



ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

TABLE OF CONTENTS

Reference and administrative data	Pages 1-2
Trustees' Annual Report 2023	Pages 3-15
Statement of Responsibilities of the Trustees	Page 16
Independent Auditor's Report to the Trustees	Pages 17-20
Statement of Financial Activities	Page 21
Balance Sheet	Page 22
Statement of Cash Flows	Page 23
Notes to the Financial Statements	Pages 24-42

REFERENCE AND ADMINISTRATIVE DATA



Patron

Her Majesty Queen Elizabeth II (1951-2022)
His Majesty King Charles III (from May 2024)

President

HRH The Duke of Edinburgh KT KG GCVO

Vice Presidents

The Chaplain of the Fleet
Admiral of the Fleet Sir Benjamin Bathurst GCB DL
Admiral Sir Jock Slater GCB LVO DL
Sir John Ritblat FRICS
F. M. Everard CBE
Captain D. C. Glass OBE MNM (Merchant Navy Medal)
Rt. Rev & Rt Hon Dame Sarah Mullally DBE
The Rt. Hon. The Lord Mayor of the City of London
The Rt. Worshipful The Lord Mayor of Westminster

Trustees

Mr Paul Butterworth AFNI (**Chair**)
Mr William Reid (**Deputy Chair**)
Mr Duncan Bain FCA (Chair of the Finance and Audit Committee)
Mrs Fleur Bassett (Surgeon Rear Admiral Fleur Marshall KHP RN)
Mr Nigel Blazeby (Chair of the Impact Committee from 19 September 2023)
Ms Deborah Cavaldoro
Captain Lee Clarke AFRIN (Chair of the Development Committee from 5 December 2023)
Mr Peter French (Chair of the Governance and Risk Committee from 28 June 2023)
Mr Martyn Gray
Mr Robert Greenwood MNM (Chair of the Impact Committee until 19 September 2023)
Mr Gerald Kidd
Ms Monica Kohli (Appointed 28 June 2023)
Mr William Lawes
Rear Admiral Iain Lower CB (Chair of the Development Committee) (Retired 5 December 2023)
Mr Jeremy Monroe (Chair of the Governance and Risk Committee) (Retired 28 June 2023)
Ms Natalie Shaw MBE FCIPD

Chief Executive

Mrs Deborah Layde

Operational name

The charity, Seafarers UK (King George's Fund for Sailors), operates under the name The Seafarers' Charity.

Registered office and operational address

8, Hatherley Street, London, SW1P 2QT

Charity Number 226446 (in England and Wales).
 SC038191 (in Scotland).

Auditors

Sayer Vincent LLP
110 Golden Lane, London, EC1Y 0TG

Bankers

National Westminster Bank plc
280 Bishopsgate
London, EC2M 4RB

Investment Managers

Ruffer LLP
80 Victoria Street
London, SW1E 5JL

Meridiem Investment Management Ltd (formerly Veritas Investment Partners)
Riverside House, 2a Southwark Bridge Road
London SE1 9HA

Abrdn Asset Managers
50 Lothian Road
Festival Square
Edinburgh, EH3 9WJ

1. SUMMARY

The trustees present their report and the audited financial statements for the year ended 31 December 2023.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the charity's Royal Charter and the Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

2. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

We support those who work at sea and their families globally. Our Vision is a world where seafarers and their families are valued and are free of need and disadvantage. Our Mission is to tackle the disadvantages of a seafaring life by leading collaboration, funding and advocacy that improves seafarers' lives. We seek to achieve this through working with, and grant funding, delivery partners and through directly commissioned advocacy and research.

We undertook a refresh of our strategy at the end of 2023, and this work now takes us through to 2030 with updated goals and Key Performance Indicators (KPIs) to ensure Trustees can clearly see the progress that is being made throughout the organisation as we work towards our goals. Our five strategic outcomes remain the same in terms of what we wish to achieve for seafarers and their families. These are Enhanced Financial Resilience; Better Working Lives at Sea; Improved Health and Wellbeing; Safer Working Lives at Sea; and Social Justice.

Trustees consider the Charity Commission guidance on public benefit when planning future activities, setting grant-making policies and in making grants. The positive impact expected from each grant is considered before a grant is awarded and monitored. This enables Trustees to be confident that the Charity achieved significant public benefit for several groups and individuals across the UK, the Commonwealth and globally. A diverse range of public benefit is provided by the number of charities and organisations we support each year, as they work to prevent the relief of poverty, advancement of health, and help people in need caused by disadvantage. Further information on the impact we have made can be found in the section below on achievement and performance and in our separately published Impact report, which can be found at <https://www.theseafarerscharity.org/what-we-do/our-impact>

3. ACHIEVEMENTS AND PERFORMANCE

Our grant-making is informed by the front-line work of the delivery partners we fund. We work closely with our delivery partners to enable greater impact to be achieved through supporting networking and collaboration, convening working groups and joining up aligned initiatives. Our position as the largest independent grant funder of maritime welfare services

affords unique insight and opportunities at the heart of an eco-system of maritime welfare services for people working at sea, and their families.

In 2023 there were 67 grants awarded to 50 different organisations who support the safety and welfare of seafarers, whether working or retired, in many different ways and with a wide range of welfare and support services. These services range from ship visiting, debt advice, hardship grants, relationship counselling and support for victims of sexual violence and harassment at sea. A total of just over £2.4m was awarded in grants and direct spending on advocacy, further details of which can be found on our website. Of this amount:

- £2.3m (96%) was awarded to charities registered in the UK. Outside of the UK we supported the International Christian Maritime Association, a seafarers' centre in the Falkland Islands and Mortrans Welfare Fund to aid Ukrainian seafarers and their families who have been displaced or impacted by the war in Ukraine.
- £1.9m (79%) contributed to an organisation's essential core costs, with the remaining 21% (£0.5m) awarded to support bespoke projects and innovations that benefit the welfare and safety of seafarers.
- £1.3m (54%) in grants supported services provided just for UK seafarers, whereas 46% (£1.1m) supported services for all seafarers – including global seafarers and UK citizens who are active seafarers.
- Of the total amount awarded, 84% (£2.0m) paid for welfare services such as ship visiting and hardship grants, whereas 16% (£0.4m) paid for preventative services which aim to tackle systemic problems at the root cause (such as bullying, sexual harassment and safety improvements).

In March 2023 we published our new funded research on The Port-based Welfare Needs of Women Seafarers from the Seafarers International Research Centre at Cardiff University. The research focused on women working on cargo ships and revealed their feelings of isolation and fear of sexual violence and harassment in a male dominated work environment as well as the lack of basic support for menstruation and other gender specific needs. To raise awareness of the report and the welfare needs of women seafarers that had been identified, an online seminar was held in partnership with the International Christian Maritime Association.

As a consequence of the research, online seminar and subsequent discussions that have taken place, many maritime welfare charities are now taking steps to recruit more female ship visitors, to ensure seafarer centres are stocked with feminine products and to proactively check in on women known to be part of a vessel's crew. To achieve Better Working Lives for women seafarers, The Seafarers' Charity also funded Sailors Society to develop peer group support for women seafarers globally. We committed funding to support the core costs of Salute Her UK to deliver trauma counselling in a single sex environment for women seafarers who have experienced sexual violence or harassment. In a new partnership with UK P&I Club and TK Foundation we committed co-funding for a three-year period to support the first member of staff to be employed at Safer Waves. Safer Waves is a new charity that supports all seafarers – male and female – who have experienced sexual violence or gender discrimination while working at sea. In 2024 we will develop a new campaign aimed at promoting and improving the safety of women seafarers. The research on The Port-based Welfare Needs of Women Seafarers is an example of how our funding of

research can help identify seafarers' welfare needs and inform our funding priorities to support these needs.

