



## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31ST MARCH 2021



Registered Charity: 224505

A Company limited by guarantee registered no. 159673





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Sailors' Children's Society helps disadvantaged children of seafarers throughout the United Kingdom when they are hit by a traumatic event. Whilst we recognise we cannot give them their old life back, we strive to help them adjust to their new circumstances by giving financial, emotional and practical support.

## **PATRON**

HRH The Princess Royal GCVO

## **PRESIDENT**

The Right Hon. The Earl of Halifax, KStJ,JP,DL

## **VICE PRESIDENTS**

Eileen Carling	Gill Atkinson	Mary Rose Barker MBE,DL	Stephen Larard
Lady Hotham	Freddie Drabble	Captain Dick Garnons-Williams, RN	William Waddington
Captain Tony Wood, RN	John Marshall	Commander Geoffrey Noble, RN	Martin Needler BEM
Pauline Procter	Scilla Smith, DL	Richard B Vernon	Tony Hudson
Maureen Lipman, CBE			

## **BOARD OF TRUSTEES**

Captain Christopher Towne—Chairman

Gregory Medici	Commodore Tim Hennessey RN DL	Councillor Julie Abraham	Deborah Rosenberg
John Warburton	Colonel David Fuller OBE MNM DL	Mark Campey	William Hairsine
Donna Blank	Michael Beckett BA (Hons) FCA	Helen Cooper (appointed 02.06.20)	
Mark Mcfie-Sneddon (resigned 15.12.20)			

## **SECRETARY AND REGISTERED OFFICE**

Deanne Thomas, Sailors' Children's Society, Francis Reckitt House, Newland, Cottingham Road, Hull, HU6 7RJ

Registered Charity number: 224505

Company Number: 159673

## **MANAGEMENT**

Deanne Thomas : Chief Executive Officer

## **PRINCIPLE ADVISERS**

Solicitors: Rollits Solicitors, Citadel House, High Street, Hull, HU1 1QE

Auditors: Streets Audit LLP, Halifax House, 30 George Street, Hull, HU1 3AJ



## 2020/21 YEAR AT A GLANCE



430 families with 862 children and young people supported during the year

176 new families  
joined the Support  
Scheme

Hello!

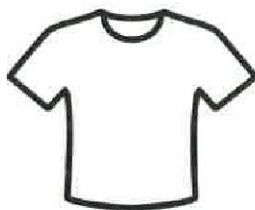
Goodbye!

88 families  
moved  
forwards with  
their lives and  
left our support



Average length of  
support from the  
initial traumatic  
event: 5 years

School Uniform  
Grants £30,120



Winter and  
General Clothing  
Grants £39,193

**TOTAL CLOTHING  
£69,313**

Covid19 response: £15,095 Home computers and  
£286,785 Special emergency grants

**TOTAL COVID19 £301,880**

**Total grants to  
families during  
the year  
£646,980**



Monthly Welfare  
Grant to help provide  
food and sports  
activities **£275,787**



As the caravan breaks  
couldn't go ahead this year  
we provided 504 activity  
grants to children to provide  
a day out during the summer  
holidays.

Due to COVID19 Family Support  
Officers could not do any home  
visits however they made 2701  
calls, texts and messages to  
support families throughout  
the UK.



## Chairman's report

*What a challenging year this has been for the Society but especially for its beneficiary families and its staff. The staff have worked from home with very little face to face contact, they have proved exceptionally versatile at adapting to the changing needs of the families. The number of families and children has increased to record numbers being supported. This increase has been mainly driven by the Society's initiative in supporting fishermen's families where the fishermen have been unable to work due to covid and other restrictions. As the fishing fleet slowly returns to sea this programme will reduce but was able to give families an important and timely boost.*

*As the year unfolded the maritime charity sector including the Society's major funders have worked well together in ensuring sufficient resources were made available as and when required. Our Chief Executive Deanne Thomas is in regular contact with our major funders and similar maritime charities ensuring a coordinated approach to supporting our beneficiaries. Unfortunately the Society's major fundraising events had to be cancelled but we were able to apply to the Armed Forces Covenant Fund as a charity who was unable to fundraise and the Society received a grant of £55,000 which fully made up our shortfall. In all the Society received extra funding totaling some £290,000. The Trustees are extremely grateful to the RNRM Charity, Seafarers' Charity, MNWB and Trinity House London for reacting quickly to provide this extra funding. For the first time ever the Society has dispensed over £1 million of support.*

*The Society's investments, ably managed by Smith and Williamson, have fully recovered and now stand in excess of their pre pandemic value. The Society's Trustees are holding monthly zoom meetings in addition to the formal quarterly meetings and all being well will hold the 2021 AGM on a face to face basis on 6<sup>th</sup> August 2021.*

*The Society is very grateful to its friends, funders and supporters who have continued to provide support to the Society through such a tumultuous year. The Trustees have thus been able to ensure that the finances to fund the various grants and projects are in place. During the year the Society received a number of legacies which have made such a difference during this difficult year, we are extremely grateful. My thanks to all our staff in Hull and on the South Coast who work so well in such difficult circumstances and with such kindness and consideration to the families which the Society supports. A special thank you to Deanne who has led the Society with such dedication and passion ensuring it delivers the necessary support to the families.*

*In the summer Helen Cooper joined the board. She brings a wealth of skills in child care, wellbeing and mental health. My thanks to my fellow trustees for their continued support and commitment to the charity. The Society is looking forward to next year during which it will celebrate its 200 year Anniversary starting on April 19<sup>th</sup>. Let us all hope that my report in a year's time has seen the country return to normality, good health and happiness.*



**Captain C W Towne**

**Chairman of Trustees**

Chris served for 9 years on cargo ships sailing to the Far East, Africa and Australia. On passing his Master's Foreign Going certificate he joined the family Lifting and Testing business.

