

Trustees' report and financial statements

For the year ended 31 October 2021

Royal National Mission to Deep Sea Fishermen

(A Company limited by guarantee)

Company Registration Number 24477

England & Wales Charity Registration Number 232822

Scotland Charity Registered Number SC039088

Mazars LLP, South West

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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Members of the Council who served during the year

Mr Michael Vlasto OBE	Chairman
Ms Elizabeth Woodhatch (Retired 31 December 2021)	Deputy Chair
Mr Ian Gatt (Appointed Deputy Chair 9 February 2022)	Deputy Chair
The Venerable Simon Golding CBE (Retired 21 April 2021)	
Rear Admiral Sir Jeremy de Halpert KCVO	
Mr Trevor James	
The Very Reverend Dr David Lacy DL	
Mr Thomas Maier	
Dr Jonathan Shepherd	
Mr Edward Whittle (Retired 21 April 2021)	
Mr Matthew Cox	
Reverend Derath Durkin	
Mrs Helen Nickells (Retired 22 June 2021)	
Mr Nathan de Rozarieux	
Miss Kirsty Masters	
Mrs Kate Pound	

Secretary and Registered Office

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Executives

Commodore David Dickens CBE RN (Chief Executive)
Mrs Alison Godfrey (Director of Business Development)

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Investment Managers

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London
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TRUSTEES' REPORT

INTRODUCTION

The Trustees, who are also Directors of the Charity for the purpose of the Companies Act, present their annual report (incorporating the Strategic Report) and the audited financial statements for the year ended 31 October 2021. The Trustees confirm that the annual report and financial statements comply with the governing document, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015), the Companies Act 2006 and relevant law and United Kingdom Accounting Standards.

The Royal National Mission to Deep Sea Fishermen (or The Fishermen's Mission), a Company Limited by Guarantee No. 00024477, is registered with the Charity Commissioners (No. 232822) and the Office of the Scottish Charity Regulator (No SC039088). It is governed by a Memorandum and Articles of Association.

The charity's governing body consists of a Council, that under the Memorandum and Articles of Association, should have no more than 15 in number Trustees, appointed from the membership of the Fishermen's Mission Association. Recent retirements and recruitment have improved diversity. The Council normally meets 4 times per year. The Executive consists of the Chief Executive and the Director of Business Development who undertake the routine management of the Fishermen's Mission.

STRATEGIC REPORT

Given the experience of the previous year, along with a better end of year financial outcome and the continuing uncertainties surrounding the pandemic, in FY 2020/21 Council retained its focus on the delivery of core services. However, where easing of restrictions allowed, Trustees agreed that important elements of their strategy to 2024 should be progressed. Trustees considered that the current strategic priorities remained fit for purpose, noting that a full strategic review is planned for mid-2022.

MISSION

The Fishermen's Mission maintains a Christian presence in fishing communities around the British Isles to provide, practical, welfare and spiritual support to active and retired fishermen and their families.

VALUES

The charity's values are founded on our ecumenical Christian faith and our commitment to provide practical help that makes a positive difference in people's lives.

The charity's focus is the people in need of the practical assistance and support we provide.

The charity's work reflects the things that matter to us and which we care about.

- To be open and welcoming to everyone.
- To listen hard, because needs are often complex, deeply personal and ever-changing.
- To be trusted to work with care, integrity and discretion.
- To be purposeful, resilient, open and straightforward.
- To work collaboratively to solve wide-ranging challenges.

The charity's values align closely with the Nolan Principles of conduct in public service and the NCVO Charity Ethical Principles.

FUNDAMENTAL TASKS

- To provide a 24/7 emergency response to all fishing emergencies at sea:
 - Provide assistance to the families of fishermen who have lost their lives or been seriously injured.
 - To look after the survivors of fishing vessel accidents.
 - To assist injured or ill fishermen and, where appropriate, arrange for them to receive enhanced medical attention.
 - To source emergency accommodation and catering facilities where there is no alternative provision.
- To make emergency grants to fishermen and their families in times of need.
- To help fishermen's families in cases of illness or distress.
- To provide Christian pastoral and practical support and access to specialist advice and counselling, in relation to the full range of welfare issues, including problems with debt, alcohol and drugs, benefit and employment issues, sickness, bereavement, stress and family and relationship difficulties.
- To facilitate and disperse regular and one-off grants from other charities to fishermen and their families.
- To provide welfare and support to overseas fishermen working in the UK industry, especially those that live aboard boats.
- To alleviate loneliness through home and hospital visits to retired fishermen and their families.
- To officiate at fishermen's funerals when requested.

2020/21 PERFORMANCE AGAINST COUNCIL'S STRATEGY

Summary

Response to the CV-19 Pandemic

While over the year some elements of welfare need reduced to near normal levels, the combined impacts of the pandemic, post-Brexit trading and developments of future fisheries policy and management have all added to the pressures on hard-pressed individuals and businesses. Add to this a largely hidden backlog of debts and rising inflation, especially in fuel and food, and the charity is expecting a difficult winter for fishing communities.

Increasing evidence of stress and other mental health challenges have been, and will continue to be, a priority for staff. Work here has included SeaFit quayside advisers and offers of access to counselling services provided either in-house, or through partners such as the Seafarers' Hospital Society (SHS).

Separately, using relationships developed in the SeaFit programme, staff were able to facilitate CV-19 vaccinations for around 1,500 fishermen and in some areas to assist crew, especially migrant crew, to obtain suitable vaccination certificates.

Development Activities

Despite ongoing restrictions until well into 2021, pleasing progress was made with all Council's strategic objectives.

Strategic Objectives

Enhance support to both active and retired fishermen and their families.

The SeaFit programme, along with improvements to data management and remote working have been the key contributors for this area. Highlights:

- Highlights From June 2021, improved tracking of grant applications and awards.
- In partnership with Seafarers' Hospital Society, continuation of SeaFit Health and Mental Health advisers at the quayside in Aberdeenshire, East Yorkshire, East Anglia and Cornwall.
- SeaFit quayside health and dental check events at Northshields, Lowestoft and Felixstowe.
- Almost 1500 CV-19 vaccinations were provided for fishermen through collaboration between SeaFit/NHS.
- Through the Seafarers' Charity's 'Safety Net' campaign, increased financial skills training for Port Staff to enhance support provided to clients.
- Delivered improvements to consistency and quality in service delivery through enhancement of the Operations Management Team.
- Enhanced cross-team working, providing cover around the coast for absence and extra resources for periods of peak loading.

Improve the collection, quality, management and use of our data.

Following on from investment in digital infrastructure, both hardware and software, and the continuation of work to be paper free for client work by 2021, the Fishermen's Mission was well placed to ensure that all staff were able to work from home.

The Navigator Project (a two-year project to manage all client data through the Raiser's Edge NxT platform) was successfully completed in June. This has ensured that client data is even more secure and protected by multi factor authentication checks. Navigator has also provided a common language for case-working. This new development has also ensured a much stronger business continuity process and improved quality assurance in service delivery. Additional benefits will be accurate data collection and statistical analysis which will be used to inform developments in both service delivery and strategic decision making.

Extend our support to wider areas, both geographical and occupational.

Given the challenges of CV-19 and the post-Brexit scene across the island of Ireland it was decided to delay work to develop the charity's services in the Republic of Ireland, although at the operational level staff in Northern Ireland have continued to provide support on request. Fishermen's Mission staff continue to raise awareness among those in aquaculture and assistance has been provided to some workers, notably in north Scotland.