Growing concerns about the impact on seafarers' mental health of bullying, harassment, discrimination and violence at sea led The Seafarers' Charity to join forces with other similar maritime welfare charities with a global reach and shared values to achieve Better Working Lives at Sea. We want to raise awareness of the support that exists and ensure that seafarers know that they do not, and should not, have to tolerate inappropriate behaviour and toxic leadership when working at sea. The network aims to promote effective joined-up working, avoid duplication and to complement, contribute to, accelerate and amplify existing initiatives to create safe, positive working cultures for all seafarers. One newly funded initiative arising from this collaboration is our funding support for the development of a new training course from The Nautical Institute on Leadership and Management in a Maritime Context. The training aims to enhance leadership and management skills and to promote a shift in cultural expectations about acceptable workplace behaviours. It is anticipated that, over time, this may lead to a reduction in unacceptable behaviour onboard, improved leadership and, consequently, an improvement in the mental health and welfare of seafarers.

Another increasing area of concern and newly identified need is the welfare of crew working on superyachts. In partnership with UK Sailing Academy (UKSA) we convened two Superyacht Crew Welfare Roundtables which brought together many industry professionals, crewing agents, charities, and trade unions to consider how welfare support for superyacht crew could be strengthened. From the roundtables a small working group was formed. The group, now known as Changing Tack on Crew Welfare is chaired by The Seafarers' Charity and brings together the combined strengths of UKSA, the International Seafarers Welfare & Assistance Network (ISWAN) who run the Yacht Crew Helpline and Nautilus International who have over 4,000 superyacht crew in trade union membership. Early in 2024 the Changing Tack on Crew Welfare working group shared its work in an online seminar with the superyacht industry. Meanwhile there are a number of projects in development to strengthen and raise awareness of the range of support available to support superyacht crew to have Better Working Lives at Sea.

This year we renewed and stepped up our commitment to delivering on our Royal Charter object to promote Safer Working Lives at Sea. We were pleased to announce two new partnerships to improve fishing safety. The first, with the National Federation of Fisherman's Organisations (NFFO), aims to support improvements in fishing safety in the UK. During the year this included funding support for employment of the NFFO's Risk, Safety and Training Lead, a series of Fish Safe short educational YouTube films and funding a series of tests run by the Wolfson Unit on fishing vessel stability.

Our second fishing safety project aims to improve fishing safety throughout the globe. We were pleased to be asked by the Lloyd's Register Foundation to manage a new International Fund for Fishing Safety. Funded by the Lloyd's Register Foundation, we will work in partnership with the Fishing Industry Safety and Health (FISH) Platform (an international group of fishing safety experts) to identify and fund safety projects that will have the greatest impact on improving fishing safety. The Fund is specifically targeted on the Global South which is home to 80% of the world's fishers. We view this as an exciting development in our push to ensure Safer Working Lives at Sea for fishers all around our world.

Both of our fishing safety partnerships were spotlighted in a funded meeting of MPs at the All-Party Parliamentary Group (APPG) on Fisheries. In September, representatives from The Seafarers' Charity, NFFO and FISH Platform presented to Parliamentarians. From the APPG a policy brief has been developed which sets out our view that UK regulation of fishing safety needs to be improved through working with industry and developing an enhanced safety culture.

Broader maritime safety is the subject of a new podcast called Sea Views that we funded for the first time in 2023. Already the podcast has produced interesting episodes on new green fuels, toxic leadership, maritime pilots and the role of P&I Insurance. In 2024 we will explore what more we can do to support seafarers to have safer working lives at sea.

We were pleased to formally recognise the work of three of our funded charities who demonstrated accessibility, innovation and collaboration. Representatives from the International Seafarers Welfare & Assistance Network, CHIRP Maritime and Fishing Into the Future were presented with the President's Award by our President His Royal Highness, the Duke of Edinburgh at our Annual Meeting held at Waterman's Hall in June.

We continued our staff led Equity, Diversity and Inclusion journey which we began in 2020 following the death of George Floyd. We were delighted when our efforts were recognised by being shortlisted for the Safety4Sea's Crew Welfare Diversity & Inclusion Award for focusing on the welfare needs of women on cargo ships. We were also amongst the finalists for the Diversity and Inclusion Champion Award at the Maritime UK Awards 2023.

4. FUNDRAISING ACTIVITIES AND PRACTICES

The Seafarers' Charity is committed to fundraising in a legal, honest, respectful and transparent way. We aspire to do what is right for our supporters and remain fully committed to the principles laid out in our 'Supporter Promise' on our website ([Supporter Promise | The Seafarers' Charity \(theseafarerscharity.org\)](https://theseafarerscharity.org)).

The Seafarers' Charity carries out its core fundraising activities through a dedicated team working remotely and at its London office as well as through a small number of regional volunteers who engage in some fundraising activities across the UK.

The Charity's Development Team generates income through a mix of donations received from charitable trusts and foundations, corporate partnerships, individual donations and legacies, as well as fundraising challenge events.

In 2023 our fundraising performance was successful, and we exceeded our target budget by £0.5m. A notable highlight was support generated posthumously from legacy donors which contributed £1.4million to our fundraising income and is already supporting the generation of seafarers who come after our legacy donors. In addition, our year end Trust and Foundation income was boosted by the donation of the proceeds from the sale of a Victoria Cross awarded to a former Furness Withy employee. Harold Mugford was awarded the Victoria Cross for his valiant efforts during the Great War. The proceeds came to us via our long association with the Laurence Misener Charitable Trust.

As mentioned on page 5, our collaboration with Lloyd's Register Foundation initiated the creation of the International Fund for Fishing Safety, which The Seafarers' Charity will manage, and which received an initial £0.2m at the end of 2023 for the setup of this fund. There is more on this partnership on page 5 and in the Financial Review section, on page 8.

Development Committee Trustees agreed a new fundraising strategy focusing on positive return on investment and building on what we do well. Legacy income comprises 60% of funds raised and to leverage this strength we will intensify efforts towards connecting with potential legacy donors. Furthermore, in 2024, we aim to leverage our ties within the maritime sector, re-establish corporate partnerships and engage with companies who share our values to enhance the welfare of seafarers. This alignment will bolster our support for and subscription to fundraising challenge events, regular donors, sponsorships, and future legacy commitments. The Seafarers' Charity aims to expand its income through innovation. The Charity also seeks to build stronger relationships.

Fundraising standards

Committed to fundraising excellence, The Seafarers' Charity is registered with the Fundraising Regulator, adhering to its Code of Fundraising Practice. We value supporter feedback for continual improvement and received no formal fundraising complaints this year. We remain vigilant in monitoring our practices to maintain excellence. The Fundraising Regulator badge prominently displayed on our website and materials underscores our adherence to best practices, alongside compliance with General Data Protection Regulations.

General Data Protection legislation (GDPR)

The Seafarers' Charity has fostered a culture of GDPR compliance, respecting supporters' privacy. We only contact supporters who explicitly give their consent. We provide opt-out options and comply with GDPR regulations in all our communications. We are diligent in the management of data, ensuring all supporter data is properly protected, correctly used and safely stored. Our policies are transparent in our notices on our website and we uphold data protection through regular training of our staff and via internal controls and safeguards.

Supporter data and working with third-party fundraisers

We never share personal data with third party organisations for their own use. However, we collaborate with third-party organisations to assist with data processing, particularly those organisations with fundraising expertise. These external partners are carefully vetted and selected and share our commitment to privacy and data protection. We have written agreements with all third-party partner organisations involved in fundraising activities, outlining the legal obligations regarding data collection, storage, processing and sharing.

