

Registered number: 00453053

Charity numbers: 212799 & SC039669

ANNUAL REPORT 2022

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



MNWB

MERCHANT NAVY
WELFARE BOARD

CONTENTS

	Page
Chairman's Foreword	1
Chief Executive's Introduction	2
Report of the Trustees	3 – 16
Report of the Independent Auditors	17 - 20
Statement of Financial Activities	21
Balance sheet	22
Cash Flow Statement	23
Notes to the Financial Statements	24 – 40

CHAIR'S INTRODUCTION

As Chair of the Board of Trustees it is my privilege to introduce this 2022 Annual Report at the end of a very busy and successful year at the Merchant Navy Welfare Board.


In 2022 a new strategy was developed which reaffirms our Vision, Mission and Core Values and defines new strategic priorities for the next 3 years. This strategy was completed in the latter part of the year and we will be seeking feedback and support from our key stakeholders, Constituent members and funders. This will allow us to define what success looks like for each stakeholder group, put in place an operational plan and measure staff performance against the strategic objectives.

You will recall that the autumn of 2021 was spent looking to replace the retiring Chief Executive, Peter Tomlin. Stuart Rivers started as our new CEO in January and I am pleased to report that he has easily meet our expectations; MNWB is being led effectively and is delivering well across its varied portfolio of activities.

Stuart leads a stable, hard working and effective team of staff which, this year, has been enhanced by a Communications and Media Manager, Joel Holt, and a Grants and Impact Manager who, I am pleased to say, is our very own Celia Jackson. Joel has raised the Board's media presence to ensure that the good work of the Board and its 43 Constituent organisations is published far and wide, raising our profile within and beyond the maritime charities sector. Celia has developed and managed our grant assessment and impact management processes that support both our own grants program but also, importantly, the monies that the Department for Transport have made available to the Board to support a broad range of seafarer health, wellbeing and welfare programs across the maritime sector, and to improve diversity and skills in the sector.

Since the Board assumed the mantle of the UK's National Seafarers' Welfare Board (NSWB) in May 2021, we have spent much of 2022 developing our activities in its support and development. The NSWB is a natural fit for the Board, complementing our network of Port Welfare Committees which allows the Board to better understand the issues that affect seafarers in and around our major UK ports. We also have a Constituent organisation membership which captures the UK Merchant Navy charity sector ensuring a route through from the frontline charities, which deliver welfare first hand, through to the Department for Transport and the UK Government. Having established the role, we now have the task of maximising its effectiveness for the benefit of those Constituent organisations and, ultimately those seafarers, whether serving or retired, and their families that are in need. This will be a focus for 2023.

As you read this 2022 Annual Report you will understand the scope, breadth and depth of the Board's work which either directly or indirectly supports the provision of welfare to serving and retired seafarers and their families but also for seafarers who visit the UK. On behalf of the Board of Trustees and our Constituent organisation membership, I would like to thank Stuart and the staff for their hard, diligent, and compassionate work they have provided throughout 2022.



Capt. Andrew Cassels
Chair
Dated: 27 March 2023

CEO INTRODUCTION

Having learned to live with Covid by the start of 2022, it wasn't long before another crisis was on the horizon. On the 24th February Russia invaded Ukraine, and tensions in the region escalated into war. As you would expect, this had a considerable impact on the shipping industry and seafarers. Many ships were stranded in the Black Sea ports of Southern Ukraine and seafarers – regardless of nationality – found themselves in the middle of a developing crisis.

During the early months of conflict, representatives from the UN, EU, UK Government, shipowner bodies, unions and charities met regularly, working together to share information and assist in the repatriation of seafarers. MNWB joined this group to contribute intelligence from its Constituent members and join the coordinated efforts being made to help seafarers of all nationalities.

With economies reopening after the pandemic and the pressures caused by the war in Ukraine, it soon became clear that due to increased demand for energy and supply chain disruptions, the UK had started to be impacted by a global energy crisis. Against the backdrop of these crises, MNWB continued to provide support to its Constituents through its regular activities and new projects.

In partnership with Trinity House, we established a fund to provide Ukrainian seafarers with SIM cards so that they could make contact with loved ones affected by the Russian invasion. This project was soon oversubscribed so the Board contacted Vodafone's charities.connected scheme, who made an initial gift of 8,000 SIM cards followed by a further gift of 5,000. The gift in kind value of the SIM cards was £1,560,000, and Constituent Organisations were able to support Ukrainian seafarers visiting UK ports by making the SIM cards freely available.

Having been appointed as the National Seafarers' Welfare Board in 2021, this year we welcomed £2.1m of financial support from the Department for Transport in the form of a grant. The funding was made available to maritime charities and organisations, specifically around seafarers' welfare and skills. Twelve UK charities and organisations have been funded through the Department for Transport grant programme in 2022, with some receiving more than one grant. The funding was transformational and by the end of the year a total of £1,014,574 was awarded to support 18 UK projects across two workstreams:

Skills & Diversity: Plugging skill gaps, broadening the pool of talent, providing an equal opportunity for all and fostering creativity.

People: Research into, and support for UK programmes to alleviate seafarer and fishers' mental health and wellbeing.

As you can imagine, with the various crises and the responsibility for disbursing over £1m in grants, I've had quite a busy first year at MNWB. It is testament to the staff team's dedication who have worked tirelessly in support of our Constituents members, and I am both proud and grateful.

I would like to thank our Chair, Capt. Andrew Cassels, Vice Chair, Mark Dickinson, and all of our trustees. I have had a steep learning curve with many challenges but, with their support and guidance, 2022 has been a very successful year for MNWB.

Finally, I extend my thanks to MNWB's Constituent organisations for the vital work they do to support the welfare of serving and retired seafarers and fishers. It is through their continued efforts that the UK's maritime welfare sector can be held up as an exemplar to other nation states. As we look forward to the year ahead, I can say with certainty that this is an exciting time for MNWB and I feel privileged to be part of its leadership.



Stuart Rivers
Chief Executive Officer

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trustees present their 76th Annual Report and the audited Financial Statements for the year ended 31 December 2022. They have adopted the provisions of the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) ('SORP 2019').

VISION STATEMENT

To be the representative voice and driving force for the welfare of merchant navy and fishing communities in the UK.

MISSION STATEMENT

Supporting the provision of quality welfare services for seafarers and their dependants.

