
THE ROYAL ALFRED SEAFARERS' SOCIETY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

THE ROYAL ALFRED SEAFARERS' SOCIETY

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THE ROYAL ALFRED SEAFARERS' SOCIETY

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2024

Trustees

C P Wake OBE RD* FNI, Chairman
S Clinch
A Lewis-Smith
S Lochner JP DL
A McCourt
A Parker
R Reubin
D Ross-Tomlin
B Watson FCA

Charity registered number (England & Wales)

209776

Principal office

Head Office, Weston Acres, Woodmansterne Lane, Banstead, SM7 3HB

Key Management Personnel

Capt D J D Dominy MA rcds RN, Chief Executive Officer
Alice Mitroi, Home Manager
Karen Goddard, Business Manager

Bankers

NatWest Bank, Commercial Banking, PO Box 1, 2nd Floor, 2 Cathedral Hill, Guildford, Surrey, GU1 3ZR

Investment Managers

Rathbones, 8 Finsbury Circus, London, EC2M 7AZ

Auditor

HaysMac LLP, 10 Queen Street Place, London, EC4R 1AG

Solicitors

Wedlake Bell LLP, 52 Bedford Row, London, WC1R 4LR

THE ROYAL ALFRED SEAFARERS' SOCIETY

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Welcome to the 159th Annual Report and Financial Statements of The Royal Alfred Seafarers' Society for the year ended 31 December 2024.

This Annual Report presents the Society's audited Financial Statements for 2024 and summarises its activities during that year. It is laid out in accordance with the Charities Statement of Recommended Practice (SORP 2019) 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 this report, three months after the end of the Financial Year 2024, Royal Alfred is well into the process of restoring occupancy to maximise the benefit to seafarers of the essential modernisation of Belvedere House. The key challenges remain occupancy and management of change. Work required to increase the visibility of Royal Alfred to beneficiaries and to seek support from Grant Makers and donations to bridge the gap between local authority funding and the actual cost of care for seafarers in need, continues. The restoration of occupancy has demanded a substantial recovery of productivity from both care and support staff, and the staff have stepped up to the challenge.

2024 proved to be another challenging but rewarding year as the reviews of higher level governance, operating model and strategy were conducted while the staff continued to deliver high quality nursing and dementia care alongside our sheltered housing. This work created the time and conditions to reduce the operating deficit and over time restore a sensible level of reserves and resilience to the Society. The critical path is to restore occupancy. This will maximise the beneficiaries supported in the modernised Belvedere House that provides the facilities for high standard resident centred-care with dedicated living with dementia support for seafarers, veterans and their dependants for the next 25 years. Average occupancy has increased from 37 at the end of 2023 to 55 at the end of 2024. We will continue to work towards restoring Belvedere House to average annual occupancy of 60 to 64 at a realistic pace.

The statement of going concern made later in this report is thus strongly reinforced. Royal Alfred rightly committed our reserves as necessary to ensure that Belvedere House is fit for purpose for the next 25 years. We now have the critical infrastructure to meet our Royal Charter objectives and to continue to support older seafarers, veterans and their dependants.

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

Management and Objectives of the Society

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:

- a) 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.
- b) 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 8 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 Bye-laws 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 AGM and may serve for up to 3 years and further terms of 3 years if so elected. Any conflict of interest should be properly declared as appropriate. Once elected, each trustee is inducted on site at the Care Home, made fully aware of all operational aspects and duties, given the NVCO "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 Bye-laws 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 "Belvedere House", 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, HR, H&S, clinical governance advice and monitoring.

THE ROYAL ALFRED SEAFARERS' SOCIETY

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Belvedere House is subjected to regular inspection from the Care Quality Commission. The most recent results of these 'audits' of our establishment found us to be GOOD overall.

How the Society is meeting its current objectives

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. Our Royal Charter defines Seafarers "to also include employees of shipping companies, ship repairers, dock areas and port authorities, workers in connection with offshore platforms of all descriptions, and such other persons who, in the opinion of the Society have had connections with the sea or the shipping industry during their working lives." Seafarers' and their loved ones are prioritised and support of grant making charities is sought to bridge the gap in funding for seafarers on Local Authority funding that does not cover the actual cost of care. In 2024 the Society cared for 52 seafarers in Belvedere house and a further 23 in our sheltered housing.

The assured delivery of high dependency nursing and living with dementia care requires retention of sufficient care staff, to enable the continued availability of care to seafarers. Our Royal Charter states that "any vacancies may from time to time exist at any Home carried by the Society, the Society shall be empowered to admit thereto such persons as the Society shall at its absolute discretion think fit notwithstanding that they may not be seafarers...this power shall not be exercised by the Society until a vacancy has existed and been unfilled by seafarers for a period of at least three months."

