

Sailors' Children's Society



Sailors' Children's Society 2022-23 Trustees Report and Financial Statements

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Sailors' Children's Society



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Sailors' Children's Society

Chairman's Report Sailors' Children's Society 2023

The past year has been one of contrasts as in August the Society's long serving chief executive Deanne Thomas announced that she would be leaving after 16 years to face a new set of challenges within a larger charity. She is a hard act to follow as during her time as chief executive she has transformed the Society into a well respected team member within the maritime sector. The Society, Trustees and staff wish her well in her new career challenges.

The Trustees were then fully engaged in the recruitment process to appoint a new chief executive. The Society was fortunate to receive over 50 applications and after a series of short listings and interviews the Trustees were delighted to announce the appointment of Natasha Barley as its new Chief Executive. Natasha was the Chief Executive of the Hull and East Yorkshire University Children's University charity for 9 years significantly expanding its activities.

Natasha joined the society on the 1st March and has hit the ground running. She is fully engaged with the staff and our major funders. However, there was a gap of some 14 weeks between Deanne leaving in mid-November and Natasha joining. During this time the staff worked brilliantly to ensure that the Society ran smoothly and that all new applications for grants were sympathetically and efficiently handled. The payment of monthly grants and Christmas vouchers all proceeded according to plan. The staff on the south coast attended to their families with their usual professionalism and understanding. The arrival of new Chief Executive can be a source of worry and concern for staff but they have performed admirably during difficult circumstances. My thanks to them all. However, the Society was not able to address the continual need to raise funds and sadly this has resulted in a significant deficit for the year. Natasha is undertaking a campaign to source additional funding from a wide range of new funders which is already producing positive results.

After long service as Trustees Greg Medici (31 years) and John Warburton (22 years) stood down as Trustees both have been influential in overseeing the development of the Society and I have greatly been assisted by their wise guidance and support. Together with Deanne the Trustees have been delighted to appoint them Vice Presidents. We are pleased to welcome four new Trustees Mark Thundercliffe with formidable financial acumen, Nick Dodd ex Rn Captain with links to RNRMC, Mark MacIntyre ex RN recently working with SSAFA and Lee Evans from a local business. They have already made significant contributions. Sadly, in May Mark Campey our vice chairmen suffered two heart attacks and was granted leave of absence until he is full recovered. Nick Dodd has kindly agreed to take over as vice chairman. Due to heavy business and family commitments Mike Beckett stepped down as a Trustee. My thanks to them and the current Trustees for their great support and commitment.

The Society continues to be generously supported by four main Maritime Charities: Greenwich Hospital, Royal Navy Royal Marines Charity, The Seafarers' Charity and Trinity House London. My thanks to them.

I would like to express my wholehearted thanks to the Society's staff, Trustees, funders and friends who enable the Society to deliver on its commitments to needy Seafarer's families and who have given me such unstinting support.

Best wishes,

Captain Christopher Towne

Sailors' Children's Society



Trustees Annual Report (including Directors report)

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 2023. 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.

Background

Sailors' Children's Society was founded in 1821 in Kingston Upon Hull. We are committed to helping disadvantaged children of seafarers throughout the United Kingdom when their family experiences a traumatic event such as family breakdown, a bereavement, or diagnoses of an illness. Whilst we recognise we cannot give them their old life back, we strive to help them adjust to their new circumstances by providing financial, emotional and practical support.

This report provides an overview of the work and achievements of Sailors' Children's Society over the 2022-23 fiscal year to March 31st 2023. Showing the breadth and depth of work undertaken to support the most disadvantaged families of seafarers in the United Kingdom.

Objectives and Aims

The objective of Sailors' Children's Society is to give each disadvantaged child of a seafarer the opportunity to fulfil their potential via the provision of financial, emotional and practical support.

Understanding the need

Children living in poverty rarely leave their immediate community. They do not travel or take holidays and have very little access to social and personal development opportunities, therefore have little knowledge of the world beyond the streets in which they live. These children seldom get access to learning or development opportunities that support their wider education or ambition.

Sailors' Children's Society

Our work in relation to the need

Poverty impacts on what families can spend and most of the poorest families cannot afford to cover basic essentials, let alone send their children to out of school activities or other social development activities. Children living in poverty often grow up knowing nothing but their estate and significant numbers rarely experience life beyond the deprived community in which they live. For families living in poverty, a trip to a museum for example, stretches the household budget and is therefore usually at the bottom of the list of priorities. These children do not get access to the social development and learning opportunities that children from more affluent areas of the country take for granted. As a result, they grow up with a reduced or narrow view of the world and their fit within it which contributes to apathy and lack of aspiration. Many of our families have experienced domestic abuse and are recovering from the impact that has had.

The DfES report 'Every Experience Matters' states every experience provided for children in the world beyond the classroom has significant benefits for children's learning, emotional wellbeing, social interactions, physical development and responses to their world. It also states that without these opportunities and experiences children are significantly disadvantaged. We address this by providing our families with the means to have a respite break in one of our nine caravans giving the families a much needed break but also for some of our children this may be the first holiday they have ever had. The memories they will make and the time for the family to come together and heal from the trauma they have faced is vital. We also fund school trips for the children on our scheme, and extracurricular activities such as swimming lessons, music lessons. We pay for tutoring as and when required so that children can achieve their best academically. Desk top computers are provided to all our families to increase learning opportunities at home and tackle the issue of digital poverty. Families are provided with grants to pay for school uniforms each year and winter clothing.