Chris has recently handed over the running of the business to his son Tom and is mainly involved in delivering training.

Chris has been a trustee of the Society for some 30 years and feels privileged now to be leading a superb team of staff and trustees dedicated to deliver financial, emotional and practical support to needy seafarer's children.



## Chief Executive Officer's report

*The year to 31<sup>st</sup> March 2021 has to go on record as our busiest ever due to the COVID19 pandemic; at its peak we were supporting over 700 children and young people at once throughout the United Kingdom. On 15<sup>th</sup> March 2020 the entire team moved from the office to work from the safety of their own homes, our move to cloud based systems in December 2019 made this an efficient move and we remained fully operational throughout.*

*Our initial response to the schools closing was to ensure that each disadvantaged child living in poverty that we support had access to a computer at home to continue with their education. The next step was to look at a small weekly additional grant to assist with children's lunches and increased usage of electricity in the home.*

*Emotional support to families, many of whom live in cramped conditions with either no or limited outside space, has been critical during this year. The Family Support Officers could not make face to face visits and instead ensured every family was contacted either by telephone call, email, facebook video messenger or text message. This ongoing communication has been vital to ensure appropriate support is in place for each family depending on their own personal circumstances.*

*The pandemic restrictions meant that we could not open the Society caravans during the summer of 2020 however each child was given a small activity grant to ensure a fun day could be had during the school holidays. Looking to the 2021 season the Society has been able to open up its caravans for holidays with effect from May 22nd but the site owners have applied extra precautions to protect their staff and holiday makers to which the Society is fully complying. Thanks to the generous donations from the 200 Business Club two new replacement caravans have been purchased and commissioned for this season.*

*Fundraising wise, both the Golf Am Am and Sportsman's Lunch were cancelled due to pandemic restrictions however we are currently planning for both events to go ahead in 2021 should the restrictions be lifted as currently indicated.*

*As COVID19 restrictions are eased, the team are preparing to provide additional ongoing appropriate support to families. Working in collaboration with partners, this could be additional assistance supporting mental health, debts or isolation. Our focus remains with the children, providing support to allow them to thrive and enjoy life.*



**Deanne Thomas**  
**Chief Executive Officer**

Deanne is a chartered accountant and joined the Society in 2006 as Head of Finance. She was promoted to Chief Executive Officer in 2008.

As a working mum with two children just leaving education, Deanne can understand the families feelings in times of need whilst sharing in the joy when children are happy and achieving in life.

The Trustees (who are also directors of the Charity for the purpose of the Companies Act) present their Annual Report together with the audited financial statements of Sailors' Children's Society (the Charity) for the year ended 31 March 2021. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provision of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effected 1 January 2015 as amended).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director' Report) Regulations 2013 is not required.

## A. OBJECTIVES AND AIMS

The objective of Sailors' Children's Society is to give each disadvantaged child of a seafarer the opportunity to fulfil his/her potential via the provision of financial, emotional and practical support. In order to deliver these aims and objectives, the Society recognises the following values:

- **Safeguarding**—we believe that everyone has a right to live free from abuse, harm, exploitation and fear and to enjoy being safe and well. Safeguarding starts at board level and is embedded into all the Society activities. We achieve this by providing Trustees and staff with ongoing training promoting parental education with the provision of NSPCC leaflets, facebook postings and have a robust Safeguarding policy which is reviewed and updated regularly.
- **Non judgmental**—we believe that all our contacts both internal and external should be treated on an unbiased and fair basis. All staff undergo ongoing professional development and training in equality. The Society has an Equality policy in place which is reviewed and updated regularly.
- **Professionalism**—all Trustees, staff and volunteers act with professionalism and dignity at all times. Continued professional development and training is provided as appropriate.
- **Compassion**—as a children's charity we show compassion and empathy to the situations that the families we help are faced with. All team members talk to families on a daily basis and training is provided as appropriate. All team members receive regular supervision sessions which provides a safe environment for critical reflection, challenge and professional support.
- **Collaboration**—the Society strives to work with partners for the benefit of the families supported. We aim to increase collaboration in the future wherever possible in order to reduce costs and increase the level of support to the benefit of the families we help.

## B. SIGNIFICANT ACTIVITIES

Assistance is provided to the children via the Support Scheme encompassing:

- **Financial assistance**—monthly welfare grants, clothing grants, special/emergency grants including COVID19 response.
- **Practical assistance**—caravan holidays, home computers, special attraction tickets.
- **Emotional assistance**—structured face to face support, telephone and social media support.

The Board of Trustees confirm that in deciding what activities the Charity should pursue they have due regard to the guidance offered by the Charity Commission in relation to Public Benefit. All applications for help are compared to the entry criteria for the Support Scheme on an equal basis.



### C. VOLUNTEERS

The Trustees are all volunteers and devote their time to attend Board meetings quarterly, as well as attending ad-hoc planning events and Board sub-groups meetings when required. Sailors Children's Society also recruits and trains a small number of volunteers to assist at fundraising events and administration tasks in the office.

### D. FUTURE PLANS

The Trustees of the Society recognise that the period post COVID19 pandemic will be a challenging time for many families. The Trustees seek to ensure that the assistance provided is relevant and efficient, providing maximum impact to those in need; and that the outcomes and impacts can be identified to external supporters.

