



**MERCHANT NAVY WELFARE BOARD**  
Annual Report 2016

Patron  
The Lord Prescott



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On behalf of my fellow trustees on the Board's Council, I am delighted to introduce our 69th Annual Report and financial statement for the year ending 31st December 2016. It is pleasing to note that 2016 was another busy and successful year in which the Board met all of its charitable objectives and you will read, within these pages, details of those many achievements.

I never tire of praising the work and organisation of our Port Welfare Committees whose work in many ways is the beating heart of the Board. These all support and coordinate welfare needs on a local basis and are a tremendous asset to the work of the Board and its Constituents. They are effectively our volunteers and I thank them all for their on-going work and commitment. Equally important is the excellent and dedicated work of our many Constituent maritime charities, whom we exist to serve. These provide pastoral and welfare care to so many seafarers, whether Merchant Navy, or fishers, and their dependents. They too have my greatest respect.

Thanks to prudent management, our investment managers – Bordier & Cie (UK) Plc – ensure that our finances remain sound and we continue to enjoy a 6% total return. This is our primary source of income and enables us to provide the levels of service needed to our members and to utilise any surplus, once again in excess of £200,000, towards grants.

On this occasion, particular mention should be made of the successful conclusion of the International Port Welfare Programme (IPWP) pilot project, undertaken, by the Board, on behalf

of ISWAN. Under this pilot project, ten PWC's or national seafarers' welfare boards, were established around the world. This has resulted in ISWAN further commissioning us to undertake a three-year programme, commencing in February 2017, to further extend the implementation of boards and committees. The Board would like to place on record its gratitude to Peter Tomlin, Deputy Chief Executive who has led the project and will now lead the programme and, also, to David Parsons, Chief Executive. Both have undertaken extensive travel and considerable additional work on this project to ensure its success. This reflects highly the unique experience, knowledge base and functional role of the Merchant Navy Welfare Board.

The work of the Board is only made possible by the dedication and hard work of all the staff in our Southampton office and, on behalf of Council, I wish to record our thanks to them. In particular I would mention David Parsons, who, after a long and distinguished career both at sea in the Merchant Navy and latterly as CEO of the Merchant Navy Welfare Board, will be retiring in July 2017. There will be further opportunity to recognise his work, but it would be remiss not to acknowledge his personal commitment, dedication and outstanding contribution to the advancement of seafarer's welfare during his 23 years in office.

**R J Jones MNM**  
**Chairman**





This is my last Annual Report before my retirement and I would therefore ask your indulgence both to look back at the past and ponder the future.

When I took my post in 1993 the Board was, as it is today, the umbrella for the Merchant Navy and fishing charities and my key task was to learn about their various roles and how best the Board could support them. My other responsibility was the Merchant Navy Hotel in Lancaster Gate, London – the last survivor of a chain of hotels in UK ports – which had been retained because of the numbers of eligible seafarers still visiting London. At that time it was losing significant sums of money and with investments of around only £2.7m this was clearly unsustainable. My first task, with no previous business experience, but a supportive Board, was to stem the haemorrhage of money before we sank without trace. Following a hotel refurbishment, thanks to grants from the International Transport Workers' Federation Seafarers' Trust (ITFST), and by taking other measures, we began to make a small profit.

Equally important was a need to engage more with our Port Welfare Committees (PWCs). We took on a full time member of staff to manage Port Welfare Committees in place of regional secretaries, who operated at a distance from the office. She was succeeded by my now deputy, Peter Tomlin. Subsequently the PWCs have continued to evolve to where they are today and are of great value to our Constituents. I have a huge debt of gratitude to all the PWC chairpersons, members and all our managers past and present for all they do and have done. These have evolved into vibrant, proactive forums who carefully monitor

local needs, encourage best practice and report on issues, which often have wider connotations. They are our eyes and ears and, I would argue, the jewels in our crown.

In those days, we brought our Constituents together at our AGM. Whilst these were useful networking opportunities, the range of interest was wide and often quite distinct. In 1997, we set up working groups to look at each specific sector and these continue to meet regularly looking at the current and future needs alongside encouraging best practice.

In 2001, an offer was received to buy the hotel for redevelopment at almost £7m. The Council and I took the view, with great sadness, that it was difficult to justify retaining this facility, when we could put this money to much better use. The income returns were small and it had become essentially a bed and breakfast facility needing a lot of costly maintenance.

Importantly, we exist to serve our Constituents, which currently include the ship owners, via the Chamber of Shipping, the maritime trade unions – Nautilus International and RMT - and 43 maritime charities. All have a role to play in seafarers' welfare and are represented on our Council. Good ship owners provide the most important element of welfare – crew wages and conditions. The trade unions – both locally and through the International Transport Workers Federation (ITF) – are here to monitor whether the owners are doing this properly and become involved when they are not, but also to lobby for better welfare and working conditions. The charities, of course, play an important role in providing pastoral and other forms of support for

the seafarers and their families ashore and afloat. I remain hugely moved and encouraged by the close working relationships among these three components of our Council. This also spills out into our other forums, most especially the PWCs.