Provide or work with others to offer lifestyle improvements for both active and retired fishermen and their families.

The 2-year SeaFit programme, funded by the Seafarers' Charity, continued until 31 March 2021. Prior to this date, SHS and the Fishermen's Mission resolved to commit resources to continue key elements through to December 2021. Subsequently both sets of trustees agreed to continue this level of funding until at least December 2022, with grant funding also being sought for additional initiatives and events. While the funding from the Seafarers Charity ended in March 2021, work continues to explore joint opportunities for future health and wellbeing initiatives.

SeaFit has only been able to deliver through working with a range of state, commercial and voluntary sector agencies. These engagements have indicated the model's potential to tackle many aspects of wellbeing beyond health in the future.

Once again, The Fishermen's Mission is most grateful to our traditional maritime partner charities, who continue to develop their support to reflect the changing welfare needs of fishing communities. A number of short-term initiatives to meet additional needs during the pandemic have been most welcome and further additional support is being considered for the forthcoming Christmas period.

In North Shields the Fishermen's Mission has partnered with a local homeless charity to extend café, shower and laundry facilities for active fishermen using the Fish Quay. This initiative has proved popular with crew and the next step will be to investigate similar synergies and partnerships around the coast.

Improve cooperative and collaborative engagement with others. At the same time explaining to industry and beyond our work, our vision to 2024 and the relevance of the Fishermen's Mission.

The SeaFit programme has been most successful in attracting interest, cooperation, and collaboration with a range of agencies. Now a widely recognised brand, SeaFit has made significant progress in developing longer term wellbeing provision through relationships with local authorities, the NHS and other NGOs. However, there is still much to do.

Of note a report by Professor Chris Whitty in September 2021, highlighting Health Inequalities in Coastal Communities, concluded that changes were most likely to be achieved through 'sustained, targeted action' which chimes strongly with SHS' and the Fishermen's Mission's view that enduring improvements to the wellbeing of fishing communities requires a commitment for the long term. Following on from the 'Whitty' report the national Director of the Health Inequalities Team, Dr Bola, has sought to understand more about SeaFit, particularly the lessons learned from the programme so far in terms of what worked and what did not.

A Merchant Navy Welfare Board working group established in the early days of the pandemic continues to provide an excellent forum for the sharing and resolution of the many and often complex issues facing seafarers.

In a recent development in the Welsh Senedd, the Fishermen's Mission has been invited to join a new cross-party group to develop policies for fisheries' management and support to coastal communities in Wales. This move mirrors the charity's regular involvement with the Westminster All Party Parliamentary Group on fishing.

The charity has linked-up with the Seafarers' Charity's 'Safety Net' campaign, with all frontline staff receiving enhanced financial management training to enable them to engage in a more informed way with fishermen and their families that are struggling financially. For the future it is planned to explore the practicality of delivering some quayside financial workshops under the SeaFit banner.

More routinely, the Fishermen's Mission continues to play an active role in the maritime and Coastguard Agency's fishing safety and work in fishing convention groups, Seafish's ethics common language meetings and in the Gangmasters and Labour Abuse Authority's liaison groups.

Enhance further the reputation and the face of the Fishermen's Mission by improving service quality and consistency and the governance of our charity.

The Navigator Project, launched in June 2021, has further enhanced quality assurance and business continuity with regards to client casework. The ability for any member of staff to be able to respond in an informed manner to a request for support from anywhere in the UK has proved to be invaluable. Good practice and a commonality of approach has improved the consistently high level of service that we aim to provide. This, in turn, has also been a learning process as staff have shared their knowledge and have learnt from each other's experiences sharing good practice and expertise.

Equality and Diversity Objectives

The Council sets strategic diversity objectives, along with in-year targets:

Objectives for 2020/21

Trustees established the following objectives:

- Bring the experience of new trustees to bear on equality and diversity understanding in decision making.
- Complete equality and diversity training for all Trustees and staff.
- Consider the introduction of training in unconscious bias.
- All frontline staff to receive online training in Philippine culture.
- Continue efforts to attract minority groups into service with the charity.

Trustees brought greater understanding of equality and diversity in making key decisions in areas such as safeguarding. In addition, Trustees directed an entirely open approach to the recruitment of a new Chief Executive, with recruiting clearly encouraging candidates from a broad spectrum to apply for the role.

All staff and Trustees were involved in a most successful round of in-house equality and diversity training that included briefings and discussions around unconscious bias.

For recruiting at all levels, wider job adverts, and better targeting have been attempted, along with anonymous recruiting methods. However, success has been limited and efforts will continue to improve the charity's ability to connect to minority groups and those with varied lived experience.

Disappointingly, yet again cultural training fell victim to higher priority training demands.

Objectives for 2021/22

Trustees' objectives for the next financial year are:

- Trustees will formally review their strategy and goals in relation to equality and diversity in mid-2022.
- Prior to Council's strategic review an internal audit to be conducted looking at equality, diversity and inclusion in the context of the charity's current operations.
- Management to engage with NGOs that have a focus on minority and migrant groups to improve the appeal and engagement with these groups especially in recruiting. Fulfil a long-standing objective to deliver cultural training for frontline staff that reflects key groups working in the UK fishing industry.

2020/2021 IMPACT

Core statistics as follows:

- Over 3,600 clients were assisted to address wellbeing issues, involving some 22,900 welfare interactions and £1.7m being provided to clients either through direct financial support or almonising through our partners.
- Over 1,000 widows and family members received assistance.
- 213 fishermen's children received assistance.
- 307 fishermen received £140k in emergency financial assistance.
- Staff responded to around 80 incidents involving accidents or emergencies at sea with fishing vessels

In common with the last few years, extensive support was provided to migrant crew working in the UK especially in Northern Ireland and Scotland. As noted previously, for this year support included facilitation of coronavirus vaccinations.

Many of the lessons learned from 2020, most notably the ability to successfully manage complex casework remotely, have been absorbed into routine practice. A move to hybrid working in summer 2021, including home visits and other face to face interactions, has clearly demonstrated the requirement to sustain a balance of remote and more traditional working practices.

PUBLIC BENEFIT

The Trustees have referred to the guidance published by the Charity Commission in reviewing the Fishermen's Mission's aims and objectives and in planning future activities.

The high-level strategic objectives are reviewed by the trustees on an annual basis and these are developed into change objectives and outcomes for the forthcoming twelve months. A five-year rolling business plan sets out the assumptions for future predicted income and the costs incurred in meeting its activities.

FINANCIAL RISK MANAGEMENT

In accordance with SORP 2015, key financial risks have been identified and measures undertaken to mitigate them. All risks are recorded on a Council endorsed Risk Register, which was subject to quarterly reviews (Top 10 risks) and an annual review of all risks. In October 2021 Council considered all risks. The Council's top five financial risks are as follows:

1. Significant increase in the Retirement Benefit Pension Scheme (RBS) deficit threatening sustainability of Fishermen's Mission's work/strategy.