Our Family Support Officers (FSO's) provide intensive long term support to our families by visiting regularly in person or online if the families live further away. This support helps parents to deal with their debt issues and emotional needs with the FSO's eventually moving onto goal setting with the ultimate aim where possible to see the parent(s) returning to work or education. When the parent is well, out of debt and fulfilling their potential the children benefit greatly. We refer all our families with debt issues to get support from StepChange or SAIL.

Structure of the Charity



There are six posts at Sailors' Children's Society: CEO full time, two family support officers one based in Plymouth working four days a week and one based in Portsmouth working three days a week, a funding coordinator three days per week, a finance and admin coordinator four days per week and a grants officer and triage support worker full time. Our accountant is freelance and works two days per month.

Sailors' Children's Society

The Trustees meet every two months to review the performance of the charity and review the charity's financial position. The Sailors' Children's Society CEO and accountant provide reports for each meeting in conjunction with our finance and investment subcommittee. Regarding the makeup of the board, regular discussions are held to consider its composition moving forward. Financial forecasting for the year ahead is completed annually and reviewed on a monthly basis.

Patron

HRH The Princess Royal, KG, KT, GCVO, CD, QSO

President

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

Vice Presidents

| | | |
|----------------------------|--------------------|----------------------------------|
| Maureen Lipman CBE | Freddie Drabble | Gillian Atkinson |
| Mary Rose Barker MBE, DL | Greg Medici | Lady Hotham |
| Deanne Thomas | Martin Needler BEM | Pauline Proctor |
| Stephen Larard MBE, JP, DL | Richard B Vernon | Captain Dick Garnons-Williams RN |
| Scilla Smith DL | William Waddington | Commander Geoffrey Noble RN |
| John Warburton | | |

Trustees

Captain Christopher Towne – Chairman
Captain Nicolas Dodd- Vice Chairman appointed 4th August 2022
Mark Thundercliffe Chair of FISC committee appointed 4th August 2022
Mark MacIntyre appointed 4th August 2022
Lee Evans appointed 4th August 2022
Mark Campey (medical leave of absence)
Colonel David Fuller OBE MNM DL
Helen Cooper
Debbie Rosenberg
Donna Blank
Julie Abraham
Michael Beckett FCA resigned 1 Feb 2023
Gregory Medici resigned 4th August 2022
Samantha Raeburn resigned 7th March 2023
John Warburton resigned 4th August 2022

Company Secretary and registered office

Natasha Barley CEO, Sailors' Children's Society, Francis Reckitt House, Newland, Cottingham Road, Hull, HU6 7RJ
registered charity number 224505 company number 159673

Principal Advisors:

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

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

Sailors' Children's Society

Recruitment and appointment of new trustees

The Trustees keep the membership of the board under review and understand the need to have access to a good mix of skills. The Board of Trustees completes an annual skills audit showing that there are no gaps in the expertise of the board. There will be an ongoing focus of ensuring diversity on our board and in our team. In 2022 the society instituted a rule of each trustee standing for terms of three years for a maximum of nine years. This resulted in several Trustees leaving the board and new Trustees being appointed.

Induction and training of new trustees

Each new trustee is issued with a handbook which details their duties and obligations and are closely supported by their colleagues through induction. Additional optional training for Trustees is offered. All Trustees are DBS checked and attend safeguarding training.

Constitution

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

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage them. The Trustees have put in place a risk register, and this is reviewed and re-evaluated annually.

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.

Reserves policy

Cash and deposit balances are maintained to be able to meet outgoings and grant obligations.

The financial position of the charity on 31st March 2023 is considered to be satisfactory, with sufficient reserves to meet current commitments.

The charity has a reserves policy which is reviewed on an annual basis. The current reserves policy adopted by the Trustees is to maintain reserves of three years value. This ensures that should the charity need to wind down it could continue to make it's grant payments to beneficiaries for three years as that is the commitment the charity makes to families when they are accepted onto our support scheme. In the current economic climate, the Trustees are particularly mindful of the need to contain the risk that the Trust cannot meet the payments to which it is committed if the income of the Trust declines.

Principal funding sources: Greenwich Hospital, Royal Navy Royal Marines Charity, Trinity House and the Seafarers Charity. Fundraising events, philanthropic donations, funding from trusts and foundations and legacies.

Sailors' Children's Society

Support Provided to Families

The Society has had an active year supporting 272 families, 508 children and 32 students. Over the last year:

- The total amount of money used to support our families with grants was £359,217.
- 23 families received computers to enable children to do their schoolwork at home and we provided the families access to the internet addressing the issue of digital poverty. £13,952 in support.



-All our families received grants to purchase winter clothing for their children and school uniforms totaling £54,880. The first in August (July in Scotland) to allow each child to return to school in a new school uniform, the same as their peers which increases self-esteem and confidence; and the second in winter to buy a coat and sturdy shoes. Winter clothing is extremely important especially in our varying weather climate, as the children walk or travel on public transport each day. Whilst we do not instruct our families where to shop, the grant levels remain sufficient to provide the clothing from a normal, everyday outlet - £60 school uniform grant and £55 winter clothing per child supported.



-Families receive a monthly support grant to help with the cost of food for their children as well as gas and electricity. Over the last year £189,289 worth of grants have been given to our families.

-University students receive £100 a month to help them pay for the essentials if they live away from home and £56 if they live at home.

-A legacy was used to provide children with extra support during the holidays. Grants of £10 per week per child were awarded as they would not be getting free school meals during the holidays. This amounted to £49,865 in support.