There are, however, many challenges. In my time with the Board, we have seen a small reduction in the number of maritime charities but this is in no way comparable with the diminution of numbers of British seafarers. This is a complex issue and collaboration has improved enormously, although I do see opportunities for further rationalisation and change and would argue that, in some cases, these are fast becoming a necessity. Consideration is even being given as to whether, at some point in the future, Seafarers UK and ourselves might merge but, of course, this needs to be of identifiable benefit to both organisations. Whatever the outcome, I firmly believe that the current work that the Board undertakes will need to continue unabated and is certainly not duplicated elsewhere. It is also important to recognise that the ILO's Maritime Labour Convention, 2006, clearly identifies the importance of a seafarers' welfare board and our title and objectives allow government to tick that box!

Another big challenge for the future will be addressing the changes in the provision of port based welfare for serving seafarers and also the steadily reducing numbers of domiciled seafarers and their families.

For the charities caring for seafarers visiting our ports, the challenges are significant. Many of the traditional seafarers' centres are being less well used. Many ships have smaller crews, working longer hours and with short turnarounds. The Board's recent survey demonstrated that many get no more than four hours shore leave. The communications revolution means that more crew members can access IT on board, or if not, then in most towns and cities, free internet access can be found alongside shops and other amenities.

This has already reduced centre usage, although each port is different and some are a long way from any such amenities, making them the only place to spend a short time ashore. Conversely, there is an on-going, perhaps even an increased need, for port chaplains and volunteers to visit

ships. Traditional fundraising is increasingly difficult and in my view, there is a need to better engage with port authorities and ship agents in an effort to encourage better financial support. We must work together to achieve this.

I believe that, all too often, ports are unaware of the huge benefits they receive from having the chaplains and centres in place. The Board's new on-line database will provide the necessary information to justify all the services.

When considering supporting seafarers' families and those in retirement, it is too easy to forget that, in the main, they simply have the same issues as the rest of the population in general. What the maritime charities do is provide added support, rather than different support. In the meantime, demographic evidence shows that the numbers of resident seafarers, especially those in retirement, are beginning to decline and within the next 20 years will have done so quite dramatically. To counter balance this, to some extent, the individual needs for some are greater. The "Supporting seafarers and their families report" of 2007 placed great emphasis on identifying and supporting non-financial needs and providing more "holistic" support. In my view, more work is needed in this area. Furthermore, whilst there will almost certainly be a long-term need for a small number of seafarers' homes, there are signs that some of the smaller "local" organisations are struggling to find eligible residents. This reflects the decline in the seafaring communities, traditionally based around port areas.

When the Maritime Charities Funding Group, then under our administration, managed the 2007 report, we quite rightly felt there might be value in working more closely with our colleagues in the Royal Navy sector. In reality, I believe most would now agree that their charities have access to funds from Greenwich Hospital, Libor, Help for Heroes, Royal British Legion and so on and thus have far more in common with the Army and RAF. I now regard them as distant cousins, with whom we are on excellent terms, but probably have little in common.

The real challenge is fundraising and I am just so glad that the Board does not have to actively undertake this. As a trustee of Seafarers UK and

through working with our other Constituents, I know just how challenging this is. To counter this, at the Board's suggestion, Seafarers UK and the Board have worked very hard to generate support for the Merchant Navy Fund on the basis that the Merchant Navy should try and better support its own people. Most of our own income is derived from our investments, although we are extremely grateful for all donations and legacies. Some ten years ago, Council put in place a total return policy and set a target of 6%. This is medium to high risk (4% is regarded as safe), but it recognises that more support will be needed for our resident seafarers and their families now, rather than in the future. In all that time, we have had excellent investment managers – Bordier & Cie (UK) PLC – who have invested our portfolio wisely. I am grateful that this has given us enough funds to do so much for our stakeholders. I would strongly commend all charities to look at their reserves and returns against their anticipated future needs.

One of my greatest prides is being part of an organisation that the United Nations, through the ILO, has seen fit to include as its template for a national seafarers' welfare board in the Maritime Labour Convention of 2006. We, with the support of our Constituents and PWCs, fulfil that role entirely and properly, something that the MCA also recognises. Indeed ISWAN has seen fit to use our expertise to, initially, run a very successful pilot project to establish eleven more Boards around the world. As a result, we have agreed to manage a three-year programme to expand on this. I am also enormously proud that the Board has achieved so many other successful projects and work programmes over the years. This is largely due to the enthusiasm of the trustees and staff, past and present. It would be particularly remiss of me not to mention Peter Tomlin, my deputy, who I am particularly indebted to. Peter's enthusiasm for all he takes on has been both infectious and inspirational over the 17 years we have worked closely together and it is particularly gratifying that he is to succeed me in July. I also want to pay tribute to all my other colleagues past and present, who are too numerous to mention by name. Their support too has been, and continues to be, enormous. I know that my successor will be particularly fortunate to inherit the excellent staff we have in place today.