Action – Following Council's decision in October 2020 to secure the scheme's benefits through a suitable insurer, much progress has been made. By year end a proposal from Legal and General Assurance Services (LGAS) had been accepted and a draft contract was under consideration. Funds will transfer from the Scheme to LGAS by mid-November 2021 along with a balance of the necessary premium provided from the Fishermen's Mission reserves investments. At this stage LGAS take on responsibility for ensuring members' pensions as provided for in the agreed initial benefit specification. Once this is achieved, work will commence to finalise the benefit specification (the 'data cleansing' stage). It is anticipated that the scheme will move to buy-out and ultimately wind-up by autumn 2022.

All the above will significantly reduce the financial risk to the charity, but Council will retain appropriate insurance until the scheme is finally wound-up.

2. Reputation – Single media event resulting in fundamental undermining of reputation and trust, with possible failure of the charity.

Action – Pro-active engagement through social media and website with both managed from Head Office. Clear guidance on dealing with media has been provided to all staff. Official spokespersons identified, and administration of press releases formalised.

3. Future significant downturn in fundraising – Fishermen's Mission becomes unsustainable with the need to re-organise operations or close.

Action – In light of the challenges to many streams of voluntary income as a result of CV-19 and continued adverse media coverage of some major charities, Council has maintained close scrutiny of this risk. An enduring commitment to exploring new revenue streams such as digital, in tandem with regular reviews and revitalisation of more traditional sources.

4. Fishermen's Mission resources over-stretched – staff unable to respond effectively or consistently and/or reserves eroded to maintain service levels.

Action - This risk continued to be monitored closely, especially for the impact of CV-19 on voluntary income. However, Trustees considered that the reserves investments provided sufficient financial resilience at least out to the medium term.

The move to hybrid working from mid-2021 saw a gradual increase in expenditure linked to travel and expenses. The impact of inflation, notably in fuel and utilities has been and will continue to be monitored.

5. Adverse publicity leading to erosion of reputation and trust. Probable impact on fundraising and ability to deliver charitable objects.

Action – See Risk 2. Pro-active engagement through social media and website with both managed from Head Office. Clear guidance on dealing with media has been provided to all staff. Official spokespersons identified, and administration of press releases formalised, along with contingency planning and additional training for staff and volunteers.

While a formal risk to reflect the possible implications of Brexit did not appear in the Top 5 Risks during the year, actions are in hand to ensure the charity is able to respond to any additional welfare needs arising.

FUNDRAISING

The Fishermen's Mission is registered with the Fundraising Regulator and works within the Code of Fundraising Practice and the Chartered Institute of Fundraising's guidance. During the period of this report no complaints were received regarding any fundraising appeals or practices.

To ensure protection of vulnerable people, the Fishermen's Mission never purchases names or addresses for fundraising purposes nor sells any information that it holds and only contacts those people who have purchased goods through our website, donated or offered support. No third parties are employed by the Fishermen's Mission to undertake fundraising on their behalf although a small voluntary team operate a House-to-House collection scheme that is fully monitored. All fundraising and marketing were carried out within the compliance framework of the Data Protection Act 2018.

As Covid 19 continued, in line with other charities, income from events and corporate partnerships fell considerably. A significant proportion of the Fishermen's Mission income is from restaurants, pubs, along with fish and chips shops and fish festivals.

Royal National Mission to Deep Sea Fishermen

The fundraising team continued to be imaginative and innovative to maintain income levels wherever possible and this has resulted in some new initiatives and a greater sense of team working across the whole organisation. The continued development in the area of social media and a digital presence has begun to gain traction and will continue in the following years. As the financial year came to an end the signs were hopeful of the continuation of previous partnerships and the development of new ones.

The Fishermen's Mission recognises both the hard work and commitment of all the staff team in raising this income alongside a deep gratitude for the support of donors throughout the UK.

Fundraising Team Development

With staff working from home during the lockdown period and later working to a hybrid approach a stronger bond was developed across the entire team. This enabled the sharing of fundraising and media skills. Regular training slots saw an increase in media presence and a greater involvement in fundraising events and projects.

Partnership Fundraising

During the year new relationships have been forged within the fishing sector. The reopening of the hospitality sector also helped in developing new friendships and supporters.

Fundraising from Trusts, Grant Making Foundations & Partners

Partnerships with grant making trusts and foundations remained key to the Fishermen's Mission overall income and this was particularly true of the continued, long-term funding relationships within the maritime sector, including the Seafarers' Charity, Trinity House, Fishmongers' Company and the Grimsby Sailors' and Fishing Charity.

Outside the sector, key support was received from a sound base of grant making foundations and partners including the Thomas J Horne Memorial Trust, The Margot and Andrew Tennant Charitable Trust and the Garfield Weston Foundation. The latter organisation is supporting the health check element of the flagship SeaFit Programme which provides an ongoing opportunity to develop support from a new cohort of UK based trusts, helping the Fishermen's Mission to broaden its supporter base, particularly in relation to the implementation of the Strategic Plan 2019 – 2024.

Digital and Social Media

Following an independent Executive Review in Spring 2019, additional resources were allocated to Digital Fundraising initiatives. The appointment, previously noted, of a Digital and Marketing Fundraiser has significantly increased the digital footprint of the Fishermen's Mission. This medium is proving to be a valuable method for the promotion of the charity's work and its role in the fishing communities.

Supporters of the Fishermen's Mission

The Fishermen's Mission is proud to be supported by so many loyal friends from around the UK and beyond. It is a privilege to receive help and friendship from the charity's supporters. The Fishermen's Mission values each and every call, email, letter and gift that is received as well as being deeply grateful for those who pray each week for the charity's work and staff using the Prayer Calendar. It is recognised that giving is a very personal decision and the Fishermen's Mission is proud that so many people choose to support its work and recognises the vital support that donors and volunteers bring to the charity.

Royal National Mission to Deep Sea Fishermen

Legacy Income

Income from legacies remained key to the charity's overall income. In 2020/21 income from legacies was marginally lower than in the previous year but still within the budgeted range. Income from legacies not only underpins service provision but is also set aside to fund development work for the future. The Fishermen's Mission implemented a more streamlined process for recording and monitoring legacy income and remains deeply indebted to those who choose to make this special gift.

PR and Marketing

Preparations were made in 2020/21 for a branding refresh and the redesign of all publicity – both printed and digital. This work has continued apace, and the new images and promotions are now in use. More work is anticipated to complete this project in 2021/22 including the development of a new website.

OUR FINANCES

Overall Results

An operating surplus of £165,949 (2019/20: £337,490 surplus) was better than budget due to higher-than-expected legacy income and savings resulting from reduced travel and subsistence costs due to lockdown and staff working from home. To meet the requirement of Section 28 of the FRS 102, the Retirement Benefit Pensions Scheme fund income and expenditure are shown within the Fishermen's Mission's accounts.

The improvement to the balance sheet position reflects the performance of investments and excess of legacy income over budget.

Fishermen's Mission Reserves

Reserves Policy

In October 2021 trustees reviewed and reissued the Investments Policy Statement, with no significant changes to the overall strategy for the reserves. To reflect their general judgements, the Fishermen's Mission's Trustees maintain financial reserves to achieve 5 key objectives:

1. Funds for the early stages of major fishing emergencies.
2. Generation of income/revenue for sustained operations.
3. Sufficient funds to ameliorate short and longer-term challenges to the charity's continuity. Minimum reserve 2 years costs for operations.
4. Adequate funds to fulfil the employer's covenant to the Retirement Benefit Pension Scheme.
5. Provision of resources for activities in support of Council's strategic vision (Development Fund)

Investments

Sarasin and Partners LLP are appointed as the charity's Investment Managers, with funds invested in their pooled Charities Fund. Over the period, performance has met the benchmark criteria set by Trustees and has remained competitive with providers of similar investment vehicles. A commentary on performance is included under Investment in the notes to the accounts.