Looking to the future, the Society will celebrate its 200th anniversary in 2021—due to the COVID19 pandemic this anniversary year will commence on 19th April 2021 which reflects the date of the very first meeting in Hull and all activities will be appropriate against a background of increased poverty for those assisted.

## FAMILY SUPPORT SCHEME

During the year, the Society supported 862 children and young people on the Support Scheme, this was an increase versus the previous year due to ongoing COVID19 support (2020 727). All families assisted met the strict entry criteria for support which ensure the Society prioritises the help for those in most need. Through a network of paid and volunteer caseworkers, families are signposted for support following a traumatic event such as bereavement, loss or diagnosis of a life changing illness. These events have a tremendous impact on the household income but also impact on the emotional wellbeing and practical day to day living for those involved. The support provided by the Society is therefore holistic encompassing regular small levels of financial support, strengthened by emotional and practical assistance.

## FINANCIAL SUPPORT

Total grants awarded during the year £646,980 (£454,646 2020) split between:

**Child Welfare Grants of £275,787** (£236,881 2020) were given, £14 per week to the eldest child and £6 per week to the younger siblings. Although these amounts are small, they can make all the difference for families to provide food and heating or to enable the children to still attend their music or sporting lessons. The cost increase year on year is a reflection of the age cohort and phasing of applications during the year, the actual grant levels have remained unchanged.

**Holiday Travel Grants** were not allocated this year (£11,380 2020) due to COVID19 however each family was given an activity grant to ensure each child had a day outing during the summer school holidays value £12,600.

**Clothing Grants of £69,313** (£56,355 2020) were paid twice during the year. A grant of £60 per child was paid in July/August to provide a new school uniform for children to return to school in September just the same as their peers. The positive impact of this versus returning in second hand clothes is immeasurable and ensures each child starts the new term in a positive way. An additional grant of £50 is also given to any child starting a new school to help pay for blazers etc as well as school shoes. The 2nd clothing grant is awarded during the winter months of £55 per child; this is to provide a warm winter coat, boots, scarf and gloves when the weather turns colder. This year the Christmas Grants were amalgamated with the Clothing Grants in order to provide clothing for each child (£4,190 2020).

**Emergency COVID19 Support Scheme of £286,785** (£63,934 2020). During 2020/2021, we launched an emergency support scheme to support those seafarers who were unable to work due to the COVID19 pandemic. The support consisted of a home PC and small monthly grants of £200 then £100pcm to help provide food and electricity for the children involved. To the children assisted by the Society Standard Support Scheme, £10 per week per child was awarded whilst the schools were closed during lockdown to again help provide lunch and increased electricity usage. Both elements of this support scheme have been extended in 2021/2022 as the impact of COVID19 continues.

Surveys were sent to the families accessing the emergency COVID support scheme and the feedback stated that the emergency support has provided families with much needed relief and positivity at a point where they were struggling. The impact reduced stress and anxiety knowing that the children had food and power.



Special Grants including Home Computers of £15,095 (£81,906 2020) the home computer scheme continues to provide essential IT equipment to allow children to research and complete their homework at home whilst also providing parents with access to online medical support groups and social interactions. The Society received additional funding support to enable to provide 152 home computers which has helped 289 children during the COVID19 school closures, the majority of which were provided in March 2020, these computers were invaluable in providing access to online education.



Feedback from families.

"Thank you to you all at Sailor Children Society my son was able to complete his home schooling work. He uses the new PC to read BugClub set by the teacher, he needs to read at least 2 books a week but since we got the new PC he wants to read everyday, and learn to use mouse."

"Dear Sailors Children, My name is Delaney and I just want to say thank you for the computer. My mum has been trying to get enough money to buy me a laptop, but this is more than a laptop - it is a big laptop! I really appreciate this kind gift so that I can do online schoolwork. Most of the work I was given is handwork, but there are still several online tasks. I am lucky that there are caring people like you, who help us. From Delaney age 10"

"it's been a life saver the kids are video calling their teachers with the camera. Harrisons been doing art and we've scanned it over using the printer. I've had an email off the school how impressed they are with the work he is doing on the computer. Thank you so much."



## CARAVAN HOLIDAYS

Unfortunately due to the COVID19 pandemic, the Society could not open the caravans for families to use for the season from March 2020, instead all children were given an activity grant to use when lockdown measures ease. Families used their additional grant to visit farms, theme parks, arcades and castles.

'We went to gullivers world & I was able to treat them to a slushi as well'



'We went to the fun fair. Treat lunch and candy floss x Thank you so much.'

## ADDITIONAL SUPPORT DURING COVID19

With the additional support from our funders, in November 2020, the Society provided 187 families with slow cookers £4,480. This enabled hot, wholesome meals to be provided at low cost during a time where money was increasingly stretched.

'Just received my slow cooker... i am so grateful. It will help out alot with cheap meals and keeping costs down. I am truly grateful'



**WEETONS**  
FOOD HALL

In December 2020, Trinity House and RNRM Charity supported the Society with additional funding to provide 325 families with food parcels over the Christmas period. Within this food parcel was enough food for a traditional Christmas Day dinner, Boxing Day meals and sweet treats for the children. We would like to thank Weetons for working with us to provide these at a much reduced rate.





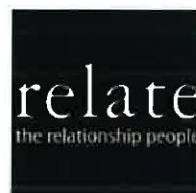
## EMOTIONAL SUPPORT

During 2020/2021, the Society Family Support Officers continued to support our families via telephonic support and video calls. The number of families requesting support has understandably been high with over 2701 calls, texts and facebook messages being made. As part of the Society facebook community an additional private support element was launched online called 'Natterbox' for parents accessing support from the Society to provide peer support and engage with family support on a different platform.