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Support Provided to Families (continued)

-Special grants were administered for items such as beds and wardrobes, after school lessons, club fees and school trips. This amounted to £19,206.

-We gave out 200 Christmas grants supporting 366 children amounting to £26,217 in support. Trinity House and Greenwich Hospital both very kindly supported this work with a donation of £10,000 each which helped make this possible.

Some feedback from parents about the school uniform grant:

'If we didn't have the funds we wouldn't of been able to get the 1 branded jumper and school white t-shirt also the ASDA style uniform. He loves that he has a logo like his friends.'

'With C starting secondary school in September 2022 it meant that I was able to buy her two whole sets of uniform. As you are aware blazers alone are £35-£40. Trying to afford everything a secondary school requires is stressful at the best of times let alone now that the cost of living has increased. It also meant that I was able to buy my two younger children decent school shoes. Thank you.'



Respite Caravan Breaks

In addition to the grants given to families 131 families had respite caravan breaks which includes 16 families from other maritime organizations. It costs the charity £114,441 a year to maintain and run the caravans. £67,000 of running costs and depreciation of £46,000. We provided our families with £12,000 worth of travel grants to enable them to get to the caravans. Respite caravan breaks are an important way for our families to reconnect after the trauma they have experienced and for some of our families it's the first time they have ever been on holiday together.



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Family Support Officers

We have two Family Support Officers (FSOs). One in Portsmouth and one in Plymouth who work with our families to provide advice, support and guidance. When families first come onto our scheme they are in crisis. There has been a bereavement sometimes caused by suicide, diagnosis of a life limiting illness or family breakdown. These events leave the family in a terrible state and often without financial resources. When families join our scheme alongside the financial support they receive they have the option to choose to have FSO support. The FSO's will visit the family regularly (the frequency depending on the needs of the family) and work alongside them for as long as necessary to get them back on the feet and to some sort of 'normal'. Helping families to first deal with their debts and mental health if required is key, moving on to goal setting when possible. We signpost families to StepChange and SAIL for financial advice. The long-term goal is for a parent(s) to get back into education and then employment or straight into employment so they can look after their family without the need for our support anymore. FSO's play a vital role in making this possible. It costs the charity £54,895 a year to provide this support which is in part funded by a generous contribution from RNRMC and Greenwich Hospital for which we are grateful.

Evaluating Impact

All families receiving support from Sailors' Children's society are asked to complete an annual happiness survey and complete an annual review which allows us to see how the families are coping and updates us on any changes to their financial and personal circumstances.

Feedback from our families:

"Last year in October was our 1st holiday in over 4 years I was able to take kids on. That wouldn't have been made possible without your amazing support. Had such an amazing time made memories and got some pictures with my eldest who struggles with mental health smiling. That whole week I've never seen both my kids so happy xx this photo was taken outside our caravan and first picture in a few years I got of all of us together. This picture means the absolute world to me xx again couldn't have been made possible with your amazing support xx"



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Evaluating Impact - continued

"Good morning team Michelle has been with me for very long time supported me and the children during one the worse times of my life . She taught me to be calm, assertive, and to always push myself when I was having bad days with support and advise. Working with her I have grown and become so much more confident and use the tools I learnt with course I took and her help to address things in life. She one the kindest people you have working for the team and anyone would be lucky to have her support. I want to thank everyone at sailors for everything you all done to support me the boys helping us along the way in life without your support and kindness life would of been so much harder. I will always remember what you all done for me and the children, one day I really hope to pay it forward and help others in need. I will truly miss working with Michelle she a true asset to the team. I wish you all the best this year and you all stay safe."

"Louise is polite, friendly, easy to talk too, understanding and gave offered great advice and support during a recent bereavement and concerns of my children's mental health. I would like to thank the SCS for helping me give my children a holiday this coming October. This has given my children a nice outlook of the future and sends positive vibes throughout the household. This being said, positive vibes like this have brought my daughter out of her shell ever so slightly and she is starting to open up to me. Thanks for the help and support I never ever dreamt I'd ever have from anyone. In my darkest painful moments you came through like a beacon of light that lit me and my babies up to see a happier fulfilled future. Thank you again so much for not only financial support but the advice, a listening ear, sympathetic understanding."

"I have received a great deal of support from the charity, and I really appreciate it, so do my boys. Thank you."

"Louise has been amazing with trying to guide and support me in the right direction."

"This has been an amazing help these past few weeks. Cannot thank you enough. Your Kindness, help and support has been truly unbelievable. Thank you so much xx"

"Just a massive thank you, we wouldn't have coped without your financial help and emotional support, thank you for everything you have done for me and my two children through SCS."

"You all do a wonderful job and I appreciate all the help available to me and my children. Thank you"

"I am very satisfied with the Sailors Children Society team. The support has been instrumental and the hope of knowing I have a community that are able to assist me as a veteran and offer support is very much appreciated. Thank You!"

"Just that they have been amazing. And I don't know where me and my children would be without the help of this amazing charity. Thank you!!"

"Louise supports me massively and has done for the last 7 years, she is like my confident and I don't know where I would be without all of her help."

Sailors' Children's Society

Foundation & Trust Funders

Principal funders



Additional funders providing grants of £1,000 to £13,000



The Ganzoni Charitable Trust, the JS Rymer Charitable Trust, the Nathaniel Reyner Trust fund, the Sylvia Aitken Charitable Trust, the Henry and Dora Needler Memorial Trust, Homelands Charitable Trust, The Jeffrey Charitbale Trust, the Leslie Mary Carter Charitable Trust, Hull Merchant Navy Childrens Trust, Gibbons Family Trust, Meikle Foundation, Scobell Charitable Trust, Sir James Roll Charitable Trust and Eleanor Rathbone Charitable Trust.