Royal National Mission to Deep Sea Fishermen

The charity's investments managers have in place an exclusionary ethical policy for the Fishermen's Mission; details of this policy can be found in the Sarasin Guide to Ethical Exclusions accessible via the Sarasin & Partners website. The policy is summarised below:

- There will be no holdings in companies with exposure to the production of tobacco or tobacco-related manufacturing.
- The Sarasin CAIFs will also avoid investment in companies that generate significant revenues from:
 - Alcohol
 - Armaments
 - Gambling
 - Adult entertainment

In addition to this exclusionary policy Sarasin & Partners consider the charity to be stewards of our clients' assets, a mind-set that is guided by a commitment to think like owners of the companies in which the charity invests, rather than simply holders of the shares taken. The charity takes an active and responsible approach to investment with the principles of stewardship being embedded at the heart of the investment process.

The analysis of environmental, social and governance (ESG) factors forms an integral part of the consideration for every investment decision. The Trustees strongly believe that this analysis must be conducted by Sarasin's equity and fixed income teams as any material risks and opportunities from ESG issues will influence the valuation of each company. Sarasin also has specialist stewardship analysts within the team, who advise on company engagements and lead the company's policy outreach work.

Guided by the charity, Sarasin scores each potential investment separately on the environmental, social and governance factors and then builds an overall ESG score with a range from A to E (where A is exemplary, and E is un-investable), which then feeds into the valuation methodology of each company.

Investment Performance (source Sarasin & Partners)

For the 12 months to 30 September 2021 the Fishermen's Mission investment portfolio generated a total return of 11.0% which was ahead of the long-term objective (inflation (UK CPI) +4%) of 7.3% however behind the peer group return (ARC Steady Growth Charity Index) of 16.5% and the benchmark of 16.8% after relinquishing some of the relative outperformance achieved in recent years.

Stock selection within equities was the main driver of both positive absolute returns and relative underperformance in both UK (18.3% v 25.8) and Global Equities (14.8% v 22.0%) as the vaccine discovery in Q4 2020 resulted in a strong rebound and marked sector rotation. Asset allocation was a positive contributor within bond holdings as the underweight allocation resulted in relative outperformance -0.2% v -3.4%, further helped by our preference for corporate over government debt. Elsewhere property and alternative investments provided positive and diversified returns; with notably strong performance from investments in UK property funds and digital infrastructure assets.

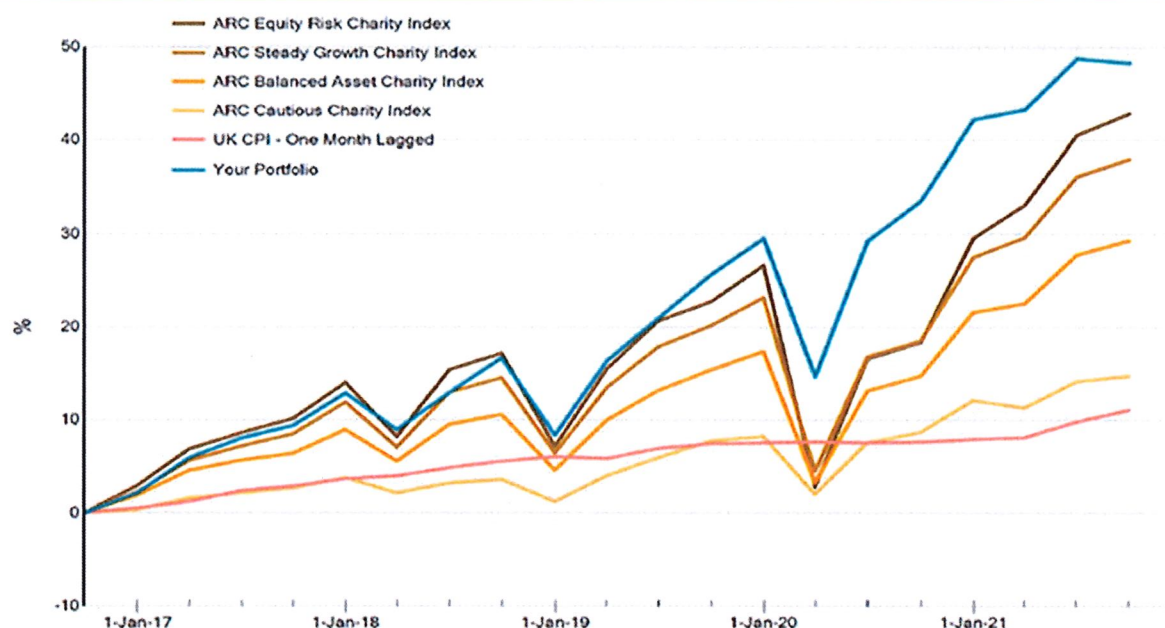
In November 2021 the Fishermen's Mission realised some of the capital gains in the portfolio and drew further capital over subsequent quarters to enable them to complete a buy-out of their final salary pension scheme. This has proved to be a prudent strategy as the initial capital raise locked in some strong performance and the subsequent quarterly raises have maximised income while enabling the portfolio to benefit from the impact of strong markets.

Royal National Mission to Deep Sea Fishermen

The below table summarises performance over a 1, 3 and 5 year basis against a range of performance comparators, with the chart showing performance in comparison to the ARC peer groups. Please note that the Steady Growth peer group is the relevant peer group for the portfolio.

Performance to 30-Sep-21	1 Year	3 Years Annualised	5 Years Annualised
Portfolio	11.0%	8.3%	8.2%
Inflation (FISHERM1-5)	7.3%	5.8%	6.2%
Portfolio Benchmark	16.8%	8.2%	8.4%
Peer Group	16.5%	6.4%	6.7%
Volatility			
Portfolio	9.1%	10.2%	8.5%
Portfolio Benchmark	8.8%	10.7%	8.8%
Income			
	Portfolio		
	2.8%		

Cumulative Performance Compared to the ARC Peer Groups



Income

The Net Movement of Funds for the year was £978.652 inflow (2019/20: £118,249 inflow) which has been transferred to the relevant funds. This increase has been generated by excess legacies, unrealised gain on the investments and this has been partially offset by the actuarial loss on the defined benefit pension scheme of £682,000. The designations resulted in the Fishermen's Mission free reserves at 31 October 2021 standing at £6,535,369. Free reserves available for use by the Fishermen's Mission are deemed to be those that are readily realisable, less funds whose uses are restricted or else designated for a specific purpose, this includes a minimum level of 2 years to cover costs for operations as stated in the Fishermen's Mission reserve policy. The calculation excludes funds invested in property and other fixed assets that will continue to be used in the day to day running of the Fishermen's Mission.

Royal National Mission to Deep Sea Fishermen

Donations and gifts totalled £1,515,682, a decrease of £228,092 on the 2019/2020 figure. The legacies received were £459,469 better than budget. Building legacies for the future remains a priority and a legacy marketing programme is in place.