Each month, we promoted the 'Action for Happiness' Calendar which gives daily ideas on building self confidence, resilience and focusing on the positives in a difficult time.



During the year, the Society has started to access the services of RELATE with funding from The Seafarers' Charity and the RNRMC; this provides families with specialist counselling services depending on their own individual circumstances.



## "HOW ARE YOU FEELING" MONITORING

All families are provided with appropriate support depending on their own personal circumstances. The impact of the Societies support is measured via an annual "How Are You Feeling" questionnaire which is monitored against a baseline entry assessment. From this data we can see that many families start at an extremely low level however over the coming periods, the combination of financial, emotional and practical interventions offered contribute to a much improved situation.

This year, the survey was moved into a digital format using Survey Monkey and we saw the largest number of replies. Evidence shows that the longer the family are supported by the Society, there is a decrease in debt, and an increase of confidence levels to manage significant events, manage every day tasks and enjoyment levels when spending time with their children.

## FUNDRAISING

Fundraising income for the year totalled £879,415 (£637,027 2020), the large increase being driven by additional support from the major funders in relation to emergency COVID19 support to seafarers families.:



£253,450



£115,000



Trinity House

£148,200



MERCHANT NAVY WELFARE BOARD

£33,502



£55,000

Due to COVID19, the Society 2 main fundraising events the Golf Am Am and the Sportsman's Lunch were unfortunately cancelled however the Society launched its first ever virtual fundraising event utilising the enthuse platform. The aim was to walk, run or cycle 50,000km whilst raising funds for the Society. Total amount raised £9,595 and distance travelled 12,035 km. We would like to thank Colin Jackson for his video and everyone who took part for supporting the event.



enthuse



## INVESTMENTS

The Charity holds part of its cash resources in what the Trustees consider to be low risk liquid investments. All investments are managed by Smith & Williamson Investment Management LLP within a defined set of parameters based on attitude to risk. The results for the year ended 31st March 2021 show an increase of 15.5% (2020 –8.7%) as the markets recovered from the initial impact of COVID19. The main portfolio split at the year end position can be seen as:

	31.03.2021	Benchmark
UK equity	20.5%	37.5%
Overseas equity	36.4%	30.0%
Fixed interest	17.4%	17.5%
Alternative investment	22.2%	5.0%
UK property	0.0%	5.0%
Cash	3.5%	5.0%

Sailors' Children's Society total investment portfolio is valued at £2,371,121 at 31st March 2021. The portfolio has a MSCI ESG rating of A which is inline with the benchmark comprising of an overall sustainable impact of 2.9%, environmental impact 1.8% and social impact of 1.1% all shown at Low Level.

## RESERVES POLICY AND FINANCIAL COMMITMENT

The Society had free reserves, defined as unrestricted reserves excluding unrestricted fixed assets totalling £1,956,983 at 31st March 2021. Restricted funds at this date totalled £177,703 and are held in the main against the purchase of caravans, then released in line with the depreciation charge. Operating restricted funds from donations and 190 PC Appeal are used against grants cost for the families in specific geographical areas and for home computers. Designated funds were identified by Trustees for defined initiatives following the receipt of legacy funds. It is the Society's policy to retain sufficient funds to continue the moral commitment the Society has made both to the families it currently assists on the Support Scheme and seafaring families in distress in the future. This requires sufficient reserves to be retained, in the form of investments, to produce a guaranteed income stream for the Society, which together with our ongoing fundraising ensures the payments under the Support Scheme can be paid for the next financial year. The Trustees confirm that the Society's current funds can meet the obligations of the Support Scheme for the following 12 months. For this reason they continue to adopt the going concern basis in preparing the financial statements.

## CONSTITUTION

Sailors' Children's Society is governed by an Articles and Memorandum of Association.

## METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are appointed for a period of 3 years based on the skillset required by the Charity. Trustees can be re-appointed for further terms by agreement at the Annual General Meeting.

## POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Most Trustees are familiar with the practical work of the Charity through being involved with workshops, meetings and staff recruitment & selection activities. Trustees are also kept up to date with activities through regular updates at each Board Meeting and presentation of documents such as an annual Business Plan. New Trustees receive an induction covering their obligations as a member of the Board, the main documents which set out the operational framework of the Charity including the Memorandum and Articles of Association, funding structure of the Charity and future plans and objectives.

## ORGANISATIONAL STRUCTURE AND DECISION MAKING

At present Sailors' Children's Society has 12 Trustees who are jointly responsible for the strategic direction of policy of the Charity. Trustees have equal voting rights, however in the situation of an equal split; the Chairman has an additional vote. On the Board, 4 Trustees are recognised as having designated responsibility for Fundraising, Finance, Welfare and Safeguarding respectively; this is in addition to a sub committee covering Finance & Investments.

The Charity has a flat structure with a Chief Executive Officer as the senior management role. The Chief Officer has delegated responsibility for running the organisation and ensuring that the Charity delivers the services specified and that key performance indicators are met.

## RELATED PARTY RELATIONSHIPS

The Charity owns 100% of the issued ordinary share capital of Newland Facilities Management Limited, company number 4675544. The subsidiary continues to be dormant.

## PAY POLICY FOR SENIOR STAFF

Pay for senior staff is determined by the Trustees. Senior staff are subject to an annual pay review.

## RISK REVIEW

The Trustees have conducted a review of the major risks to which the charity has been exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects to ensure consistent quality of delivery for all operational aspects of the charity.