Our foundation and trust funders provide us with vital core funding that enables our charity to operate as well as restricted funding for specific projects. We are incredibly grateful to all the trusts and foundations that support us enabling us to carry out our work.

Fundraising Regulator



Sailors' Children's Society

Sailors' Children's Society is now registered with the fundraising regulator. This quality assurance mark shows that we adhere to the fundraising regulators standards and are ethical and considerate in our fundraising practice. Being a member should increase our ability to raise funds as it shows our commitment and adherence to the fundraising code.

Fundraising Events

This year we ran two major fundraising events Sportsman's Lunch and our annual Golf Day

We raised:

£4,363 Golf Day

£55,216 Sportsman's Lunch

A huge thank you to everyone who has supported the charity by making a donation or participating in any of the events that took place. Many thanks to Streets for sponsoring both the Sportsman's lunch and the Golf Day and to Williamsons, Aon and Hamers for sponsoring the Sportsman's lunch.

Special Thanks

Sailors' Children's Society has a number of key relationships with local and national organisations.

A special thanks to our Patron Her Royal Highness The Princess Royal for her unwavering support of the society and for the many events she has attended over the years.

To our President the Right Honorable Earl of Halifax for 40 years of service to the charity and for his ongoing support, advise and guidance thank you sir.

Ashcourt provides us with free office space and pays for our heating and electricity, significantly reducing our overheads giving us more funding to spend on our families. A big thank you to them for providing the charity with this generous support.

To the Fisherman's Misson, SSAFA, the Royal British Legion and all their fantastic teams who we work closely with. We couldn't deliver our services to families without your help.

Thanks go to the Merchant Navy Welfare Board for their advice, support, guidance and funding.

A special thanks to our major donors Greenwich Hospital, Royal Navy Royal Marines charity, Trinity House London and The Seafarers' Charity.

To those people who have kindly remembered Sailors' Children's Society by leaving a legacy.

To all the regional trusts and individual supporters throughout the United Kingdom.

To everyone who supports our charity. All donations no matter how small help us to make a difference in the lives of seafarer's children in times of crisis.

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The Way Forward

The board of Trustees and CEO are currently writing a three-year strategic plan with a draft version currently completed. The Trustees came together for a strategy day on the 22nd of May 2023 which helped to inform the strategic plan. The Trustees and CEO want this plan to reflect our stakeholders needs and ambitions for the charity. The CEO will conduct stakeholder audits with funders and families to further inform the plan. In particular, during the three years of this Strategic Plan, we aim to:

- Continue to deliver our core service to seafaring families in crisis and increase the numbers of families we support ensuring that the number of families supported, and income are matched
- Provide children with emotional support and resources to improve their wellbeing
- Improve the educational outcomes of children we support
- Increase collaboration with other charities
- Ensure all our families have access to a respite break that is suitable for them. If they have PTSD or are neurodiverse a caravan holiday is not always the best option

To achieve these aims, we will need to:

- Increase funds raised and diversify income streams
- Increase our staffing and number of volunteers
- Modernise the charity
- Improve our profile with a new website and logo
- Conduct professional impact measurement studies

The charity is planning to form another 'Board of Trustees' which will be named as our 'Children's Trustees Board'. This will be formed of a group of children from various families that we work with and will meet online. The group will meet three times a year and discuss and feedback on: the challenges they are facing and how Sailors' Children's Society better support them and their peers. The aim is for the children to be actively contributing to the development of the charity and helping to shape the services provided for children.

This was a challenging year for Sailors' Children's Society financially seeing little legacy income, a significant loss of £143,000 on our investment portfolio and the additional expense of upgrading two caravans. With no CEO in post for almost five months this meant that no one was submitting larger funding applications or sourcing additional resources. All these factors resulted in a deficit of £284,000. We are fortunate to have the reserves to cover this and whilst the charity remains financially viable, this has raised questions about reliance on legacy income, lack of diversification in revenue and poor performance in financial markets.

Strategically we will move away from over reliance on legacy income and establish more diversified income streams and move our investments into a high interest rate savings account, safer from investment volatility of the market and generate a significant amount of income for the charity in this higher interest rate environment, this repositioning will help close the gap of costs to income. We are confident that this strategy is essential to both to modernise the charity, whilst increasing income and allow the charity to continue to support existing beneficiaries with a view to supporting more in the future.

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We know that this year and the following years are going to be challenging for the families we support. The increases in the cost of food, gas and electric coupled with the loss of the £20 uplift to universal credit means the cost of living is going to be even more challenging for families. The impact of the covid pandemic is profound and children have suffered greatly from the changes that have happened in their lives, with mental health needs being at the forefront coupled with needing to catch up on missed education as well as social and emotional development. Our work as a charity has never been more needed or more relevant.

If you would like to learn more about our charities work please contact: Natasha Barley, CEO, natasha.barley@sailorschildren.org.uk

Trustees' Responsibilities Statement

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 Trustee's 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 the 3rd August 2023 and signed on their behalf by:

Captain CC W Towne - Chairman

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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 2023 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 2023 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 Companies Act 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.

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.

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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.

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; and
- 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 the Companies Act 2006 requires 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.

Sailors' Children's Society

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 Charities legislation, 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.

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.