Expenditure

Overall centres overhead costs decreased from 2019/2020 mainly due to savings resulting from working at home and no staff travel during lockdown. Average staff numbers on 31 October 2021 were 67, down from 70 on 1 November 2020.

Retirement Benefit Pension Scheme

From June 2018 the full administration of the scheme was transferred to Broadstone Actuaries in Bristol. Legal and General LLP remained the pension Fund Managers.

The FRS 102 valuation on 31 October 2021 saw a decrease in the scheme's deficit to £0 (2019/20 £380,000 deficit).

Melita Retirement Housing

The status of the discontinued Melita Housing Scheme for former employees was reviewed in detail during the year and it was decided that no changes are required for those remaining on the Scheme. A routine review of the Scheme is undertaken every 3 years and there is an ongoing refurbishment programme.

MEMBERS OF THE COUNCIL

The Trustees of the Council during the year were as shown on page 2. In accordance with the provisions of the Company's Articles of Association; Sir Jeremy de Halpert, Ms Libby Woodhatch, Mr Michael Vlasto, The Very Reverend David Lacy and Mr Trevor James retired by rotation at the Annual General Meeting in April 2021 and were re-elected. Additionally, three Trustees retired during the year: The Venerable Simon Golding, Mr Edward Whittle and Mrs Helen Nickells.

On joining the Council, Trustees receive a comprehensive briefing package and undertake induction visits. The composition of and succession planning for Council is considered formally every year.

RESPONSIBILITIES OF THE MEMBERS OF THE COUNCIL OF MANAGEMENT

The Trustees of the Council of Management (who are also Directors of Royal National Mission to Deep Sea Fishermen for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and accounting estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved confirms that:

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

AUDITORS

In accordance with section 487 of the Companies Act 2006, a resolution proposing that Mazars LLP be reappointed as auditors of the charitable company for FY 2021/22 will be put to the forthcoming Annual General Meeting.

The Trustees approve their Annual Report and, in their capacity as company directors and approve the Strategic Report incorporated therein.
Signed on behalf of the Trustees.

BY ORDER OF THE COUNCIL OF MANAGEMENT



Michael Vlasto OBE
Chairman
Date

Independent auditor's report to the members of the Royal National Mission to Deep Sea Fishermen

Opinion

We have audited the financial statements of Royal National Mission to Deep Sea Fishermen (the 'charity') for the year ended 31 October 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 October 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the directors' responsibilities statement, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 directors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to: posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Jonathan Marchant (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor, Merck House

Seldown Lane

Poole

Dorset

BH15 1TW

Date

9/2/22

Royal National Mission to Deep Sea Fishermen

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating the income and expenditure account) For the year ended 31 October 2021

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOMING RESOURCES -Incoming resources from generated funds:					
Voluntary Income: Donations & Gifts		1,140,823	374,859	1,515,682	1,743,774
Legacies		1,059,469	-	1,059,469	1,123,437
Investment Income	2	310,299	-	310,299	299,856
Incoming resources from charitable activities					
Income from accommodation		-	-	-	183
Charity Shop		77,780	-	77,780	55,208
Other incoming resources					
Net realised gain/(loss) on sale of fixed assets		-	-	-	4,357
Rental Income		50,884	-	50,884	50,128
TOTAL INCOMING RESOURCES		2,639,255	374,859	3,014,114	3,276,943
RESOURCES EXPENDED					
Less: Costs of generating funds					
Fundraising and publicity	3	909,161	47,880	957,041	886,441
Charitable activities					
Charitable expenditure		1,391,888	499,236	1,891,124	2,053,012
TOTAL RESOURCES EXPENDED		2,301,049	547,116	2,848,165	2,939,453
NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER GAINS AND LOSSES		338,206	(172,257)	165,949	337,490
OTHER RECOGNISED GAINS AND LOSSES					
Unrealised gain/(loss) on investment assets		1,494,703	-	1,494,703	255,759
Actuarial (loss)/gain on defined pension scheme	10/16	(682,000)	-	(682,000)	(475,000)
Other gains on defined pension scheme	16	-	-	-	-
NET MOVEMENT IN FUND		1,150,909	(172,257)	978,652	118,249
RECONCILIATION OF FUNDS					
Balance brought forward on 1 November 2020	10	14,024,007	329,530	14,353,537	14,235,288
Balance carried forward on 31 October 2021	10	15,174,916	157,273	15,332,189	14,353,537

All activities relate to continuing operations. The SOFA includes all gains and losses recognised in the year.

CASH FLOW STATEMENT

For the year ended 31 October 2021

	Notes	2021	2020
		£	£
Cash flows from operating activities:	18(a)	(61,952)	(160,584)
Net cash (used in)/provided by operating activities		<u>(61,952)</u>	<u>(160,584)</u>
Cash flows from investing activities			
Interest received		299	856
Interest paid		(8,482)	(8,752)
Dividends received from investments (gross)		300,000	300,000
Purchase of tangible fixed assets		-	(75,160)
Sale of tangible fixed assets		-	6,144
Sale of investments			-
Purchase of fixed asset investments		(250,000)	-
Net cash used in investing activities		<u>41,817</u>	<u>223,088</u>
Change in cash and cash equivalents in the year		<u>(20,135)</u>	<u>62,504</u>
Cash and cash equivalents at 31 October 2020		<u>779,785</u>	<u>717,281</u>
Cash and cash equivalents at 31 October 2021		<u>759,650</u>	<u>779,785</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021

1. ACCOUNTING POLICIES

The Royal National Mission to Deep Sea Fishermen (or Fishermen's Mission), a company limited by guarantee is incorporated in the United Kingdom and is registered No. 00024477, is registered with the Charity Commissioners (No. 232822) and the Office of the Scottish Charity Regulator (No SC039088). The registered office is Mather House, 4400 Parkway, Solent Business Park, Whiteley, Hampshire, PO15 7FJ.

Basis of preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention, except as modified by the inclusion of investments at market value, and in accordance with applicable Accounting Standards in the United Kingdom, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Statement of Recommended Practice – Accounting and Reporting by provision of the Charities SORP 2015 (FRS 102). A summary of accounting policies, which have been applied consistently, is set out below.

(a) Income from donors and supporters

Income from donations and supporters are accounted for on an accruals basis. Any significant income related to the year end and received at the Mission's headquarters or main bankers after the year end is accrued in the financial statements.

Gifts in kind are included in incoming resources at the year end at an estimate of their value to the Mission.

(b) Legacies received

Legacy income is recognised when there is sufficient evidence to provide the necessary certainty that the legacy will be received, and the value of the incoming resource can be measured with sufficient reliability. Estimated legacy income of £484,972 (2020: £1,039,574) has not been included in the Statement of Financial Activities because the conditions of recognition have not been met.

(c) Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful economic lives on the following basis:

Freehold property	2% straight line
Long-term and short-term leasehold property	Amortised over period of the lease
Motor vehicles	33% reducing balance
Furniture, fixtures and fittings	20% reducing balance
Computer equipment	25% straight line

Individual fixed assets costing more than £1,000 are capitalised at cost and are subsequently stated at cost less depreciation.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

1. ACCOUNTING POLICIES (continued)

(d) Capital grants

Capital grants are recognised in restricted or unrestricted funds in accordance with the conditions of the grantor.

(e) Investments

Investments are stated at market value. Any unrealised gains and losses on investments are taken directly to the statement of financial activities.