The Trustees (who are also directors of Sailors' Children's Society for the purposes of the Companies Act) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

## DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- That the Trustees have taken all steps that they ought to have taken to make themselves aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 29th June 2021

*C.C.W. Towne*

Captain C C W Towne

Chairman of Trustees

**Sailors' Children's Society (a company limited by guarantee)**

**Independent Auditors Report to the members of Sailors' Children's Society**

**OPINION**

We have audited the financial statements of Sailors' Children's Society (the 'charitable company') for the year ended 31 March 2021 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 March 2021 and of its 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 Charities Act 2011.

**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.

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept sufficient accounting records; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **RESPONSIBILITIES OF TRUSTEES**

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.

## **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL ACCOUNTS**

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the charitable company and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where appropriate; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the Accounting Policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors where appropriate.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the charitable company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### **USE OF OUR REPORT**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's 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.



Robert Anderson FCA (Senior statutory auditor)

For and on behalf of

**Streets Audit LLP**

Chartered Accountants and Statutory Auditors

Halifax House

30 George Street

Hull

East Yorkshire

HU1 3AJ

Date: 29th June 2021

Sailors' Children's Society

Statement of Financial Activities year ended 31st March 2021

(incorporating Income and Expenditure account)

	Note	Un-restricted Funds £	Restricted Funds £	Designated Funds £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and legacies	3	223,855	619,563	-	843,418	519,230
Activities for generating funds	4	35,997	-	-	35,997	117,797
Investments	5	77,215	-	-	77,215	78,000
<b>Total</b>		<b>337,068</b>	<b>619,563</b>	<b>-</b>	<b>956,631</b>	<b>715,027</b>
<b>Expenditure on:</b>	6					
<b>Raising funds</b>						
Fundraising and other costs		92,618	-	-	92,618	127,805
Investment management costs		15,678	-	-	15,678	16,913
<b>Charitable activities</b>						
Direct costs		163,833	645,248	57,176	866,257	686,568
Support costs		14,400	-	-	14,400	19,429
<b>Governance costs</b>						
Direct costs		3,926	-	-	3,926	3,626
Support costs		12,343	-	-	12,343	16,652
<b>Total resources expended</b>		<b>302,797</b>	<b>645,248</b>	<b>57,176</b>	<b>1,005,221</b>	<b>870,992</b>
<b>Operating income/(expenditure)</b>		<b>34,270</b>	<b>(25,685)</b>	<b>(57,176)</b>	<b>(48,591)</b>	<b>(155,965)</b>
Transfer to designated funds		-	-	-	-	-
Gain/(loss) revaluation of investment		334,424	-	-	334,424	(237,439)
<b>Net income/(expenditure)</b>		<b>368,694</b>	<b>(25,685)</b>	<b>(57,176)</b>	<b>285,833</b>	<b>(393,404)</b>
<b>Other recognised gains/losses</b>						
Gain on disposal of fixed assets		-	-	-	-	-
<b>Net movement in funds</b>		<b>368,694</b>	<b>(25,685)</b>	<b>(57,176)</b>	<b>285,833</b>	<b>(393,404)</b>
<b>Reconciliation of funds</b>						
Funds balances b/f at 1st April 2020		1,674,118	203,388	462,390	2,339,896	2,733,300
<b>Fund balances c/f at 31st March 2021</b>		<b>2,042,812</b>	<b>177,703</b>	<b>405,214</b>	<b>2,625,729</b>	<b>2,339,896</b>

Registered Charity: 224505

	Note	Un-restricted Funds £	Restricted Funds £	Designated Funds £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
Donations and legacies	3	174,258	344,972	-	519,230	1,022,501
Activities for generating funds	4	117,797	-	-	117,797	104,724
Investments	5	78,000	-	-	78,000	58,500
<b>Total</b>		<b>370,054</b>	<b>344,972</b>	<b>-</b>	<b>715,026</b>	<b>1,185,726</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>	6					
Fundraising and other costs		127,805	-	-	127,805	115,846
Investment management costs		16,913	-	-	16,913	17,898
<b>Charitable activities</b>						
Direct costs		242,044	396,914	47,610	686,568	533,612
Support costs		19,428	-	-	19,429	11,513
<b>Governance costs</b>						
Direct costs		3,626	-	-	3,626	5,100
Support costs		16,652	-	-	16,652	9,868
<b>Total resources expended</b>		<b>426,468</b>	<b>396,914</b>	<b>47,610</b>	<b>870,992</b>	<b>693,836</b>
<b>Operating income/(expenditure)</b>		<b>(56,413)</b>	<b>(51,942)</b>	<b>(47,610)</b>	<b>(155,965)</b>	<b>491,889</b>
Transfer to designated funds						
Gain/(loss) revaluation of investment		(237,439)	-	-	(237,439)	41,125
<b>Net income/(expenditure)</b>		<b>(293,852)</b>	<b>(51,942)</b>	<b>(47,610)</b>	<b>(393,404)</b>	<b>533,014</b>
<b>Other recognised gains/losses</b>						
Gain on disposal of fixed assets		-	-	-	-	1,221
<b>Net movement in funds</b>		<b>(293,852)</b>	<b>(51,942)</b>	<b>(47,610)</b>	<b>(393,404)</b>	<b>534,235</b>
<b>Reconciliation of funds</b>						
Funds balances b/f at 1st April 2019		1,967,970	255,300	510,000	2,733,300	2,199,065
<b>Fund balances c/f at 31st March 2020</b>		<b>1,674,118</b>	<b>203,388</b>	<b>462,390</b>	<b>2,339,896</b>	<b>2,733,300</b>