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

HU13AJ

Date: 12th September 2023

Sailors' Children's Society

Statement of Financial Activities Year Ended 31st March 2023 (incorporating Income and Expenditure Account)

| | Note | Un-restricted Funds £ | Restricted Funds £ | Designated Funds £ | Total 2023 £ | Total 2022 £ |
|---|------|-----------------------------|--------------------------|--------------------------|--------------------|--------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 3 | 103,360 | 376,152 | - | 479,512 | 694,955 |
| Activities for generating funds | 4 | 107,214 | - | - | 107,214 | 124,876 |
| Investments | 5 | 47,664 | - | - | 47,664 | 42,847 |
| Total | | 258,238 | 376,152 | - | 634,390 | 862,678 |
| Expenditure on: | | | | | | |
| Raising funds | | | | | | |
| Fundraising and other costs | | 123,343 | - | - | 123,343 | 129,813 |
| Investment management costs | | 16,712 | - | - | 16,712 | 17,265 |
| Charitable activities | | | | | | |
| Direct costs | | 117,549 | 406,965 | 87,766 | 612,280 | 688,088 |
| Support costs | | 22,367 | - | - | 22,367 | 13,678 |
| Governance costs | | | | | | |
| Direct costs | | 4,252 | - | - | 4,252 | 4,200 |
| Support costs | | 19,171 | - | - | 19,171 | 11,724 |
| Total resources expended | | 303,394 | 406,965 | 87,766 | 798,125 | 864,768 |
| Operating income/(expenditure) | | (45,156) | (30,813) | (87,766) | (163,735) | (2,089) |
| Transfers | | - | 27,628 | (27,628) | - | - |
| Gain/(loss) revaluation of investment | | (143,166) | - | - | (143,166) | 85,590 |
| Net income/(expenditure) | | (188,322) | (3,185) | (115,394) | (306,901) | 83,501 |
| Other recognised gains/losses | | | | | | |
| Gain on disposal of fixed assets | | - | 22,487 | - | 22,487 | 42,796 |
| Net movement in funds | | (188,322) | 19,302 | (115,394) | (284,414) | 126,297 |
| Reconciliation of funds | | | | | | |
| Funds balances b/fwd at 1st April 2022 | | 2,231,994 | 161,046 | 358,986 | 2,752,026 | 2,625,729 |
| Fund balances c/fwd at 31st March 2023 | | 2,043,672 | 180,348 | 243,592 | 2,467,612 | 2,752,026 |

Sailors' Children's Society

Statement of Financial Activities year ended 31st March 2022

(incorporating Income and Expenditure account) – Previous year.

| | Note | Un-restricted Funds £ | Restricted Funds £ | Designated Funds £ | Total 2022 £ | Total 2021 £ |
|---|------|-----------------------------|--------------------------|--------------------------|--------------------|--------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 3 | 243,885 | 451,070 | - | 694,955 | 843,418 |
| Activities for generating funds | 4 | 124,876 | | | 124,876 | 35,997 |
| Investments | 5 | 42,847 | | | 42,847 | 77,215 |
| Total | | 411,608 | 451,070 | | 862,678 | 956,631 |
| Expenditure on: | | | | | | |
| | 6 | | | | | |
| Raising funds | | | | | | |
| Fundraising and other costs | | 129,813 | | | 129,813 | 92,618 |
| Investment management costs | | 17,265 | | - | 17,265 | 15,678 |
| Charitable activities | | | | | | |
| Direct costs | | 174,133 | 467,727 | 46,228 | 688,088 | 866,257 |
| Support costs | | 13,678 | | | 13,678 | 14,400 |
| Governance costs | | | | | | |
| Direct costs | | 4,200 | | | 4,200 | 3,926 |
| Support costs | | 11,724 | | | 11,724 | 12,343 |
| Total resources expended | | 350,813 | 467,727 | 46,228 | 864,768 | 1,005,221 |
| Operating income/(expenditure) | | 60,796 | (16,657) | (46,228) | (2,089) | (48,591) |
| Gain/(loss) revaluation of investment | | 85,590 | | | 85,590 | 334,424 |
| Net income/(expenditure) | | 146,386 | (16,657) | (46,228) | 83,501 | 285,833 |
| Other recognised gains/losses | | | | | | |
| Gain on disposal of fixed assets | | 42,796 | | | 42,796 | |
| Net movement in funds | | 189,182 | (16,657) | (46,228) | 126,297 | 285,833 |
| Reconciliation of funds | | | | | | |
| Funds balances b/f at 1st April 2021 | | 2,042,812 | 177,703 | 405,214 | 2,625,729 | 2,339,896 |
| Fund balances c/f at 31st March 2022 | | 2,231,994 | 161,046 | 358,986 | 2,752,026 | 2,625,729 |

Sailors' Children's Society

Balance Sheet Year Ended 31st March 2023

| | | 2023 | | 2022 | |
|---|------|---------------|------------------|----------------|------------------|
| | Note | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | | 195,118 | | 146,507 |
| Investments | 12 | | 2,219,653 | | 2,439,446 |
| | | | 2,414,771 | | 2,585,953 |
| Current assets | | | | | |
| Debtors | 13 | 88,909 | | 164,741 | |
| Cash at bank and in hand | | 10,362 | | 107,401 | |
| | | 99,271 | | 272,142 | |
| Creditors: amounts falling due within one year | | | | | |
| Creditors | 14 | 46,430 | | 106,069 | |
| Net current assets | | | 52,841 | | 166,072 |
| Net assets | | | 2,467,612 | | 2,752,025 |
| Funds of the charity | | | | | |
| Restricted funds | 18 | | 180,348 | | 161,046 |
| Unrestricted funds | 19 | | 2,043,672 | | 2,231,994 |
| Designated funds | | | 243,592 | | 358,986 |
| | | | 2,467,612 | | 2,752,026 |