Following the reduced occupation associated with the modernisation there are a number of long term unfilled rooms. The Society is in the process of reinvigorating its engagement, marketing and signposting with the maritime community to maximise the occupancy by seafarers and their loved ones. In the recovery period long term unoccupied capacity, that can't yet be filled by seafarers, has been prioritised to other veterans. In 2024 the Society cared for 13 Veterans in Belvedere House. Vacancies are preserved at all times for seafarers.

The Society's affairs continue to be guided by regular updated Strategic, Business and Financial Plans. In 2024 the governance and guidance to Trustees were reviewed to enhance the Trustees ability to monitor performance against their direction and assure themselves that the Society is meeting its objects. This enables strong Trustee oversight to ensure that the Society is being well run to takes maximum advantage of the modern facilities, that comply with the Care Quality Commissions requirements, and enable the delivery of high quality care to seafarers through the retention of capable staff.

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.

THE ROYAL ALFRED SEAFARERS' SOCIETY

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Investment Policy

The Society's policy is to:

- Maintain a conservative, long term investment approach with 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 who, in turn, delegate investment management to external investment managers on a discretionary basis, with a defined mandate.

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.

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 2 risks from a comprehensive risk register with most serious impact have been determined as follows (with the management controls):
 1. Risk. Failure to retain or recruit key staff.
Controls. Competitive salary and pay levels, extensive well-being support schemes
 2. Risk. Fee income insufficient through, low reserves, low fees, vacancies or wrong mix of fee-paying residents.
Controls. Annual review of fee levels and mix, monthly reporting. Monitoring by Head Office, support through grants.
- The Society's key Management Staff are responsible for the day-to-day management of risk and for coaching, mentoring and holding to account all staff to ensure constant awareness of all types of risk and 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 e.g the National Care Forum, 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:

- a) Measurement: Annual review of salaries and benefits through appropriate comparisons with other relevant data.
- b) Reference: Professional data services, like for like comparison, local information or other relevant bodies and shall be consistent within the Care Industry.
- c) Audit: Comparison and calculation criteria held by CEO.
- d) 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 £13.85 per hour for all in January 2025, well ahead of HM Government's declared policy on the National Living Wage and in line with the higher "Real London Living Wage".

THE ROYAL ALFRED SEAFARERS' SOCIETY

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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 4% gross annual salary with an employer's contribution of 8%.

Contribution of General Volunteers

The Society highly values the contribution its 24 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.

Financial review

The full financial statements for the Society for the year ending 31st December 2024 appear on pages 11 to 28 of this report. The aim of this short summary is to highlight some of the key points and thus briefly put the figures into perspective.

Overall

Having drawn heavily on reserves over preceding years to deliver the essential modernisation of Belvedere House, our care home now provides the facilities required to serve the seafaring community for a further 25 years. The Society's focus through 2024 was on restoring occupancy and resilience. The support of maritime charities has been key in creating the time to restore occupancy of Belvedere House at a sensible rate that preserves the quality of care for our maritime and veteran beneficiaries.

The support of Trinity House, ITF Seafarers, The Seafarers Charity, Greenwich Hospital, The Association of Royal Naval Officers, The WRNS Benevolent Trust, The Royal Navy Benevolent Trust and RNRMC is gratefully acknowledged. Grants supporting third party top up fees for seafarers and their loved ones are critical to ensure that high quality care is available to them regardless of their means. These grants have enabled the Society to bridge the gap between local authority funding and the actual cost of care. Grants have also been critical in enabling the continued provision of our subsidised Sheltered Housing to seafarers regardless of their means.

At the end of another busy and challenging year it is good to be able to report substantial progress in the delivery of our “Survive to Thrive Strategy” and that the Society is a strengthening going concern. Our staff have continued to deliver high quality nursing and dementia care alongside our Sheltered Housing. The Society created the time and conditions to reduce the operating deficit and over the medium term restore a sensible level of reserves and resilience to the Society. In terms of moving towards the next phase of the strategy “Thrive a Passage to 2035” we are close to meeting the conditions required to transition in 2025. The review of our higher level governance and our Brand Refresh to reinvigorate our marketing are nearly complete. Positive performance in 2024 saw an increase in average occupancy in Belvedere House from 37 in 2023 to 55 at the end of the year. The Society delivered 490,680 hours of care compared to 324,120 in 2023. The average occupancy in our sheltered accommodation increased to 20 compared to 15 in 2023. The operational deficit has been substantially reduced from £1,346,026 to £340,065.