Finally and most importantly I want to thank all chairmen, trustees, colleagues and stakeholders past and present for all the support they have given to me, but more importantly to the work of the Board and the seafarers who we are here to support. In working with you all has made this, for me, the best job in the Merchant Navy. It has been and will continue to be until I retire, an enormous privilege to undertake this role. I believe that, between us, we have built something special and that all those involved in the future will continue to take on and address the challenges. I will end by wishing my successor all the very best for the future and hope that they have as much satisfaction, challenges and enjoyment as have I.

**Captain David Parsons MNM MNI**  
**Chief Executive**



Chief Executive Captain David Parsons at the Merchant Navy Day Service, held at the Merchant Navy Memorial, Tower Hill

The trustees present their 69th Annual Report and the audited Financial Statements for the year ended 31 December 2016. They have adopted the provisions of the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) ('SORP 2015').

## **MISSION STATEMENT**

**"Supporting the provision of quality welfare services for seafarers and their dependants"**

## **OBJECTIVES**

The Key Objectives of the Merchant Navy Welfare Board are to:

- Help improve the effectiveness of all those charities caring for merchant seafarers, fishers and their dependants and this is done irrespective of nationality, religion or ethnic background.
- Strive to ensure that all welfare needs are met through the most effective deployment of resources.
- Facilitate the work of Constituent organisations through the provision of grants and specialist support services.
- Provide a dedicated welfare support and referral service for UK seafarers and their dependants.
- Manage and support Port Welfare Committees to develop local welfare services.
- Encourage and enable closer collaboration amongst both Constituent organisations and Port Welfare Committees.
- Represent and raise awareness of seafarers' welfare issues at national level.

**N.B.** The wording shown above summarises the formal Objects, a copy of which may be obtained from the Chief Executive.

## **STATEMENT OF PUBLIC BENEFIT**

The objectives, activities, achievements and performance of the Board, which the charity undertakes for the public benefit, are clearly set out in this report. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Board's aims and objectives and in planning future activities and setting out the grant making policy.

In the interests of transparency the trustees make the following statements regarding public benefit:

- The clear benefits provided by the Board are delivered through the key objectives set out above and reflected in the disclosure of charitable expenditure in the Statement of Financial Activities.
- The primary objective of the Board is to help improve the effectiveness of all those charities caring for merchant seafarers, fishers and their dependants and this is done irrespective of nationality, religion or ethnic background.
- No detriment or harm arising from the work of the Board has been identified.
- The beneficiaries are those charities caring for merchant seafarers, fishermen and their dependants. This is directly in accordance with the terms of the Board's constitution.
- The Board is active within the United Kingdom and Gibraltar and has worldwide connections.
- People in poverty are at the heart of what the Board does and it is not aware of any Constituent member excluding benefits from anybody in poverty.
- There are no private benefits of which the Board is aware.



## NATURE OF THE GOVERNING DOCUMENT

The Board is governed by Articles of Association adopted by a Special Resolution on 20 May 2010 and amended on 24 July 2015. These comply with the provisions of the Companies Act 2006 and the Charities Act 2011.

## REGISTRATION DETAILS

The Board is registered in England & Wales, under company number 453053, as a Company limited by guarantee and as such it does not have share capital. The Board is also registered under number 212799 with the Charity Commission for England & Wales and in Scotland with the Office of the Scottish Charity Regulator (OSCR) under number SC039669.

## TAXATION STATUS

The Board, as a registered charity in England and Wales, is exempt from taxation on its charitable activities. This has been confirmed by H M Revenue & Customs.

## REGISTERED OFFICE

The registered office of the Board is  
8 Cumberland Place, Southampton SO15 2BH

**Telephone:** 023 8033 7799

**E-mail:** enquiries@mnwb.org.uk

**Website:** www.mnwb.org



Merchant Navy Welfare Board offices in Southampton

## WELFARE ORGANISATIONS SUBSCRIBING TO THE CONSTITUTION OF THE BOARD (CONSTITUENT MEMBERS)

Aberdeen Seafarers' Centre  
Aged Merchant Seamen's and Sunderland Distressed Mariners Fund  
Apostleship of the Sea, Great Britain  
Broughton House Home for Disabled Ex-Servicemen  
Care Ashore  
Erskine Hospital  
Grimsby Sailor's & Fishing Charity  
Guild of Benevolence of the IMarEST  
Humber Seafarers' Service  
Honourable Company of Master Mariners Charities  
Liverpool Sailors' Home Trust  
Lowestoft Fishermen's and Seafarers' Benevolent Society  
Manx Marine Society  
Marine Society & Sea Cadet Association  
Merchant Navy Association  
Merchant Navy Association of Northern Ireland  
Mersey Mission to Seafarers  
Mission to Seafarers  
Nautilus Welfare Fund  
Queen Victoria Seamen's Rest