Sailors' Children's Society

Balance Sheet year ended 31st March 2021

		2021		2020	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		201,397		210,070
Investments	13		2,371,121		2,052,435
			<b>2,572,518</b>		<b>2,262,505</b>
<b>Current assets</b>					
Debtors	14	210,030		85,536	
Cash at bank and in hand		35,321		85,011	
		<b>245,351</b>		<b>170,547</b>	
<b>Creditors: amounts falling due within one year</b>					
Creditors	15	192,140		93,156	
<b>Net current assets/(liabilities)</b>			<b>53,210</b>		<b>77,391</b>
<b>Net assets</b>			<b>2,625,729</b>		<b>2,339,896</b>
<b>Funds of the charity</b>					
Restricted funds	19		177,703		203,388
Unrestricted funds	20		2,042,812		1,674,118
Designated funds			405,214		462,390
			<b>2,625,729</b>		<b>2,339,896</b>

C. C. W. Towne

Captain C C W Towne —Chairman

Mr M Beckett—Trustee

Approved by the Board on 29th June 2021

The annexed notes form part of the financial statements

Registered Charity: 224505

A Company limited by guarantee registered no. 159673

	2021 £	2020 £	Note
<b>Cash flows from operating activities:</b>	<b>(199,096)</b>	<b>(160,339)</b>	<b>Table A</b>
<b>Cashflows from investing activities:</b>			
Dividends from investments	77,215	78,000	
Proceeds from the sale of property, plant & equipment	0	0	
Payments to acquire investments	0	(50,000)	
Purchase of property, plant and equipment	(40,562)	(26,908)	
<b>Net cash provided by/(used in) investing activities</b>	<b>36,653</b>	<b>1,092</b>	
Change in cash and cash equivalents in the reporting period	(162,442)	(159,247)	
Cash and cash equivalents at the start of the reporting period	52,462	211,709	<b>Table B</b>
Cash and cash equivalents at the end of the reporting period	(109,980)	52,462	

**Table A: Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	285,833	(393,404)
Adjustments for:		
Depreciation charges	49,235	47,684
Profit on sale of fixed assets	0	0
(Gains)/losses on investments	(318,686)	253,792
Dividends, interest and rents from investments	(77,215)	(78,000)
(Increase)/decrease in debtors	(124,494)	(29,530)
Increase/(decrease) in creditors	(13,769)	39,119
Net cash provided by/(used in) operating activities	(199,096)	(160,339)

**Table B: Analysis of net debt, cash and cash equivalents**

	2021 £	2020 £
Cash in hand	35,321	85,011
Overdraft facility repayable on demand	(145,301)	(32,549)
Total cash and cash equivalents	(109,980)	52,462

## **1). Accounting Policies**

### **a). General information and basis of preparation**

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014 (as updated), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### **b). Funds**

Unrestricted funds 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 cost 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.

### **c) Income**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Cash donations and gifts are included in full in the financial statements as they are received. Significant non-cash donations are included in the financial statements at the Trustee's estimate of their market value when received. No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed. Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

### **d). Expenditure**

This is accounted for on an accruals basis but when expenditure is incurred relating to more than one cost category, the expenditure is apportioned over all relevant headings. The basis of apportionment used reflects the time and resources expended under specific headings.

#### **i). Relief to seafarers families**

Relief to seafarers' families includes the total cost of financial support given to families on the support scheme register, clothing and special grants, the costs of nine static caravans, financial support to families to use the caravans as a holiday base and support costs for all the aforementioned facilities.



#### **li). Administration**

Administration includes the cost of essential central administration principally concerning the overall management of the Society's affairs, salary administration, insurance, money managements and office equipment depreciation.

#### **e). Depreciation**

Depreciation is calculated on the straight line basis to write down the cost of all fixed assets (see note 12) over their expected useful lives at 20%.

#### **f). Operating leases**

Rentals payable under operating leases are charged to the statement of financial activities over the period of the lease on a straight line basis.

#### **g). Grants and specific donations**

Grants in respect of capital expenditure are credited to the statement of financial activities upon receipt. If the grant is unrestricted a designated fund representing the assets written down value is created. This fund is then reduced over the useful economic life of the asset in line with its depreciation. Grants of a revenue nature which are made to give immediate financial support or to reimburse costs previously incurred are credited to the statement of financial activities in the period in which they become receivable. Grants of a revenue nature which are made to finance general activities over a specific period or to compensate for a loss of current or future income are credited to the statement of financial activities when receivable.

#### **h). Investment**

The investment funds are included in the balance sheet at their mid-market value at the year end. The variances between market value and the original cost or annual revaluation of the investment funds are shown as unrealised investment gains or losses in other charitable funds. The differences between the original cost or annual valuation and the proceeds of investments disposed of are shown as a gain/(loss) in the statement of financial activities. The income generated by the investment funds is paid to the Society at an agreed annual percentage of the total funds. This is shown in the statement of financial activities as received. Excess income is re-invested within the fund and is transferred through the statement of financial activities to other charitable funds. Where there is insufficient income earned, a transfer of funds is made out of investments to cover the deficit.

#### **i). Fixed assets**

Expenditure of a capital nature is capitalised on all items and not in accordance to expended amount.

#### **j). Pension costs**

Contributions to provide pensions and related benefits are charged to the income and expenditure accounts as incurred.

#### **k). Going concern**

After making reasonable enquiries, the directors have a reasonable expectation that the charitable company has adequate resources to continue in operations existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **l). Preparation of group financial statements**

The charity/charitable company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the charity/charitable company and its subsidiary undertaking comprise a small group.