The modernised Belvedere House is now providing the facilities and capabilities required to deliver the high quality resident centred nursing care and dementia support that seafarers and veterans deserve. We will continue to work towards restoring Belvedere House to average annual occupancy of 60 to 64, at a realistic pace, so that we can maximise the number of seafarers and their loved ones that we support. In 2024 the society directly supported 118 beneficiaries. 95 of them as residents in Belvedere House alongside 23 Seafarers and their loved ones in Sheltered Housing. In 2024 we cared for 52 seafarers and 13 Veterans in Belvedere House.

There has been much discussion about the need for ongoing care. It is worth noting that Care Home occupancy now exceeds pre-Covid averages of 87.3% and now sits at 89.3%. While the actual percentage of older people requiring a care home bed is slowly decreasing, due to the sheer scale of population growth, the absolute number continues to rise year on year. This is especially true for those with acute needs. While the demand for residential care has reduced, due to the rise in retirement living and Integrated Retirement Communities, demand for specialist nursing and especially dementia care will remain strong. The Royal British Legion Annual Report on Admiral Nursing Services prepared for Greenwich Hospital in November 2023, reinforced this assessment. It stated that: dementia is a rising problem in the UK; that age is the biggest risk factor, and our population is living longer; that estimates from Alzheimer's Research UK predict that 1.1m people will be living with dementia by January 2030.

THE ROYAL ALFRED SEAFARERS' SOCIETY

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Having invested for the future, Royal Alfred is well set to play its part in meeting the demand with our specialist focus on dementia care. Our safe haven continues to provide a home from home for seafarers and their loved ones, with a unique maritime camaraderie that supports our residents and tenants to establish strong friendships and bond over shared experiences. We will continue to partner with other organisations to support the maritime community.

A key lesson learned in 2024 is that changes in the market are resulting in shorter stays, higher churn and higher acutities.

This has made restoration of occupancy to 60-64 more challenging than previously predicted. Therefore, the Society has sensibly revised its ambition regarding net gain to a more realistic target. In line with our revised Operating Model this results in aiming to recover to average occupancy of between 60-64 over time. The average occupancy target for 2025 is 59 with an ambition to recover to average occupancy of 63 in 2027. The Financial Plan for 2025 to 2027 has been revised to reflect this.

The redesigned and enlarged rooms with ensuite wet rooms have proved popular with residents and families. The redesigned layout including medical stores and nursing stations combined with the installation of a modern nurse call system has improved staff response times and helped maintain our provision of high quality care as resident numbers have increased. We have maintained our focus on development of living with dementia care. A Sensory Room has been developed and opened with grant support from the Veterans Foundation. A monthly Memory Café has been established in partnership with the Surrey Heartlands Integrated Care Partnership and Banstead Primary Care Network. A grant from the Small Community Projects, supported by our County Councillors, enabled the purchase of an interactive screen that will support our residents living with dementia and the broader community at our monthly Memory Café.

The Society will continue to rely on the generosity of fellow maritime charities if we are to fill the gap in income associated with caring for seafarers who are unable to meet the actual cost of their care despite help from local authority funding, which in itself is short of the mark. This will remain the case in the near term as the historically important income from our investment portfolio will remain much reduced from the 2019 high of £373,984 to approximately £20,000 to £30,000.

The Society has for over 30 years, along with four other national charities, owned a fifth of share in some 84 acres of greenbelt, agricultural land in Warlingham, Surrey. In February 2024 the Tandridge District Council Local Plan was found to be unsound by the examining inspector. This combined with the updated National Planning Policy Framework (NPPF) have presented an opportunity which resulted in the preparation of a new planning application, a public consultation and agreement by the neighbouring and partnering land owner. Welbecks exercised their extension fee to promote the land and submitted the planning application.

The Society's focus for 2025 to 2027 is to revert to our traditional posture of breaking even at the end of the financial year, with the added requirement of delivering a modest surplus in order to gradually restore our reserves. This will need to be done with care, avoiding the temptation to increase resident fees and tenant rents too much so that we become uncompetitive. To deliver against the focus on restoring sufficient reserves, the Fundraising Sub-Committee (FSC) of the board will continue to work to diversify our support.

To conclude, 2024 has been a year dominated by the challenges of restoring occupancy and management of change. The restoration of occupancy has demanded a substantial recovery of productivity from both care and support staff, and the staff have stepped up to the challenge. The Society has maintained its services and emerges into the next financial year as a continuing going concern.