OBJECTIVES

The Key Objectives of the Merchant Navy Welfare Board are to:

- Help improve the effectiveness of all those charities caring for merchant seafarers, fishers and their dependants and this is done irrespective of nationality, religion or ethnic background.
- Strive to ensure that all welfare needs are met through the most effective deployment of resources.
- Facilitate the work of Constituent organisations through the provision of grants and specialist support services.
- Provide a dedicated welfare support and referral service for UK seafarers and their dependants.
- Manage and support Port Welfare Committees to develop local welfare services.
- Encourage and enable closer collaboration amongst both Constituent organisations and Port Welfare Committees.
- Represent and raise awareness of seafarers' welfare issues at national level.

N.B. The wording shown above summarises the formal Charitable Objects, a copy of which may be obtained upon request.

STATEMENT OF PUBLIC BENEFIT

The objectives, activities, achievements and performance of the Board, which the charity undertakes for the public benefit, are clearly set out in this report. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Board's aims and objectives and in planning future activities and setting out the grant making policy.

In the interests of transparency, the trustees make the following statements regarding public benefit:

- The clear benefits provided by the Board are delivered through the key objectives set out above and reflected in the disclosure of charitable expenditure in the Statement of Financial Activities.

- The primary objective of the Board is to help improve the effectiveness of all those charities caring for merchant seafarers, fishers and their dependants and this is done irrespective of nationality, religion or ethnic background.
- No detriment or harm arising from the work of the Board has been identified.
- The beneficiaries are those charities caring for merchant seafarers, fishers and their dependants. This is directly in accordance with the terms of the Board's constitution.
- The Board is active within the United Kingdom, Gibraltar and the Falkland Islands, and has worldwide connections.
- People in poverty are at the heart of what the Board does, and it is not aware of any Constituent member excluding benefits from anybody in poverty.
- There are no private benefits of which the Board is aware.

NATURE OF THE GOVERNING DOCUMENT

The Board is governed by Articles of Association adopted by a Special Resolution on 20 May 2010 and amended on 24 July 2015. These comply with the provisions of the Companies Act 2006 and the Charities Act 2011.

TAXATION STATUS

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

REGISTRATION DETAILS

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

REGISTERED OFFICE

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

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

- | | |
|---|---|
| 1. Aberdeen Seafarers' Centre | 10. Honourable Company of Master Mariners Charities |
| 2. Aged Merchant Seamen's Homes | 11. Lighthouse Seafarers Mission (Falklands WB) |
| 3. Alabaré | 12. Liverpool Seafarers' Centre |
| 4. Broughton House | 13. Lowestoft Fishermen's and Seafarers' Benevolent Society |
| 5. Care Ashore | 14. Marine Society & Sea Cadets |
| 6. DMWS (Defence Medical Welfare Service) | 15. Merchant Navy Association |
| 7. Erskine Hospital | 16. Nautilus Welfare Fund |
| 8. Grimsby Sailors & Fishing Charity | 17. Queen Victoria Seamen's Rest |
| 9. Guild of Benevolence of the IMarEST | |

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|---|--|
| 18. QVSR Seafarers' Centres | 31. Shipwrecked Mariners' Society |
| 19. Royal Alfred Seafarers' Society | 32. SSAFA |
| 20. Royal Liverpool Seamen's Orphan Institution | 33. Stella Maris, Great Britain |
| 21. Royal Merchant Navy Education Foundation | 34. The Fishermen's Mission |
| 22. Sailors' Children's Society | 35. The Mission to Seafarers |
| 23. Sailors' Orphan Society of Scotland | 36. The Seafarers' Charity |
| 24. Sailors' Society | 37. Trinity House |
| 25. Scottish Nautical Welfare Society | 38. Trinity House, Hull |
| 26. Scottish Veterans' Residences | 39. Tyne Mariners' Benevolent Institution |
| 27. Seafarers' Advice & Information Line | 40. Veterans' Aid |
| 28. Seafarers Hospital Society | 41. Whitby Merchant Seamen's Hospital Houses |
| 29. Seamen's Christian Friend Society | 42. Willie Seager Memorial Trust |
| 30. Seafarer's Welfare Fund (Gibraltar) | 43. Wilson's Mariners' Homes |

N.B. These are not connected charities within the meaning of the SORP 2019.

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

TRUSTEES AND MEMBERSHIP OF THE COUNCIL

The Board's trustees are collectively known as its Council. New members are appointed by Council, primarily on the basis of the skills and experience required to carry out their responsibilities effectively in the best interest of the charity.

The Board wishes to place on record its appreciation for the contribution made by all members of the Council, in particular to the trustees who have retired during the year: Revd Ijeoma Ajibade, Mark Rawson and Deanne Thomas.

Details of Council membership during 2022 and changes to the date of this report were as follows:

Patron: The Lord Prescott
Chair: Capt. A Cassels
Vice Chair: A M Dickinson

SHIP OWNERS' & SHIP MANAGERS' REPRESENTATIVES:

Capt. A Cassels, UK Chamber of Shipping (Re-appointed 30.06.21) (Chair)
 A Hodgson, UK Chamber of Shipping (Appointed 30.06.20)
 T E Springett, UK Chamber of Shipping (Re-appointed 30.06.22)
 Capt. Louise Sara (Appointed 22.09.22)
 M Rawson, UK Chamber of Shipping (Retired 22.09.22)

TRADE UNION REPRESENTATIVES:

D Appleton, Nautilus International (Re-appointed 30.06.20)
 M Carden, RMT (Re-appointed 30.06.21)
 A M Dickinson, Nautilus International (Vice-Chair) (Re-appointed 30.06.22)
 D Procter, RMT (Appointed 30.06.20)

VOLUNTARY SECTOR REPRESENTATIVES:

Capt. J Osmond RN, Shipwrecked Mariners' Society (Re-appointed 30.06.21)
Cdr B Boxall-Hunt OBE, Royal Alfred Seafarers' Society (Appointed 30.06.21)
D Thomas, Sailors' Children's Society (Retired 03.11.22)
Revd. I Ajibade, Mission to Seafarers (Retired 08.11.22)

PERSONS ABLE TO MAKE A PARTICULAR CONTRIBUTION OF VALUE TO THE CHARITY BECAUSE OF THEIR SPECIALIST EXPERTISE:

A Godfrey, The Fishermen's Mission (Re-Appointed 30.06.22)
G Lane, Chartered Accountant (Re-appointed 30.06.22)
R Ballantyne OBE, British Ports Association (Appointed 30.06.21)

OBSERVER STATUS

J Carlton, Maritime & Coastguard Agency

INDUCTION AND TRAINING OF TRUSTEES

Trustees are either appointed or elected. The UK Chamber of Shipping is responsible for appointing the Ship Owners' & Ship Managers' Representatives, currently four in number. Nautilus International and the Rail and Maritime Transport Union (RMT) are responsible for appointing the Trade Union Representatives, currently two each. The Constituent Maritime Charities elect the Voluntary Sector Representatives. The Council appoints those persons able to make a particular contribution, currently three. Each appointment, or election, for all backgrounds, is for a three-year term of office.