#### **m). Recognition basis or creditors**

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

o).

**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.

**2). Taxation**

Sailors' Children's Society is a UK registered charity, number 224505. All the Society's income is applied to its charitable objects and the Society is, therefore, exempt under current legislation from most forms of taxation. Value Added Tax is not recoverable by the Society and is therefore charged to the statement of financial activities or balance sheet as incurred.

**3). Donations and legacies**

	Un-restricted £	Restricted £	2021 £	2020 £
Seafarers UK		115,000	115,000	65,000
Trinity House		148,200	148,200	69,200
Royal Navy Royal Marines Charity		253,450	253,450	165,000
Armed Forces Covenant Fund		55,000	55,000	-
Merchant Navy Welfare Board		30,000	33,502	-
The Veterans Foundation		-	-	15,000
200 Business Club		17,913	17,913	21,222
Covenants, donations and trusts	72,788		69,286	90,397
Legacies	151,067		151,067	93,410
Total	223,855	619,563	843,418	519,230
2020	174,258	344,972		

**4). Charitable activities**

	Un-restricted £	Restricted £	2021 £	2020 £
Fundraising:				
Special events	35,822		35,822	112,946
Continuous activities	175		175	4,581
Total	35,997		35,997	117,797
2020	117,797			

**5). Investments**

	Un-restricted £	Restricted £	2021 £	2020 £
Absolute return income	77,215		77,215	78,000
Total	77,215		77,215	78,000
2020	78,000			

6). Total resources expended		Basis of allocation	Fundraising	Relief to Seafarers' Families	Governance	2021 £	2020 £
Costs directly allocated to activities							
<b>Grant relief</b>							
Monthly grants to families	Direct			275,787		275,787	236,881
Clothing grants	Direct			69,313		69,313	56,355
Christmas grants	Direct			0		0	4,190
Special grants	Direct			286,785		286,785	63,934
Home computers	Direct			15,095		15,095	81,906
<b>Family holiday scheme</b>							
Holiday grants	Direct			0		0	11,380
Caravan running costs	Direct			85,989		85,989	99,913
Salaries and redundancy	Direct		67,688	125,586		193,274	173,796
Administration and event costs	Direct		10,531	7,701	3,926	22,158	70,215
Sub total			78,218	866,257	3,926	948,401	798,571
<b>Support costs allocated to activities</b>							
Basis of allocation			35%	35%	30%		
General office and finance	Staff time		14,400	14,400	12,343	41,142	55,508
Total			14,400	14,400	12,343	41,142	55,508
Investment management fees						15,678	16,913
						1,005,221	870,992

## 7). Staff costs

The average number of persons employed by the Charity during the period was as follows:

	2021 Number	2020 Number
Fundraising	1.5	1.5
Relief for seafarers' families	3.8	3.5
Administration	0.3	0.6
Total	5.6	5.6
Actual average monthly number of staff	7.0	7.0



The aggregate payroll costs in respect of these employees were as follows:

	2021	2020
	£	£
Wages and salaries	194,063	191,698
Social security	13,271	14,240
Pension costs	9,957	9,635
Total	217,291	215,572

The number of employees paid over £60,000 during the year (salary plus taxable benefits excluding the employer pensions contributions and redundancy payments) was:

	2021	2020
Band £60,000 - £70,000	1	1

The aggregate for key management personnel salary and pension and employer NIC contributions was £82,600 (2020 £79,553).

The charity runs a defined contribution pension scheme for the benefit of its employees. Total pension costs for the year were £9,957 (2020: £9,635). Total contributions due to the scheme as at 31 March 2021 were £3,191 (2020: £4,686).

#### 8). Trustees' remuneration

The Trustees were not entitled to and did not receive any remuneration or travel expenses from the charity during the year (2020: £463). Donations from Trustees during the year total £370 (2020: £180).

#### 9). Operating lease rentals

	2021	2020
	£	£
Plant and equipment	5,969	5,969

#### 10). Net incoming resources for the year

This is stated after charging:

	2021	2020
	£	£
Auditors' remuneration:		
Audit	3,500	3,500
Advice		
Depreciation	49,236	47,684

**11). Interest payable and similar charges**

	2021	2020
	£	£
Bank overdraft	(889)	

**12). Tangible assets**

	Caravans	Fixtures & Fittings	Total
	£	£	£
<b>Cost (valuation)</b>			
At 1st April 2020	331,940	49,278	381,218
Additions	36,802	3,760	40,562
Disposals			
At 31st March 2021	368,742	53,038	421,780
<b>Depreciation</b>			
At 1st April 2020	150,923	20,225	171,148
Provided during the year	43,598	5,637	49,235
Disposals			
At 31st March 2021	194,521	25,862	220,383
<b>Net book value</b>			
At 31st March 2020	181,017	29,053	210,070
At 31st March 2021	174,221	27,176	201,397

The net book value at 31st March 2021 represents fixed assets used for:

**Direct charitable services**

Family holiday scheme

174,221

**Other purposes**

Administration

27,176

The Society owns the freehold of St Nicholas Primary School and Stratten Hall, currently under a 99 year peppercorn rent lease to Hull City Council signed 10th October 2006. No balance is recognised in these accounts due to the length of the lease remaining.