We have strengthened our data governance framework to ensure accountability, transparency, and compliance across all data processing activities. We have introduced a 'Know your Donor' policy to establish a clear process and procedure to ethically manage fundraising income. In addition, we have enhanced our workflows and communication channels to ensure we are timely in responding to individuals' rights over their personal data.

Volunteers

Our regional volunteers and longtime supporters, notably in Felixstowe and Bath, have continued to contribute to our fundraising income in 2023. We also have a key volunteer in our head office who provides support to us in a variety of ways, namely on policy development and governance insight, as well as contributing to external committees as needed. We are very grateful for their support.

Protecting vulnerable people

Understanding and protecting people in vulnerable circumstances is of paramount importance to us: we recognise that we may occasionally come into contact with people who are in a potentially vulnerable situation, or who may lack the capacity to make an informed decision about their giving. We follow guidelines regarding people in potentially vulnerable situations, and how to manage any interactions we may have with them. Our policy is informed by the Institute of Fundraising's 'Treating Donors Fairly Guidance'.

5. FINANCIAL REVIEW

The overall financial position of the charity has been stable during the year with a very small overall surplus of £2,000 for financial year 2023. Investment returns exceeded inflation after a disappointing 2022, although they were around 2% lower than our long-term annual investment return target. An increase of £0.6m in annual legacy giving offset the slight underperformance of investments against our long-term targets. Reserves were stable at £38.5m reflecting a reduction in real terms of £1.5m over the year, slightly above our annual target for reducing the real value of reserves by 50% between 2015 and 2035.

Our stable financial position and strong financial resources remain critical factors in our ability to support the maritime welfare sector in a sustainable and stable way through times of financial challenge like we have seen in the last few years. We were able to spend over £3m again in 2023 on activity related directly to making impact. This spend was possible despite us not benefitting in 2023 from a large financial funding partnership as we had in 2022 when we raised £0.4m additional funds for our Seafarers International Relief Fund and International Ports and Harbours Association funds. However, we were delighted to sign an agreement with Lloyds Register Foundation during 2023 that will provide funds over 2023/24 for a further £0.5m direct impact spend on initiatives to improve safety at sea. Section 3 on achievements and performance highlights some of the ways in which the £3m spent on impact during 2023 has been used to make a real difference to seafarers in the UK, Commonwealth and globally.

Our approach to fundraising has benefitted from a strategic review and refresh during 2023. During 2023, we consolidated our fundraising spend on our areas of strength around donations and legacies from our loyal individual supporters, donations from Trusts and Foundations who continue to be so generous in their funding and our 24 Peaks and London Marathon events that allow a wider audience to play a part in our vital work through both participation and sponsorship. We have plans to devote further financial resources to develop these strengths alongside working more closely with partner organisations with an interest in providing additional funding to the maritime welfare sector such as the Lloyds Register Foundation. While pleased that our overall return on fundraising investment after allocated costs rose to 2.3 x costs during 2023, compared with 1.7 x costs during 2022, we

continue to target increasing returns on the financial resources we invest in fundraising as we implement our refreshed strategy.

Investment Policy

The investments are maintained for the Charity's current and future needs. The investment policy balances the need for capital protection with the desire to secure investment returns. The Investment Managers are set targets to utilise their professional expertise. The Finance and Audit Committee oversee the management and performance of our investment managers. Investment managers report and discuss actual performances at each Finance and Audit Committee; this is then conveyed to each Trustee Board. The investment managers are allowed to use certain derivatives for protection purposes. The Seafarers' Charity promotes the health of seafarers and does not invest in any company which derives 10% or more of their income from tobacco products. The Seafarers' Charity also ensures that our asset managers apply effective social, environmental, and ethical policies that support our charitable objectives and values.

Reserves Policy

The Seafarers' Charity is grateful to past supporters who have enabled the charity to build a healthy level of reserves over the last 50 years. This financial strength is critical to the crucial role that The Seafarers' Charity plays in the ecosystem of maritime welfare support in the UK and globally. Uniquely, as an independent charity, we are able to rely on our financial strength to allow us to make long term commitments where others are unable to do this in an uncertain world. This is vital to smaller welfare charity partners in the sector who as a result of our financial strength are able to plan and invest confidently in the medium to long term projects needed to make a lasting impact on seafarers' welfare.

The needs of people who work in the maritime industry have been increasing in recent years and we believe they will continue to do so in the decades to come. This will be driven by known factors such as the growing global maritime trade and the continued cost of living pressures combined with greater uncertainties arising from more unpredictable major global factors (natural events such as tsunamis and extreme weather as well as wars, piracy, and civil unrest) and moves to increased automation in the maritime industry.

As a result, the Trustees of The Seafarers' Charity have adopted an approach to use reserves both to underpin meeting this growing need and to ensure that we remain a key supporter of seafarers for the longer term.

To that end, the Trustees have designated the following funds;

1. The Seafarers' Impact Boosting Fund. The Trustees have decided to reduce our reserves by 50% in real terms from 2015 to 2035, allowing us to boost our impact funding during this period by c.£1.3m per year including across endowment funds. The value of this fund at the end of 2023 was £11.9m.
2. The Future Seafarers' Fund. To ensure our ability to meet the longer-term needs of seafarers and their families, 50% of the real value of our reserves from 2015 has been set aside to
 - maintain a meaningful level of grant giving to support our work beyond 2035
 - to retain up to 5 years' worth of grant giving in the event the charity were to cease to function, thus ensuring other maritime charities reliant on our support are not

immediately subject to financial stress and have some assurance of funding during the aftermath.

- to support the running down costs of the charity for 5 years in the event it was to cease trading or require a major restructuring.

The value of this fund was £18.1m at the end of 2023.

Following declines in inflation adjusted investment values over the last few years, the value of our unrestricted reserves remained below its target value at the end of 2023 by around £3.5m. We have allocated this deficit to the Future Seafarers' Fund. The Trustees continue to monitor our reserves against targets on a regular basis throughout the year. While we expect our investment performance to return to target levels over the long term, if this does not happen then Trustees will re-consider how the Seafarers' Impact Boosting Fund should be run off in the period up until 2035.

As a result of this overall deficit in unrestricted reserves, there are no funds allocated to the General Reserve at present. Any contingency funds needed to manage immediate risks that materialise will be drawn from the Future Seafarers' Fund on a temporary basis allowing time for this fund to be replenished prior to 2035.

Approach to managing endowment funds

The Trustees adopted the total return approach to managing six of our endowment funds during 2022 and this was extended to the remaining Endowment funds during 2023. The flexibility permitted by this approach has allowed the Trustees to adopt the same run-off policy for these endowment funds as has been applied to our unrestricted funds (reducing the real value of the funds by 50% over the period from 2015-2035). A prior year adjustment was made to re-state the 2023 split between endowment funds and restricted funds to reflect adopting this approach for the remaining Endowment funds.

The Trustees undertook an investigation of how our endowment funds were classified as endowment funds historically. As a result of this investigation, it was found that three funds (the Arthur T. Jeffress fund, the Merchant Navy South Africa Scholarship fund and the Royal Naval War Libraries fund) had been classified as endowment funds by previous Trustees rather than the donors. The Trustees decided to reclassify these funds as restricted funds during 2023. A prior year adjustment to re-state the split between endowment funds and restricted funds was made on the basis that this represented a change in accounting policy for these three funds.

Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Seaservers Limited, a company registered in England (company number 00890342). Seaservers Limited had a cumulative operating deficit of £38,336 at the end of its last financial year on 31st March 2023 following a material reduction in income from its principal source of funding over the last couple of years. The Trustees have made a provision to reduce the carrying value of the intercompany loan the charity made to Seaservers Limited when it was set up. The principal activity of Seaservers Limited aligns with the objectives of the charity and the principal activity has been undertaken directly by the charity during 2022 and 2023. The Directors of Seaservers Limited will decide on the future of the company during 2024 in conjunction with the Charity.

6. PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees assess and understand the risks facing the Charity. The Trustee Board has delegated the day-to-day responsibility for the management of the risks to the Chief Executive and the Leadership Team (LT). The LT is responsible for the identification and assessment of risk and developing mitigation strategies and controls. The risk register is reviewed regularly at the LT meetings and reported to the Governance and Risk sub-committee.

The Governance and Risk sub-committee is responsible for overseeing and scrutinising the risk management systems, ensuring processes for managing risks are fit for purpose and implemented appropriately by management. The sub-committee monitors key risks exposures and escalates to the Trustee Board where necessary. The Trustee Board review the overall risk register.

The principal risks affecting the Charity continue to be around fundraising, investment values, potential cyber-attacks and maintaining the strong public reputation of the charity. The risks around achieving our fundraising targets have increased with the cost-of-living crisis and the LT and Trustees have updated our fundraising strategy during 2024 to enable us to focus on proven areas of success as well as some exciting new partnership initiatives we believe will support us in making an increased impact for seafarers in the future. Following a poor investment result in 2022, 2023 saw investment returns return to closer to our longer-term expectations and The Seafarers' Charity is in a good financial position that enables us to manage this risk through our financial strategy. The charity continues to invest in updating IT systems and training staff to identify cyber attacks. The charity has also undertaken a full strategic review of communications during the first part of 2024 with the aim of increasing the impact and effectiveness of our public communications.

7. PLANS FOR THE FUTURE

The Charity continues to implement its long term Thrive strategy which was refreshed during 2023. 2023's work focused on fundraising return on investment and the development of joint working initiatives with maritime corporates to release funds to address widely systemic long-term issues such as personal safety on board for all seafarers, male and female. To understand better how our grant funding produces change for seafarers we worked with the National Council of Voluntary Organisations (NCVO) to further improve grant monitoring and evaluation needed to meet our Mission and to better understand the impact of our grant making.

We recognise that fundraising and communications underpin our charitable work and in 2023 we further developed our fundraising and communication strategies to be implemented in 2024 to take us to 2030 and beyond.

A long-term analysis of past fundraising streams' returns on investment drove our in-year fundraising strategy development. We will now build on what we already do well, stopping what no longer works. Co-funding with corporate partners will be key to enabling a wide range of targeted welfare and safety support for seafarers. Whilst these partnerships deliver much needed funding, our work also unlocks corporate connections, knowledge and insight

to assist further in the alleviation of the welfare and safety needs of seafarers. We foresee that our collaborative working groups will continue to produce results in 2023 and beyond, including on programme development areas such as support for women's safety at sea and for superyacht crews.

The Trustee Board, together with our financial strength, affords us a strong independent position within the maritime sector. We are not accountable to ship owners, government or any other body other than our trustees. This means we are free to use our funding and our voice to speak up on behalf of seafarers and to highlight issues such as suicide at sea and sexual violence and harassment that others may be under pressure to keep concealed. Our financial strength means that we don't just talk about these problems but can actually put our funding behind supporting seafarers impacted by such issues and, ultimately, seek ways to prevent systemic issues in the first place so that seafarers have better working lives at sea. In 2024 we will continue our convening and funding work with specialist partners and funded organisations, on topics such as bullying and harassment in the superyacht sector. Our approach challenges convention, seeks new ways of working and utilises the input, skills, and abilities of a wide variety of interested partners as we work jointly towards long term solutions.

8. STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure

The Seafarers' Charity is a non-statutory body incorporated by Royal Charter. The Charter was originally granted in 1920 and, together with the Byelaws, provides the rules and guidelines under which The Seafarers' Charity operates. After approval by the Privy Council, Supplemental Charters were granted in 1949, 1960, 1976, 1992 and 2010.

Aims and purposes

The Charity's aims or purposes ('objects') set the framework for our grant-funding strategy and management and are:

- the relief of seafarers, their families or dependants who are in need, by providing support to organisations established within or (in exceptional circumstances) outside the Commonwealth.
- the education and training of people of any age to prepare for work or service at sea, by providing support to organisations established within or (in exceptional circumstances) outside the Commonwealth.
- the promotion of the efficiency and effectiveness of the maritime charitable sector within the Commonwealth.
- the promotion of safety at sea by providing support to organisations established within the Commonwealth.

Governance

Our Trustee Board consists of 15 Trustees of whom 4 are women, 7 have served at sea and 14 are, or were, involved with the maritime industry. Fourteen are UK based and one Trustee is based on the Isle of Man.

The Trustee Board meets three times a year to set and oversee our strategy and objectives, make decisions on strategic direction, and monitor effectiveness. The Board has delegated authority to Trustee sub-committees (Governance and Risk, Finance and Audit, Development, and Impact). Day-to-day operations and management are delegated to the Chief Executive and Leadership Team who provide regular reports to the sub-committees.

Trustee sub-committees perform a vital role in handling the information produced by the Leadership Team to be able to review the performance of the Charity, to advise and guide on key areas of activity, and provide recommendations, if necessary, to the Trustee Board. The Chair of each committee reports to the Trustee Board; minutes of committee meetings are available to all Trustees. The Seafarers' Charity is committed to maintaining the highest standards of governance and looks to continually improve its practices based on Charity Commission recommendations and the Charity Governance Code.

Appointment of Trustees

Appointment to the Trustee Board is done via an open recruitment and appointment process based on applicants' skills and experience matched against those required on the Board. The Nominations committee make recommendations to the Trustee board to co-opt new trustees during the year and subject to approval of the membership of the Corporation they are formally elected at the Annual Meeting.

Trustees are appointed for an initial term of up to three years and may be reappointed for two further terms of three years. The number of Trustees is subject to a maximum of 30 and must be greater than seven.

Trustee induction and training

Once appointed, trustees go through an induction programme to make sure they understand their role, the charity and applicable legislation. The content of the induction programme is reviewed annually and includes a mixture of formal training and meetings with Leadership Team and staff.

Declaration of interests

At each Trustee Board and sub-committee meeting, there is a standing agenda item for each Trustee to declare their interests. All Trustees complete a Register of Interests form annually and update it as required. The Register of Interests is also completed by members of the Leadership Team.

Risk Management

The Trustees assess and understand the risks facing the Charity. Risk management is covered under section 6 – principal risks and uncertainties.

Remuneration policy

Our pay and benefits help us to attract and retain the best people and keep colleagues engaged throughout their employment. Each role is benchmarked using external consultants 'Croner Rewards' who maintain an extensive pay database against which to evaluate our roles, ensuring we pay a competitive salary compared to similar organisations.

We are an accredited Living Wage employer, so we can ensure everyone who works for us can earn enough to live on. We aim to extend this to our supply chain when reviewing contracts. The Trustee Board reviews and approves annual pay increases, in line with inflation and affordability, for all staff. Trustees approved a pay rise of 6% for staff from 1 January 2024.

No Trustees are remunerated by the Charity. Travel and incidental expenses can be claimed. Remuneration of key management personnel is reviewed annually in the same way as other staff and benchmarked against other salaries in the sector.

Equity, Diversity, and Inclusion (EDI)

We are committed to being a diverse and inclusive charity to enable better support for seafarers, whether UK citizens or global seafarers, as supported by our partner charities.

Not only do we ensure we meet our statutory requirements in EDI, but we also aim to go beyond this by taking positive action and building a culture that champions diversity and inclusion internally as well as through supporting partner charities to achieve this.

