

Trustees' report and financial statements

For the year ended 31 October 2022

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 2022

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Royal National Mission to Deep Sea Fishermen

Members of the Council who served during the year

Mr Michael Vlasto OBE

Chair of Trustees

Mr Ian Gatt

Deputy Chair

Rear Admiral Sir Jeremy de Halpert KCVO

Mr Nathan de Rozarieux

Reverend Derath Durkin

Mr Trevor James

The Very Reverend Dr David Lacy DL

Mr Thomas Maier

Mrs Kate Pound

Dr Jonathan Shepherd

Miss Kirsty Masters (Retired 12 April 2022)

Mr Matthew Cox (Retired 27 May 2022)

Secretary and Registered Office

Captain Marc Evans RN (Ret'd) (appointed 1 April 2022)

Mather House

4400 Parkway

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Executives

Captain Marc Evans RN (Ret'd) (Chief Executive) (appointed 1 April 2022)

Mrs Alison Godfrey (Director of Business Development)

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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 2022. 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 (working name, 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. 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, supported by the Senior Management Team.

STRATEGIC REPORT

Drawing upon and learning from the experience of the past two years' challenges and uncertainties within the COVID-19 climate, the Council reaffirmed its focus on delivering our core services. With the appointment of the new Chief Executive in April 2022, the Council directed the advancement of the Strategic Plan and having reviewed and refreshed the strategy, introduced three enabling objectives, additional to the six lines of strategic delivery activity, which have been presented to all staff thereby ensuring a bottom to top understanding of the plan and how day to day activity at the quayside contributes to the strategic intent.

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 former 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:
 - To aid 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 fishing vessels.
- To alleviate loneliness through home and hospital visits to retired fishermen and their families.
- To officiate at fishermen's funerals when requested.

2021/22 PERFORMANCE AGAINST COUNCIL'S STRATEGY

Summary

Concluding Response to the Covid-19 Pandemic

This operating year commenced as the country was slowly easing back on some Covid guidance and restrictions, while remaining vigilant as the Omicron variant emerged. As the relaxation of restrictions started to accelerate from January 2022, completely ending in Northern Ireland and England in February 2022 and in March 2022 for Wales and Scotland, the Fishermen's Mission carefully navigated a course back to providing the level of service care and interaction with clients that had existed pre-Covid. This was of course not easy. High levels of anxiety continued to pervade many parts of the community in need and many staff found the return to the 'new normality' more difficult than expected.

The economic effect of the Covid-19 pandemic was already impacting many in the community and throughout this operating period the increasing rate of inflation and the growing depth of the cost-of-living crisis has been at the forefront of much of the Fishermen's Mission's work. The situation has been exacerbated by the Russian invasion of Ukraine and the continuing fallout of the post-BREXIT trade deals to the point where the UK's cost of living has been described as the most affected of all the advanced economies. While all in the UK have been affected by rising prices, it most substantially affects those on low incomes, of which many in the fishing communities would be accurately assessed as 'low income' families.

The Fishermen's Mission has listened to how the cost of putting a vessel to sea has increased; how the break-even point has increased; how market fluctuations have reduced the value of some catches; how some species have been less prevalent in UK waters and then the devastating effects of the continuing unexplained deaths of crustaceans in the North East has crippled that section of the industry. Across the board the Fishermen's Mission has heard how,

for many, this current period feels like the most arduous that has been experienced in the industry by this generation and these unsurprising increases demand on the ranges of services provided by the maritime welfare charities.

As this operating period concluded, the Fishermen's Mission was preparing for increased calls for financial assistance as the weather cooled and the effects of the increased cost of heating and electricity started to bite.

Of all the issues faced by the Fishermen's Mission, those associated with stress, anxiety and wider mental health challenges are very much at the fore of the Fishermen's Mission's core work. The Fishermen's Mission staff are connected to mental health specialists and the 'GetSeaFit' quayside advisers enable access to counselling services through partners such as the Seafarers' Hospital Society (SHS), excellent counsellors specialising in supporting fishermen, Fairwinds in Cornwall and Fishwell in Norfolk and Suffolk and the Merchant Navy Welfare Board who have helped to set up a 24/7 free and confidential text service de-escalating situations and offering longer term help and support

The SeaFit programme continues to go from strength to strength, closing the gap between many front-line NHS services and fishermen, including many of the migrant fishermen who support the UK fishing industry, but find it immensely difficult to make and attend primary and secondary healthcare appointments.

Development Activities

With the cessation of Covid-19 restrictions midway through the operating year, it was pleasing to accelerate progress against all the Council's strategic objectives.

Strategic Objectives (SO)

The existing six Strategic Objectives were reviewed as part of the Trustees' annual strategy session; updated and supplemented with three additional objectives. Following the cessation of Covid-19 restrictions and the appointment of the new Chief Executive, the Council sought greater movement across all lines of activity and were content that all were progressing well at the year end.

SO1 Enhance support to active and former fishermen and their families. This means not standing still but actively looking for what else the clients need; expanding the reach of what the Fishermen's Mission's already does; looking for what else can be offered; improving the way clients can be connected with other organisations; doing what is already done more effectively, more efficiently, more beneficially. Improving the impact and improving the lived experience for the clients.