Royal Alfred Seafarers' Society  
Royal Liverpool Seamen's Orphan Institution  
Royal Merchant Navy Education Foundation  
Royal National Mission to Deep Sea Fishermen  
Sailors' Children's Society  
Sailors' Orphan Society of Scotland  
Sailors' Society  
Scottish Nautical Welfare Society  
Scottish Veterans' Residences  
Seafarers UK (King George's Fund for Sailors)  
Seamen's Christian Friend Society  
Seafarers Hospital Society  
(formerly Seamen's Hospital Society)  
Seamen's Welfare Fund (Gibraltar)  
Shipwrecked Mariners' Society  
SSAFA  
Trinity House  
Trinity House, Hull  
Tyne Mariners' Benevolent Institution  
Veterans' Aid  
Whitby Merchant Seamen's Hospital House  
Willie Seager Memorial Trust  
Wilson's Mariners' Homes

**N.B.** These are not connected Charities within the meaning of the SORP 2015

Under its Articles of Association the Board is no longer required to hold a formal Annual General Meeting. For any constitutional changes it will hold an Extraordinary General Meeting (EGM) to which all Constituent members will be invited.

## **TRUSTEES AND MEMBERSHIP OF THE COUNCIL**

The Board's trustees are collectively known as its Council. New members are appointed by Council, primarily on the basis of the skills and experience required to carry out their responsibilities effectively in the best interest of the charity. Details of Council membership during 2016 and changes to the date of this report were as follows:

<b>Patron:</b>	The Lord Prescott
<b>Chairman:</b>	R J Jones, re-elected to this position on 30.04.14
<b>Vice Chairman:</b>	A M Dickinson, re-elected to this position on 20.07.16

### **Ship Owners' & Ship Managers' Representatives:**

Capt A Cassels	(Re-appointed 20.05.15)
D Colclough	(Re-appointed 20.05.15)
R J Jones (Chairman)	(Re-appointed 30.04.14)
T E Springett	(Re-appointed 30.06.16)

### **Trade Union Representatives:**

M Carden, RMT	(Re-appointed 20.05.15)
A M Dickinson, Nautilus International (Vice-Chairman)	(Re-appointed 30.06.16)
S Gosling, Nautilus International	(Appointed 30.06.16)
M Jess, Nautilus International	(Retired 30.06.16)
S Todd, RMT	(Re-appointed 30.04.14)

### **Voluntary Sector Representatives:**

A Campbell JP MNM, Queen Victoria Seamen's Rest	(Appointed 30.04.14)
M Foley, Apostleship of the Sea	(Appointed 30.06.16)
Revd Canon K Peters, Mission to Seafarers	(Retired 30.06.16)
Ms D Thomas, Sailors' Children's Society	(Re-appointed 30.06.16)
Cdre M Williams CBE RN, Shipwrecked Mariners' Society	(Appointed 30.04.14)

### **Persons able to make a particular contribution of value to the Charity because of their specialist expertise:**

Cdre B Bryant CVO RN, Seafarers UK	(Re-appointed 30.04.14)
Ms A Godfrey, Fishermens' Mission	(Appointed 02.11.16)
G Lane, Chartered Accountant	(Re-appointed 30.06.16)

### **Observer Status:**

N Atkinson MNM, Maritime & Coastguard Agency	
Capt J Drewitt MNM, Chairman Tees Area Ports Welfare Committee	(with effect from 01.01.17)

The Board wishes to place on record its appreciation for the contributions made by all members of the Council, in particular the two retired members, Mr Mike Jess, Assistant General Secretary, Nautilus International after 5 years in office, and Revd. Canon Ken Peters, Justice & Welfare Secretary, Mission to Seafarers after 4 years in office. It also welcomed three new members: Mr Martin Foley, National Director, Apostleship of the Sea; Ms Alison Godfrey, Director of Business Development, Fishermen's Mission; and Mr Steven Gosling, UK Operations Manager, Nautilus International.

## **INDUCTION AND TRAINING OF TRUSTEES**

Trustees are either appointed, or elected. The Chamber of Shipping is responsible for appointing the Ship Owners' & Ship Managers' Representatives, currently four in number. Nautilus International and the

Rail and Maritime Transport Union (RMT) are responsible for appointing the Trade Union Representatives, currently two each. The Constituent Maritime Charities elect the Voluntary Sector Representatives, currently four. The Council appoints those persons able to make a particular contribution, currently two. Each appointment, or election, for all backgrounds, is for a three year term of office.

All newly appointed trustees are provided with an induction pack that includes the governing documents, latest annual report, recent minutes of Council and other relevant meetings, publicity literature and the Charity Commission's relevant publications and information leaflets. Within the first few months of their election, Council members are invited to attend an induction at the Board's offices where they are introduced to the staff, given a comprehensive insight into the daily operation and a briefing covering the Board's current strategy and projects. The 'Trustee Role Description', outlining the general duties of the Board, is reviewed annually.

### **PAYMENTS TO TRUSTEES**

No member of Council receives any payment for acting as a trustee, other than, on occasion, out of pocket expenses.

### **CONFLICTS OF INTEREST**

The Board maintains a register of interests of all trustees and senior staff. Additionally, at each meeting of the Council, all those present are asked to declare any potential conflicts of interest when appropriate.