It is clear that EDI is integral to good governance; thus, we encourage those we fund to work towards the Charity Governance Code, with Principles 5 and 6 as a priority if not already addressed. Our website details our work on EDI under our influence section.

9. 2023 CORPORATE AND INSTITUTIONAL SUPPORTERS

Trusts

Ann Jane Green Trust
Bedhampton Charitable Trust
Blair Foundation
Charities Trust
Dudley and Geoffrey Cox Charitable Trust
J B Bibby Fund
Joseph Strong Frazer Trust
Lloyd's Register Foundation
Martin Charitable Trust
Michael Cornish Charitable Foundation
Miss Mary Dunlop Murdoch Andrew Charitable Trust
Mrs F.B. Laurence Charitable Trust
PF Charitable Trust
R.W. Mann Trust
Sir Jeremiah Colman Gift Trust
Sir John and Lady Amory's Charitable Trust
The Annie Tranmer Charitable Trust
The Anson Charitable Trust
The Barbour Foundation
The Castanea Trust
The Chandris Foundation
The Charles Wolfson Charitable Trust
The Duffield (Tiverton) Charitable Trust
The Elizabeth and Prince Zaiger Trust
The Fort Foundation
The Frederick and Phyllis Cann Trust
The Gerald Bentall Charitable Trust
The Goldcrest Charitable Trust
The Hugh Fraser Foundation
The Loseley Christian Trust
The Peter Dixon Charitable Trust
The Russell Trust
The Swire Charitable Trust
The Sylvia and Colin Shepherd Charitable Trust
William Allen Young Charitable Trust

Corporates

Buxted Construction Ltd
Carnival Corporate Shipbuilding
Foreland Shipping Ltd
Furness Group Twenty Five Club
Halcyon Recruitment Ltd
HMS Penelope Association
Maersk
South West Company of Mariners
The United Kingdom Mutual Steam Ship Assurance Association
Thomas Miller Ltd
Carisbrook Shipping
Friday Shipping

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES



Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period.

In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards and statements of recommended practice 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 Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Annual Report has been approved by the trustees on 14 May 2024 and signed on their behalf by

Duncan Bain FCA
Trustee and Chair of the Finance and Audit Committee

Opinion

We have audited the financial statements of Seafarers UK (King George's Fund for Sailors) (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Seafarers UK (The Seafarers' Charity, King George's Fund for Sailors'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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SEAFARERS UK (KING GEORGE'S FUND FOR SAILORS)



statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient and proper accounting records have not been kept; or
- The 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 statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SEAFARERS UK (KING GEORGE'S FUND FOR SAILORS)



or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 14 May 2024

Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

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

For the year ended 31 December 2023

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	2022 restated Total £'000
Income from:									
Donations and legacies	2	1,573	428	–	2,001	1,124	658	–	1,782
Other trading activities	3	156	–	–	156	84	–	–	84
Investments	4	469	76	65	610	332	51	44	427
Total income		2,198	504	65	2,767	1,540	709	44	2,293
Expenditure on:									
Raising funds									
Cost of generating voluntary income		777	–	–	777	931	–	–	931
Cost of fundraising events		160	–	–	160	171	–	–	171
Costs of managing investments		259	31	26	316	286	40	35	361
Charitable activities		2,011	1,035	–	3,046	2,209	1,398	–	3,607
Total expenditure	5	3,207	1,066	26	4,299	3,597	1,438	35	5,070
Net income/(expenditure) before net gain (losses) on investments	7	(1,009)	(562)	39	(1,532)	(2,057)	(729)	9	(2,777)
Net gains/(losses)/ on investments	13	1,188	185	161	1,534	(1,821)	(284)	(240)	(2,345)
Net income/(expenditure) after net gains/(losses) on investments		179	(377)	200	2	(3,878)	(1,013)	(231)	(5,122)
Transfers between funds		–	229	(229)	–	(49)	267	(218)	–
Net income / (expenditure) before other recognised gains and losses		179	(148)	(29)	2	(3,927)	(746)	(449)	(5,122)
Losses on revaluation of fixed assets		–	–	–	–	(778)	–	–	(778)
Net movement in funds		179	(148)	(29)	2	(4,705)	(746)	(449)	(5,900)
Reconciliation of funds:									
Total funds brought forward		29,729	4,611	4,096	38,436	34,434	664	9,238	44,336
Prior period adjustment	23	–	–	–	–	–	4,693	(4,693)	–
Total funds brought forward (as restated)		29,729	4,611	4,096	38,436	34,434	5,357	4,545	44,336
Total funds carried forward	19a	29,908	4,463	4,067	38,438	29,729	4,611	4,096	38,436

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

As at 31 December 2023

	Note	£'000	2023 £'000	2022 restated £'000
Fixed assets:				
Tangible assets	12		3,966	4,030
Investments	13		34,061	33,879
			<u>38,027</u>	<u>37,909</u>
Current assets:				
Debtors	14	499		419
Cash at bank and in hand		437		805
		<u>936</u>		<u>1,224</u>
Liabilities:				
Creditors: amounts falling due within one year	15	(525)		(697)
Net current assets			<u>411</u>	<u>527</u>
Total net assets	18a		<u><u>38,438</u></u>	<u><u>38,436</u></u>
The funds of the charity:	19a			
Permanently endowed funds			4,067	4,096
Restricted income funds			4,463	4,611
Unrestricted income funds:				
Designated funds		29,908		29,704
Revaluation reserve		-		25
General funds		-		-
		<u>-</u>		<u>-</u>
Total unrestricted funds			<u>29,908</u>	<u>29,729</u>
Total charity funds			<u><u>38,438</u></u>	<u><u>38,436</u></u>

Approved by the trustees on 14 May 2024 and signed on their behalf by

Mr P Butterworth
Chairman

Mr D Bain
Chairman, Finance & Audit Committee

For the year ended 31 December 2023

	Note	2023 £'000	£'000	2022 restated £'000	£'000
Cash flows from operating activities					
Net expenditure for the reporting period (as per the statement of financial activities)		(1,532)		(2,777)	
Depreciation charges		69		49	
Dividends, interest and rent from investments		(610)		(427)	
(Increase)/Decrease in debtors		(83)		183	
Decrease in creditors		(174)		(81)	
Net cash (used in) operating activities			(2,330)		(3,053)
Cash flows from investing activities:					
Dividends, interest and rents from investments		610		427	
Purchase of fixed assets		–		(5)	
Proceeds from sale of investments		23,280		25,270	
Purchase of investments		(21,928)		(22,435)	
Net cash provided by investing activities			1,962		3,257
Change in cash and cash equivalents in the year			(368)		204
Cash and cash equivalents at the beginning of the			805		601
Cash and cash equivalents at the end of the year			437		805

For the year ended 31 December 2023

1 Accounting policies

a) Statutory information

The Seafarers' Charity (King George's Fund for Sailors) is an unincorporated charity registered with the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

The registered office address and principal place of business is 8 Hatherley Street, London, SW1P 2QT.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

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

For the year ended 31 December 2023

1 Accounting policies (continued)

e) Income

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Dividends and Interest receivable

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

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Permanent endowment funds are funds normally arising as a result of a will where the income but not the capital sum can usually be spent

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in seeking donations, legacies, generating funds and investments.
- Expenditure on charitable activities includes the costs of grant making and related activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

For the year ended 31 December 2023

1 Accounting policies (continued)

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold buildings	2%
● Fixtures and fittings	10%
● Computer equipment	20%
● Office equipment	15%

Freehold land is not depreciated.

