reinforces the overriding principle that trustees should act in the best interests of the charity and its users/beneficiaries at all times, and sets out three steps to consider in the current climate:

- 1) Consider your current financial position
- 2) Consider options for minimising costs and protecting and maximising your income
- 3) Keep the charities operations and finances under regular review and take any additional actions.

Whilst the guidance is high level, it does imply that in the current environment, trustees should be meeting more regularly than previously to ensure that they are having the necessary oversight of the charity and are up to date with the financial position. The guidance goes further and makes clear that you should report a 'serious incident' to us when your assessment reveals that either:

- the scale of financial loss threatens the charity's ability to operate and serve its beneficiaries, or
- the charity's financial reserves or other measures are not sufficient to cover the losses

The guidance also sets out the steps that you should take in the event that the charity cannot continue to operate because of Covid-19. The guidance can be found at <https://www.gov.uk/guidance/manage-financial-difficulties-in-your-charity-caused-by-coronavirus#contents>

Fraud

Whilst the world battles with the current pandemic, it has sadly given rise to an increase in attempted fraudulent behavior. Much has been written about the most common frauds and being vigilant, particularly with unusual requests for making payments, or changes to bank account details for suppliers. Fraudsters are quick to adapt, and the most recent attempts have extended to mimicking an employee and requesting the bank account details to be changed for the payment of salary. The same level of due diligence and checks should also be put in place for changes to salary information as you should for making changes to suppliers.

Maintaining your control environment

Remote working has become a new way of life for many and not least in the finance team. Now is a good opportunity to review your control environment in the light of remote working. Internal processes may have changed, and it would be best practice to document any changes and ensure that trustees have reviewed and approved them even if they are short term. One of the main challenges for remote working has been the documenting or evidencing

of key controls within finance/HR. We would recommend a review of the key controls and how they are being operated and evidenced to ensure that the audit trail is maintained during this period of remote working.

SORP Committee

From 2020, there will be changes to the way the SORP is developed with the SORP Committee looking for more representation from smaller charities and a greater focus on the users of the accounts. New members are being sought to work with the SORP Committee as one of eight new engagement strands that looks at the development of the SORP. Applications closed on 31 January 2020.

B. Tax matters

Employment Tax

Job retention scheme

The Government announced a series of Covid-19 support packages, including the Job Retention Scheme to help to protect jobs.

Under the Job Retention Scheme, all UK employers were able to access support to help pay part of the employees' salary for those employees who would otherwise be laid off. Initially the scheme related to employees who were fully furloughed. The scheme was modified, effective from 1 July 2020, where the scheme would contribute towards the cost of part-time furloughed employees. Following the changes introduced in 1 July, the level of financial support was reduced whereby the employer was required to meet the employer's National Insurance liabilities and pension costs from August 2020 and a further proportion of the salary in September (10%) and October (20%).

Further to the Government's announcement on Saturday 31 October 2020 that England will be entering into a second lockdown, the Job Support Scheme did not commence on 1 November as previously planned. Instead, the Job Retention Scheme (the 'scheme') will be extended until March 2021. Subject

to the publication of the updated Treasury Direction, the following details concerning how the scheme will be applied have been published by HM Revenue & Customs. These are set out below:

- The scheme has been extended until March 2021
- Government will pay up to 80% of an employee's salary
- A monthly salary cap of £2,500 will apply
- The employer will be responsible for paying National Insurance and pension contributions.

Who is eligible?

The scheme will be extended to include employers and employees who did not previously use it. The high-level details so far available provides the following guidance:

Employers

- All employers with a UK bank account and UK PAYE scheme can claim the grant
- The Government expects that publicly funded organisations will not use the scheme
- Partially public funded organisations may be eligible where their private revenues are disrupted.
- All other requirements apply to employers with no restrictions to the size of the employer as there will be once the Job Support scheme comes into effect.

Employees

- Employees must be registered on an employer's PAYE payroll by 23.59 on 30 October 2020.
- HMRC has confirmed that a Real Time Information submission notifying payment for that employee must have been made on or before 30 October 2020
- Employees can be on any type of employment contract
- Employers will be able to agree any working arrangements with their employees
- Employers can claim the grant for the hours their employees are not working (the flexi-furlough scheme).

- The claim under the flexi-furlough scheme will be calculated by reference to their usual contracted hours less the hours worked.

The Job Support Scheme is due to replace the scheme in April 2021.

Enquiries into the Job retention scheme

HMRC started to take steps to recover grant payments which have either been:

- Made in error, for example, through a misunderstanding of the Coronavirus Direction, or mis-calculation as to the level of grant which could be claimed; or
- The employer was not entitled to make any claims under the terms of the scheme.

Given the complexity of the scheme it is not unsurprising that errors may have been made in calculating the level of grant due under the scheme. Furthermore, HMRC guidance was being continuously updated during the early stages of the scheme.

On 28 July, HM Revenue & Customs (HMRC) published two guidance notes: "Overclaims" guidance and "Penalties" guidance as they relate to overclaimed grants paid to employers through the Job Retention Scheme (scheme).