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 3rd August 2023 and signed on their behalf by:

.....
Captain CC W Towne -Chairman

.....
Nic Dodd – Vice Chair

The annexed notes form part of the financial statements

Sailors' Children's Society

Cash Flow Year Ended 31st March 2023

| | 2023 | 2022 | Note |
|--|------------------|----------------|----------------|
| | £ | £ | |
| Cash flows from operating activities: | (148,797) | 125,728 | Table A |
| Cashflows from investing activities: | | | |
| Dividends from investments | 47,664 | 42,847 | |
| Proceeds from the sale of property, plant & equipment | 28,483 | 48,806 | |
| Payments to acquire investments | 60,000 | - | |
| Purchase of property, plant and equipment | (107,800) | - | |
| Net cash provided by/(used in) investing activities | 28,347 | 91,653 | |
| Change in cash and cash equivalents in the reporting period | (120,450) | 217,381 | |
| Cash and cash equivalents at the start of the reporting period | 107,401 | (109,980) | Table B |
| Cash and cash equivalents at the end of the reporting period | (13,049) | 107,401 | |

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

| | 2023 | 2022 |
|--|------------------|----------------|
| | £ | £ |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (284,414) | 126,297 |
| Adjustments for : | | |
| Depreciation charges | 53,194 | 48,881 |
| Profit on sale of fixed assets | (22,487) | (42,796) |
| (Gains)/losses on investments | 159,792 | (68,329) |
| Dividend s, interest and rents from investments | (47,664) | (42,847) |
| Increase/(decrease) in debtors | 75,832 | 45,289 |
| Increase/(decrease) in creditors | (83,050) | 59,233 |
| Net cash provided by/(used in) operating activities | (148,797) | 125,728 |

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

| | 2023 | 2022 |
|--|-----------------|----------------|
| | £ | £ |
| Cash in hand | 10,362 | 107,401 |
| Overdraft facility repayable on demand | (23,411) | - |
| Total cash and cash equivalents | (13,049) | 107,401 |

Sailors' Children's Society

Notes to the Financial Statements Year Ended 31st March 2023

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.

Sailors' Children's Society

Notes to the Financial Statements Year Ended 31st March 2023

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.

ii). 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.

i). Fixed assets

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

Sailors' Children's Society

Notes to the Financial Statements Year Ended 31st March 2023

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.

n). 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 £ | 2023 £ | Un-restricted £ | Restricted £ | 2022 £ |
|----------------------------------|--------------------|-----------------|----------------|--------------------|-----------------|----------------|
| Seafarers UK | - | 70,000 | 70,000 | - | 70,000 | 70,000 |
| Trinity House | - | 78,200 | 78,200 | - | 65,935 | 65,935 |
| Royal Navy Royal Marines Charity | - | 165,000 | 165,000 | - | 239,000 | 239,000 |
| Merchant Navy Welfare Board | - | 5,796 | 5,796 | - | 5,730 | 5,730 |
| Fishermen's Mission | - | - | - | - | 30,360 | 30,360 |
| 200 Business Club | - | 15,997 | 15,997 | - | 25,585 | 25,585 |
| John Landsdown | 30,000 | - | 30,000 | - | - | - |
| Covenants, donations and trusts | 63,088 | 41,160 | 104,247 | 40,515 | 14,460 | 54,975 |
| Legacies | 10,272 | - | 10,272 | 203,370 | - | 203,370 |
| Total | 103,360 | 376,152 | 479,512 | 243,885 | 451,070 | 694,955 |

Sailors' Children's Society

Notes to the Financial Statements Year Ended 31st March 2023

| 4). Charitable activities | Unrestricted £ | Restricted £ | 2023 £ | 2022 (All Unrestricted) £ | | |
|---|---------------------|-----------------|------------------------------|---------------------------------|-----------|-----------|
| Fundraising: | | | | | | |
| Special events | 103,089 | | 103,089 | 123,487 | | |
| Continuous activities | 4,125 | - | 4,125 | 1,389 | | |
| Total | 107,214 | - | 107,214 | 124,876 | | |
| 5). Investments | Unrestricted £ | Restricted £ | 2023 £ | 2022 £ | | |
| Dividends received | 47,664 | - | 47,664 | 42,847 | | |
| Total | 47,664 | - | 47,664 | 42,847 | | |
| 6a). Total resources expended Costs directly allocated to activities | Basis of allocation | Fundraising | Relief to Seafarers Families | Governance | 2023 £ | 2022 £ |
| Monthly grants to families | Direct | - | 209,313 | - | 209,313 | 243,388 |
| Clothing grants | Direct | - | 54,880 | - | 54,880 | 63,485 |
| Christmas grants | Direct | - | - | - | - | - |
| Special grants | Direct | - | 69,071 | - | 69,071 | 107,077 |
| Home computers | Direct | - | 13,952 | - | 13,952 | 12,819 |
| Family holiday scheme | | | | | | |
| Holiday grants | Direct | - | 12,000 | - | 12,000 | 9,560 |
| Caravan running costs | Direct | - | 114,441 | - | 114,441 | 98,153 |
| Salaries and redundancy | Direct | 53,587 | 119,248 | - | 172,834 | 203,635 |
| Administration and event costs | Direct | 47,389 | 19,374 | 4,252 | 71,016 | 70,307 |
| Sub total | | 100,976 | 612,280 | 4,252 | 717,508 | 808,423 |
| Support costs allocated to activities | | | | | | |
| Basis of allocation | | 35% | 35% | 30% | | |
| General office and finance | Staff time | 22,367 | 22,367 | 19,171 | 63,905 | 39,079 |
| Total | | 22,367 | 22,367 | 19,171 | 63,905 | 39,079 |
| Investment management fees | | | | | 16,712 | 17,265 |
| | | | | | 798,125 | 864,768 |