The SeaFit programme remains the driving force for new initiatives and wider engagement within the fishing communities. Highlights include:

- 33 event days delivered in 14 different ports;
- More than 150 NHS health checks conducted;
- More than 120 further health checks conducted at SeaFit events;
- A proof-of-concept project, jointly conducted with the Seafarers Hospital Society, provided portable defibrillators to 10 fishing vessels;
- The 'service provision gap' between clients and local health providers closed in part through focused local initiatives including:
 - 'Fishing for Better Health' in Brixham
 - 'Well Up North' in association with Primary Care Network in Northumberland

- 'Healthwatch Northumberland'
- Over 300 mental health engagements;
- Over 150 physiotherapy engagements;
- A new mental health text support service launched for fishermen;
- 'GetSeaFit' shortlisted as 'Service Provider of the Year' at the Fishing News Awards 2022;
- The bottom line - "*SeaFit services saved my life*" (anon).

Across the charity, the Fishermen's Mission has looked at what the clients needed and has connected them with local services and publicly funded authorities, closing gaps and helping to bridge inequalities in service provision.

SO2 Improve the collection, quality, management and utilisation of data. This has required a focused and comprehensive plan for the collection and use of routine data to track trends; aid decision making to improve the range and quality of the support provided; aid public relations, fundraising and improve the lived experience of and the benefit to the Fishermen's Mission clients, and best cares for donors and supporters. The introduction of 'Navigator', an access website that allows secure and streamlined access to the Customer Relationship Management (CRM) system for clients, has enhanced quality assurance and business continuity across client casework

SO3 Extend our support to wider areas, both geographical and occupational. This has required the Fishermen's Mission to look at the scope of the services it provides to its clients and the reach of the charity within the UK and then the wider British Isles:

- **Geographical:** The Fishermen's Mission was established as a national organisation. The Fishermen's Mission has a footprint in each of the four nations of the UK but must ensure it has all areas adequately covered. The Isle of Man, Jersey and Guernsey are self-governing Crown dependencies with whom The Mission has relationships and these may be formalised. Considering the fishing waters of the British Isles, then there is also, a need to examine a potential relationship with the Republic of Ireland. Discussions to develop the charity's services in the Republic of Ireland paused during Covid-19 and have not yet been fully picked back up. **Occupational:** The Fishermen's Mission has traditionally supported only UK commercial sea fishing but now is also engaging with the growing UK aquaculture industry: Finfish (salmon & trout), shellfish (mussels & oysters) and the marine algae industry(i.e. seaweed).

SO4 Facilitate lifestyle improvements for active and former fishermen and their families. Living a healthy lifestyle can help prevent chronic diseases and long-term illnesses; feeling good about oneself and taking care of health are important for self-esteem and self-image – particularly important as people get older. Similarly, people who experience financial wellbeing are less stressed about money. This, in turn, has positive effects on their overall mental and physical health, and on their relationships.

By addressing these issues; by educating and then enabling the Fishermen's Mission clients to modify their behaviour; their habits, their ways of living etc will bring about positive changes in their lives and improve their health and well-being in every aspect. The Fishermen's Mission must be alive to the needs of the clients; be alive to changes in society to be ready to support when asked or proactively provide support before it has been asked for.

The GetSeaFit programme is funded from core in the Fishermen's Mission and Seafarers' Hospital Society and goes from strength to strength, closing the inequalities gap and introducing new initiatives that meet the changing demand of the clients

The Fishermen's Mission continues to work closely with partner charities, both in terms of receiving grants that resources the Fishermen's Mission's work and working collaboratively to deliver services to those in need

SO5 Improve cooperative and collaborative engagement with others. It has been critical that the Fishermen's Mission does not work in isolation but coherently with others in the same sector; others in the wider fishing enterprise – the catch industry; the producers; the regulators; the donors; the supporters; the friends and influencers. Adopting a federated approach, sharing knowledge and best practice across the enterprise, agreeing and prioritising work amongst those involved is a powerful tool; it is improving the use of resources and expertise and will underpin how services, training and skills development should evolve. The appointment of the new Chief Executive demanded greater engagement with all stakeholders in the Fishermen's Mission influence network; learning about each other's prioritised objectives and building on established relationships.

The Fishermen's Mission has sought to identify and close gaps in healthcare provision in the coastal communities, connecting more clients with more local authorities and service providers and rebalancing inequalities where possible.

The Fishermen's Mission has been actively involved in numerous working groups run by the Merchant Navy Welfare Board, the Department for Environment, Food & Rural Affairs (Defra), the Maritime and Coastguard Agency and Seafish amongst others.

The Fishermen's Mission is neither a union nor a lobbying body, but is routinely considered as best representing the needs of the individual and is more than content for it's voice to provide a context for the many organisations who would not otherwise know or understand the consequential effects of policy and regulatory change and enforcement on the welfare, health and well-being of the fishing communities.

SO6 Enhance further the reputation and brand the Fishermen's Mission by improving quality assurance and governance and articulating the relevance of the Fishermen's Mission and its vision to 2026 to industry and other. Reputation matters and can be the Fishermen's Mission's single most valuable asset. A good reputation makes the difference between success and failure. Reputation is also a major risk and is considered alongside strategic, operational, safety and financial risks. Donors want and need to be assured that their generous giving is being used ethically and to beneficial effect by an organisation that demonstrates high operating standards as well as making a real and positive difference.

The introduction of the Navigator access system to the CRM system for clients, has enhanced quality assurance and business continuity across 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 continued to prove invaluable. Good practice and a commonality of approach has helped maintain a consistently high level of service provision. Navigator is also allowing the Fishermen's Mission to identify gaps or inequality in service provision, over and under-resourcing thereby driving greater efficiency in the way in which business is delivered.

