

**JOHN WILLIAM SLATER MEMORIAL FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Registered Charity No: 270706

Haysmacintyre LLP
Chartered Accountants
Registered Auditors

JOHN WILLIAM SLATER MEMORIAL FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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JOHN WILLIAM SLATER MEMORIAL FUND

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

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Anthony Mark Dickinson
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JOHN WILLIAM SLATER MEMORIAL FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees submit the statutory report and financial statements of the John William Slater Memorial Fund for the year ended 31 December 2020. The activities of the Fund are presented in compliance with the provisions of the Statement of Recommended Practice for Charities (SORP 2019) (FRS 102).

The financial statements comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and supporting notes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The John William Slater Memorial Fund is registered as a Charity under number 270706 and is governed by the terms of a Trust Deed dated 4 December 1975.

The Trustees of the Charity have the power to apply both the capital and the income for the general purposes of the Charity. Accordingly, the capital does not represent a permanent endowment.

The Charity is administered by the Secretary under the direction of the Trustees.

A Management Committee, which includes the Trustees and other persons with relevant knowledge in its membership, considers individual applications and other relevant items and makes recommendations to the Trustees.

OBJECTIVES AND ACTIVITIES

The Charity's objects are for general charitable purposes, with particular regard for the following educational purposes which were of particular interest to the settlor:

- The provision of financial assistance to ships ratings to enable them to obtain certificates of competency or other officers' certificates or diplomas.
- The provision of grants for research into management and labour relations, particularly within the shipping and air transport industries and the publication of the results of such research.

The principal aim currently is the provision of financial assistance to suitable ships' ratings to enable them to obtain Certificates of Competence or other Officers' Certificates and Diplomas. The Charity's sole activity is the making of grants to individuals in furtherance of this aim.

ACHIEVEMENTS AND PERFORMANCE

In 2020 the number of enquiries saw a noticeable decline due to college closures and travel restrictions caused by the 2020 COVID 19 health pandemic. In 2020 the Fund was only able to give 22 awards (2019: 138) of which 14 (2019: 97) were taken up. The amount of each award is £18,500 plus £1,500 on obtaining an Officer of the Watch certificate (2019: £18,500 plus £1,500).

FINANCIAL REVIEW

The Charity supported 21 awards in 2020 (2019: 97). The value of each award is £18,500 plus £1,500 on obtaining an Officer of the Watch certificate during the year. A generous grant of £400,000 (2019: £400,000) was received from the Maritime Education Foundation. In the accounts for the year ended 31 December 2019, an amount of £500,000 had been accrued in respect of this grant. Subsequent to the approval and signing of the 2019 accounts, the amount of the grant actually received was £400,000. This over provision has been recognised in the results for the current year and explains why the amount of the grant recognised in the year ended 31 December 2020 has been reduced by £100,000 to £300,000. The Trustees are also grateful for the support from Nautilus International of £3,500 and considerable professional and administrative support.

Risk Management

The Trustees are responsible for identifying any major risks to which the Charity is exposed, reviewing these and establishing systems to mitigate the effect of any such risk.

JOHN WILLIAM SLATER MEMORIAL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW (continued)

The principal risk faced by the Charity remains the cessation of the major annual grant received from the Maritime Education Foundation. In 2020 this grant was £400,000. The charity current investments were valued at £4.9million as at 31 December 2020 (2019: £5.5million) and are available to assist in control management of the current and future awards expenditure.

The Charity's Assets

The investments held by the Charity can be invested in accordance with the Trustees' instructions without restriction. A review of the investments by the Trustees confirms that the assets are properly held and are adequate to fulfil the obligations of the Charity.

The Trustee Act 2000 governs the investments held by the Charity.

The Trustees have delegated the management of the investment portfolio to UBS with the objective to maximise long total returns commensurate with a moderate degree of risk. UBS provides quarterly updates regarding the portfolio value, purchases and sales. Performance of the portfolio is monitored and its total returned measured quarterly against the CAPS median benchmark. The performance of the portfolio - net of fees - over the year was -0.12% against the benchmark -0.03%.

Reserves Policy

The Charity maintains reserves to assist with the funding of training awards. The level of reserves is reviewed annually by the Trustees to enable the Charity to continue to provide such awards.

The Charity has built up the level of funds to assist in meeting the provision in the Balance Sheet which currently stand at £3,071,000. This provision is reviewed annually and any adjustment is taken through the Income and Expenditure Statement.

The Charity's free reserves amounted to £2,278,642 as at 31 December 2020 (2019: £1,882,075). The Trustees are continuing the process of formulating a formal policy for reserves, which will set a target range for free reserves in future years.