For the year ended 31 December 2023

1 Accounting policies (continued)

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Investments in subsidiaries

Investments in subsidiaries are at cost.

p) Debtors

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

q) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

r) Cash at bank and in hand

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

s) Creditors and provisions

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.

t) Financial instruments

The charity has both basic and non-basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

u) Pensions

The Fund operates a defined contribution scheme with the Aviva PLC for employees who choose to participate in the scheme. Participating staff are required to contribute a minimum of 5% of basic salary to which the Fund will contribute a further 7.5% of their basic salaries plus an amount equivalent to the reduced liability of Employer's National Insurance. Contributions are recognised in the SOFA in the year they were incurred.

For the year ended 31 December 2023

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 restated Total £'000
Gifts	80	42	122	84	56	140
Corporate gifts	184	288	472	220	377	597
Grants received	–	(15)	(15)	5	220	225
Legacies	1,309	113	1,422	815	5	820
	<u>1,573</u>	<u>428</u>	<u>2,001</u>	<u>1,124</u>	<u>658</u>	<u>1,782</u>

Negative restricted grants received reflect the return of a donation following an agreed decrease in the scope of a project

3 Income from other trading activities

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 restated Total £'000
Fundraising events	114	–	114	81	–	81
Recharges to other organisations	42	–	42	3	–	3
	<u>156</u>	<u>–</u>	<u>156</u>	<u>84</u>	<u>–</u>	<u>84</u>

4 Income from investments

	Unrestricted £'000	Endowment & Restricted £'000	2023 Total £'000	Unrestricted £'000	Endowment & Restricted £'000	2022 restated Total £'000
Dividends and interest	411	124	535	262	95	357
Rental income	58	17	75	70	–	70
	<u>469</u>	<u>141</u>	<u>610</u>	<u>332</u>	<u>95</u>	<u>427</u>

For the year ended 31 December 2023

5a Analysis of expenditure (current year)

	Raising funds							
	Cost of generating voluntary income £'000	Cost of fundraising events £'000	Costs of managing investments £'000	Charitable activities £'000	Governance costs £'000	Support costs £'000	2023 Total £'000	2022 Total £'000
Staff costs (note 8)	283	30	10	266	127	333	1,049	1,111
Other staff costs	1	1	–	3	10	5	20	22
Event and fundraising costs	64	100	–	–	2	7	173	145
Investment management costs	–	–	254	–	–	–	254	337
Grants–general	–	–	–	2,179	–	–	2,179	2,881
Grants–advocacy and campaigns	–	–	–	237	3	15	255	275
Other	32	1	52	79	25	180	369	299
	380	132	316	2,764	167	540	4,299	5,070
Support costs	303	21	–	216		(540)	–	–
Governance costs	94	7	–	66	(167)		–	–
Total expenditure 2023	777	160	316	3,046	–	–	4,299	
Total expenditure 2022	931	171	361	3,607	–	–		5,070

During 2023, the charity sold the investments it previously owned directly that were managed by Ruffer Investment Managers and invested the proceeds in a collective investment scheme managed by Ruffer and running the same investment strategy. Investment fees charged within the collective investment vehicle are not included in the investment management costs noted above, and the investment income from the collective investment vehicle is stated net of investment fees charged directly to the collective investment vehicle.

For the year ended 31 December 2023

5b Analysis of expenditure (prior year)

	Raising funds						
	Cost of generating voluntary income £'000	Cost of fundraising events £'000	Costs of managing investments £'000	Charitable activities £'000	Governance costs £'000	Support costs £'000	2022 Total £'000
Staff costs (note 8)	396	53	10	252	107	293	1,111
Other staff costs	3	3	–	2	8	6	22
Event and fundraising costs	66	77	–	–	2	–	145
Investment management costs	–	–	337	–	–	–	337
Grants–general	–	–	–	2,881	–	–	2,881
Grants–advocacy and campaigns	–	2	–	227	–	–	275
Other	61	1	3	16	102	162	299
	526	136	350	3,378	219	461	5,070
Support costs	232	20	6	132	71	(461)	–
Governance costs	173	15	5	97	(290)	–	–
Total expenditure 2022	931	171	361	3,607	–	–	5,070

For the year ended 31 December 2023

6 Grant making

Details of all grant awards in both periods can be found on the The Seafarers' Charity website at:
<https://www.theseafarerscharity.org/grant-funding/grant-funding-programmes>

7 Net income / (expenditure) for the year

This is stated after charging:

	2023 £'000	2022 £'000
Depreciation	69	49
Operating lease rentals receivable:		
Property	–	70
Auditor's remuneration (including VAT):		
Audit	19	18
Other services	–	–
	88	137

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £'000	2022 £'000
Salaries and wages	854	875
Redundancy and termination costs	–	14
Social security costs	73	90
Employer's contribution to defined contribution pension schemes	60	71
Other forms of employee benefits	15	21
Recruitment	47	40
	1,049	1,111

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
£60,000 – £69,999	–	1
£70,000 – £79,999	1	–
£80,000 – £89,999	–	1
£100,000 – £109,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £350,000 (2022: £448,862).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,825 (2022: £812) incurred by 5 (2022: 3) members relating to attendance at meetings of the trustees and other meetings.

For the year ended 31 December 2023

9 Staff numbers

Staff are split across the activities of the charity as follows (head count based on average headcount figures):

	2023 No.	2022 No.
Raising funds	6	8
Charitable activities	4	5
Governance and support	9	10
	19	23

10 Related party transactions

Some members of the General Council are trustees of charities to which the Fund makes grants. The Grants Committee's procedures require all such interests to be declared and for these members to abstain from voting. Within the General Council no single member exercises control or influences over any particular grant approval.

During the year, legal advice was sought from Potheary Witham Weld Solicitors amounting to £4,200 (2022: £10,350). The firm's partner Mr Gerald Kidd served as a Trustee and is also member of the General Council. £4,200 was outstanding at the end of December 2023 and settled in January 2024 (2022: £nil outstanding at end December 2022).

Seaservers Limited is the trading subsidiary of The Seafarers' Charity, see note 20 for details of transactions between Seaservers Limited and The Seafarers' Charity.

Aggregate unrestricted donations from related parties were £30 (2022: £615).

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

For the year ended 31 December 2023

12 Tangible fixed assets

	Freehold property £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation			
At the start of the year	4,000	221	4,221
Additions in year	–	–	–
Disposals in year		(93)	(93)
At the end of the year	4,000	128	4,128
Depreciation			
At the start of the year	–	191	191
Charge for the year	50	19	69
Eliminated on disposal		93	93
At the end of the year	50	112	162
Net book value			
At the end of the year	3,950	16	3,966
At the start of the year	4,000	30	4,030

The above freehold land and buildings are 7 & 8 Hatherley Street, London which is occupied and carrying out the operations of the charity. The property assessment was made in November 2019 by Gerald Eve LLP, using the Royal Institute of Chartered Surveyors appraisal valuation, which indicated the recoverable amount was materially in line with the current carrying value of the properties. The carrying value was reduced from this valuation during 2022 reflecting a further review of the market value of the property. Trustees have considered market movements in the value of properties in the general area and consider no change to the carrying value of the property is needed for 2023.

The original historical cost value (from 2012) was £1,325k.

Land with a value of £1,470,000 (2022: £1,470,000) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

For the year ended 31 December 2023

13 Listed investments

	2023 £'000	2022 restated £'000
Fair value at the start of the year	33,879	39,060
Additions at cost	21,961	20,017
Disposal proceeds	(23,280)	(21,460)
Increase/(decrease) in cash balances	(33)	(1,393)
Net gain/(loss) on change in fair value	1,534	(2,345)
	34,061	33,879

Investments comprise:

	2023 £'000	2022 restated £'000
Interest bearing stocks	7,473	10,560
Equities and collectives	24,904	21,320
Cash and cash equivalents	1,684	1,999
	34,061	33,879

14 Debtors

	2023 £'000	2022 restated £'000
Other debtors	9	27
Amounts due from subsidiary undertakings	16	27
Prepayments	25	42
Accrued income	449	323
	499	419

With the exception of listed investments and property, both assets and liabilities are measured at amortised cost. The carrying values of these are shown above and also in note 15 below.