(f) Investment income

Investment income is shown on an accruals basis.

(g) Classification of expenditure

Administration/Support costs have been reapportioned to direct charitable and fundraising costs dependent on the expense i.e., headcount/direct/evenly across cost centres in accordance with guidance in the SORP. Expenditure includes any VAT, which cannot be recovered and is reported to the part of the expenditure to which it relates. Resources expended are accounted for on an accruals basis.

(h) Charitable expenditure

Charitable expenditure includes all costs associated with the Fishermen's Mission and Welfare centres situated throughout the United Kingdom. A proportion of time is spent doing work of a fundraising nature. The costs of this have been allocated to fundraising expenditure.

(i) Fundraising expenditure

Fundraising expenditure includes a proportion of administration charges and includes depreciation costs on motor vehicles and equipment. Fundraisers spend a proportion of their time doing work of a charitable nature. The costs of this have been allocated to charitable expenditure.

(j) Administration/Support expenses

Administration/Support expenses include building running costs and all related charges (including salaries) of head office. Administration/Support expenses are re-allocated to charitable and fundraising expenditure by headcount, direct and evenly across cost centres.

(k) Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

1. ACCOUNTING POLICIES (continued)

fees and costs linked to the strategic management of the charity. These are included under resources expended within charitable expenditure.

(l) Operating lease

Rental payments under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

(m) Pension costs

The charitable company participates in a defined benefit scheme. The defined benefit scheme pension costs are assessed in accordance with actuarial advice and based on the most recent actuarial valuation of the scheme. Pension costs and disclosures have been reported in accordance with Section 28 of the FRS 102.

The Fishermen's Mission also operates a defined contribution scheme. Contributions payable to this scheme are included in the Statement of Financial Activities in the period to which they relate.

(n) Funds

Restricted funds are funds whose use is legally restricted to specific uses whether by a trust deed or by a letter received with the original gift.

Designated funds are funds whose use is not legally restricted but whose purpose has been designated by the Council. The Council is entitled to change its mind and use these funds in whichever way it sees fit. The allocation of the Designated fund has been added as a note under the fund analysis.

The unrestricted fund covers all items that do not fall into the above categories.

(o) Cash and Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are also liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(p) Financial Instruments

The Fishermen's Mission only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Creditors are recognised where the Fishermen's Mission has

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

1. ACCOUNTING POLICIES (continued)

a present obligation resulting from a past event and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

(q) Going Concern

A five-year rolling business plan underpins Trustees' strategic assessments of going concern out to the medium term (3 years). This plan cascades through an annual budget assumptions process and thence to the production of the in-year budget that reflects:

- Core business expenditure
- Planned developments
- Forecasts for key voluntary income streams (notably risks)

Where appropriate, funds from a designated 'Development Fund' in the reserves are allocated to balance the budget and reduce in-year income risk. To sustain going concern for the medium term, as a strategic priority, the trustees aim to maintain the level of free reserves to support two years business continuity of core service delivery. Based on this assessment the Trustees are satisfied that the charity has sufficient liquid resources to meet its planned obligations and maintain its stated reserve policy and have adopted the going concern basis for preparation of the financial statements.

(r) Key Estimations

All accounting estimates are included that could be material to the financial statements. Those estimates used are reasonable in the circumstances and consistent with assumptions used in previous years.

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

Trade 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.

Accrued in is included at the best estimate of the amounts receivable at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

2. INVESTMENT INCOME

	2021	2020
	£	£
Bank Interest	299	856
Net Pension (expense)\income	10,000	(1,000)
Income from Investments	300,000	300,000
	310,299	299,856

3. TOTAL RESOURCES EXPENDED

3a Costs of generating voluntary income

	Restricted Fund	Unrestricted Fund	Total Funds	Total Funds
	2021	2021	2021	2020
	£	£	£	£
Fundraising	47,880	822,982	870,862	796,186
Support costs	-	86,179	86,179	90,254
	47,880	909,161	957,041	886,440

3b Governance cost

	Restricted Fund	Unrestricted Fund	Total Funds	Total Funds
	2021	2021	2021	2020
	£	£	£	£
Salaries and related	-	34,367	34,367	33,974
Council expenses	-	11,104	11,104	10,870
Audit fee	-	14,001	14,001	14,150
	-	59,472	59,472	58,994

3c Direct Costs

	Welfare	Total	Total
	2021	2021	2020
	£	£	£
Manual staff costs	45,308	45,308	62,272
Uniformed staff costs	931,745	931,745	916,671
Depreciation	75,548	75,548	95,308
Centres operating costs	426,312	426,312	546,066
Welfare payments	11,655	11,655	23,108
	1,490,568	1,490,568	1,643,425

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

3d Support Costs

	Costs of Generating Funds 2021 £	Governance 2021 £	Welfare 2021 £	Total 2021 £	Total 2020 £
Admin costs (HQ)	159,285	-	400,556	559,841	534,881
	159,285	-	400,556	559,841	534,881

The support costs allocation has been based on employee numbers.

3e Analysis of resources expended by expenditure type

	Staff Costs 2021 £	Depreciation 2021 £	Other Costs 2021 £	Total 2021 £	Total 2020 £
Costs of generating funds					
Fundraising	609,212	17,644	330,185	957,041	886,441
Welfare	1,140,294	107,584	583,859	1,831,652	2,065,058
Governance	34,367	-	25,105	59,472	58,994
	1,783,873	125,228	939,064	2,848,165	3,010,496

3f Analysis of resources expended by activities

	Activities undertaken directly 2021 £	Support Costs 2021 £	Total 2021 £	Total 2020 £
Welfare	1,490,568	400,556	1,891,124	2,053,012

- 3a. In 2021, of the costs of generating voluntary income £909,161 was to unrestricted funds and £47,880 to restricted funds.
- 3b. In 2021, of the governance costs £59,472 was to unrestricted and £nil to restricted funds.
- 3c. In 2021, of the direct costs £991,332 was to unrestricted funds and £499,236 to restricted funds.
- 3d. In 2021, of the support costs £559,841 was to unrestricted funds and £nil to restricted funds.
- 3e. In 2021, of the resources expended by expenditure type £2,301,049 was to unrestricted funds and £547,116 restricted funds.
- 3f. In 2021, of the resources expended by activities £1,391,888 was to restricted funds and £499,236 to restricted funds.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

4. NET INCOMING RESOURCES

The net incoming resources for the year are stated after charging/(crediting): -

	2021	2020
	£	£
Depreciation of tangible fixed assets	125,228	149,029
Auditors' remuneration – audit fees	14,001	14,150
(Profit) on disposal of fixed assets	-	(4,357)
Interest payable – bank interest	8,482	8,752
Operating lease rentals – plant and equipment	3,995	5,597
Operating lease rentals – other	70,613	81,754

5. EMPLOYEE INFORMATION

The average weekly number of persons employed during the year is analysed below:

	2021	2020
	Number	Number
Mission Staff – Port and Fundraising	47	47
Administration Staff – Head Office	10	11
Support Staff (Ports)	10	12
	67	70

Employment costs for all full time and part time staff:

	2021	2020
	£	£
Wages and Salaries	1,505,573	1,475,459
Social Security Costs	136,866	131,987
Pension Costs	114,187	113,844
	1,756,626	1,721,290

The number of employees whose emoluments for the year exceeded £60,000 is as follows:

	2021	2020
	Number	Number
£60,001 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

The pension contribution made by the employer on behalf of one employee above was £6,654 (2020: £6,586 contribution for one employee).