SO7 Diversify voluntary income to ensure the continued funding of our work by introducing new methods of fundraising to appeal to a new, wider range of supporters. It is recognised that relying too much on a single income stream can pose a significant threat to the Fishermen's Mission charity's finances. Income diversity ensures getting income from multiple sources, allowing the spread of risk, protection against potential shocks (such as loss of one income stream), and the promotion of long-term financial stability. Diversifying the Fishermen's Mission's income will assist the move towards a more stable and sustainable

financial future; assuring that the resource needed to operate and fund the Fishermen's Mission's plans will be there without having to fall back repeatedly on reserves.

SO8 Improve Equality, Diversity & Inclusion (EDI) across the whole charitable enterprise (including staff, volunteers, clients and donors). The Fishermen's Mission is committed to promoting equality, diversity and inclusion throughout the charity and eliminating unlawful discrimination and the charity is part of the Maritime EEDI leadership group that is working to bring about education and change within the sector. Further diversification across the charity will better reflect our society and the changing demographics within the industry. There is a need to further diversify the Trustees, staff, supporters and donors while ensuring that any potential clients are not excluded. This requires the Fishermen's Mission to reach out to different ethnic groups, under-represented minorities and broaden the demographics such that different giving abilities can be recognised ensuring the Fishermen's Mission's messages resonate with as wide an audience as possible thereby improving fundraising, reputation, donor relationships and communication practices.

SO9 Reduce the carbon footprint and increase sustainability across the charitable enterprise. Care & Guardianship of Creation is at the heart of this strategic objective and chimes with the Fishermen's Mission's core Christian values. The Fishermen's Mission actively promotes initiatives that help care for the planet, the 'creation' of which everyone is a guardian. Such action transcends politics; it is not about projects but about developing a state of mind and a state of being. No one can save the planet alone but everyone can do something. As a charity, the Fishermen's Mission should and is doing its bit to follow best practice and reduce the carbon footprint and increase sustainability across the charitable enterprise.

Equality and Diversity Objectives

The Fishermen's Mission is an equal opportunity organisation. It is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation, or disability and will make reasonable adjustments to meet the needs of staff who are or become disabled.

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

Trustees set the following objectives for 2021/22:

- Trustees will formally review their strategy and goals in relation to equality and diversity in mid-2022.
 - Complete.
- Prior to Council's strategic review an internal audit will be conducted looking at equality, diversity and inclusion in the context of the charity's current operations.
 - Complete. Now supported by the introduction of Strategic Objective 8 and considered an ongoing activity.
- Engage with NGOs that have a focus on minority and migrant groups to improve the appeal and engagement with these groups especially in recruiting.
 - Commenced and an ongoing activity.
- Fulfil a long-standing intention to deliver cultural training for frontline staff that reflects key groups working in the UK fishing industry.
 - Ongoing. Cultural training was again displaced by higher priority training demands, but has been prioritised and protected for 2022/23. Notwithstanding this, all staff and

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Trustees have undertaken in-house equality and diversity training and the introduction of Strategic Objective 8 has generated excellent discussion and furthered the understanding of this critical topic.

- Recruiting to be wholly 'open' and greater interest in our jobs to be generated within under-represented groups.
 - Ongoing. Early in 2023 it is intended to recruit up to five new Trustees. Central to this is the out-sourcing of the process with diversification at its heart.

Trustees set the following objectives for 2022/23:

- Trustees expect that Equality, Diversity & Inclusion (EDI) is given appropriate priority as the Fishermen's Mission seeks to improve diversity at every level across the enterprise (including staff, volunteers, clients and donors) (Strategic Objective 8 refers).
- Trustees also expect that any barriers to inclusion are identified and removed and any inequalities rebalanced.
- Trustees will conduct a review of the EDI strategy and goals in mid-2023.
- The Fishermen's Mission will conduct cultural training as a protected priority activity, during 2022/23.
- The Fishermen's Mission will further develop relationships with organisations that champion the under-represented, minority and migrant groups to improve its appeal to, and engagement with, such groups.

2021/2022 IMPACT

During the operating year, the Fishermen's Mission has expended some £1.8M on activity that supports its charitable objects. It has recorded over 21,000 client interactions, of which 17,300 were welfare specific. Additionally it has assisted some 4,400 clients, which has included support for some 455 children of fishermen through grants provided to their families.

The staff has responded to (or were ready to respond to) around emergency 80 incidents at sea during the year.

In common with the past few years, extensive support has been provided to migrant crew working in the UK especially in Northern Ireland and Scotland.

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 regular reviews (Top 10 risks) by the Senior Management Team, quarterly by Council and with all risks reviewed annually.

In October 2022 Council considered all risks. The Council's top three risks are as follows:

- The Fishermen's Mission resources becoming over-stretched leading to a drawdown of reserves to maintain services or reputation suffers when staff unable to respond effectively and adverse impact on support/fundraising. Unable to set a balanced budget without draw down of reserves.

Action - This risk is monitored closely however; the reserves investments will provide sufficient financial resilience out to, at least, the medium term.

- Previously undetected or unknown criminal activity creates significant media interest and has the potential to severely damage the reputation of the Fishermen's Mission and reduce levels of raised voluntary income and generate very significant compensation claims.

Action – All contingency plans are regularly reviewed including the proactive ownership of the narrative - clear guidance to all staff on handling media enquiries; issuing press releases; nominated staff for speaking to media will help distance the Fishermen's Mission from perpetrators and ensure that immediate administrative action is seen to be taken with an aim of minimising the effect of adverse publicity.