Reserves

"The Board of Management reviews the Reserves Policy annually. The Society holds reserves in order to ensure as far as possible that its charitable objectives may be met and a going concern maintained. Total free reserves at present stand at £1.8m (including cash) and are required for the following purposes:

- To provide investment income, alongside external grants income, to assist filling the gap in the annual budget caused by the necessary subsidising of actual nursing costs for those seafarers needing our help and without the full financial means to pay for it.
- To maintain up to 6 months expenditure in reserve so as to ensure that our services are not compromised in the short term. In the year under review this amounts to £2.5m.
- To provide funds to meet any shortfall in the closed Staff Pension Fund.

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The amount of free reserves is currently considered inadequate. The policy is to restore them over time, increase the sum held to cover six months and then to cover the next five years to increase the sum held to cover a greater period of expenditure such as twelve months and give flexibility for unplanned but necessary capital spending.


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 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 27 March 2025 and signed on their behalf, by:



Lt Cdr P. Wake OBE RD* MSc FNI RNR
Chairman



Capt D J D Dominy MA rcds RN
Chief Executive

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 2024 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 2024 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, 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.

THE ROYAL ALFRED SEAFARERS' SOCIETY

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

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;
- Reviewing the controls and procedures of the Charity to ensure these were in place throughout the year, including during remote working;
- 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;
- Reviewing minutes of meetings; and
- Reviewing the assumptions and judgements used by the professional actuary in relation to the Society's pension asset.

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

A further description of our responsibilities 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.

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

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.

HaysMac LLP

HaysMac LLP
Statutory Auditors
Date: 3 April 2025

10 Queen Street Place
London
EC4R 1AG

HaysMac 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 2024

		Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income from:					
Donations and legacies	2	571,539	7,766	579,305	347,149
Charitable activities	3	4,408,231	-	4,408,231	2,703,907
Investments	4	28,104	-	28,104	106,319
Total income		5,007,874	7,766	5,015,640	3,157,375
Expenditure on:					
Raising funds:					
Voluntary income		92,625	-	92,625	65,024
Investment manager's fees		6,686	-	6,686	14,205
Charitable activities	5	5,293,968	4,855	5,298,823	4,599,815
Total expenditure		5,393,279	4,855	5,398,134	4,679,044
Net income/ (expenditure)		(385,405)	2,911	(382,494)	(1,521,669)
Gains / (losses) on investments		42,429	-	42,429	175,643
Net movement in funds		(342,976)	2,911	(340,065)	(1,346,026)
Transfers		-	-	-	-
TOTAL FUNDS AT 1 January 2023		13,931,960	1,348	13,933,308	15,279,334
TOTAL FUNDS AT 31 December 2024	14	13,588,984	4,259	13,593,243	13,933,308

All activities relate to continuing operations.

The notes on pages 14 to 28 form part of these financial statements.

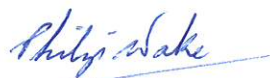
Full comparative figures for the year ended 31 December 2023 are shown in note 18.

THE ROYAL ALFRED SEAFARERS' SOCIETY

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
FIXED ASSETS			
Tangible assets	8	11,848,664	12,162,127
Investments	9	1,436,564	1,629,683
		13,285,228	13,791,810
CURRENT ASSETS			
Debtors	10	313,989	170,851
Cash at bank and in hand		387,583	273,289
		701,572	444,140
CREDITORS: Amounts falling due within one year	11	(393,557)	(302,642)
NET CURRENT ASSETS/(LIABILITIES)		308,015	141,498
TOTAL ASSETS LESS CURRENT LIABILITIES		13,593,243	13,933,308
Defined benefit pension scheme asset		-	-
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES		13,593,243	13,933,308
CHARITY FUNDS			
Restricted funds	14	4,259	1,348
Designated Funds			
Fixed asset fund		11,848,664	12,162,127
Other		5,367	6,272
		11,854,031	12,168,399
General funds		1,734,953	1,763,561
TOTAL FUNDS		13,593,243	13,933,308

The financial statements were approved by the Trustees on 27 March 2025 and signed on their behalf, by:



C P Wake OBE RD* FNI
Chairman



Capt D J D Dominy MA rcds RN
Chief Executive

The notes on pages 14 to 28 form part of these financial statements.

THE ROYAL ALFRED SEAFARERS' SOCIETY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Net cash provided by/(used in) operating activities	16	(53,497)	(1,430,346)
Cash flows from investing activities:			
Interest from investments		28,104	106,319
Purchase of investments		(266,422)	(92,103)
Proceeds from sale of investments		501,970	4,265,635
Purchases of tangible fixed assets		(95,861)	(2,905,058)
Net cash provided by investing activities		167,791	1,374,793
Change in cash and cash equivalents in the year		114,294	(55,553)
Cash and cash equivalents brought forward		273,289	328,842
Cash and cash equivalents carried forward		<u>387,583</u>	<u>273,289</u>