15 Creditors: amounts falling due within one year

	2023 £'000	2022 restated £'000
Trade creditors	27	34
Taxation and social security	26	22
Grants payable	330	500
Accruals	142	141
	525	697

In addition to grants payable recognised above, a further £368,701 of grants have been awarded for financial years 2024 and beyond that are contingent on performance criteria being met before they are paid.

For the year ended 31 December 2023

16 Pension scheme

The Seafarers' Charity operates a defined contribution scheme for all employees. The assets of the schemes are held in separate funds administered by independent pension providers.

17 Financial instruments

	2023 £'000	2022 restated £'000
Financial assets measured at fair value through profit and loss		
Investments	34,061	33,879

18a Analysis of net assets between funds (current year)

	General unrestricted £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	3,615	27	324	3,966
Investments	25,882	4,436	3,743	34,061
Net current assets	411	–	–	411
Net assets at 31 December 2023	29,908	4,463	4,067	38,438

18b Analysis of net assets between funds (prior year restated)

	General unrestricted £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	4,030	–	–	4,030
Investments	25,172	4,611	4,096	33,879
Net current assets	527	–	–	527
Net assets at 31 December 2022	29,729	4,611	4,096	38,436

For the year ended 31 December 2023

19a Movements in funds (current year)

	At 1 January 2023 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 December 2023 £'000
Permanently endowed funds:					
Endowed general purposes	1,179	64	(7)	–	1,236
Inglis fund	1,093	60	(7)	–	1,146
South African Women's Auxillary service	509	28	(3)	(64)	470
David Richards Trust	1,032	58	(7)	(125)	958
Henry Herbert Wills fund	283	16	(2)	(40)	257
Total permanently endowed funds	4,096	226	(26)	(229)	4,067
Restricted funds:					
Restricted income and allocated total return from endowment funds	–	3	(229)	229	3
Royal Naval Officers fund	–	8	–	–	8
Beryl Joyce Threadkell legacy	29	2	–	–	31
Sheila Constance Woods legacy	84	5	(85)	–	4
Merchant Navy fund	27	150	(100)	–	77
Restricted activities	265	85	(70)	–	280
Projects	37	2	–	–	39
IAPH restricted fund	16	1	(17)	–	–
Fishing First restricted fund	160	(6)	(16)	–	138
International Fund for Fishing Safety	–	217	(16)	–	201
Merchant Navy South Africa scholarship	262	15	(36)	–	241
Royal Navy War Libraries fund	275	15	(37)	–	253
Arthur T Jeffress fund	3,456	192	(460)	–	3,188
Total restricted funds	4,611	689	(1,066)	229	4,463
Unrestricted funds:					
Designated funds:					
Seafarers' Impact boosting fund	12,500	–	–	(645)	11,855
Future Seafarers fund	17,204	–	–	849	18,053
Total designated funds	29,704	–	–	204	29,908
Revaluation reserve	25			(25)	–
General funds	–	3,386	(3,207)	(179)	–
Total unrestricted funds	29,729	3,386	(3,207)	–	29,908
Total funds	38,436	4,301	(4,299)	–	38,438

During 2023 the Trustees reviewed the history of the classification of the Arthur T. Jeffress fund as a permanent endowment fund and concluded that the classification was based on a decision made historically by Trustees rather than a stipulation of the original donor. The Trustees decided to reclassify the fund as restricted but not endowed during 2023. Following investigations the Royal Navy War Libraries fund and the Merchant Navy South Africa Scholarship funds were both re-classified as non endowed restricted funds during 2023 as the classification as an endowment fund was made by previous trustees rather than the original donors.

The narrative to explain the purpose of each fund is given at the foot of the note below.

For the year ended 31 December 2023

19b Movements in funds (prior year restated)

	At 1 January 2022 .	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 December 2022 £'000
Permanently endowed funds:					
Endowed general purposes	1,241	12	(74)	-	1,179
Inglis fund	1,151	11	(69)	-	1,093
South African Women's Auxillary service	600	6	(36)	(61)	509
David Richards Trust	1,211	12	(73)	(118)	1,032
Henry Herbert Wills fund	340	3	(21)	(39)	283
Total permanently endowed funds	4,543	44	(273)	(218)	4,096
Restricted funds:					
Restricted income and allocated total return from endowment funds	-	-	(218)	218	-
Royal Naval Officers fund	72	1	(90)	17	-
van de Kastele fund	5	-	(5)	-	-
Beryl Joyce Threadkell legacy	31	-	(2)	-	29
Sheila Constance Woods legacy	182	2	(100)	-	84
Merchant Navy fund	39	67	(79)	-	27
Restricted activities	226	53	(14)	-	265
Projects	37	-	-	-	37
IAPH restricted fund	-	16	-	-	16
Fishing First restricted fund	-	219	(84)	25	160
Seafarers' International Relief Fund	51	306	(364)	7	-
Merchant Navy South Africa scholarship	310	3	(51)	-	262
Royal Navy War Libraries fund	325	3	(53)	-	275
Arthur T Jeffress fund	4,081	39	(664)	-	3,456
Total restricted funds	5,359	709	(1,724)	267	4,611
Unrestricted funds:					
Designated funds:					
Strategic operational fund	29,629	286	(1,793)	(28,122)	-
Seafarers' Impact boosting fund	-	-	-	12,500	12,500
Future Seafarers fund	-	-	-	17,204	17,204
Total designated funds	29,629	286	(1,793)	1,582	29,704
Revaluation reserve	852	-	(827)	-	25
General funds	3,953	1,254	(3,576)	(1,631)	-
Total unrestricted funds	34,434	1,540	(6,196)	(49)	29,729
Total funds	44,336	2,293	(8,193)	-	38,436

For the year ended 31 December 2023

19 Movements in funds – purposes of funds

Purposes of restricted funds

Royal Naval Officers' Fund

To assist officers of the Royal Navy in need or distress

Beryl Joyce Threadkell Legacy

Funds made available for the Felixstowe Committee

van de Kastele Fund

For the education of children of any UK seafarer

Sheila Constance Wood Legacy

To assist Naval Officers' Widows

Merchant Navy Fund

Funds for Merchant Navy

Sailors' International Relief Fund (SIRF)

Funds raised from a partnership between the shipping industry and maritime welfare charities to support seafarers internationally

International Association of Ports and Harbours Fund (IAPH)

Funds raised to support port and harbour workers internationally

International Fund for Fishing Safety

A fund operated in partnership with the Lloyds Register Foundation to fund safety projects that will have a significant impact on improving fishing safety globally

Fishing First Restricted Fund

Donations given to support the Fishing First Safety Management projects

Seafarers' Fund for Fishing Safety

A Global Fishing Safety Fund to support fisher-led safety initiatives that improve fisher safety and health

Projects and restricted activities

Various grants restricted as per the donor's request.

Arthur T Jeffress Fund

To assist officers and members of the Royal Navy and the Merchant Navy in need or distress

Merchant Navy South Africa Scholarship Fund

To further the educational and future career needs of seafarers' children

Royal Naval War Libraries Fund

To further the educational and future career needs of seafarers' children

Purposes of Endowment funds

Endowed General Purposes

To relieve sickness, poverty and distress of seafarers.

Inglis Fund

To further the educational and future career

South African Women's Auxiliary Service

To further the educational and future career needs of seafarers' children.