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

PAYMENTS TO TRUSTEES

No member of Council receives any payment for acting as a trustee, other than, on occasion, out of pocket expenses.

CONFLICTS OF INTEREST

The Board maintains a register of interests of all trustees and senior staff. Additionally, at each meeting of the Council, all those present are asked to declare any potential conflicts of interest when appropriate.

COMPANY SECRETARY

Stuart Rivers, Chief Executive

PROFESSIONAL ADVISERS

Auditors:

James Cowper Kreston, The White Building, Southampton, Hampshire, SO15 2NP

Bankers:

CAF Bank Ltd, 25 Kings Hill Avenue, West Malling, Kent, ME19 4JQ

Solicitors:

Blake Morgan LLP, Tollgate, Chandlers Ford, Eastleigh, SO53 3LG

Investment Manager:

Bordier & Cie (UK) PLC, 23 King Street, St James's, London, SW1Y 6QY

Pension Advisers:

Chadney Bulgin LLP, 89 Fleet Road, Fleet, Hampshire, GU51 3PJ

Accounts Administration:

Winchester Bourne Ltd, Sullivan Court, Wessex Business Park, Colden Common, Winchester, SO21 1WP

STAFF

Mr Stuart Rivers, Chief Executive Officer

Miss Sharon Coveney, Deputy Chief Executive

Miss Sarah Edward, Port Welfare Committee Manager

Mrs Katherine Lockwood, Port Welfare Committee Manager (resigned May 2022)

Mr Tom Holmer, Port Welfare Committee Manager (resigned May 2022)

Mrs Susan Atkinson, Port Welfare Committee Manager (from June 2022)

Mr Joel Holt, Media and Communications Manager

Ms Celia Jackson, Grants & Impact Manager

Mr Aiden Harvey, Projects & Welfare Coordinator

Mrs Helen van Gass, Welfare & Training Manager

Mrs Nicky Cantello, Executive Assistant (from October 2022)

The Council is responsible for:

- all staff employment contracts based on advice from the Board's appointed human resources advisers.
- agreeing the employer's and minimum staff contributions towards the pension scheme.
- appointing a financial adviser to advise on the appointment of a pension provider.

REMUNERATION POLICY

The Board is committed to ensuring that staff are adequately remunerated to ensure that it attracts and retains the right skills to achieve the charity's objectives.

In accordance with SORP 2019, the Board:

- discloses all payments to trustees (these are out of pocket expenses only).
- discloses staff in receipt of more than £60,000 salary including gross pay and taxable benefits.
- discloses the pension policy.
- confirms that there are no benefits in kind.

The Board has appointed a remuneration sub-committee, consisting of the Chair and two trustees,

advised by the Chief Executive Officer (with exception of their own remuneration), which meets to review and recommend the pay for all staff.

The sub-committee:

- reviews the Board's salary structure using independent market benchmarking and makes amendments, when appropriate, to ensure that salaries remain competitive.
- approves the annual cost of living increase for all staff taking into account the most recent inflation figures.
- approves any consolidated pay awards over and above the cost of living index.

VOLUNTEER HELP

During the year, the Board appointed four Volunteer Ambassadors to profile its work around the UK and Overseas Territories. Mrs Susan Newcombe was also appointed as a Volunteer Consultant. Susan's, specialist volunteer knowledge has helped ensure the success and value of our first major in-house volunteering initiative. The Volunteer Ambassadors are tasked with raising awareness of the Board's support services and promoting the work of our Constituent Members in the wider maritime community. The Ambassadors appointed during the year were:

- Neil Atkinson
- Jerry Drewitt
- Alèxe Finlay
- Martin Phipps

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board's Council holds three or four meetings annually. These are used to review current strategy, financial matters, investments, services to Constituent Members, grant distribution and agree future policy. In addition, it holds joint biennial meetings for Constituent and Port Welfare Committee members. In the event of needing to make any amendments to the Articles of Association the Board must convene an EGM for its Constituent members.

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

RISK MANAGEMENT

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

- ensuring that the identification, assessment and mitigation of risks are linked to the achievement of the Board's operational objectives.
- ensuring that the process covers all areas of risk, including financial, governance, operational and reputational risk, and is focused primarily on major risks including those arising from investment issues.
- ensuring that the process seeks to produce a risk exposure profile that reflects the Board's views as to the level of acceptable risk.
- reviewing and considering the principal results of risk identification, evaluation and management.

To ensure that risk management is a continuous process and embedded in all management and operational procedures, a review of the risk profile is completed annually by the Chief Executive. This includes an evaluation of current activities and risks posed, the effectiveness of controls in place that mitigate material risks posed and an action plan to develop additional controls where necessary.

COMPLAINTS PROCEDURE

The Board has in place a policy to deal with any complaints from the public or other organisations. Details of the policy can be found at www.mnwb.org/complaints-policy.

ENVIRONMENT & CLIMATE CHANGE AWARENESS

The Board is aware of the need to act in an environmentally responsible manner and meet the challenges of climate change. Our normal practice is to have face-to-face meetings, which we modified to video conference calls due to the pandemic. These meetings gained good attendance, especially from those who would normally have to travel a distance. We feel that in-person meetings are essential, but the benefit of virtual meetings in reducing our carbon footprint and increasing meeting attendance has been evidenced over the last two years. We therefore intend to offer hybrid meetings in future where practicable.

As stated in the report on the Vehicle Replacement Programme, reducing carbon emissions through the use of electric or hybrid vehicles is encouraged. As vehicles become due for replacement, we will ensure that consideration is given to the environmental options before releasing funding for new vehicles.

EQUITY, EQUALITY, DIVERSITY AND INCLUSION

Since 2021, the Board has been a member of the Maritime Charities Group EED&I Working Group. The working group is looking at options for training among MCG members and the development of a diversity pledge. The overall aims of this group are to:

- Engage senior leadership to commit to improving EED&I within their organisation.
- Examine the state of EED&I in the Maritime Welfare Charity sector using The Seafarers' Charity research shared in February 2020 as a baseline with regard to Trustee diversity.
- Build on work that has already been done by the maritime and wider sector.