The charity has identified Key Management Personnel as the current Executive Team and their total remuneration amounts to £179,458, (2020: £177,790).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

Council members' remuneration, expenditure and donations given

No Council member received any remuneration for the year (2020: nil). Costs relating to Council members' expenditure included in governance expenses were for accommodation, travel, and meal costs £10,386 (2020: £10,049). 5 Council Members claimed expenses during the year (2020:8). Donations of £1,142 (2020: £2,547) were received from Council members.

6. FIXED ASSET INVESTMENTS

	Listed Investments
	£
Market Value	
At 1 November 2020	12,128,266
Purchases	250,000
Buyout Transfer	(1,000,000)
Net unrealised investment gain	1,494,703
At 31 October 2021	12,872,969

Fixed asset investment represents:

Cash 2.5%	333,332
Currency Stirling 13.5%	1,749,627
Mixed Investments 84%	10,790,010
	12,872,969

The following investments represents more than 5% of the portfolio by market value:

Sarasin Endowments Fund Class A inc	10,790,010
ISC Sterling Liquidity Fund	1,749,624
	12,539,634

Investment Income of £300,000 is released at £75,000 each quarter and is shown as in Note 2.

7. TANGIBLE FIXED ASSETS

	Freehold and Leasehold Property	Motor Vehicles	Furniture, Fixtures, Fittings and Computer Equipment	Total
Cost	£	£	£	£
At 1 November 2020	2,558,829	383,792	243,206	3,185,797
Additions	-	-	-	-
Disposals	-	-	(112,307)	(112,307)
At 31 October 2021	2,558,829	383,762	130,899	3,073,490
Depreciation				
At 1 November 2020	951,793	271,355	204,750	1,427,898
Charge for year	70,338	37,543	17,347	125,228
Disposals	-	-	(112,307)	(112,307)
At 31 October 2021	1,022,131	308,898	109,790	1,440,819
Net Book Values at 31 October 2021	1,536,698	74,864	21,109	1,632,671
At 31 October 2020	1,607,037	112,406	38,456	1,757,889

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

The Freehold properties include 12 Retirement properties and the Head Office in Whiteley. The Leasehold properties costs related to works carried out on 4 leased units to make them suitable for Fishermen's Mission use.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other Debtors	863	1,426
Prepayments and Accrued Income	144,431	150,353
	145,294	151,779

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade Creditors	16,338	12,411
Other Creditors	2,277	246
Other Taxes and Social Security	37,826	40,388
Accruals and Deferred Income	21,953	31,148
	78,395	84,192

10. FUNDS

	Unrestricted Funds				Total
	General Fund	Pension Fund	Designated Funds	Restricted Funds	
	£	£	£	£	£
At 1 November 2020	5,217,496	(380,000)	9,186,511	329,530	14,353,537
Net Incoming Resources for the Year	276,206	62,000	-	(172,257)	165,949
Net Unrealised Gain on Investment Assets	1,494,703	-	-	-	1,494,703
Investment buyout	-	1,000,000	(1,000,000)	-	-
George Watts Fund (NE Scotland)	(91,734)	-	91,734	-	-
Actuarial (Loss) on Defined Benefit Scheme	-	(682,000)	-	-	(682,000)
Transfers Between Funds (Note 10a)	(361,302)	-	361,302	-	-
At 31 October 2021	6,535,369	-	8,639,547	157,273	15,332,189

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

10a. DESIGNATED FUNDS ANALYSIS

	At 1 November 2020	Incoming	Expenditure	At 31 October 2021
Fixed Assets	1,689,743	-	98,147	1,591,596
Pension Cov/Buyout Provision	3,000,000	-	1,000,000	2,000,000
Major Emergency	500,000	-	-	500,000
Business Continuity	2,750,000	-	-	2,750,000
Business Development	573,437	459,449	-	1,032,886
George Watts Fund	673,331	91,734	-	765,065
	9,186,511	551,186	1,098,147	8,639,547

11. RESTRICTED FUNDS ANALYSIS

	At 1 November 2020	Incoming	Expenditure	At 31 October 2021
Future Expenditure Fund	725	161,084	161,084	725
Shetland Fishermen's Association	51,679	-	832	50,847
St Hilda Trust (NS Hub)	-	1,000	-	1,000
Joanna C Fund	-	76,608	47,880	28,728
Morrison's Foundation Trust (now Seafit)	14,048	-	56	13,992
Seafarers UK (Seafit)	79,178	69,500	135,322	13,356
Age UK	545	-	175	370
Far & Wide (Aberdeen)	329	-	-	329
Trinity House (Sight Fit)	6,000	-	150	5,850
Megavissy Parish Council	1,000	-	-	1,000
Tanner Trust	2,080	-	2,080	-
Seafarers UK (CV19)	103,249	66,667	169,916	-
MNWB (Helston Hub)	1,541	-	1,541	-
Helston Town Council	1,000	-	1,000	-
Acquired Fixed Assets Fund	68,156	-	27,080	41,076
	329,530	374,859	547,116	157,273

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Investments	Net Current Assets	Pension Liability	Total
	£	£	£	£	£
Restricted Funds					
Expenditure Fund	-	-	116,197	-	116,197
Acquired Fixed Assets	41,076	-	-	-	41,076
	41,076	-	116,197	-	157,273
Unrestricted Funds					
Designated Fund	1,591,596	765,065	6,282,886	-	8,639,547
General Fund	-	12,107,904	(5,572,553)	-	6,535,369
Pension Scheme Fund	-	-	-	-	-
	1,632,672	12,872,969	753,862	-	15,332,189

The Future Expenditure Fund is a fund which consists of income given for the purchase of specific items. The Shetland Fishermen's Association is a restricted fund consisting of income given for use in the Shetland Islands. Seafarers Seafit Project is to underpin the health project around several ports. The Acquired Fixed Assets Fund is a restricted fund consisting of assets with restrictions on use.

The Designated Fund is a fund consisting of all fixed assets with no restrictions on use. It includes provisions to underpin various Fishermen's Missions strategies including Major Emergencies, pension covenant is to provide additional funding to support the Fishermen's Missions aim for scheme buyout in 2021/2022 and provision for business development and continuity. The carrying value of the George Watts Fund Trust fund that has been designated to provide an annual income and if required capital project funding for the Northeast of Scotland. With the uncertainty of Brexit and the impact of CV19, several projects/appointments have been postponed until 2021/2022.

The General Fund is an unrestricted fund which can be used for any charitable purpose. The Pension Scheme Fund is an unrestricted fund equal to the year-end liability of the defined benefit pension scheme.

13. TAXATION

The Fishermen's Mission is a charity and as such is exempt from taxation on its income and gains to the extent that they are applied to its charitable purpose.

14. FUTURE CAPITAL EXPENDITURE

	2021	2020
	£	£
Authorised by the Council but not contracted for	165,000	80,000
Contracted for but not provided	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

15. FINANCIAL COMMITMENTS

At 31 October 2021, the Fishermen's Mission had annual commitments under non-cancellable operating leases expiring as follows: -

	Land & Building		Other	
	2021	2020	2021	2020
	£	£	£	£
Due within 1 year	70,613	81,972	3,995	5,597
Due within 2-5 years	136,067	163,194	10,934	12,384
More than 5 years	3,625	29,791	-	2,544
	<u>210,305</u>	<u>274,957</u>	<u>14,928</u>	<u>20,526</u>

16. PENSIONS

In accordance with Financial Reporting Standard 102 – (FRS 102) the charity is required to disclose certain information concerning assets, liabilities, income, and expenditure related to pension schemes for its employees.