A Analysis of changes in net cash funds

	At 1 January 2024 £	Cashflows £	At 31 December 2024 £
Cash at bank and in hand	273,289	114,294	387,583
Total cash and cash equivalents	<u>273,289</u>	<u>114,294</u>	<u>387,583</u>

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES (continued)

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 continue to be guided by regularly updated Strategic, Business and Financial Plans. In 2024 the Guidance for Trustees and the Executive Team was reviewed to provide the higher level framework to guide the good governance of the Society and the day to day operations to meet our charitable objectives. Key policies that were revised included: The Risk Management Policy; Finance Policy; Financial Responsibilities, Controls and Procedures within Weston Acres; Investment Policy; Ethos and Operational Values Policy. The High Level Operating Model was codified and a new immediate strategy "Survive to Thrive" was adopted to create the time to restore resilience following the completion of the essential modernisation of Belvedere House in 2023. It aims to establish the conditions to move to the follow on strategy "Thrive a Passage to 2035". This revised direction and strategy will enhance the Trustees ability to monitor performance against their direction and assure themselves that the Society is being well run so that it takes maximum advantage of the modern facilities, that comply with the Care Quality Commission's requirements, and enable the delivery of high quality care to seafarers through the retention of capable staff.

In 2024 the Society created the time and conditions to reduce the operating deficit and over the medium term restore a sensible level of reserves and resilience to the Society. In terms of moving towards the next phase of the strategy "Thrive a Passage to 2035" we are close to meeting the conditions required to transition in 2025. We will continue to work towards restoring Belvedere House to average annual occupancy of 60 to 64 at a realistic pace. Positive performance in 2024 saw an increase in average occupancy in Belvedere House from 37 in 2023 to 55 at the end of the year. The Society delivered 490,680 hours of care compared to 324,120 in 2023. The average occupancy in our sheltered accommodation increased to 20 compared to 15 in 2023.

A key lesson learned in 2024 is that changes in market that result in shorter stays and higher churn have meant that restoration to occupancy of 64 is more challenging than previously predicted. Therefore the Society has revised its ambition regarding net gain to a more realistic target. In line with the revised Operating Model this means aiming to recover to average occupancy between 60-64 with 2/3 Full Fee Paying and 1/3 funded by the Local Authority. The average occupancy target for 2025 is 59 with an ambition to recover to average occupancy of 63 in 2027. The Budget and Financial Plan for 2025 to 2027 have been revised to reflect this.

This revised approach combined with a firm control over expenditure ensure that the Society remains financially sound and well positioned to meet any operational challenges in 2025. The Society is considered by the Board of Management to be a going concern for the forthcoming year and the foreseeable future.

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES (continued)

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.

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.

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES (continued)

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.

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.

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES (continued)

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.

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.

1.10 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.

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES (continued)

1.11 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. Further details are given in Note 1.7 above.

1.12 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 2024

2. INCOME FROM DONATIONS, GRANTS AND LEGACIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations				
Donations	15,500	7,766	23,266	58,794
Legacies				
Other	26,546	-	26,546	26,442
Grants				
Greenwich Hospital	223,899	-	223,899	-
The Corporation of Trinity House	109,320	-	109,320	106,240
The ITF Seafarers' Trust	75,000	-	75,000	-
Seafarers UK	50,000	-	50,000	-
RN&RM Charity	-	-	-	65,000
Association of Royal Navy Officers (ARNO)	23,136	-	23,136	22,002
The Honourable Company of Master Mariners	-	-	-	15,000
Women's Royal Naval Service Benevolent Trust	19,286	-	19,286	13,271
The Veterans Fund	14,131	-	14,131	-
Merchant Navy Welfare Board (MNWB)	13,096	-	13,096	27,400
Queen Mary's Roehampton Trust	-	-	-	10,000
Hampshire Care Association	-	-	-	3,000
Other	1,625	-	1,625	-
Total	571,539	7,766	579,305	347,149

PRIOR YEAR INCOME FROM DONATIONS, GRANTS AND LEGACIES (2023)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations			
Donations	51,782	7,012	58,794
Legacies			
Other	26,442	-	26,442
Grants			
The Corporation of Trinity House	106,240	-	106,240
RN&RM Charity	65,000	-	65,000
Merchant Navy Welfare Board (MNWB)	27,400	-	27,400
Association of Royal Navy Officers (ARNO)	22,002	-	22,002
The Honourable Company of Master Mariners	15,000	-	15,000
Women's Royal Naval Service Benevolent Trust	13,271	-	13,271
Queen Mary's Roehampton Trust	10,000	-	10,000
Hampshire Care Association	3,000	-	3,000
Total	340,137	7,012	347,149