**13). Investments**

	2021
	£
Market value at 1st April 2020	2,052,435
Additions	
Disposals	
Increase/(decrease) in value for the year	318,686
Market value at 31st March 2021	2,371,121

All the investments are listed investments and can be split as follows:

	2021
	£
UK fixed interest	361,384
Alternative investments	526,743
Over seas index linked	51,669
UK equities	486,313
Other equities	862,095
Cash	82,917
Total	2,371,121

#### 14). Debtors

	2021	2020
	£	£
<i>Amounts falling due within one year</i>		
Prepayments	6,691	27,676
Prepayments and accrued income	53,339	57,860
Legacies	150,000	-
Total debtors	210,030	85,536

#### 15). Creditors

	2021	2020
	£	£
Bank overdraft	145,301	32,549
Trade creditors	30,469	23,725
Accruals and deferred income	8,335	27,436
Tax and social security	4,841	4,762
Other creditors	3,191	4,686
Total creditors	192,137	93,157

The bank overdraft is repayable on demand.

#### 16). Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	2,604	5,869
Later than 1 year and not later than 5 years	10,416	9,460



**17). Charitable commitments**

	2021 £	2020 £
Grants to families	537,341	443,267
Family holiday scheme	85,989	111,293

**18). Capital commitments**

	2021 £	2020 £
Contracted for but not provided in these accounts		
Outright purchases	-	-
Finance leases	-	-
Total	-	-

**19). Restricted Funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held to be applied for specific purposes:

	Balance at 31st March 2020 £	Incoming resources £	Resources expended £	Balance at 31st March 2021 £
Seafarers UK	-	115,000	(115,000)	-
Trinity House London	-	148,200	(148,200)	-
Royal Navy Royal Marines Charity	-	253,450	(253,450)	-
Armed Forces Covenant Fund	-	55,000	(55,000)	-
Donations	-	-	-	-
Merchant Navy Welfare Board	-	30,000	(30,000)	-
Caravan Appeal & 200 Business Club	203,388	17,913	(43,598)	177,703
Total	203,388	619,563	(645,248)	177,703

	Balance at 31st March 2019 £	Incoming resources £	Resources expended £	Balance at 31st March 2020 £
Seafarers UK	-	65,000	(65,000)	-
Trinity House London	-	69,200	(69,200)	-
Royal Navy Royal Marines Charity	-	165,000	(165,000)	-
Greenwich Hospital	-	15,000	(15,000)	-
Donations	-	9,550	(9,550)	-
190 PC Appeal	27,407	-	(27,407)	-
Caravan Appeal	227,923	21,222	(45,757)	203,388
Total	255,330	344,972	(396,914)	203,388

Restricted funds are held in the main against the purchase of caravans and released in line with depreciation charge. Operating restricted funds from donations and 190 PC Appeal are used against grants costs for the families in specific geographical areas and for home computers. The 200 Business Club was launched in November 2017 and aims to raise funds to replace part of the existing fleet of caravans when the Society celebrates its 200th anniversary in 2021.

**20). Unrestricted Funds**

	Balance at 31st March 2020	Income £	Expenditure £	Transfer £	Balance at 31st March 2021
Accumulated fund: general	1,674,118	337,068	31,627	-	2,042,812
: designated	462,390	-	(57,176)	-	405,214
Total	2,136,508	337,068	(25,549)	-	2,448,026

	Balance at 31st March 2019	Income £	Expenditure £	Transfer £	Balance at 31st March 2020
Accumulated fund: general	1,967,970	370,054	(663,906)	-	1,674,118
: designated	510,000	-	(47,610)	-	462,390
Total	2,477,970	370,054	(711,516)	-	2,136,508

Funds balances at 31st March 2021 are represented by:	Unrestricted funds £	Restricted funds £	Designated funds £	Total Funds £
Tangible fixed assets	85,829	115,568	-	201,397
Investments	2,061,121	-	310,000	2,371,121
Current assets	199,603	62,135	(16,387)	245,351
Creditors due within one year	(303,741)	-	111,601	(192,140)
Total	2,042,812	177,703	405,214	2,625,729

Funds balances at 31st March 2020 are represented by:	Unrestricted funds £	Restricted funds £	Designated funds £	Total Funds £
Tangible fixed assets	50,904	159,166	-	210,070
Investments	1,742,435	-	310,000	2,052,435
Current assets	85,536	44,222	40,789	170,547
Creditors due within one year	(204,758)	-	111,601	(93,157)
Total	1,674,117	203,388	462,390	2,339,895

**21). Called up share capital**

There is no called up share capital as the Company is limited by Guarantee. In the event of the Company being wound up each Director has undertaken to contribute to the assets of the Society such amount as may be required to discharge its debts, the amount not to exceed £1 per Director.

**22). Related party transactions**

There are no related party transactions during the period (2020—£0) in addition to the transactions with Trustees as disclosed in Note 8.





# THANK YOU

*The Trustees of Sailors' Children's Society would like to thank all those people and organisations who helped us during the last year. Although there are too many to mention, we would particularly like to thank:*

*Maritime Funding Organisations: Armed Forces Covenant Fund, Greenwich Hospital, Merchant Navy Welfare Board, RNRMC, The Seafarers' Charity and Trinity House London.*

*Volunteers: Caseworkers from the Fishermen's Mission, Royal British Legion and SSAFA who visit families on our behalf. Also the team of volunteers who help at our annual fundraising events.*

*Regional Trusts and individual supporters throughout the United Kingdom and finally to those people who have kindly remembered Sailors' Children's Society in leaving a legacy.*

*The team at HSBC for hosting a virtual quiz raising funds during COVID19 lockdown for the Society.*



*2020/2021 has been an incredibly tough year for everyone. With your support, we have been able to make the lives of the children we support brighter and relieved a lot of pressure from their parents. We could not have done this without your help.*

**THANKYOU!**



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