In 2022, the Board invested £552,969 in projects that support skills and diversity, of which £402,500 was directly to support diversity in the maritime sector. The projects supported were as follows:

- RADAR Employment Apprenticeship Programme (£120,000): providing opportunities to 30 individuals from Black, Asian and Minority Ethnic, and low socio-economic backgrounds.
- Marine Engineering Pathway Project (£182,500): encouraging young people, particularly those from deprived and underprivileged areas, to pursue a career in Marine Engineering using practical STEM classroom sessions.
- Roadshow for Girls (£100,000): promoting gender balance in the sector and educating girls about STEM subjects relating to the Maritime sector.

FINANCIAL CONTROLS

The Board believes that the system of internal control provides adequate assurance that assets are safeguarded, transactions are properly authorised and recorded, and that material errors and irregularities are either prevented or detected at an early stage. The financial controls are reviewed annually.

FINANCIAL REVIEW

After a strong year of post-pandemic recovery in 2021, financial markets faced new challenges in 2022. The outbreak of war in Ukraine led to a sharp rise in global inflation, energy shortages and a significant shift in central bank policy, all of which had negative connotations for economic growth and investments generally. Making headway during 2022 was therefore extremely difficult, with all major asset classes seeing sharp falls. However, our investment manager's active management and their early preparations for a period of more persistent post-pandemic inflation did help limit the investment portfolio's decline to 6.0% in 2022. The net loss on investments during 2022 was £1,128,842 (2021: gains £1,669,133). Stock market allocations to more economically-resilient regions proved beneficial, as did a reduction in the portfolio's sensitivity to higher inflation and rising interest rates within fixed interest market exposures. Alternative investments also played an important, protective role.

At the year-end, investments were valued at £13,647,613 (2021: 15,180,802) and total funds amounted to £14,798,854 (2021: £15,456,907).

Income was considerably higher than in previous years due to a grant from the Department for Transport in the sum of £2,100,000. The funding was to support the welfare of seafarers and fishers, as well as providing investment in skills and diversity.

Vodafone UK, through its charities.connected scheme, donated a total of 13,000 SIM cards for distribution among Ukrainian seafarers visiting UK ports. This further increased income in the sum of £1,560,000 as a gift in kind.

RESERVES POLICY

The Council annually reviews the level of the Board's reserves available to meet the ongoing ability to finance administrative costs, services to Constituent members and grants. To determine and monitor the appropriate level of reserves, the Board assesses likely future demand for grants and services against income expectation. Council, when determining the financial forecasts, considers the appropriate level of reserves. The Board takes the view that the investments held are adequate to generate funds to sustain the current levels of demand for the foreseeable future. The Board is not a fundraising charity and does not employ fundraisers. It therefore relies on investment income to fund operational costs and support grants to Constituent members. As a minimum, therefore, the target level of reserves should support an investment return that meets the Board's operational costs. Any surplus income is made available for grant making.

INCOME

DONATIONS AND LEGACIES

Whilst the Board does not actively fundraise amongst the public, it is always extremely grateful for any donations and legacies received, which are fully utilised in support of its objects. During 2022, donations in the sum of £4,942 (2021: £4,554) were received. No legacy income was received in

2022 (2021: £27,392). The only support from commercial organisations was the gift in kind donation from Vodafone UK, valued at £1,560,000.

GOVERNMENT CONTRACTS & GRANTS

In March 2022, the Board signed a contract with the Department for Transport and was in receipt of £2,100,000 to support projects relating to people, skills and diversity. The grant is allocated according to the Government's financial year from April 2022 to March 2023. This funding came as the Maritime Minister launched the new recovery route map, setting out the actions to help the sector recover from the effects of the pandemic. It is also in support of the Government's Maritime 2050 strategy.

INVESTMENT INCOME AND POLICY

The Board annually provides its investment managers, Bordier & Cie (UK) PLC, with an investment policy. Their costs are based on the number of transactions each quarter together with fees charged for the management of the investment portfolio. Total costs amounted to £41,574 (2021: £48,889). The Board utilises benchmarks to monitor investment performance and reviews investment returns on a quarterly basis.

The primary source of income is from investments and a targeted 6% total return is a key part of the policy. The Board accepts this is a risk strategy intended to provide greater return. Whilst this continues to be maintained, it is reviewed annually and can be revised at any time in light of needs and changing circumstances. The most recent industry review indicates that the number of older seafarers and their dependants is expected to decline slower than last researched but will still accelerate over the next 15 years or so. As a counterbalance there is evidence that the needs of those receiving support are increasing and beneficiaries are living longer. At the same time there remains an ongoing need to support port-based welfare services for working seafarers. The long-term negative impact of the Covid-19 pandemic will be assessed on an ongoing basis.

SOCIAL INVESTMENT POLICY

The Board's investment policy is implemented through the use of collective investment funds rather than, for example, individual company shares. Given the diversified nature of underlying investments the Board has not imposed any specific ethical or geographical restrictions with regard to investment but expects the spirit and objectives of the United Nations-backed Principles for Responsible Investment (PRI) guidelines to be observed by the underlying investment fund managers. These Principles look to encompass environmental, social and corporate governance matters into firms' investment and decision-making processes. During 2020, the Board instructed its Investment Manager that it expects underlying managers to not only adopt the Principles for Responsible Investment as supported by the United Nations (UNPRI), but also to be signatories to it. The Board's Investment Policy has been strengthened to include a commitment to be provided with an ESG (Environmental, Social, and Corporate Governance) report on an annual basis.

GRANTS ADDED BACK

Some grants were not fully expended and in 2022 a total of £9,340 was added back into the Board's funds (2021: £2,500).

RESTRICTED FUNDS

The Board maintained restricted funds for support programmes and projects, as follows:

- Vehicle Replacement Programme Fund

- MN Medal Fund
- MiFi Project
- Department for Transport Fund
- Vodafone UK – SIM cards for Ukrainian Seafarers
- Seafarer Support (now a 'service to Constituents')
- Port Visitor (formerly the IPWP Programme)

EXPENDITURE

Staff

The Board usually employs eight full time members of staff directly in its work. This increased to nine staff during the year in order to fulfil the requirements of the formal agreement with the Department of Transport for the disbursement of grant monies.