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. INCOME FROM CHARITABLE ACTIVITIES

	Total funds 2024 £	Total funds 2023 £
Belvedere House Care Home	4,219,223	2,521,951
Weston Acres Housing	189,008	181,956
	<u>4,408,231</u>	<u>2,703,907</u>

4. INVESTMENT INCOME

	Total funds 2024 £	Total funds 2023 £
Dividends	23,519	101,448
Bank Interest Receivable	4,585	4,871
	<u>28,104</u>	<u>106,319</u>

5. CHARITABLE EXPENDITURE

	Belvedere House Care £	Weston Acres Housing £	Support Costs £	Total 2024 £	Total 2023 £
Computer, Phone & IT	16,212	4,081	1,353	21,646	28,552
Legal & Professional	75,305	4,784	2,534	82,623	92,795
Other Office Costs	75,644	38	23,554	99,236	81,554
Rent & Rates	9,012	8,517	1	17,530	16,368
Light & Heat	108,820	57,225	-	166,044	191,795
Repairs & Maintenance	147,983	22,624	5,417	176,029	239,284
Insurance	39,269	8,415	8,415	56,098	75,927
Motor and Travel	6,107	-	1,925	8,032	13,505
PPS	21,801	-	413	22,214	22,212
Agency Costs	120,409	-	-	120,409	81,322
Cleaning	58,587	8,039	14	66,640	58,832
Other Staff Costs	55,092	-	138,675	193,767	172,151
Food & Kitchen	182,473	-	-	182,473	140,671
Staff costs	3,335,230	98,394	211,641	3,645,265	3,105,229
Bad debts	-	-	-	-	641
Audit & accounts fees	-	-	26,640	26,640	32,706
Depreciation	405,435	3,521	369	409,325	237,770
Activities and amenity fund expenditure	451	-	4,404	4,855	8,501
	<u>4,657,830</u>	<u>215,638</u>	<u>425,355</u>	<u>5,298,823</u>	<u>4,599,815</u>

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. PRIOR YEAR CHARITABLE EXPENDITURE (2023)	Belvedere House Care £	Weston Acres Housing £	Support Costs £	Total 2023 £
Computer, Phone & IT	19,516	4,595	4,441	28,552
Legal & Professional	73,535	5,119	14,141	92,795
Other Office Costs	71,049	78	10,427	81,554
Rent & Rates	7,327	9,041	-	16,368
Light & Heat	127,476	64,319	-	191,795
Repairs & Maintenance	208,993	19,542	10,749	239,284
Insurance	53,149	11,389	11,389	75,927
Motor and Travel	8,078	-	5,427	13,505
PPS	18,507	31	3,674	22,212
Agency Costs	81,322	-	-	81,322
Cleaning	51,043	5,784	2,005	58,832
Other Staff Costs	87,530	-	84,621	172,151
Food & Kitchen	140,671	-	-	140,671
Staff costs	2,793,977	101,292	209,960	3,105,229
Bad debts	641	-	-	641
Audit & accounts fees	-	-	32,706	32,706
Depreciation	222,022	2,865	12,883	237,770
Activities and amenity fund expenditure	395	-	8,106	8,501
	<u>3,965,231</u>	<u>224,055</u>	<u>410,529</u>	<u>4,599,815</u>

6. NET INCOME

This is stated after charging:

	2024 £	2023 £
Depreciation of tangible fixed assets: - owned by the charity	409,325	237,770
Auditors' remuneration: audit of financial statements	21,000	20,000
Auditors' remuneration: other fees	<u>5,640</u>	<u>3,600</u>

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

7. STAFF COSTS

Staff costs were as follows:

	2024 £	2023 £
Wages and salaries	3,153,396	2,697,348
Social security costs	300,413	244,758
Other pension costs	191,456	163,123
	<u>3,645,265</u>	<u>3,105,229</u>

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

	2024 No.	2023 No.
Care Staff	51	55
General Staff	28	32
Management and Administration	6	5
	<u>85</u>	<u>92</u>

The number of higher paid employees was:

	2024 No.	2023 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1

Total employers pension contributions of £18,258(2023: £17,320) were paid for the provision of defined contribution schemes relating to higher paid staff.

No Trustees received remuneration for their services (2023: Nil).

Trustees were reimbursed for travel and meeting expenses during the year £404 (2023: £55)

Remuneration for key management personnel was £275,124 (2023: £261,259).