Sailors' Children's Society

Notes to the Financial Statements Year Ended 31st March 2023

6b).Staff costs

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

| | 2023 Number | 2022 Number |
|--|----------------|----------------|
| Fundraising | 1.4 | 1.7 |
| Relief for seafarers' families | 3.0 | 3.8 |
| Administration | 0.4 | 0.3 |
| Total | 4.8 | 5.8 |
| Actual average monthly number of staff | 5.0 | 7.0 |

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

| | 2023 | 2022 |
|--------------------|----------------|----------------|
| Wages and Salaries | 172,984 | 204,454 |
| Social security | 11,419 | 13,650 |
| Pension costs | 8,463 | 10,217 |
| Total | 192,866 | 228,322 |

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

| | 2023 | 2022 |
|------------------------|------|------|
| Band £70,000 - £80,000 | - | 1 |

The aggregate for key management personnel salary and pension and employer NIC contributions was £61,500 (2022 £83,426).

The charity runs a defined contribution pension scheme for the benefit of its employees. Total pension costs for the year were £8,463 (2022: £10,217). Total contributions due to the scheme as at 31 March 2023 were £1,418 (2022: £3,125).

7). Trustees' remuneration

The Trustees were not entitled to and did not receive any remuneration or travel expenses from the charity during the year (2022: nil). Donations from Trustees during the year total £0 (2022: £295).

Sailors' Children's Society

Notes to the Financial Statements Year Ended 31st March 2023

8). Operating lease rentals

| | 2023 | 2022 |
|---------------------|-------|-------|
| | £ | £ |
| Plant and equipment | 2,165 | 5,969 |

9). Net incoming resources for the year

This is stated after charging:

| | 2023 | 2022 |
|--------------------------|--------|--------|
| | £ | £ |
| Auditors' remuneration : | | |
| Audit | 3,500 | 3,500 |
| Advice | | |
| Depreciation | 53,194 | 48,881 |

10). Interest payable and similar charges

| | 2023 | 2022 |
|----------------|------|------|
| Bank Overdraft | 473 | 562 |

11). Tangible assets

| | Caravans | Fixtures & Fittings | Total |
|--------------------------|----------|---------------------------|----------|
| | £ | £ | £ |
| Cost (valuation) | | | |
| At 1st April 2022 | 331,959 | 53,038 | 384,997 |
| Additions | 107,183 | 617 | 107,800 |
| Disposals | (37,471) | - | (37,471) |
| At 31st March 2023 | 401,671 | 53,655 | 455,326 |
| Depreciation | | | |
| At 1st April 2022 | 205,989 | 32,501 | 238,490 |
| Provided during the year | 46,810 | 6,384 | 53,194 |
| Disposals | (31,476) | - | (31,476) |
| At 31st March 2023 | 221,323 | 38,885 | 260,208 |
| Net book value | | | |
| At 31st March 2022 | 125,970 | 20,537 | 146,507 |
| At 31st March 2023 | 180,348 | 14,770 | 195,118 |

Sailors' Children's Society

Notes to the Financial Statements Year Ended 31st March 2023

11). Tangible assets (continued)

The net book value at 31st March 2023 represents fixed assets used for:

| | Caravans | Fixtures & Fittings | Total |
|-----------------------------------|----------|---------------------|---------|
| Direct Charitable Services | | | |
| Family Holiday Scheme | 180,348 | - | 180,348 |
| Other Purposes | | | |
| Administration | - | 14,770 | 14,770 |

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.

12). Investments

| | 2023 |
|---|------------------|
| | £ |
| Market value at 1 st April 2022 | 2,439,446 |
| Additions | - |
| Disposals | (60,000) |
| Increase/(decrease) in value for the year | (159,793) |
| Market value at 31st March 2023 | 2,219,653 |

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

| | 2023 |
|-------------------------|------------------|
| | £ |
| UK fixed interest | 372,998 |
| Alternative investments | 396,603 |
| Over seas index linked | 60,815 |
| UK equities | 378,598 |
| Other equities | 912,486 |
| Cash | 98,153 |
| Total | 2,219,653 |

Post year end the charity has commenced transferring investments into lower risk cash deposits.

13). Debtors

| | 2023 | 2022 |
|--|---------------|----------------|
| | £ | £ |
| <i>Amounts falling due within one year</i> | | |
| Other debtors | 14,585 | 3,231 |
| Prepayments and accrued income | 74,325 | 143,934 |
| Legacies | - | 17,575 |
| Total debtors | 88,909 | 164,741 |

Sailors' Children's Society

Notes to the Financial Statements Year Ended 31st March 2023

| 14).Creditors | 2023 | 2022 |
|------------------------------|---------------|----------------|
| | £ | £ |
| Bank overdraft | 23,411 | - |
| Trade creditors | 6,280 | 89,690 |
| Accruals and deferred income | 10,933 | 8,234 |
| Tax and social security | 4,388 | 5,020 |
| Other creditors | 1,418 | 3,125 |
| Total creditors | 46,430 | 106,069 |

The bank overdraft is repayable on demand.