Pensions

In line with legislation set down by the Pensions Regulator all members of staff are entitled to enter a contributory group personal pension plan provided by the Board after 3 months' service, and all those currently employed are included (staff aged between 21 and 65 are automatically enrolled as required under pensions legislation). Following a satisfactory probationary period, normally 6 months, all new full-time staff members are offered a contract which allows them to receive an enhanced employer's contribution, conditional upon them also making an agreed increased minimum contribution.

Offices

The Board has a 10-year repairing lease for its offices at 8 Cumberland Place, Southampton SO15 2BH which commenced in December 2020. A full-term review took place in early 2020 and a new rental amount was agreed for the next five years. In 2022 general maintenance of the building was undertaken, fulfilling our obligations under the terms of the lease. The premises adequately meet the Board's needs for now and the short term. The current lease is due to terminate on 30th November 2030 with a break point in 2025.

Professional fees

The Board incurred professional fees in 2022 for audit and accountancy purposes.

Auditors and the Appointment of Auditors

The Board is required to have its accounts audited annually. Under the Articles of Association, the Council is responsible for appointing the auditor. The Board appointed James Cowper Kreston as auditors.

Accountancy fees

The Board's accounts administration is undertaken by Winchester Bourne Ltd, for which it pays a fee.

Membership of Organisations

The Board is a subscribing member of the following charitable organisations:

- Maritime Charities Group (MCG)
- International Seafarers' Welfare and Assistance Network (ISWAN)
- National Council for Voluntary Organisations (NCVO)
- The Association of Charitable Organisations (ACO)
- Confederation of Service Charities (COBSEO)

STRATEGY

During the year, trustees and staff reviewed the Board's strategy and set in place a new vision for the next three years from 2023 to 2025. This plan will be reviewed and updated annually to ensure that it is relevant and responsive to the changing needs of seafarers, fishers and their families.

Vision

To be the representative voice and driving force for the welfare of merchant navy and fishing communities in the UK.

Mission

To improve the lives of seafarers and fishers by raising welfare standards in collaboration with our stakeholders.

Values

Our core values are non-negotiable and fuel our vision for the welfare of seafarers, fishers and their families. While there are many other values we hold, these have been selected as the dominant ones that will really shape our culture, what we represent and how we deliver for our stakeholders.

- **Leadership:** We will lead with integrity and professionalism, representing Constituent organisations at the highest levels of government and industry.
- **Communication:** We will support our key relationships through authentic communications, treating people with respect and dignity at all times.
- **Innovation:** We will pursue innovative solutions that create economic and social value, adopting an evidence-based approach to everything we do.
- **Collaboration:** We will celebrate the full spectrum of diversity within and outside of our organisation, building strong collaborative networks that create new opportunities and possibilities.

COMPLETED OBJECTIVES

- Help review the role and objectives of Maritime Charities Group from a Merchant Navy and Fishing Fleet perspective
- Evidence and promote the benefits of port levies to support sustainable port welfare services via social media, Port Welfare Committees, Working Groups and conferences
- Create a new and updated Ship Welfare Visitors Course
- Create an Awareness Course & Guide for the International Labour Organisation's Work in Fishing Convention C188
- Establish formal operating model for the National Seafarers' Welfare Board
- Complete strategic review and define vision, mission and strategic priorities for the next period
- Raise the profile of MNWB and its Constituents through media and public advocacy
- Create and implement a measurable welfare case client feedback procedure

ONGOING MAJOR OBJECTIVES

- Review the needs of Constituent organisations following the pandemic
- Produce a regular Seafarer Support newsletter promoting the work of Constituent members and seafarers' welfare in ports

- Form a working group to create a draft voluntary, best 'Code of Practice' for seafarers' welfare in ports
- Identify, define and communicate core values internally and externally
- Review the extent and success of port levies schemes in the UK
- Establish a mechanism for port welfare accreditation in support of the International Labour Organisation's Maritime Labour Convention (MLC), 2006

FUTURE MAJOR OBJECTIVES

Leadership:

- Clearly define the role of the National Seafarers' Welfare Board and how it interacts with Port Welfare Committees, Department for Transport, Maritime & Coastguard Agency and Maritime Labour Convention member states
- Drive the agenda for the establishment of port levies across all UK ports
- Produce biennial 'State of the Nation' report

Communication:

- Strengthen relationships within government through active, regular and transparent engagement
- Expand the range and reach of Constituent and non-Constituent charities and agencies available through
- Expand the range and reach of charities and agencies available through Seafarer Support
- Increase the profile of MNWB and its members through print and broadcast media
- Grow social media presence and following across all active platforms

Innovation:

- Adopt a 'research led' approach to drive MNWB projects
- Ensure all MNWB projects (Vehicle Replacement Programme, MiFi Project, etc.) add value to Constituent organisations and deliver economies of scale
- Develop training platform to host Ship Welfare Visitor, ISPS and other MNWB developed training courses
- Develop plan for National Seafarers' Welfare Board training and support package for MLC member states

Collaboration:

- Grow MNWB's membership by defining clear criteria, benefits, and a memorandum of understanding
- Develop a self-assessment tool for ports that establishes welfare standards across the UK and identifies gaps in provision
- Establish MNWB as the 'go to' place for welfare guides, sector statistics and reports
- Establish a biannual forum for National Seafarers' Welfare Boards to share experiences and information

IMPACT DURING 2022

MNWB Services

During the year, MNWB continued to provide essential services to its Constituent members and directly to beneficiaries. In 2022, the following services were provided:

- Training: portfolio of free courses for Constituent members and Port Welfare Committees.
- Seafarer Support: signposting service for serving and retired seafarers and fishers.
- Case Working: supporting seafarers and fishers with access to support services and financial support.
- Port Visitor: support platform for Port Welfare Committees and welfare directory for seafarers.
- Whistleblowing Service: pilot project to establish whether this service could add value to Constituent members.

MNWB Grants

MNWB's main priority is to provide support services to its Constituents, PWCs and working groups, and its secondary priority is to provide capital grants. The amount made available for grants annually is based on the overall return from the investment portfolio after deducting revenue costs and services to Constituents. Under the Small Grants Programme, the Chair and Chief Executive are authorised to allocate individual grants of up to £5,000 throughout the year, up to a total annual limit of £50,000. In 2022, an overall sum of £160,795 was awarded in capital grants and £103,100 to jointly funded projects.