- A significant downturn in fundraising, potentially from the residual effect of COVID-19; the growing cost of living crisis and other competing demands for charitable donations leads to the Fishermen's Mission being unable to deliver its core operational outputs, potentially becoming unsustainable and ultimately leading to the closure of the charity.

Action – Linked to Risk 1 and monitored concurrently.

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.

Reflecting the valuing and care for our donors and supporters, 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.

Experience throughout Covid 19, like many other charities, saw a significant fall in income from community fundraising, events and corporate partnerships. This was most notable as a sizeable proportion of the Fishermen's Mission income comes from restaurants, pubs, fish and chips shops and food festivals. As the charity emerged from the Covid-19 restrictions, and as the hospitality industry started to recover so too did revenue from these income streams. However, the growing cost of living crisis has again started to bite and there will be a need to monitor the impact it has on the hospitality sector.

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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 Fishermen's Mission recognises both the demanding 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

The fundraising team has worked extremely hard again this year and successfully achieved the income targets. An excellent result considering the changes in the financial position of many of the Mission's donors and supporters. New initiatives include a pilot project bringing in greater use of contactless giving and the expanded use of the CRM database system. Donors and supporters remain the lifeblood of the Fishermen's Mission. Fundraising efforts by Port Staff are holding steady and a more integrated approach is being developed.

Partnership Fundraising

This is an area of fundraising that has taken the longest to recover from the Covid issues and is now in an equally difficult situation with the current financial climate. New partnerships have been built and strong relationships continue to develop. New and innovative projects have helped to keep this area of work moving forward.

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, the Merchant Navy Welfare Board (including the Car Replacement Scheme) 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, Suffolk County Council (health and wellbeing pilot) and the Pemberton-Barnes Trust. Trusts and foundations are at the centre of the Fishermen's Mission's ability to broaden the work and develop new service provision.

Digital and Social Media

The appointment, of a Digital and Marketing Fundraiser in 2020, significantly increased the digital footprint of the Fishermen's Mission. However, the post was vacated in May 2022 and in such a competitive market it has proved to be difficult to fill this vacancy. The work is still progressing and a new website was commissioned in May to be delivered early 2023. The new website will add further online support information for clients, including a language translation facility in some areas.

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 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

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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.

Legacy Income

Revenue from legacies remains key to the charity's overall income. It underpins service provision but also helps to resource essential development work. Income from legacies during 2021/22 was notably lower than in previous years and below the budgeted target. This was in part a result of the prevailing economic climate, but also a result of an administrative backlog at the HM Courts & Tribunals Service (HMCTS) probate service. As these accounts were being closed, we learned that HMCTS had committed to recruit hundreds of staff to strengthen their service, improve processing times and help clear the backlog.

PR and Marketing

During the year a refresh of the Fishermen's Mission branding took place, introducing a new colour palette and photo library. New digital and printed information has been produced and this work continues. Included in the refresh has been a move to the use of recycled and Forestry Commission supported paper for all printed materials.

THE FISHERMEN'S MISSION FINANCES

Overall Results

An operating deficit of £935,454 (c/w 2020/21: £165,949 surplus) was worse than budget due to lower-than-expected legacy income. 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 Fishermen's Mission Reserves

Reserves Policy:

In October 2022 trustees reviewed and reissued their Investments Policy Statement, with some minor changes to the overall strategy for the reserves. To reflect their general judgements, the Fishermen's Mission's Trustees maintain financial reserves to achieve four key objectives:

- To resource the immediate response to major fishing emergencies
- To generate income/revenue to sustained core operational activity.
- To ameliorate short and longer term challenges to assured business continuity - a minimum reserve equal to approximately 2 years' costs for operations.
- To resource the programmed activities that support and fulfil the Council's Strategic Plan.

Investments

Sarasin & 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.

Ethical Exclusions

- There will be no holdings in companies with exposure to the production of tobacco or tobacco-related revenues (*such as the retail and distribution of tobacco products*), or investment in indiscriminate weaponry (*for example cluster munitions & landmines which are excluded from all portfolios, as are other activities that are subject to global sanctions*)
- The Sarasin Charity Authorised Investment Funds (CAIFs) also avoid investment in companies that generate significant revenues from:
 - Adult entertainment
 - Alcohol
 - Armaments (including civilian firearms)
 - Gambling
 - Predatory lending

Stewardship Approach (Source: Sarasin & Partners)

In addition to the exclusionary policy Sarasin & Partners act as stewards of the Fishermen's Mission's 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. On behalf of the Fishermen's Mission, Sarasin and Partners takes an active and responsible approach to investment with the principles of stewardship being embedded at the heart of their 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.

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.

Sarasin and Partners make an annual submission of their Stewardship Report to the Financial Reporting Council (FRC), in 2022 they succeeded again in passing the UK Stewardship Code test details of this submission can be found on Sarasin's website.

They also make a submission to the UN Principles for Responsible Investment, this is also available to view on the Sarasin website.

Investment Performance (Source: Sarasin & Partners)

For the 12 months to 31st October 2022, the Fishermen's Mission investment portfolio generated a total return of -9.2% which was behind the long-term objective (inflation (UK CPI) +4%) of 14.5% and the benchmark of -5.7% but in line with the peer group return (ARC Steady Growth Charity Index) of -9.3%, reflective of a challenging macroeconomic environment.