Overclaims guidance

Where an employer has identified an overclaim following the submission of a claim, this can be deleted online but only within 72 hours of the claim being submitted.

Where a claim has been processed by HMRC, the following options for resolving any overclaim include:

- Telling HMRC as part of the next online claim submitted, thereby reducing the amount to be reclaimed; or
- Contacting HMRC to repay the excess claim. This should only be done where a subsequent claim is not being made.

Where an employer has overclaimed grant receipts under the scheme which it has not repaid, it must notify HMRC by the latest of:

- 90 days after the date the employer received the grant to which they were not entitled; or
- 90 days after the date the employer received the grant to which they were not entitled to keep because of a change in circumstances; or
- 20 October 2020.

HMRC may seek to recover an overpaid grant by issuing a tax assessment for the amount the employer was not entitled to and has not subsequently repaid.

Late payment interest

The employer will be required to pay the amount due within 30 days of the issue of the assessment. HMRC will also be able to charge interest on the late payment of the over reclaim included in the assessment and also seek a late payment penalty where payment remains outstanding for 31 days after the due date.

Penalties

Where the employer does not notify HMRC of any overclaim, then penalties will also be due.

HMRC may impose a penalty of up to 100% of the overclaim, in particular, where the employer fails to notify HMRC. In determining the amount of penalty due, HMRC will consider whether that failure was "deliberate and concealed" which will be the case where the employer:

- Knew it was not entitled to the grant; or
- Knew it had stopped being entitled to it; and
- Did not notify HMRC of the overclaim within the notification period.

HMRC has confirmed that it will not charge a penalty if the employer did not know it had been overpaid at the time it was received, or at the time that

circumstances changed and if the employer repaid the overclaimed amount during the relevant time period being: for companies, 12 months from the end of the accounting period and for sole traders and partnerships, 31 January 2022.

Personal liabilities of the company officer

The legislation also includes provisions where company officers may also be personally liable to pay the tax charged on their company's overpaid grants under the scheme. The provisions will apply where the officer has deliberately made a claim to which the company was not entitled, or if the company is in insolvency and tax cannot be recovered from the company.

Name and shame

HMRC will publish a "name and shame" list providing details of deliberate defaulters which will have a reputational risk for the employer.

Review

Over 11,000 employers have been contacted by HMRC concerning potential irregularities with the claims made. If you have received a letter or have concerns about the claims submitted to HMRC, then a review of the claims submitted will be a sensible course of action to take.

- Consult with an adviser on filing and reporting requirements, if required, to develop a timely plan for the filing of sales tax returns.

Holiday Pay – Changes from 6 April 2020

From 6 April 2020, changes will be made to the calculation of Holiday Pay.

Holiday Pay Reference Period

Under the Working Time Regulations 1998, employers must give their employees 5.6 weeks of holiday leave every year (calculated pro-rata for part-time employees). When managing leave for employees with variable

work hours, employers currently use a reference period of 12 weeks to work out the appropriate amount of holiday pay.

The Harpur case identified problems concerning the calculation method, often putting variable hours workers at a disadvantage.

What Has Changed?

From 6 April 2020 the reference period for calculating holiday pay for variable hours workers will increase from 12 to 52 weeks.

The 52-week reference period will function in the same way as the previous 12-week period:

- Employers must count back across the last 52 weeks that the employee has worked, and received pay.
- Weeks in which no pay was received will not be counted towards the 52-week average.
- In situations where employees have worked for less than 52 weeks, employers should use as many full weeks of work as possible to calculate holiday pay.
- Contractually obliged overtime worked during the reference period must also be included in holiday pay.

Employers will need to consider changes to their existing arrangements, policies and procedures to ensure they will be able to calculate holiday pay entitlements from 6 April 2020.

Employment regulations update

There are a number of changes being introduced during 2020 that affect the rights of employees. Some of the key changes are set out below:

- 1) Right to a written contract of employment on day one. Current law requires employers to provide such a written document within two months of commencing employment. From April 2020, employers must provide this on day one.
- 2) Right to a more predictable and stable contract. After 26 weeks service, workers (Which includes zero hours or casuals) have a right to request predictable and stable contracts – they could request

certainty on the number of days or hours they are likely to work. Employers will need to consider how they respond to such requests so as to act fairly.

- 3) Holiday pay reference period – When determining holiday pay for staff who have irregular working hours, the current regulations require you to calculate and employees average salary of a 12 week period. From April 2020 this has been increased to 52 weeks.
- 4) Parental bereavement leave - The Parental Bereavement Leave Regulations and The Statutory Parental Bereavement Pay (General) Regulations have now been published. They came into effect on 6 April 2020. The Regulations will give employees the right to a minimum of two weeks' leave following the death of a child under the age of 18, or a stillbirth after 24 weeks of pregnancy. This leave can be taken as either a single block of two weeks or one individual week each, during the 56 weeks after the child's death. Employees with 26 weeks' continuous service will be entitled to be paid for this leave at the statutory rate.

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