Department for Transport Grants

In 2022 MNWB was awarded £2.1 million by the Department for Transport to be made available to maritime charities and organisations to support the maritime sector, specifically around seafarers' welfare and skills. 12 UK charities and organisations have been funded through the Department for Transport grant programme in 2022, some have received more than one grant. By the end of the year a total of £1,014,574 was awarded to support 18 UK projects across two workstreams:

- **Skills & Diversity:** Plugging skill gaps, broadening the pool of talent, providing an equal opportunity for all and fostering creativity.
- **People:** Research into, and support for UK programmes to alleviate seafarer and fishers' mental health and wellbeing.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Merchant Navy Welfare Board for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.

- make judgements and accounting estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

DISCLOSURE OF INFORMATION TO AUDITORS

The Trustees at the time when this Report of the Trustees is approved have confirmed that:

- so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

As noted previously, the Board has dispensed with the requirement to hold an Annual General Meeting. In 2018, the Board appointed James Cowper Kreston as their auditors. The re-appointment of auditors will be decided annually at a Council meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
A K Cassels
 Chair

Dated: 27 March 2023

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERCHANT NAVY WELFARE BOARD

Opinion

We have audited the financial statements of Merchant Navy Welfare Board (the 'charity') for the year ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERCHANT NAVY WELFARE BOARD
(CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERCHANT NAVY WELFARE BOARD
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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 Auditors' 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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 Auditors' report.

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERCHANT NAVY WELFARE BOARD
(CONTINUED)

Use of our report

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



Michael Bath BSc FCA DChA (Senior statutory auditor)
for and on behalf of
James Cowper Kreston Audit
Chartered Accountants and Statutory Auditor
2 Communications Road
Greenham Business Park
Greenham
Newbury
RG19 6AB

Date:

28 March 2023

James Cowper Kreston Audit are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations, legacies and grants	3	5,554	3,855,410	3,860,964	190,037
Investments	4	247,894	-	247,894	220,516
Other income	5	7,048	-	7,048	6,171
Total income		260,496	3,855,410	4,115,906	416,724
Expenditure on:					
Raising funds	6	41,574	-	41,574	48,889
Charitable activities:					
Support services to Constituent Members		101,986	2,719,848	2,821,834	432,467
Grants to support the work of Constituent Members		189,282	-	189,282	87,452
Grants unspent		-	-	-	(2,500)
Support to promote welfare activities		592,427	-	592,427	579,292
Total expenditure		925,269	2,719,848	3,645,117	1,145,600
Net (expenditure)/income before net (losses)/gains on investments		(664,773)	1,135,562	470,789	(728,876)
Net gains / (losses) on investments		(1,128,842)	-	(1,128,842)	1,669,133
Transfers between funds	17	(92,600)	92,600	-	-
Net movement in funds		(1,886,215)	1,228,162	(658,053)	940,257
Reconciliation of funds:					
Total funds brought forward		15,277,871	179,036	15,456,907	14,516,650
Net movement in funds		(1,886,215)	1,228,162	(658,053)	940,257
Total funds carried forward		13,391,656	1,407,198	14,798,854	15,456,907

The notes on pages 24 to 40 form part of these financial statements.

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)
REGISTERED NUMBER: 00453053

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	6,847	5,067
Investments	13	13,647,613	15,180,802
		<u>13,654,460</u>	<u>15,185,869</u>
Current assets			
Stocks	14	182,640	-
Debtors	15	46,091	47,776
Cash at bank and in hand		1,077,493	358,915
		<u>1,306,224</u>	<u>406,691</u>
Creditors: amounts falling due within one year	16	(161,830)	(135,653)
Net current assets		<u>1,144,394</u>	<u>271,038</u>
Total assets less current liabilities		<u>14,798,854</u>	<u>15,456,907</u>
Total net assets		<u>14,798,854</u>	<u>15,456,907</u>
Charity funds			
Restricted funds	17	1,407,198	179,036
Unrestricted funds	17	13,391,656	15,277,871
Total funds		<u>14,798,854</u>	<u>15,456,907</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 27 March 2023 and signed on their behalf by:



Captain A K Cassels
Chairman of the Council



Mr G Lane
Member of the Council

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities (note 20)	71,894	(1,008,690)
Cash flows from investing activities		
Dividends and interest from investments	247,894	220,516
Purchase of tangible fixed assets	(5,558)	(7,601)
Proceeds from the sale of investments	3,379,693	2,484,349
Purchase of investments	(2,975,345)	(2,039,539)
Net cash provided by investing activities	646,684	657,725
Change in cash and cash equivalents in the year	718,578	(350,965)
Cash and cash equivalents at the beginning of the year	358,915	709,880
Cash and cash equivalents at the end of the year	1,077,493	358,915

The notes on pages 24 to 40 form part of these financial statements

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Merchant Navy Welfare Board meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost with the exception of investments which are included at fair value.

1.2 Company status

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustee in furtherance of the general objectives of the charity and have not been designated for other purposes. Unrestricted funds represent funds retained to provide the working capital to enable the Trustees to carry out activities as a provider of services to Seafarers.

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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate.

Receipt of a legacy is recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.5 Expenditure

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

Support costs are those costs incurred 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.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method

Depreciation is provided on the following bases:

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

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 the 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 presented as 'Net gains/(losses) on investments' in the Statement of financial activities.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.10 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.

1.11 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.

1.12 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 in the Statement of financial activities as a finance cost.

1.13 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.

1.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

MNWB has a Group Pension Plan & Group Stakeholder Pension Plan with Royal London.

1.15 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.

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.

Investment income, gains and losses are allocated to the appropriate fund.

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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:

Donated gifts require a level of estimation to be applied when there is no monetary value associated with the gift that has been provided.

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.

Critical areas of judgment:

Legacy income entitlement requires a level of judgement in the financial statements by determining the point at which to recognise the income after notification has been received.