The charity operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity, being invested with investment management companies. Contributions to the scheme are charged to the Statement of Financial Activities to spread the cost of pensions over employees' working lives with the charity. A qualified independent actuary on the basis of triennial valuations last carried out on the 31 October 2015, updated to 31 October 2019, using the projected unit method determines the contributions.

The scheme was suspended from 1 November 2007 and so no contributions relating to wages and salaries were made during the year ended 31 October 2021. The Fishermen's Mission did make contributions towards administration costs of the pension scheme during the year as agreed in the Schedule of Contributions.

Additional contributions have been made by the charity from 1 November 2004, such amounts of a regular and one-off nature as may be agreed between the Trustees and the employer from time to time and recorded in a Trustee minute or resolution. These contributions have been made to remove the deficiency in respect of past service at the valuation date. A contribution was made in the year ended 31 October 2021 of £200,000.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2021 (continued)

Principal actuarial assumptions at the year-end were as follows:

	2021	2020
Discount Rate	1.8%	1.6%
Inflation	3.9%	3.5%
Pension increases in deferment (Non GMP)	3.9%	3.5%
RPI minimum 3% pa and maximum 5% pa pension increases	3.8%	3.6%
RPI maximum 5% pa pension increases	3.6%	3.4%
Post retirement mortality:	S3NA CMI 2020 (1.25%) 95% of S2NA CMI 2019 (1.25%)	
Life expectancy at age 65 of male aged 65	87.2	87.2
Life expectancy at age 65 of female aged 65	89.6	89.2
Life expectancy at age 65 of male aged 45	88.5	88.5
Life expectancy at age 65 of female aged 45	91.0	90.7

The current asset split is as follows:

	Period to 31 Oct 2021	Period to 31 Oct 2020
Equities	-	£2,956,000
Property	-	£994,000
Cash	£616,000	£1,265,000
Liability Driven Investments (LDI) Strategy	£369,000	£2,118,000
Multi Asset Fund	-	£3,730,000
Self Sufficiency Fund	£10,970,000	-
Net current assets	£73,000	£50,000
Total Assets	£12,028,000	£11,113,000

Balance Sheet

	31 Oct 2021	31 Oct 2020
Fair value of assets	£12,028,000	£11,113,000
Defined benefit obligation	(£11,067,000)	(£11,496,000)
Surplus/(Shortfall)	£961,000	(£380,000)
Effect of asset ceiling/IFRIC14	(£961,000)	-
Net defined benefit (liability)/asset	-	(£380,000)

Amount recognised in Profit and Loss

	Period to 31 Oct 2021	Period to 31 Oct 2020
Current service cost	-	-
Administration expenses	£148,000	£104,000
Interest costs	£180,000	£207,000
Interest income	(£190,000)	(£213,000)
Interest on effect of asset ceiling/IFRIC14	-	£7,000
Total charge to Profit and Loss	£138,000	£105,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

Remeasurements over the year

	Period to 31 Oct 2021	Period to 31 Oct 2020
Return on assets less interest income	(£120,000)	(£12,000)
Experience (gains)/loss on experience	-	-
Losses/(gains) from changes to demographic assumptions	(£48,000)	£84,000
Losses/(gains) from changes to financial assumptions	(£111,000)	£599,000
Change in impact of asset ceiling	£961,000	(£196,000)
Total remeasurements	£672,000	£475,000

Change in value of DB liabilities

	Period to 31 Oct 2021	Period to 31 Oct 2020
Value of liabilities at start	£11,493,000	£ 11,134,000
Current service costs	-	-
Members contributions	-	-
Past service costs	-	-
Interest cost	£180,000	£207,000
Benefits received/(paid)	(£447,000)	(£531,000)
Change due to settlement or curtailments	-	-
Experience (gain)/loss on experience	-	-
Change in assumptions (gain)/loss	(£159,000)	£683,000
Closing defined benefit obligations	£11,067,000	£11,493,000

Change in value of assets

	Period to 31 Oct 2021	Period to 31 Oct 2020
Value of assets at start	£11,113,000	£11,323,000
Interest on assets	£190,000	£213,000
Employer contributions	£1,200,000	£200,000
Member contributions	-	-
Benefits paid	(£447,000)	(£531,000)
Administration costs	(£148,000)	(£104,000)
Settlements and curtailments	-	-
Actuarial gain/(loss) on Scheme assets	£120,000	£12,000
Value of assets at end	£12,028,000	£11,113,000

Change in effect of the asset ceiling/IFRIC14

	Period to 31 Oct 2021	Period to 31 Oct 2020
Opening effect of the asset ceiling/IFRIC14	-	£189,000
Interest on effect of assets ceiling/IFRIC14	-	£7,000
Change in the effect of asset ceiling/IFRIC14	£961,000	(£196,000)
Closing effect of the asset ceiling/IFRIC14	£961,000	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2021 (continued)

GROUP PERSONAL PENSION

The Fishermen's Mission also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Fishermen's Mission in an independently administered fund. The pension cost charge represents contributions payable by the Fishermen's Mission to the fund. At the year end, there were no unpaid contributions (2020: none).

	2021 £	2020 £
Contributions payable by the charity for the year	<u>114,187</u>	<u>113,844</u>

17. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

18. CASH FLOW STATEMENT

(a) Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net Incoming/(expenditure) resources	165,949	341,847
Investment income	(310,299)	(299,856)
Interest payable	8,482	8,752
Depreciation on tangible fixed assets	125,228	149,029
(Increase)/Decrease in debtors	6,485	(122,043)
(Decrease)/Increase in creditors	(5,797)	(137,856)
Pension scheme contributions in excess of charge	(52,000)	(96,000)
(Gain)/Loss on Disposal of Fixed Assets	-	(4,357)
Net Cash Provided by (Used In) Operating Activities	<u>(61,952)</u>	<u>(160,584)</u>

(b) Reconciliation of net cash flow to movement in net cash balance

	2021 £	2020 £
(Decrease)/Increase in cash in the year	(20,135)	62,504
Changes in net cash balance from cash flows	(20,135)	62,504
Net cash balance brought forward	779,785	717,281
Net cash balance carried forward	<u>759,650</u>	<u>779,785</u>

(c) Analysis of net cash resources for the year

	At 1 November 2020	Cash Flows £	At 31 October 2021 £
Cash in hand and at bank	<u>779,785</u>	<u>(20,135)</u>	<u>759,650</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2021 (continued)

19. POST BALANCE SHEET EVENT

In November 2021, the majority of the Scheme's assets totalling £11,970,244 were used to secure a 'buy-in' of all the Scheme's liabilities (except the additional liabilities that will arise from GMP equalisation) with Legal & General Assurance Society. It is anticipated that the buy-in will be converted to a buy-out in due course and individual policies assigned to members. However, as this transaction occurred after the year end, and no date has been agreed for the buy-out of the Scheme, no allowance has been made for this in the accounts. It is anticipated that this will be reflected in next year's disclosures.