### **COMPANY SECRETARY**

Capt. D A Parsons MNM MNI, Chief Executive

### **PROFESSIONAL ADVISERS**

#### **Auditors:**

Sheen Stickland  
7 East Pallant  
Chichester  
West Sussex  
PO19 1TR

#### **Bankers:**

CAF Bank Ltd  
25 Kings Hill Avenue  
West Malling  
Kent  
ME19 4JQ

#### **Investment Manager:**

Bordier & Cie (UK) PLC  
23 King Steet  
St James's  
London  
SW1Y 6QY

#### **Solicitors:**

Blake Morgan LLP  
Tollgate  
Chandlers Ford  
Eastleigh  
SO53 3LG

#### **Pension Advisers:**

Chadney Bulgin LLP  
89 Fleet Road  
Fleet  
Hampshire  
GU51 3PJ

#### **Accounts Administration:**

Winchester Bourne Ltd  
Sullivan Court  
Wessex Business Park  
Colden Common  
Winchester  
SO21 1WP

### **STAFF**

The Board employs eight full time members of staff directly in its work. Details of staff members employed during 2016 were as follows:



Captain David Parsons MNM MNI  
Chief Executive



Mr Peter Tomlin MBE MNM  
Deputy Chief Executive



Mrs Susan Newcombe  
Port Welfare  
Committee Manager  
(retired)



Miss Sharon Coveney  
Port Welfare Committee Manager



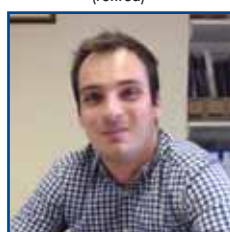
Miss Sarah Edward  
Port Welfare Committee  
Manager, formally PA to the  
Chief Executive & Office Manager



Mrs Sally Oliver  
Welfare Manager



Miss Katherine Pegrum  
PA to the Chief Executive  
& Office Manager  
(appointed 15.08.16)



Mr Alastair Whitfield  
Project Administrator  
(resigned)



Mrs Helen Van Gass  
Project Administrator  
(appointed 04.07.16)



Mrs Louise Furber  
Welfare Administrator  
(resigned)

The Council is responsible:

- for all staff employment contracts based on advice from the Board's appointed human resources advisers.
- for agreeing the employers and minimum staff contributions towards the pension scheme.
- appointing a financial adviser to advise on the appointment of a pension provider.

## **REMUNERATION POLICY**

The Board is committed to ensuring that staff are adequately remunerated to ensure that it attracts and retains the right skills to achieve the charity's objectives.

In accordance with SORP 2015, the Board:

- discloses all payments to trustees (these are out of pocket expenses only).
- discloses that there are no staff in receipt of more than £60,000 salary including gross pay and taxable benefits.
- discloses the pension policy.
- confirms that there are no benefits in kind.

The Board has appointed a remuneration sub-committee, consisting of the Chairman and two trustees, advised by the Chief Executive (with exception of his own remuneration), which meets to review and recommend the pay for all staff. The subcommittee:

- reviews the Board's salary structure against an agreed independent market benchmarking tool and makes amendments, when appropriate, to ensure that salaries remain competitive.
- approves the annual cost of living increase for all staff taking into account the most recent RPI figures.
- approves any consolidated pay awards over and above the cost of living index.

## **VOLUNTEER HELP**

The Board does not utilise volunteers for its day to day activities.

## **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The Board's Council holds three or four meetings annually. These are used to review current strategy, financial matters, investments, services to Constituent charities, grant distribution and agree future policy. In addition, it holds joint biennial meetings for Constituent and Port Welfare Committee members. In the event of needing to make any amendments to the Articles of Association the Board must convene an EGM for its Constituent Members.

The Council takes the view that internal controls provide adequate safeguards. All transactions are properly authorised and recorded thus ensuring that any material errors and irregularities are detected and prevented.

## **RISK ASSESSMENT**

The Board has a formal risk management process, which identifies the role for the Council as:

- ensuring that the identification, assessment and mitigation of risks are linked to the achievement of the Board's operational objectives.
- ensuring that the process covers all areas of risk e.g. financial, governance, operational and reputational and is focused primarily on major risks including those arising from investment issues.
- ensuring that the process seeks to produce a risk exposure profile that reflects the Board's views as to the level of acceptable risk.
- reviewing and considering the principal results of risk identification, evaluation and management.

To ensure that risk management is a continuous process and embedded in all management and operational procedures, a revision of the risk profile is completed annually by the Chief Executive and includes positive confirmation that controls are in place to mitigate material risks.

## **COMPLAINTS PROCEDURE**

The Board has in place a policy to deal with any complaints from the public or other organisations.

## **FINANCIAL CONTROLS**

The Board believes that the system of internal control provides adequate assurance that assets are safeguarded, transactions are properly authorised and recorded and that material errors and irregularities are either prevented or detected at an early stage. The financial controls are reviewed annually.

## **FINANCIAL REVIEW**

In line with the Board's strategic plan and investment policy this resulted in a planned deficit during the year amounting to £311,345 (2015 - deficit £462,399).