Asset allocation was a positive contributor over the year; the weak performance of fixed income impacted the portfolio less than the benchmark, and moving underweight in equities in the first quarter proved timely. However, stock selection within equities was the main driver

of both returns and relative underperformance versus the benchmark in both UK (-11.2% v -1.4%) and Global Equities (-6.8% v -5.4%).

This relative underperformance was largely due to the limited exposure to the energy sector which benefitted from a rebounding oil price amplified by Russia's invasion of Ukraine. Given energy makes up a disproportionately large amount of the UK market the relative underperformance was more pronounced in this part of the portfolio.

In addition, the UK has a more significant exposure to tobacco, alcohol and armaments which are excluded from investment and also performed well in what was a risk-off environment. Sarasin's focus remains on identifying sustainable long-term returns, their analysis shows that energy, and other excluded sectors, do not represent attractive long-term investment opportunities.

Sarasin maintained their allocation to direct UK property and increased their allocation to alternative investments, and over the period both provided positive and diversified returns; within alternatives there was particularly strong performance from commodities (Invesco Physical Gold and Wisdomtree Carbon ETC) and Gresham House Energy Storage.

Since inception (13th September 2016) the Fishermen's Mission portfolio has generated an annualised net return of 5.7%, this is ahead of the initial projected 5-7 year return that Sarasin's presented to Trustees in 2016 of 5.2%.

Income

The Net Movement of Funds for the year was £2,281,138 outflow (2020/21: £978,652 inflow) which has been transferred to the relevant funds. This decrease has been generated by a reduction in legacies and unrealised losses on the investments. The designations resulted in the Fishermen's Mission free reserves at 31 October 2022 standing at £5,363,844.

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 (Business Continuity Reserves). Additionally, funds designated for Business Development are also classed as free reserves and are used to the resources initiatives such as piloting contactless payments for donors; delivering public relations; updating the Fishermen's Mission's branding; developing the new website capability and, looking ahead, delivering Phase 2 of Navigator expansion which will thereafter be part of the core budget.

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.

Donations and gifts totalled £1,509,790, a decrease of £5,892 on the 2020/2021 figure. The legacies received were £334,197 less than budget.

Expenditure

Overall centres overhead costs increased from 2020/2021 mainly due to the lifting of lockdown and the return to a more normal way of working. As at 31 October 2022, staff numbered 67.

Retirement Benefit Pension Scheme

Royal National Mission to Deep Sea Fishermen

Broadstone (formerly BBS Consultants & Actuaries Ltd until October 2019) has been the Scheme's administrator since June 2018. Legal and General LLP has remained the pension Fund Manager.

The FRS 102 valuation on 31 October 2022 saw the scheme's deficit remain at £0.00. (2020/2021: £0.00).

The project to wind up the current scheme and complete the transfer to Legal & General continues with completion forecast for Q2-Q3 of 2023.

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 were 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 Mr Matthew Cox, Reverend Derath Durkin, Mr Nathan de Rozarieux and Mrs Kate Pound retired by rotation at the Annual General Meeting in April 2022 and were re-elected.

Two Trustees retired during the year: Miss Kirsty Masters and Mr Matthew Cox.

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 the 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 situation 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:

- As far as Trustees are 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.

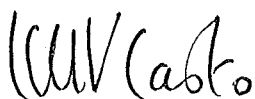
AUDITORS

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 2022/23 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 8 FEBRUARY 2023

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 2022 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 2022 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 during 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 during 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

Considering the knowledge and understanding of the charity and its environment obtained during 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 can detect 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 and anti-money laundering regulation.

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 compliant 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

28 February 2023

Royal National Mission to Deep Sea Fishermen

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating the income and expenditure account) For the year ended 31 October 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
INCOMING RESOURCES -					
Incoming resources from generated funds:					
Voluntary Income: Donations & Gifts		1,125,719	384,071	1,509,790	1,515,682
Legacies		203,022	62,781	265,803	1,059,469
Investment Income	2	300,000	-	300,000	310,299
Incoming resources from charitable activities					
Charity Shop		115,289	-	115,289	77,780
Other incoming resources					
Net realised gain/(loss) on sale of fixed assets		110,360	-	110,360	-
Rental Income		47,871	-	47,871	50,884
TOTAL INCOMING RESOURCES		1,902,261	446,852	2,349,113	3,014,114
RESOURCES EXPENDED					
Less: Costs of generating funds					
Fundraising and publicity		1,032,286	37,497	1,069,783	957,041
Charitable activities					
Charitable expenditure		1,897,228	317,556	2,214,784	1,891,124
TOTAL RESOURCES EXPENDED		2,929,514	355,053	3,284,567	2,848,165
NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER GAINS AND LOSSES					
		(1,027,753)	92,299	(935,454)	165,949
OTHER RECOGNISED GAINS AND LOSSES					
Unrealised (loss)/gain on investment assets & transfer		(1,489,684)	-	(1,489,684)	1,494,703
Actuarial gain/(loss) on defined pension scheme	10/16	144,000	-	144,000	(682,000)
NET MOVEMENT IN FUND RECONCILIATION OF FUNDS		(2,373,437)	92,299	(2,281,138)	978,652
Balance brought forward on 1 November 2021					
	10	15,174,916	157,273	15,332,189	14,353,537
Balance carried forward on 31 October 2022					
	10	12,801,479	249,572	13,051,051	15,332,189