3. Income from donations, legacies and grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	5,554	1,560,000	1,565,554	4,554
Legacies	-	-	-	27,392
Grants	-	2,295,410	2,295,410	158,091
	<u>5,554</u>	<u>3,855,410</u>	<u>3,860,964</u>	<u>190,037</u>
Total 2021	<u>31,946</u>	<u>158,091</u>	<u>190,037</u>	

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Quoted UK and Non-UK investments	245,371	245,371	220,516
UK Portfolio cash interest	2,523	2,523	-
	<u>247,894</u>	<u>247,894</u>	<u>220,516</u>
Total 2021	<u>220,516</u>	<u>220,516</u>	

5. Other income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental of car park spaces	3,211	3,211	3,312
Courses	2,618	2,618	2,863
Sundry income	1,219	1,219	(4)
	<u>7,048</u>	<u>7,048</u>	<u>6,171</u>
Total 2021	<u>6,171</u>	<u>6,171</u>	

6. Raising Funds

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Portfolio management fees	41,574	41,574	48,889
Total 2021	<u>48,889</u>	<u>48,889</u>	

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

7. Support services to constituent members

	Unrestricted expenditure 2022 £	Restricted expenditure 2022 £	Total 2022 £	Total 2021 £
Vehicle Replacement Fund	-	128,088	128,088	152,460
MN Medal Fund	-	1,342	1,342	2,667
IPWP Programme	-	78,166	78,166	146,148
Ukrainian Seafarers Emergency Comms	-	1,382,920	1,382,920	-
Recognition of Carers	-	8,284	8,284	-
ABP Humber Levy	-	87,164	87,164	48,744
MNA Emergency Support Fund	-	60	60	2,129
MiFi Project	-	19,250	19,250	20,844
DfT Seafarer Wellbeing	-	1,014,574	1,014,574	-
Caseworker costs	14,067	-	14,067	18,023
Training courses	25,151	-	25,151	24,657
Evaluation studies	2,117	-	2,117	1,000
Port welfare promotion	4,529	-	4,529	2,013
Merchant Navy Fund promotion contribution	3,700	-	3,700	-
Seafarer Support	9,133	-	9,133	6,764
MNWB PR & Marketing	13,342	-	13,342	-
Annual Seafarers Welfare Conferences	29,020	-	29,020	-
Ambassadors	927	-	927	7,018
	<hr/> 101,986	<hr/> 2,719,848	<hr/> 2,821,834	<hr/> 432,467
Grants to support the work of Constituent Members	189,282	-	189,282	87,452
Grants unspent	-	-	-	(2,500)
	<hr/> 291,268	<hr/> 2,719,848	<hr/> 3,011,116	<hr/> 517,419
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2021	<hr/> 144,427	<hr/> 372,992	<hr/> 517,419	

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

8. Support to promote welfare activities

	Management 2022 £	Governance 2022 £	Total 2022 £	Total 2021 £
Office running costs	27,569	-	27,569	15,947
Staff life assurance and training	3,637	-	3,637	12,260
Subscriptions and publications	2,839	-	2,839	4,524
Other costs	90,004	-	90,004	132,392
Head office costs	-	21,025	21,025	27,153
Trustees' expenses	-	4,173	4,173	546
Legal and Professional Fees	-	2,193	2,193	4,194
Accountancy	-	18,795	18,795	19,425
Auditors' remuneration	-	10,120	10,120	9,860
Wages and salaries	307,232	22,776	330,008	288,302
National insurance	38,635	-	38,635	32,430
Pension cost	42,651	-	42,651	40,511
Depreciation	3,778	-	3,778	4,603
	<u>516,345</u>	<u>79,082</u>	<u>595,427</u>	<u>592,147</u>
	-	-	-	-
IPWP Support - Administration costs	-	-	-	(10,001)
Mi-Fi Support - Administration costs	(2,000)	-	-	(2,000)
MN Medal Fund Support - Administration costs	(1,000)	-	-	(1,400)
	<u>513,345</u>	<u>79,082</u>	<u>592,427</u>	<u>578,746</u>
	<u>494,940</u>	<u>83,806</u>	<u>578,746</u>	
Total 2021				

9. Governance Costs

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Support Costs	56,306	56,306	61,178
Wages and salaries	22,776	22,776	22,628
	<u>79,082</u>	<u>79,082</u>	<u>83,806</u>

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

10. Operating expenditure

	2022 £	2021 £
Depreciation of tangible fixed assets: owned by the charity	3,778	4,603
Auditors' remuneration - audit	9,020	7,680
Auditors' remuneration - other services	2,500	2,180

During the year, no Trustees received any remuneration (2020 - £NIL)

During the year, no Trustees received any benefits in kind (2020 - £NIL).

During the year, Trustee expenses were paid to five (2021 - one) Trustee amounting to £573 (2021: £546).

11. Staff costs

	2022 £	2021 £
Wages and salaries	330,008	288,302
Social security costs	38,635	32,430
Contribution to defined contribution pension schemes	42,651	40,511
	<u>411,294</u>	<u>361,243</u>

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

2022 No.	2021 No.
<u>9</u>	<u>9</u>

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

	2022 No.	2021 No.
In the band £70,001 - £80,000	1	1

The key management personnel of the charity received aggregate remuneration of £169,134 (2021: £163,574).

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

12. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2022	14,952	49,006	63,958
Additions	-	5,558	5,558
At 31 December 2022	<u>14,952</u>	<u>54,564</u>	<u>69,516</u>
Depreciation			
At 1 January 2022	14,952	43,939	58,891
Charge for the year	-	3,778	3,778
At 31 December 2022	<u>14,952</u>	<u>47,717</u>	<u>62,669</u>
Net book value			
At 31 December 2022	<u>-</u>	<u>6,847</u>	<u>6,847</u>
At 31 December 2021	<u>-</u>	<u>5,067</u>	<u>5,067</u>

13. Fixed asset investments

	Listed securities £	UK Portfolio cash investments £	Total £
Cost or valuation			
At 1 January 2022	14,913,632	267,171	15,180,803
Additions	2,975,345	-	2,975,345
Disposals	(3,220,487)	(159,206)	(3,379,693)
Revaluations	(1,128,842)	-	(1,128,842)
At 31 December 2022	<u>13,539,648</u>	<u>107,965</u>	<u>13,647,613</u>
Net book value			
At 31 December 2022	<u>13,539,648</u>	<u>107,965</u>	<u>13,647,613</u>
At 31 December 2021	<u>14,913,632</u>	<u>267,171</u>	<u>15,180,803</u>

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

Investments at market value comprise:

	2022 £	2021 £
Listed securities	13,539,648	14,913,631
Cash and settlements pending	107,965	267,171
Total Market value	<u>13,647,613</u>	<u>15,180,802</u>

Historical cost of listed securities held

	2022 £	2021 £
Historical cost	<u>11,852,202</u>	<u>11,875,450</u>

14. Stocks

	2022 £	2021 £
SIM cards	<u>182,640</u>	<u>-</u>

15. Debtors

	2022 £	2021 £
Other debtors	16,240	26,978
Prepayments and accrued income	29,851	20,798
	<u>46,091</u>	<u>47,776</u>

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	30,601	9,122
Grants payable	65,220	83,207
Other taxation and social security	11,978	7,714
Other creditors	780	564
Accruals and deferred income	53,251	35,046
	<u>161,830</u>	<u>135,653</u>