Income from unrestricted resources for the year amounted to £358,509 (2015 - £444,114) whilst total unrestricted resources expended amounted to £803,070 (2015 - £842,169).

As detailed elsewhere in this report grants awarded in the year totalled £233,016 (2015 - £225,996).

Income in respect of restricted resources amounted to £350,700 (2015 - £201,408) and expenditure amounted to £217,484 (2015 - £265,752).

Investment performance is dealt with later in the report but the total realised and unrealised gains amounted to £1,118,566 (2015 - gain £629,609) for the year. This has resulted in the value of investments under management increasing to £14,773,173 (2015 - £14,423,039).

Overall net assets stand at £15,299,660 (2015 - 14,492,439).

## **RESERVES POLICY**

The Council annually reviews the level of the Board's reserves available to meet the on-going ability to finance administrative costs, services to Constituent members and grants. In order to determine and monitor the appropriate level of reserves, the Board assesses likely future demand for grants and services against income expectation. Council, when determining the financial forecasts, considers the appropriate level of reserves. The Board takes the view that the investments held are adequate to generate funds to sustain the current levels of demand increasing in line with the retail price index.

## **INCOME**

### *Donations and Legacies*

Whilst the Board does not actively fundraise amongst the public, it is always extremely grateful for any donations and legacies, which are fully utilised in support of its objects. During 2016 a total of £1,549 (2015 - £981) was received in donations, whilst legacy income amounted to £9,329 (2015 - £72,715). Two known legacies are awaiting settlement, each pending the sale of property, but the amounts and timescale are unknown. The Board does not work with any commercial participators.

### *Trading Subsidiary*

The Board does not have any trading subsidiaries.

### *Government Contracts & Grants*

The Board does not receive grants or seek contracts from central or local government.

### *Investment Income and Policy*

The Board annually provides its investment managers, Bordier & Cie (UK) PLC, with an investment policy.

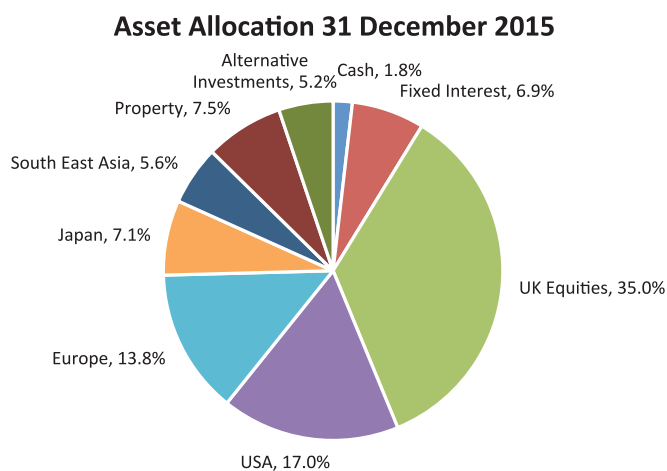
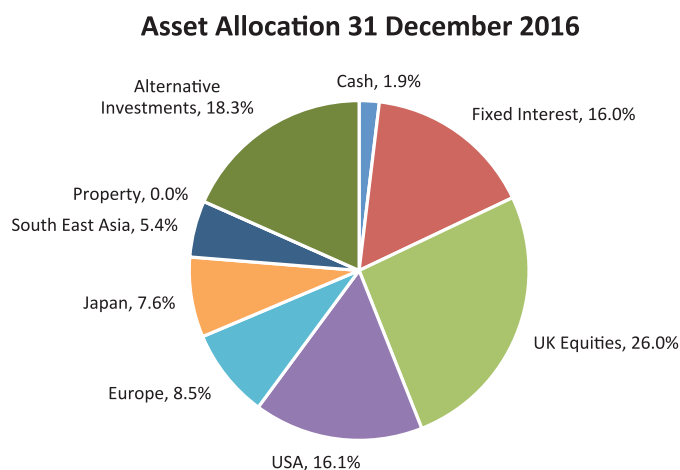


Their costs are based on the number of transactions each quarter together with fees charged for the management of the investment portfolio. Total costs amounted to £47,977 (2015 - £54,809). During the year the board received a refund of renewal commissions amounting to £2,489 (2015 - £21,208). This related to commissions charged in previous years and this has been deducted from investment management costs in the current year to give a net cost of £45,488 (2015 - £33,601) as disclosed in the financial statements.

The Board utilises benchmarks to monitor investment performance and reviews investment returns on a quarterly basis.

The primary source of income is from investments and since 2007 a 6% total return has been a key part of the policy. The Board accepts this is a risk strategy intended to provide greater return. Whilst this continues to be maintained, it is reviewed annually and can be revised, at any time, in light of needs and changing circumstances. A recent review indicates that, in reality, the numbers of older seafarers and their dependents are already showing a slow decline which will begin to accelerate over the next 15 years or so. As a counter balance there is evidence that the individual needs for those receiving support are increasing. At the same time there remains an on-going need to support port based welfare services for working seafarers.

The Asset Allocation as at 31st December 2016 was as follows:



### Social Investment Policy

The Board does not have a social investment policy.