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 2022

	Notes	2022	2021
		£	£
Cash flows from operating activities:	18(a)	<u>(1,042,100)</u>	<u>(61,952)</u>
Net cash (used in)/provided by operating activities		<u>(1,042,100)</u>	<u>(61,952)</u>
Cash flows from investing activities			
Interest received		-	299
Interest paid		(10,046)	(8,482)
Dividends received from investments (gross)		300,000	300,000
Purchase of tangible fixed assets		(116,836)	-
Sale of tangible fixed assets			-
		188,367	
Sale of investments			-
		400,000	
Purchase of fixed asset investments		-	(250,000)
Net cash used in investing activities		<u>761,485</u>	<u>41,817</u>
Change in cash and cash equivalents in the year		<u>(280,615)</u>	<u>(20,135)</u>
Cash and cash equivalents at 31 October 2021		<u>759,650</u>	<u>779,785</u>
Cash and cash equivalents at 31 October 2022		<u>479,035</u>	<u>759,650</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022

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 accrual's 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 £847,760 (2021: £484,972) 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 2022 (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 accrual's 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 accrual's 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 2022 (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 those 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 those 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 2022 (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 business development and business continuity
- 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 a minimum level of two years core service delivery (Business Continuity Reserves), as stated in the Fishermen's Mission reserve policy. Additionally, funds designated for Business Development are also classed as free reserves and are used to the resources initiatives such as piloting contactless payments for donors; delivering public relations; updating the Fishermen's Mission's branding; developing the new website capability and, looking ahead, delivering Phase 2 of Navigator expansion which will thereafter be part of the core budget.

Based on this assessment the Trustees are satisfied that reserves are set at a reasonable level. The charity has sufficient liquid resources to meet its planned obligations and maintain its stated reserve policy and has adopted a going concern basis for preparation of the financial statements.

The Fishermen's Mission is assessed to be a going concern.

(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.

Royal National Mission to Deep Sea Fishermen

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.

2. INVESTMENT INCOME

	2022	2021
	£	£
Bank Interest	-	299
Net Pension (expense)\income	-	10,000
Income from Investments	300,000	300,000
	300,000	310,299

3. TOTAL RESOURCES EXPENDED

3a Costs of generating voluntary income

	Restricted Fund	Unrestricted Fund	Total Funds	Total Funds
	2022	2022	2022	2021
	£	£	£	£
Fundraising	37,497	905,994	943,491	870,862
Support costs	-	126,292	126,292	86,179
	37,497	1,032,286	1,069,783	957,041

3b Governance cost

	Restricted Fund	Unrestricted Fund	Total Funds	Total Funds
	2022	2022	2022	2021
	£	£	£	£
Salaries and related	-	36,008	36,008	34,367
Council expenses	-	22,869	22,869	11,104
Audit fee & FRS Note	-	18,000	18,000	14,001
	-	76,877	76,877	59,472

3c Direct Costs

	Welfare	Total	Total
	2022	2022	2021
	£	£	£
Manual staff costs	53,452	53,452	45,308
Uniformed staff costs	1,006,781	1,006,781	931,745
Depreciation	63,879	63,879	75,548
Centres operating costs	584,926	584,926	426,312
Welfare payments	27,628	27,628	11,655
	1,736,666	1,736,666	1,490,568

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022 (continued)

3d Support Costs

	Costs of Generating Funds 2022 £	Governance 2022 £	Welfare 2022 £	Total 2022 £	Total 2021 £
Admin costs (HQ)	19,732	-	478,119	497,851	559,841
	19,732	-	478,119	497,851	559,841

The support costs allocation has been based on employee numbers.

3e Analysis of resources expended by expenditure type

	Staff Costs 2022 £	Depreciation 2022 £	Other Costs 2022 £	Total 2022 £	Total 2021 £
Costs of generating funds					
Fundraising	623,019	15,030	431,734	1,069,783	957,041
Welfare	1,227,400	93,749	816,759	2,137,908	1,831,652
Governance	36,008	-	40,869	76,877	59,472
	1,886,427	108,779	1,289,362	3,284,568	2,848,165

3f Analysis of resources expended by activities

	Activities undertaken directly 2022 £	Support Costs 2022 £	Total 2022 £	Total 2021 £
Welfare	1,736,666	478,119	2,214,785	1,891,124

4. NET INCOMING RESOURCES

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

	2022 £	2021 £
Depreciation of tangible fixed assets	108,779	125,228
Auditors' remuneration – audit fees	14,000	14,001
(Profit) on disposal of fixed assets	-	-
Interest payable – bank interest	10,046	8,482
Operating lease rentals – plant and equipment	3,841	3,995

Royal National Mission to Deep Sea Fishermen

Operating lease rentals – other	58,944	70,613
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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2022 (continued)

5. EMPLOYEE INFORMATION

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

	2022 Number	2021 Number
Mission Staff – Port and Fundraising	46	47
Administration Staff – Head Office	11	10
Support Staff (Ports)	10	10
	<u>67</u>	<u>67</u>

Employment costs for all full time and part time staff:

	2022 £	2021 £
Wages and Salaries	1,552,517	1,505,573
Social Security Costs	149,520	136,866
Pension Costs	123,073	114,187
	<u>1,825,110</u>	<u>1,756,626</u>

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

	2022 Number	2021 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1

The pension contribution made by the employer on behalf of one employee above was £6,810 (2021: £6,654 contribution for one employee).

The charity has identified Key Management Personnel as the current Executive Team their total remuneration amounts to £200,642, (2021: £179,458). To note in this period there was a period when the retiring CEO and current CEO were both employed.