Statement on public benefit

The objectives and activities, and achievement and performance sections of this report clearly set out the activities which the Charity undertakes for the public benefit.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Charity.

FUTURE PLANS

To increase the numbers and value of awards to suitable applicants as far as available resources permit.

JOHN WILLIAM SLATER MEMORIAL FUND

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trust Deed provides that the Trustees are responsible for the absolute control and administration of the affairs and the investments of the Charity.

The Trustees of the fund are currently Anthony Mark Dickinson, David Slater and Glenys Jackson.

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the charity's activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles of the Charities SORP;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The assets of the Charity are held on Trust by the Trustees.

Approved by and on behalf of the Trustees on 18 March 2021



A M Dickinson

Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF JOHN WILLIAM SLATER MEMORIAL FUND

Opinion

We have audited the financial statements of the John William Slater Memorial Fund for the year ended 31 December 2020 which comprise Statement of Financial Activities the Balance Sheet, the Statement of Cashflows 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
JOHN WILLIAM SLATER MEMORIAL FUND (continued)**

internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to revenue recognition, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to matters requiring judgement and estimation techniques. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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 our report

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

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
18 March 2021

10 Queen Street Place
London
EC4R 1AG

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

JOHN WILLIAM SLATER MEMORIAL FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted Fund	
	Note	2020	2019
		£	£
			Restated
INCOME FROM:			
Donations		303,500	503,500
Investments		114,717	181,659
Total income		<u>418,217</u>	<u>685,159</u>
EXPENDITURE ON:			
Charitable activities: -			
Provision of financial assistance to suitable ships' ratings: -			
Training grants awarded in the year	2	722,671	1,591,590
Adjustment to training grants provision	5	(863,600)	(154,300)
Support costs		25,000	25,000
Total expenditure		<u>(115,929)</u>	<u>1,462,290</u>
NET INCOME / (EXPENDITURE) BEFORE GAINS/(LOSSES)		534,146	(777,131)
OTHER RECOGNISED GAINS/(LOSSES):			
(Losses)/gains on investments: -			
Realised		(38,637)	77,449
Unrealised		(98,942)	620,568
NET INCOME / (EXPENDITURE) FOR THE YEAR		<u>396,567</u>	<u>(79,114)</u>
Funds brought forward as previously reported		1,727,775	1,961,189
Prior period adjustment		154,300	-
Funds brought forward as restated		<u>1,882,075</u>	<u>1,961,189</u>
Balance carried forward at 31 December		<u>£2,278,642</u>	<u>£1,882,075</u>

The notes on pages 10 and 12 form part of these financial statements.

JOHN WILLIAM SLATER MEMORIAL FUND**BALANCE SHEET****AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £ Restated
FIXED ASSETS			
Investments	4	4,741,617	5,503,511
CURRENT ASSETS			
Accrued income		17,805	528,996
Cash with the Marine Society & Sea Cadets		60,000	60,000
Bank and cash		646,505	150,840
Money held by investment managers		163,713	47,564
		<u>888,023</u>	<u>787,400</u>
Creditors:			
Provision for awards	5	(3,071,000)	(3,924,600)
Training grants creditor		(279,998)	(484,236)
		<u>(3,350,998)</u>	<u>(4,408,836)</u>
Net current liabilities		<u>(2,462,975)</u>	<u>(3,621,436)</u>
NET ASSETS		<u>£2,278,642</u>	<u>£1,882,075</u>
FUND			
Unrestricted funds		<u>£2,278,642</u>	<u>£1,882,075</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on 18 March 2021 and were signed below on its behalf by:

D Slater
Trustee



A M Dickinson
Trustee



The notes on pages 10 and 12 form part of these financial statements.

JOHN WILLIAM SLATER MEMORIAL FUND**STATEMENT OF CASH FLOWS****AS AT 31 DECEMBER 2020**

	2020	2019
	£	£
Cash flow from operating activities		
Net cash used by operating activities	(12,501)	(605,027)
Cash flows from investing activities		
Proceeds from sale of investments	2,959,952	2,149,367
Purchase of investments	(2,335,637)	(1,732,239)
Net cash provided by investing activities	<u>£624,315</u>	<u>£417,128</u>
Change in cash and cash equivalents in the reporting period	611,814	(187,899)
Cash and cash equivalents at the beginning of the reporting period	198,404	386,303
Cash and cash equivalents at the end of the reporting period	<u><u>£810,218</u></u>	<u><u>£198,404</u></u>

Reconciliation of net expenditure to net cash flow from operating activities

	2020	2019
	£	£
		Restated
Net income/ (expenditure) for the year	396,567	(79,114)
Adjustments for:		
Losses/(gains) on investments	137,579	(699,017)
Increase in debtors	511,191	132
(Decrease)/increase in creditors	(1,057,838)	172,972
Net cash used by operating activities	<u><u>£(12,501)</u></u>	<u><u>£(605,027)</u></u>

Reconciliation of net debt

The Charity does not have any debt, and all information is included above, so no net debt reconciliation required.