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

8. TANGIBLE FIXED ASSETS

	Freehold Land £	Freehold Property £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 2024	40,000	14,843,232	1,227,800	123,586	16,234,618
Additions	-	95,861	-	-	95,861
At 31 December 2024	40,000	14,939,093	1,227,800	123,586	16,330,479
Depreciation					
At 1 January 2024	-	3,073,152	888,488	110,851	4,072,491
Charge for the year	-	359,501	37,088	12,735	409,324
At 31 December 2024	-	3,432,653	925,576	123,586	4,481,815
Net book value					
At 31 December 2024	40,000	11,506,440	302,224	-	11,848,664
At 31 December 2023	40,000	11,770,080	339,312	12,735	12,162,127

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 £	Freehold Land £	Total £
Market value			
At 1 January 2024	1,317,268	312,415	1,629,683
Additions	266,422	-	266,422
Disposals	(501,970)	-	(501,970)
Revaluations	42,429	-	42,429
At 31 December 2024	1,124,149	312,415	1,436,564
Historical cost	868,245	312,415	1,180,660

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

10. DEBTORS

	2024 £	2023 £
Resident and tenant debtors	148,744	84,020
Other debtors and accrued income	138,947	45,378
Prepayments	26,298	41,453
	<u>313,989</u>	<u>170,851</u>

11. CREDITORS: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	83,961	111,442
Other taxation and social security	73,061	69,194
Funds held on behalf of residents	7,824	5,797
Other creditors	31,787	23,735
Accruals	192,484	92,474
Deferred income	4,440	-
	<u>393,557</u>	<u>302,642</u>

	2024 £	2023 £
Deferred income	-	-
Deferred income at 1 January 2024	4,440	-
Resources deferred during the year	-	-
Amounts released from previous years	-	-
Deferred income at 31 December 2024	<u>4,440</u>	<u>-</u>

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

12. CAPITAL COMMITMENT

At the 31 December 2024 the charity had capital commitments in relation to the renovation project totalling £172,679.

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

13. 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 2020. 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 £205,000 and £208,000 respectively, thus disclosing a small deficit of £3,000. The Society had made good this deficit by 31 October 2022 but has continued to pay contributions of £100 per month since that date.

During the year, the Society took the decision to wind-up the Scheme and to secure members' benefits with Aviva by assigning individual insurance policies to the existing annuitants. The Scheme commenced winding-up on 26 March 2024. The annuities were assigned to members on 9 August 2024 at a cost of £3,379,000. The annuities thus ceased to be a liability of the Scheme on that date. As part of the winding-up exercise, additional lump sums were paid to certain members who were entitled to additional benefits where these could not be paid as an annuity.

The Society is working with the Trustees of the Scheme to complete the winding-up exercise.

The market value of the Aviva with-profits insurance policy as at 31 December 2024 was £3,000 (2023: £78,000).

The actuary has provided the following information about the financial position of the Scheme as at 31 December 2024 as required by Financial Reporting Standard FRS 102.

Balance Sheet	2024	2023
Fair value of scheme assets	£3,000	£3,561,000
Present value of liabilities	-	(£3,520,000)
Surplus	£3,000	£41,000

The Scheme surplus revealed by these calculations is not recognised in the Society's balance sheet.

Income statement	2024	2023
Service cost	-	£37,000
Past service cost	-	-
Settlements	(£3,379,000)	(£4,000)
Net interest cost on net DB liability	(£68,000)	-
Total	(£3,447,000)	£37,000

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Statement of Comprehensive Income	2024	2023
Actual return on scheme assets	£96,000	£284,000
Less amount already recognised in "Net interest on net DB liabilities"	(£137,000)	(£151,000)
Actuarial gains (losses) on scheme assets	(£41,000)	£133,000
Actuarial gains (losses) on scheme liabilities	(£22,000)	(£149,000)
Net scheme asset not shown as asset on B/S	(£3,000)	(£41,000)
Total	(£66,000)	(£57,000)
Movement in assets during the year	2024	2023
Assets at beginning of year	£3,561,000	£3,585,000
Interest income (expense)	£137,000	£151,000
Employer contributions	(£44,000)	£1,000
Benefits paid	(£231,000)	(£309,000)
Actuarial gains (losses) on scheme assets	(£41,000)	£133,000
Settlements	(£3,379,000)	-
Assets at end of year	£3,000	£3,561,000
Movement in liabilities during the year	2024	2023
Liabilities at beginning of year	£3,520,000	£3,496,000
Current service cost	-	£37,000
Interest cost	£68,000	£147,000
Benefits paid	(£231,000)	(£309,000)
Actuarial (gains) losses on scheme liabilities	£22,000	£149,000
Settlements	(£3,379,000)	-
Liabilities at end of year	-	£3,520,000

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

	2024	2023
Discount rate	4.4%	4.0%
Retail Price Inflation	3.5%	3.4%
Consumer Price Inflation	n/a	n/a
Rate of increase in pensions in payment	3.5%	3.4%
Rate of increase in deferred pensions	n/a	n/a