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 £17,800 (2021: £10,386). 5 Council Members claimed expenses during the year (2021:5). Donations of £2,086 (2021: £1,142) were received from Council members.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022 (continued)

6. FIXED ASSET INVESTMENTS

	Listed Investments
	£
Market Value	
At 1 November 2021	12,872,969
Purchases	
Buyout Transfer & Drawdown	(512,000)
Net unrealised investment (loss)/gain	(1,377,684)
At 31 October 2022	<u>10,983,285</u>

Fixed asset investment represents:

Cash	85,961
Currency Stirling	489,865
Mixed Investments	10,407,459
	<u>10,983,285</u>

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

Sarasin Endowments Fund Class A INC	<u>9,737,174</u>
	<u>9,737,174</u>

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 2021	2,558,829	383,762	130,899	3,073,490
Additions	37,503	79,333	-	116,836
Disposals	(112,946)	(36,068)	-	(149,014)
At 31 October 2022	<u>2,483,386</u>	<u>427,027</u>	<u>130,899</u>	<u>3,041,312</u>
Depreciation				
At 1 November 2021	1,022,131	308,898	109,790	1,440,819
Charge for year	48,825	49,427	10,527	108,779
Disposals	(36,143)	(34,865)	-	(71,008)
At 31 October 2022	<u>1,034,813</u>	<u>323,460</u>	<u>120,317</u>	<u>1,478,590</u>
Net Book Values at 31 October 2022	<u>1,448,573</u>	<u>103,567</u>	<u>10,582</u>	<u>1,562,721</u>
At 31 October 2021	<u>1,536,698</u>	<u>74,864</u>	<u>21,109</u>	<u>1,632,671</u>

The Freehold properties include 11 Retirement properties and the Head Office in Whiteley. The Leasehold properties costs related to works carried out on 5 leased units to make them suitable for Fishermen's Mission use.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022 (continued)

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other Debtors	983	863
Prepayments and Accrued Income	117,233	144,431
	118,216	145,294

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade Creditors	37,838	16,338
Other Creditors	1,223	2,277
Other Taxes and Social Security	39,814	37,826
Accruals and Deferred Income	13,331	21,953
	92,206	78,395

10. FUNDS

	Unrestricted Funds			Restricted Funds	Total
	General Fund	Pension Fund	Designated Funds		
	£	£	£	£	£
At 1 November 2021	6,535,369	-	8,639,547	157,273	15,332,189
Net Incoming Resources for the Year	(1,027,753)	-	-	92,299	(935,454)
Net Unrealised Loss on Investment Assets	(1,489,684)	-	-	-	(1,489,684)
Investment buyout	1,000,000	-	(1,000,000)	-	-
George Watts Fund (NE Scotland)	87,950	-	(87,950)	-	-
Actuarial (Loss) on Carry Value Fixed Assets	113,962	-	(113,962)	-	-
RBS gain	144,000	-	-	-	144,000
At 31 October 2022	5,363,844	-	7,437,635	249,572	13,051,051

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022 (continued)

10a. DESIGNATED FUNDS ANALYSIS

	At 1 November 2021	Incoming	Trf to GF	At 31 October 2022
Fixed Assets	1,591,596	-	113,962	1,477,634
Pension Cov/Buyout Provision	2,000,000	-	1,000,000	1,000,000
Major Emergency	500,000	-	-	500,000
Business Continuity	2,750,000	-	-	2,750,000
Business Development	1,032,886	-	-	1,032,886
George Watts Fund	765,065	-	87,950	677,115
	8,639,547	-	1,201,912	7,437,635

11. RESTRICTED FUNDS ANALYSIS

	At 1 November 2021	Incoming	Expenditure	At 31 October 2022
Future Expenditure Fund	725	-	-	725
Shetland Fishermen's Association	50,847	-	372	50,475
St Hilda Trust (NS Hub)	1,000	-	180	820
Joanna C Fund	28,728	1,121	11,047	18,802
Morrisons Foundation Trust (now Seafit)	13,992	-	13,992	-
Seafarers Charity	13,356	-	13,356	-
Age UK	370	-	-	370
Far & Wide (Aberdeen)	329	-	329	-
Trinity House (Sight Fit)	5,850	-	5,850	-
Megavissy Parish Council	1,000	-	1,000	-
Suffolk County Council	-	20,997	9,997	11,000
James Reckitt Trust	-	39,696	-	39,696
Whitby Seafoods	-	10,000	-	10,000
Seafarers Charity	-	5,000	2,406	2,594
S Buckley (Fleetwood)	-	32,498	2,498	30,000
Acquired Fixed Assets Fund	41,076	44,013	-	85,089
	157,273	153,325	61,027	249,571

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022 (continued)

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Investments	Net Current Assets	Pension Liability	Total
	£	£	£	£	£
Restricted Funds					
Expenditure Fund	-	-	164,483	-	164,483
Acquired Fixed Assets	85,089	-	-	-	85,089
	85,089	-	164,483	-	249,572
Unrestricted Funds					
Designated Fund	1,477,633	677,115	5,282,887	-	7,437,635
General Fund	-	10,306,170	(4,942,326)	-	5,363,844
Pension Scheme Fund	-	-	-	-	-
	1,562,722	10,983,285	505,044	-	13,051,051

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. 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 2022/2023 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.