15). Operating lease commitments

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

| | 2022 | 2023 |
|--|-------|-------|
| | £ | £ |
| Not later than 1 year | 2,165 | 2,604 |
| Later than 1 year and not later than 5 years | 4,330 | 7,812 |

16).Charitable commitments

| | 2023 | 2022 |
|-----------------------|---------|---------|
| | £ | £ |
| Grants to families | 347,217 | 426,769 |
| Family holiday scheme | 126,441 | 107,713 |

17).Capital commitments

| | 2023 | 2022 |
|---|----------|---------------|
| | £ | £ |
| Contracted for but not provided in these accounts | - | - |
| Outright purchases | - | 78,700 |
| Finance leases | - | - |
| Total | - | 78,700 |

Sailors' Children's Society

Notes to the Financial Statements Year Ended 31st March 2023

18). 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 31 st March 2022 | Incoming resources | Resources expended | Disposal on Fixed Assets | Transfers from Designated Funds | Balance at 31 st March 2023 |
|------------------------------------|--|--------------------|--------------------|--------------------------|---------------------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Seafarers UK | - | 70,000 | (70,000) | - | - | - |
| Trinity House London | - | 78,200 | (78,200) | - | - | - |
| Royal Navy Royal Marines Charity | - | 165,000 | (165,000) | - | - | - |
| Donations | - | 41,160 | (41,160) | - | - | - |
| Merchant Navy Welfare Board | - | 5,796 | (5,796) | - | - | - |
| Caravan Appeal & 200 Business Club | 161,046 | 15,997 | (46,810) | 22,487 | 27,628 | 180,348 |
| Total | 161,046 | 376,152 | (406,966) | 22,487 | 27,628 | 180,348 |
| | Balance at 31 st March 2021 | Incoming Resources | Resources Expended | Disposal on Fixed Assets | Transfers from Designated Funds | Balance at 31 st March 2022 |
| | £ | £ | £ | £ | £ | £ |
| Seafarers UK | - | 70,000 | (70,000) | - | - | - |
| Trinity House London | - | 65,935 | (65,935) | - | - | - |
| Royal Navy Royal Marines Charity | - | 239,000 | (239,000) | - | - | - |
| Fishermen's Mission | - | 30,360 | (30,360) | - | - | - |
| Donations | - | 14,460 | (14,460) | - | - | - |
| Merchant Navy Welfare Board | - | 5,730 | (5,730) | - | - | - |
| Caravan Appeal & 200 Business Club | 177,703 | 25,585 | (42,242) | - | - | 161,046 |
| Total | 177,703 | 451,070 | (467,727) | - | - | 161,046 |

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 to raise funds to replace part of the existing fleet of caravans from when the Society celebrates its 200th anniversary in 2021. These funds are then released in line with the depreciation charge.

Sailors' Children's Society

Notes to the Financial Statements Year Ended 31st March 2023

19). Unrestricted Funds

| | Balance at 31st March 2022 | Income £ | Expenditure £ | Transfer £ | Balance at 31st March 2023 |
|---------------------------|-------------------------------|----------------|------------------|-----------------|-------------------------------|
| Accumulated fund: general | 2,231,994 | 258,238 | (446,560) | - | 2,043,672 |
| : designated | 358,986 | - | (87,766) | (27,628) | 243,592 |
| Total | 2,590,980 | 258,238 | (534,325) | (27,628) | 2,287,264 |

| | Balance at 31st March 2021 | Income £ | Expenditure £ | Transfer £ | Balance at 31st March 2022 |
|----------------------------|-------------------------------|----------------|------------------|---------------|-------------------------------|
| Accumulated fund : general | 2,042,812 | 454,404 | (265,223) | - | 2,231,994 |
| : designated | 405,214 | - | (46,228) | - | 358,986 |
| Total | 2,448,026 | 337,068 | (25,549) | - | 2,590,980 |

| Funds balances at 31st March 2023 are represented by: | Unrestricted Funds £ | Restricted Funds £ | Designated Funds £ | Total Funds £ |
|---|-------------------------|-----------------------|-----------------------|------------------|
| Tangible fixed assets | 14,770 | 180,348 | - | 195,118 |
| Investments | 1,969,653 | - | 250,000 | 2,219,653 |
| Current assets | 105,679 | - | (6,408) | 99,271 |
| Creditors due within one year | (46,430) | - | - | (46,430) |
| Total | 2,043,672 | 180,348 | 243,592 | 2,467,612 |

| Funds balances at 31st March 2022 are represented by: | Unrestricted Funds £ | Restricted Funds £ | Designated Funds £ | Total Funds £ |
|---|-------------------------|-----------------------|-----------------------|------------------|
| Tangible fixed assets | 20,537 | 125,970 | - | 146,507 |
| Investments | 2,129,446 | - | 310,000 | 2,439,446 |
| Current assets | 110,380 | 112,776 | 48,986 | 272,142 |
| Creditors due within one year | (28,369) | (77,700) | - | (106,069) |
| Total | 2,231,994 | 161,046 | 358,986 | 2,752,026 |

The Trustees previously designated £510,000 of funds to provide for additional support to families during the school holidays and for students living away from home along with replacement computers systems and equipment at the Society. There is a further element to provide for the short fall in funding for replacement of respite caravans.

Sailors' Children's Society

Notes to the Financial Statements Year Ended 31st March 2023

20).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.

21).Related party transaction

There are no related party transactions during the period (2022-nil) in addition to the transactions with Trustees as disclosed in Note 7.