David Richards Trust

To assist officers and men of the Royal Navy, the Merchant Navy and the Fishing Fleet in need or distress

Henry Herbert Wills Fund

To assist officers and men of the Royal navy, the Merchant Navy and the fishing fleet in need or distress.

For the year ended 31 December 2023

19 Movements in funds – purposes of funds (continued)

Purposes of designated funds

The Seafarers' Impact Boosting Fund

The Trustees have decided to reduce our reserves by 50% in real terms from 2015 to 2035, allowing us to set aside funds to boost our impact funding during this period. The value of this fund at the end of 2023 was £12.5m.

The Future Seafarers' Fund

To ensure our ability to meet the longer-term needs of seafarers and their families, 50% of the real value of our reserves from 2015 has been set aside to

- maintain a meaningful level of grant giving to support our work beyond 2035
- retain up to 5 years' worth of grant giving in the event the charity were to cease to function, thus ensuring other maritime charities reliant on our support are not immediately subject to financial stress and have some assurance of funding during the aftermath.
- to support the running down costs of the charity for 5 years in the event it was to cease trading or require a major restructuring.

The value of this fund was £17.4m at the end of 2023.

20 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Seaservers Limited, a company registered in England. The company number is 00890342. The registered office address is 8 Hatherley Street, London, SW1P 2QT.

The subsidiary is used for non-primary purpose trading activities. The accounts of Seaservers have not been consolidated into these financial statements on the grounds of immateriality. Available profits are distributed under Gift Aid to the parent charity.

The trustees Mr P. G. Butterworth, Mr J.J.M. Monroe, Mrs D. Layde also served as directors of the subsidiary during the year.

A summary of the results of the subsidiary is shown below:

	2023 £'000	2,022 £'000
Turnover	–	6
Cost of sales	(10)	(18)
Gross profit/(loss)	(10)	(12)
Administrative expenses	(1)	6
Profit/(loss) on ordinary activities before taxation	(11)	(18)
Taxation on profit on ordinary activities	–	–
Profit/(loss) for the financial year	(11)	(18)
Retained earnings		
Total retained earnings brought forward	(27)	(9)
Profit/(loss) for the financial year	(11)	(18)
Total retained earnings carried forward	(38)	(27)
The aggregate of the assets, liabilities and reserves was:		
Assets	17	27
Liabilities	(55)	(54)
Reserves	(38)	(27)

Amounts owed to the parent undertaking are shown in note 14.

Included within administrative expenses above is a management charge of £1,100 (2022: £1,000) from the parent entity.

For the year ended 31 December 2023

22a Total return approach for investment of permanent endowment funds (current year)

	Individual funds					Total funds		
	Special Purposes Fund £'000	Inglis Fund £'000	South African Women's Auxillary service £'000	David Richards Trust £'000	Henry Herbert Wills fund £'000	Trust for investment £'000	Unapplied total return £'000	Total endowment £'000
At the beginning of the year								
Gift component of the permanent endowment	265	40	34	25	62	426	–	426
Unapplied total return	914	1,053	475	1,007	221	–	3,670	3,670
Total	1,179	1,093	509	1,032	283	426	3,670	4,096
Movements in the year								
Gift of endowment funds			–	–	–	–	–	–
Recoupment of trust for endowment			–	–	–	–	–	–
Allocation from trust for investment			–	–	–	–	–	–
Investment return:								
Dividends and interest	19	17	8	17	4		65	65
Realised and unrealised gains/(losses)	45	43	20	41	12		161	161
Less: investment management costs	(7)	(7)	(3)	(7)	(2)		(26)	(26)
Total	57	53	25	51	14	–	200	200
Unapplied total return allocated to income in the year	–	–	(64)	(125)	(40)		(229)	(229)
Net movements in the reporting period	57	53	(39)	(74)	(26)	–	(29)	(29)
At the end of the year								
Gift component of the permanent endowment	265	40	34	25	62	426		426
Unapplied total return	971	1,106	436	933	195	–	3,641	3,641
Total	1,236	1,146	470	958	257	426	3,641	4,067

For the year ended 31 December 2023

22b Total return approach for investment of permanent endowment funds (prior year restated)

	Individual funds					Total funds		
	Special Purposes Fund £'000	Inglis Fund £'000	South African Women's Auxillary service £'000	David Richards Trust £'000	Henry Herbert Wills fund £'000	Trust for investment £'000	Unapplied total return £'000	Total endowment £'000
At the beginning of the year								
Gift component of the permanent endowment	265	40	34	25	62	426	-	426
Unapplied total return	976	1,111	566	1,186	278	-	4,117	4,117
Total	1,241	1,151	600	1,211	340	426	4,117	4,543
Movements in the year								
Gift of endowment funds			-	-	-	-	-	-
Recoupment of trust for endowment			-	-	-	-	-	-
Allocation from trust for investment			-	-	-	-	-	-
Investment return:								
Dividends and interest	12	11	6	12	3	-	44	44
Realised and unrealised gains/(losses)	(65)	(60)	(31)	(64)	(18)	-	(238)	(238)
Less: investment management costs	(9)	(9)	(5)	(9)	(3)	-	(35)	(35)
Total	(62)	(58)	(30)	(61)	(18)	-	(229)	(229)
Unapplied total return allocated to income in the year	-	-	(61)	(118)	(39)	-	(218)	(218)
Net movements in the reporting period	(62)	(58)	(91)	(179)	(57)	-	(447)	(447)
At the end of the year								
Gift component of the permanent endowment	265	40	34	25	62	121	-	426
Unapplied total return	914	1,053	475	1,007	221	-	3,670	3,670
Total	1,179	1,093	509	1,032	283	121	3,670	4,096

For the year ended 31 December 2023

23 Prior period adjustment

	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
Reserves position	31 December 2022				1 January 2022			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Funds previously reported	29,729	664	8,043	38,436	34,434	664	9,238	44,336
Adjustments on restatement								
Adjustment 1	-	(46)	46	-	-	(23)	23	-
Adjustment 2	-	3,456	(3,456)	-	-	4,081	(4,081)	-
Adjustment 3	-	263	(263)	-	-	310	(310)	-
Adjustment 4	-	276	(276)	-	-	325	(325)	-
Funds restated	29,729	4,613	4,094	38,436	34,434	5,357	4,545	44,336

	Unrestricted	Restricted	Endowment	Total
Impact on income and expenditure	31 December 2022			
	£'000	£'000	£'000	£'000
Net income / (expenditure) as previously reported	(4,705)	(2)	(1,193)	(5,900)
Adjustments on restatement				
Adjustment 1	-	(23)	23	-
Adjustment 2	-	(625)	625	-
Adjustment 3	-	(47)	47	-
Adjustment 4	-	(49)	49	-
Net income / (expenditure)	(4,705)	(746)	(449)	(5,900)

Details of adjustments

Adjustment 1	Prior year endowment investment income was reallocated from restricted funds to the endowment funds following the change of accounting policy adopted in 2023 to move to the total return approach for the remaining endowment funds that didn't adopt the policy during 2022.
Adjustment 2	Following an investigation, the Trustees ascertained that the Arthur T Jeffress fund was classified as an endowment fund by previous Trustees rather than by the donor. The Trustees decided in 2023 to remove this discretionary endowment classification and add the funds to restricted funds.
Adjustment 3	Following an investigation, the Trustees ascertained that the Merchant Navy South Africa fund was classified as an endowment fund by previous Trustees rather than by the donor. The Trustees decided in 2023 to remove this discretionary endowment classification and add the funds to restricted funds.
Adjustment 4	Following an investigation, the Trustees ascertained that the Royal Navy War Libraries fund was classified as an endowment fund by previous Trustees rather than by the donor. The Trustees decided in 2023 to remove this discretionary endowment classification and add the funds to restricted funds.