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

	2022	2021
	£	£
Authorised by the Council but not contracted for	117,500	165,000
Contracted for but not provided	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022 (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	
	2022	2021	2022	2021
	£	£	£	£
Due within 1 year	58,944	70,613	3,841	3,995
Due within 2-5 years	102,375	136,067	9,900	10,934
More than 5 years	-	3,625	-	-
	<u>161,319</u>	<u>210,305</u>	<u>13,741</u>	<u>14,929</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 2022. 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022 (continued)

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

	2022	2021
Discount Rate	4.7%	1.8%
Inflation - RPI	3.7%	3.9%
Pension increases in deferment	3.7%	3.9%
RPI minimum 3% pa and maximum 5% pa pension increases	3.7%	3.8%
RPI maximum 5% pa pension increases	3.5%	3.6%
Post retirement mortality:	S3NA CMI 2021 (core) (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	89.7	89.6
Life expectancy at age 65 of male aged 45	88.5	88.5
Life expectancy at age 65 of female aged 45	91.1	91.0

The current asset split is as follows:

	Period to 31 Oct 2022	Period to 31 Oct 2021
Equities	-	-
Property	-	-
Cash	-	£616,000
Liability Driven Investments (LDI) Strategy	-	£369,000
Annuity contract	£7,396,000	-
Self Sufficiency Fund	-	£10,970,000
Net current assets	£55,000	£73,000
Total Assets	£7,451,000	£12,028,00

Balance Sheet

	31 Oct 2022	31 Oct 2021
Fair value of assets	£7,451,000	£12,028,000
Defined benefit obligation	(£7,451,000)	(£11,067,000)
Surplus/(Shortfall)	£20,000	£961,000
Effect of asset ceiling/IFRIC14	(£20,000)	(£961,000)
Net defined benefit (liability)/asset	-	-

Amount recognised in Profit and Loss

	Period to 31 Oct 2022	Period to 31 Oct 2021
Current service cost	-	-
Administration expenses	£144,000	£148,000
Interest costs	£195,000	£180,000
Interest income	(£211,000)	(£190,000)
Interest on effect of asset ceiling/IFRIC14	16,000	-
Total charge to Profit and Loss	£144,000	£138,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022 (continued)

Amount charged to other comprehensive income

	Period to 31 Oct 2022	Period to 31 Oct 2021
Return on assets less interest income	£4,260,000	(£120,000)
Actuarial gains/(losses) – change in assumptions	3,347,000	(159,000)
Change in impact of asset ceiling/IFRIC14	(£957,000)	£961,000
Total remeasurements	(£44,000)	£682,000

Change in value of DB liabilities

	Period to 31 Oct 2022	Period to 31 Oct 2021
Value of liabilities at start	£11,067,000	£ 11,493,000
Current service costs	-	-
Past service costs	-	-
Interest cost	£195,000	£180,000
Benefits received/(paid)	(£484,000)	(£447,000)
Change due to settlement or curtailments	-	-
Experience (gain)/loss on experience	-	-
Change in assumptions (gain)/loss	(£3,347,000)	(£159,000)
Closing defined benefit obligations	£11,067,000	£11,067,000

Change in value of assets

	Period to 31 Oct 2022	Period to 31 Oct 2021
Value of assets at start	£12,028,000	£11,113,000
Interest on assets	£211,000	£190,000
Employer contributions	£100,000	£1,200,000
Member contributions	-	-
Benefits paid	(£484,000)	(£447,000)
Administration costs	(£144,000)	(£148,000)
Settlements and curtailments	-	-
Actuarial gain/(loss) on Scheme assets	(£4,260,000)	£120,000
Value of assets at end	£7,451,000	£12,028,000

Change in effect of the asset ceiling/IFRIC14

	Period to 31 Oct 2022	Period to 31 Oct 2021
Opening effect of the asset ceiling/IFRIC14	£961,000	-
Interest on effect of assets ceiling/IFRIC14	£16,00	-
Change in the effect of asset ceiling/IFRIC14	(£957,000)	£961,000
Closing effect of the asset ceiling/IFRIC14	£20,000	£961,000

Sensitivity Analysis

Royal National Mission to Deep Sea Fishermen

Increase/Decrease discount rate by 0.5% pa	-6%/+6%
Increase/Decrease assumed future rates of inflation by 0.5% pa	+2%/-2%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2022 (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 (2021: none).

	2022 £	2021 £
Contributions payable by the charity for the year	123,073	114,187

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

	2022 £	2021 £
Net Incoming/(expenditure) resources	(935,454)	165,949
Investment income	(300,00)	(310,299)
Interest payable	10,046	8,482
Depreciation on tangible fixed assets	108,779	125,228
(Increase)/Decrease in debtors	27,078	6,485
(Decrease)/Increase in creditors	13,811	(5,797)
Pension scheme contributions in excess of charge	144,000	(52,000)
(Gain)/Loss on Disposal of Fixed Assets	(110,360)	-
Net Cash Provided by (Used In) Operating Activities	(1,042,100)	(61,952)

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

	2022 £	2021 £
(Decrease)/Increase in cash in the year	(280,615)	(20,135)
Changes in net cash balance from cash flows	(280,615)	(20,135)
Net cash balance brought forward	759,650	779,785
Net cash balance carried forward	479,035	759,650

(c) Analysis of net cash resources for the year

	At 1 November 2021	Cash Flows £	At 31 October 2022 £
Cash in hand and at bank	759,650	(280,615)	479,035

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2022 (continued)

19. POST BALANCE SHEET EVENT

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 (LGAS). These funds have been transferred to LGAS but there is still administration to be completed prior to the deed to close the scheme can be actioned.