The mortality assumptions are subject to regular review; the mortality table used in the valuation as at 31 December 2024 was S2PMA/S2PFA CMI Model 2023 [1.25%] (2023: CMI Model 2022 [1.25%]) which gives the following life expectancies at age 60:

	2024	2023
Male	25.6	25.6
Female	28.0	28.0

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

14. STATEMENT OF FUNDS

	2023 Brought Forward £	Income £	Expenditure £	(Losses)/ Gains £	Transfers £	2024 Carried Forward £
Designated funds						
North Field Project	6,272		(5,150)		-	1,122
The Veterans Fund (Sensory Room)		14,131	(14,131)			-
MNWB (New Website)		10,000	(5,755)			4,245
Fixed asset fund	12,162,127	-	(409,324)	-	95,861	11,848,664
	12,168,399	24,131	(434,360)	-	95,861	11,854,031
General funds						
General Funds	1,763,561	4,983,743	(4,958,919)	42,429	(95,861)	1,734,953
Total Unrestricted funds	13,931,960	5,007,874	(5,393,279)	42,429	-	13,588,984
Restricted funds						
Amenity Fund	1,348	7,766	(4,855)	-	-	4,259
Total of funds	1,348	7,766	(4,855)	-	-	4,259

Designated funds have been set aside by the Trustees largely for the purpose of supporting the modernisation 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.

	2022 Brought Forward £	Income £	Expenditure £	(Losses)/ Gains £	Transfers £	2023 Carried Forward £
Designated funds						
North Field Project	-	30,000	(23,728)		-	6,272
Fixed asset fund	9,494,840	-	(237,771)	-	2,905,058	12,162,127
	9,494,840	30,000	(261,499)	-	2,905,058	12,168,399
General funds						
General Funds	5,781,657	3,120,363	(4,409,044)	175,643	(2,905,058)	1,763,561
Total Unrestricted funds	15,276,497	3,150,363	(4,670,543)	175,643	-	13,931,960
Restricted funds						
Amenity Fund	2,837	7,012	(8,501)	-	-	1,348
Total of funds	2,837	7,012	(8,501)	-	-	1,348

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	11,848,664	-	11,848,664
Fixed asset investments	1,436,564	-	-	1,436,564
Current assets	691,946	5,367	4,259	701,572
Creditors due within one year	(393,557)	-	-	(393,557)
	<u>1,734,953</u>	<u>11,854,031</u>	<u>4,259</u>	<u>13,593,243</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR 2023

	General funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	12,162,127	-	12,162,127
Fixed asset investments	1,629,683	-	-	1,629,683
Current assets	442,792	-	1,348	444,140
Creditors due within one year	(302,642)	-	-	(302,642)
	<u>1,769,833</u>	<u>12,162,127</u>	<u>1,348</u>	<u>13,933,308</u>

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

	2024 £	2023 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(340,065)	(1,346,026)
Adjustment for:		
Losses/(gains) on investments	(28,104)	237,771
Depreciation charges	409,324	(175,643)
Dividends from investments and bank interest	(42,429)	(106,319)
(Decrease) in debtors	(143,138)	(83,867)
(Increase) in creditors	90,915	43,738
Net cash (used in) operating activities	<u>(53,497)</u>	<u>(1,430,346)</u>

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash in hand	<u>387,583</u>	<u>273,289</u>
Total	<u>387,583</u>	<u>273,289</u>

THE ROYAL ALFRED SEAFARERS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

18. RELATED PARTY TRANSACTIONS

During the year, there were Trustee donations totalling £Nil (2023: £60).

19. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES 2023

		Unrestricted funds £	Restricted funds £	Total 2023 £
Income from:				
Donations and legacies	2	340,137	7,012	347,149
Charitable activities	3	2,703,907	-	2,703,907
Investments	4	106,319	-	106,319
Total income		3,150,363	7,012	3,157,375
Expenditure on:				
Raising funds:				
Voluntary income		65,024	-	65,024
Investment manager's fees		14,205	-	14,205
Charitable activities	5	4,591,314	8,501	4,599,815
Total expenditure		4,670,543	8,501	4,679,044
Net income/ (expenditure)		(1,520,180)	(1,489)	(1,521,669)
Gains / (losses) on investments		175,643	-	175,643
Net movement in funds		(1,344,537)	(1,489)	(1,346,026)
Transfers		-	-	-
TOTAL FUNDS AT 1 January 2022		15,276,497	2,837	15,279,334
TOTAL FUNDS AT 31 December 2023	14	13,931,960	1,348	13,933,308