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

17. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds						
Unrestricted funds	15,277,871	260,496	(925,269)	(92,600)	(1,128,842)	13,391,656
Restricted funds						
Vehicle Replacement Programme	79,775	93,053	(128,089)	39,000	-	83,739
MN Medal Fund	1,142	1,693	(1,342)	100	-	1,593
IPWP Programme	69,117	-	(78,166)	40,000	-	30,951
MiFi Project	28,942	4,500	(19,250)	9,000	-	23,192
ABP Humber Levy	-	87,164	(87,164)	-	-	-
MNA Emergency Support Fund	60	-	(60)	-	-	-
Ukrainian Seafarers Emergency Comms	-	5,000	(5,559)	-	-	(559)
Ukrainian SIM Cards	-	1,560,000	(1,377,360)	-	-	182,640
DfT Seafarer Wellbeing	-	2,100,000	(1,014,574)	-	-	1,085,426
Recognition of Carers	-	4,000	(8,284)	4,500	-	216
Total Restricted funds	179,036	3,855,410	(2,719,848)	92,600	-	1,407,198
Total of funds	15,456,907	4,115,906	(3,645,117)	-	(1,128,842)	14,798,854

MERCHANT NAVY WELFARE BOARD

(A company limited by guarantee)

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

17. Statement of funds (continued)

Vehicle Replacement Programme (VRP)

A partnership programme to provide grants to replace vehicles that provide welfare services covering UK ports, Gibraltar and the Falkland Islands. The VRP is funded equally between Seafarers' UK, ITF Seafarers' Trust, Trinity House and MNWB.

MN Medal Fund

The MN Medal Fund receives donations from the UK maritime sector to support the promotion and award of the Merchant Navy Medal for Meritorious Service, associated website and the annual meetings of the Merchant Navy Honours Consultative Committee that advises the Govt. Department for Transport.

IPWP Programme

Under the auspices of ILO Maritime Labour Convention 2006, the International Port Welfare Partnership Programme (IPWP) is funded equally by the ITF Seafarers' Trust, TK Foundation, Seafarers' UK and MNWB to promote and assist the establishment of welfare boards to enhance seafarers' welfare in ports, worldwide.

MiFi Project

A project managed by MNWB to provide Ship Welfare Visitors with mobile internet hubs (MiFi units) to improve communications and seafarers' welfare in ports. This project is funded by MNWB, The Seafarers' Charity and the Department for Transport.

ABP Humber Levy

The Humber Port Levy is a scheme introduced by port owner, ABP Humber. The Board provides administrative support for the scheme and acts as a clearing house for the distribution of funds to welfare providers in accordance with the agreed distribution formula.

Ukrainian SIM cards

In April, an application was made to Vodafone UK's charities.connected scheme for the provision of 8,000 free SIM cards for Ukrainian seafarers visiting UK ports. The application was successful, and the SIM cards were distributed through the Board's constituent organisations that employ ship visitors in UK ports. A further application for 5,000 SIM cards was made in July, which was again successful. These were Pay as You Go SIMs that each came with 20GB data each month plus unlimited calls and texts for a period of six months (activated on use). The total gift in kind value of these SIM cards is £1,560,000.

DfT Seafarer Wellbeing

In March, the Department for Transport approached MNWB and requested that it manage a £2,100,000 grant fund. The grant scheme is in support the maritime sector, specifically seafarers' welfare and skills & diversity, and was formerly launched in May. The Covid pandemic, conflict in Ukraine and other crises have taken their toll on seafarers; welfare charities working on the front line have been under pressure to respond to these crises. The scheme has provided an opportunity for maritime charities to help support the recovery of the sector and contribute towards the Government's 'Maritime 2050' strategy.

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
Unrestricted funds	14,158,313	258,633	(772,608)	(35,600)	1,669,133	15,277,871
Restricted funds						
Vehicle Replacement Programme	232,235	-	(152,460)	-	-	79,775
MN Medal Fund	3,809	1,400	(2,667)	(1,400)	-	1,142
IPWP Programme	100,507	84,758	(146,148)	30,000	-	69,117
MiFi Project	21,786	21,000	(20,844)	7,000	-	28,942
ABP Humber Levy	-	48,744	(48,744)	-	-	-
MNA Emergency Support Fund	-	2,189	(2,129)	-	-	60
Total Restricted funds	358,337	158,091	(372,992)	35,600	-	179,036
Total of funds	14,516,650	416,724	(1,145,600)	-	1,669,133	15,456,907

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	6,847	-	6,847
Fixed asset investments	13,647,613	-	13,647,613
Current assets	(100,974)	1,407,198	1,306,224
Creditors due within one year	(161,830)	-	(161,830)
Total	13,391,656	1,407,198	14,798,854

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	5,067	-	5,067
Fixed asset investments	15,180,802	-	15,180,802
Current assets	227,655	179,036	406,691
Creditors due within one year	(135,653)	-	(135,653)
Total	15,277,871	179,036	15,456,907

19. Pension commitments

The charity provides a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

MNWB has a Group Personal Pension Plan & Group Stakeholder Pension Plan with Royal London. Contributions made to the scheme amounted to £42,651 (2021 - £40,511). At the Balance Sheet date contributions of £780 (2021 - £Nil) were outstanding.

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(658,053)	940,257
Adjustments for:		
Depreciation charges	3,778	4,603
Gain/loss on investments	1,128,842	(1,669,133)
Dividends and interest from investments	(247,894)	(220,516)
Decrease/(increase) in stocks	(182,640)	-
Decrease in debtors	1,685	12,997
Increase/(decrease) in creditors	26,176	(76,898)
Net cash provided by/(used in) operating activities	71,894	(1,008,690)

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	1,077,493	358,915
Total cash and cash equivalents	1,077,493	358,915

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	358,915	718,578	1,077,493
	358,915	718,578	1,077,493

MERCHANT NAVY WELFARE BOARD
(A company limited by guarantee)

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

22. Operating lease commitments

At 31 December 2022 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	31,665	31,665
Later than 1 year and not later than 5 years	113,081	116,746
Later than 5 years	81,667	109,667
	<u>226,413</u>	<u>258,078</u>

23. Related party transactions

There are a number of Constituent Members where there are common trustees with the Board and transactions take place during the year on an arm's length basis. Details of these transactions are disclosed in the Report of the Trustees.

24. Controlling party

The charity is limited by guarantee and is controlled by its members.