JOHN WILLIAM SLATER MEMORIAL FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP Second edition, effective 1 January 2019), the Companies Act 2006 and applicable accounting standards (FRS102).

The principal accounting policies and estimation techniques are as follows.

Going concern

There are no material uncertainties surrounding the charity's ability to continue as a going concern. The charity has sufficient liquid assets which could be called upon to meet its financial commitments as they fall due. Consequently, these financial statements have been prepared on a going concern basis.

Income

All income is recognised on a receivable basis.

Income from voluntary donations, legacies, grants and other income receivable is accounted for when the charity has entitlement to the income, the amount can be measured reliably and the likelihood of receipt is probable.

Fund accounting

The charity has only one fund, which is unrestricted.

Investments

Listed investments are recognised at market value. The unrealised gains or losses are accounted for in the Statement of Financial Activities, as are any realised gains and losses.

Debtors

Other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

Awards

A provision is made in the financial statements for anticipated expenditure on awards granted before the year-end where training has commenced. All grants are made to individuals and there are no institutional grants.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The trustees consider the following items to be areas subject to estimation and judgement:

Provision for award

The charity considers the provision on an annual basis reviewing the maximum exposure versus the amount already spent, less an estimate for non-starters and students who will not use the full grant. In 2020, the Charity has revised its grant awards provision accounting policy to better reflect the estimate of grants truly outstanding at the year end. For grants awarded outside of the 4-year award, the Charity has reviewed each grant recipient individually to assess whether they are still entitled to the funds or whether they should be written off. Note 7 provides details of the prior year adjustment, which has resulted from an error being identified in this accounting estimate at the year ended 31 December 2019.

2. GRANTS PAYABLE

Training grants payable in the year represent awards made to 22 individuals (2019: 138 individuals).

JOHN WILLIAM SLATER MEMORIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

3. STAFF COSTS AND TRUSTEES' REMUNERATION

The charity has no employees (2019: none) and no trustees receive remuneration from the charity. No trustees received reimbursement of expenses in the year (2019: none).

4. FIXED ASSETS INVESTMENTS

UBS AG is responsible for the day-to-day management and custody of the Charity's investments.

The following are the investments of the Fund:

	Cost		Market value	
	2020	2019	2020	2019
	£	£	£	£
Fixed interest securities	133,319	162,125	132,917	161,597
Other quoted securities:-				
Equity holdings	3,778,143	3,969,260	4,608,700	5,341,914
	<u>£3,911,462</u>	<u>£4,131,385</u>	<u>£4,741,617</u>	<u>£5,503,511</u>

	2020	2019
	£	£
Movement in market value of investments		
Market value at 1 January	5,503,511	5,221,622
Less: disposals proceeds	(2,959,952)	(2,149,367)
Add: acquisitions at cost	2,335,637	1,732,239
Net Gain/(Loss) at 31 December	(137,579)	698,017
Equalisation	-	1,000
Market value at 31 December	<u>£4,741,617</u>	<u>£5,503,511</u>
Realised and unrealised gains on investments		
Realised Gain /(Loss)	(38,637)	77,449
Unrealised Gain /(Loss)	(98,942)	620,568
	<u>£(137,579)</u>	<u>£698,017</u>

5. PROVISION FOR AWARDS

The Trustees estimate that a specific provision of £3,071,000 (2019: £3,924,600 as restated) may be required for awards granted before the year-end.

	£
At 1 January 2020 (Restated)	3,924,600
Provisions for grants no longer required	(863,600)
Increase in provision based on number of awards made	10,000
At 31 December 2020	<u>£3,071,000</u>

6. RELATED PARTY TRANSACTIONS

There were no related party transactions other than the donation of £3,500 received from Nautilus International (2019: £3,500).

JOHN WILLIAM SLATER MEMORIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

7. PRIOR YEAR ADJUSTMENT

In 2020, the Charity has revised its calculation of the grant awards provision to better reflect the estimate of grants truly outstanding at the year end. For grants awarded outside of the 4-year award, the Charity has reviewed each grant recipient individually to assess whether they are still entitled to the funds or whether they should be written off. This has led to a restatement of 2019 figures for the grant awards provision and general reserves, as an error was identified as there were several recipients who were not entitled to the funding at 31 December 2019 due their grants having time lapsed. Therefore a decrease in the provision was required. The restatement of the opening reserves as at 1 January 2020 resulted in them being increased by £154,300 than previously reported with the net expenditure for the year decreasing by this amount.