### Grants Added Back

Some grants were not fully expended and a total of £256 was added back into the Board's funds (2015 - £18,079).

### *Restricted Funds*

The Board maintained restricted funds for support programmes and projects, which are covered elsewhere in the report. These are as follows:

- Vehicle Replacement Programme Fund
- International Port Welfare Programme (previously International Port Welfare Project)
- Merchant Navy Medal Fund
- Seafarer Support
- Emergency Grant Fund
- Digital Inclusion Project (closed)
- Watch Ashore Project (closed)

## **EXPENDITURE**

### *Staff*

As at the date of this report the Board employs eight full time members of staff directly involved in its work. A new appointment, that of Deputy Project Manager, is to be made during the early part of 2017. This will release time for the Deputy Chief Executive to concentrate on the International Port Welfare Programme, for which the Board is under contract to ISWAN for a period of 3 years' subject to satisfactory annual reviews.

### *Pensions*

In line with legislation set down by the Pensions Regulator all members of staff, after 3 months' service, are entitled to enter a contributory group personal pension plan provided by the Board and all those currently employed are included. Following a satisfactory probationary period of, normally 6 months, all new staff members are offered a contract which allows them to receive an enhanced employer's contribution, conditional upon them also making an agreed minimum contribution. The Regulator set a revised date of 1<sup>st</sup> January 2016 for auto enrolment and the Board was already fully compliant with all the requirements. With effect from 1<sup>st</sup> January 2016 the Board, following advice from its pension advisers, Chadney Bulgin, Chartered Financial Planners, moved its plan to a new provider, Royal London.

### *Offices*

The Board began a 10 year lease for its offices at 8 Cumberland Place, Southampton SO15 2BH in December 2010. These premises adequately meet the Board's needs both now and for the foreseeable future. A mid-term review took place as at 2<sup>nd</sup> December 2015 and a new rental amount was agreed for the remaining five years.

### *Professional fees*

The Board incurred professional fees in 2016 for audit and accountancy purposes.

### *Auditors and the Appointment of Auditors*

The Board is required to have its accounts audited annually. Under the Articles of Association, the Council is responsible for appointing the auditor.

### *Accountancy fees*

The Board's accounts administration is undertaken by Winchester Bourne Ltd, for which it pays a fee. The Board would, once more, like to place on record its gratitude to the long-standing Accounts Manager, Mrs Jane Roberts, for all her efforts and assistance.

### *Membership of Organisations*

The Board is a subscribing member of the following charitable organisations:

- **Maritime Charities Group (MCG)** formerly Maritime Charities Funding Group (MCFG)
- **International Seafarers' Welfare and Assistance Network (ISWAN)**
- **National Council for Voluntary Organisations (NCVO)**
- **Association of Charity Officers (ACO)**
- **Confederation of Service Charities (COBSEO)**

## SERVICES TO CONSTITUENT MEMBERS & PORT WELFARE COMMITTEES

### *Introduction*

In 2013 the Board undertook a long-term strategic review, looking ahead for up to the next 10 years, using the knowledge and expertise of both the trustees and staff. Based upon this and taking into account more recent developments the Board once again published its strategy for 2017/18 towards the year end. This is available on the Board's website: [www.mnwb.org](http://www.mnwb.org).

The Board's dedicated staff continues to pursue challenging initiatives in a very positive and constructive manner, and provide a high standard of service to Constituent and Port Welfare Committee (PWC) members. A number of new projects and programmes were commenced during the year, whilst others remained on-going.

The Board encourages all those involved with its objectives to comment on its strategy and suggest areas in which it might provide additional support. The agreed strategy is circulated to all Constituents and PWC members for comment and suggestions, which it welcomes. Subject to the agreement of Council, this can be amended at any time to suit current needs.

### *Website*

The primary purpose of the website is to inform Constituents, PWC members and the wider public about the Board's role and developments whilst, simultaneously, providing a point of contact for those people seeking support. Downloadable generic application forms are available for the use of potential beneficiaries seeking help from the maritime charity sector and for Constituent charities applying for grants. It also contains links to other maritime organisations.

The Board has a page on the social media website Facebook: [www.facebook.com/TheMNWB](http://www.facebook.com/TheMNWB) wherein it provides regular updates on its day to day activities.

In addition, it manages and controls three other websites:

- International Port Welfare Partnership Programme on behalf of ISWAN; [www.portwelfare.org](http://www.portwelfare.org)
- Merchant Navy Medal (see later in the report); <http://merchantnavymedal.org>
- Seafarer Support; [www.seafarersupport.org](http://www.seafarersupport.org)

### *Welfare and Emergency Grant Fund*

Whilst the Board does not give financial support to individuals, other than in an emergency, it does act as a 'clearing house' for those seeking assistance from other maritime charities. Experienced staff in the welfare department will arrange home visits by trained caseworkers and review all applications before directing them to the most appropriate sources of help. The emergency fund has been established with support from the Merchant Navy Fund and small grants, normally up to £100, can be awarded in cases where an eligible vulnerable client has been identified, normally by a caseworker, as having no visible means of support. This enables them, normally through a voucher, to purchase some bare necessities whilst their application for help is being processed. In 2016 two such grants were awarded (2 in 2015).

### *Caseworker Home Visits*

Caseworkers can assist clients with completing application forms and help to assess their circumstances. The Board, on behalf of its appropriate Constituent members, arranges home visits by a trained caseworker from the maritime charities, or SSAFA. It reimburses the latter with costs. During 2016, 134 visits were arranged by the Board (2015 - 163). The exception to this arrangement is the Shipwrecked Mariners' Society, which arranges their caseworker visits directly, although the Board reimburses the Society to cover some of those costs.

### *Register of Grants to Individuals*

The Board has, for many years, maintained a register of persons who have applied for, or are in receipt of, a grant from one of its Constituent charities. This includes both regular and one-off grants and helps to reduce duplication and avoid, albeit rare, cases of fraud. More recently the potential for the information contained in the register has been recognised by the Board and its Constituents. All those involved in the sector recognise that the large reduction in numbers of seafarers during the latter part of the 20th century is beginning to impact the numbers seeking financial support. Equally needs and the purposes, particularly for one-off grants, are changing. The register can provide demographic information and statistics such as annual numbers of those receiving and applying for help, geographical locations of seafarers (using postcodes), ages, sexes, marital status and usually, purposes of a one-off grant. This information can be used to identify trends, enabling better future projections and provide demographic profiles, allowing maritime charities to better plan to meet future needs.

The Board would like to record its thanks particularly to Mrs Sally Oliver, Welfare Manager, but also other staff for their contributions.



MNWB staff celebrate Seafarer Support receiving over 50,000 contacts and enquiries

### *Data Protection*

The above register and all other confidential information held by the Board fully complies with the requirements under the Data Protection Act 1998. The Board is registered for this purpose with the Information Commissioner's Office.

### *Seafarer Support*

Equally important is Seafarer Support, a service which is run and managed by the Board on behalf of all maritime charities. This enables enquirers from an MN, RN or fishing fleet background to be referred, or directed, to the most appropriate sources of help. It is funded via direct grants from itself (MNWB), Royal Navy & Royal Marines Charity, Seafarers UK and Trinity House. The Board's staff welcome enquiries either on a Freephone number - 0800 121 4765 or via the website; [www.seafarerssupport.org](http://www.seafarerssupport.org) where a search facility called the 'Maritime Charities Welfare Guide' is embedded. The Board is currently carrying out minor upgrades to the website and is engaged with social media to improve outreach. During 2016 Seafarer Support received:



- Freephone Helpline – 344 phone calls (2015 - 699)
- Website – 12,083 unique visitors\* (2015 – 11,064)

\*Unique visitors are measured according to their computers' unique IP address and are counted only once, no matter how many times they visit the website.

The above figures demonstrate that the greatest numbers of enquiries come via the Web and have increased, whilst the numbers of phone enquiries have decreased quite significantly. There are more than 140 organisations covering 35 different welfare categories listed in the Maritime Charities Welfare Guide

The top five 'searched for' categories of help in 2016 in order of priority were as follows:

- |                               |                                     |
|-------------------------------|-------------------------------------|
| 1. Sheltered Housing          | (2015 - Grants to Individuals)      |
| 2. Household Equipment Grants | (2015 - Household Equipment Grants) |
| 3. Funeral Grants             | (2015 - Regular Grants (Annuities)) |
| 4. SAIL                       | (2015 - Sheltered Housing)          |
| 5. Educational Grants         | (2015 - Benefits Advice)            |



### *Training Courses*

The Board remains committed to providing on-going training courses for its Constituent and Port Welfare Committee members. During 2016 the courses available, subject to demand included:

- **Bereavement Awareness:** One course was held in London for 12 persons in 2016, with a further course planned for 2017.
- **Caseworking:** SSAFA Forces Help kindly opens its own courses, which take place in various locations throughout the UK, to MN and fishers welfare workers. 6 persons attended during 2016.
- **Health & Safety:** An e-learning course on which 11 persons received training in 2016. This remains available.
- **Lone Working:** One course was held for 15 persons in 2016, further courses can be made available, subject to demand in 2017.
- **Managing Aggression & Violence:** This course was not run in 2016, due to lack of demand. Further courses can be made available, subject to demand, in 2017.
- **Managing Volunteers:** One course was held for 10 persons in 2016, further courses can be made available, subject to demand in 2017.
- **Mental Health Awareness:** One course was held in London for 13 persons in 2016, with a further course planned for 2017.
- **Understanding the Merchant Navy:** This course, to be run by the Board's CE, has been prepared, but not commenced due to lack of time. It is intended for lay personnel working in offices or seafarers' homes to provide a better understanding of the background of the shipping industry and seafarers. This will be made available on request from late 2017.
- **Substance Abuse Awareness:** This course was not run in 2016, due to lack of demand. Further courses can be made available, subject to demand, in 2017.
- **Ship Welfare Visitors:** Three courses were held in 2016, for a total of 39 persons. An additional 18 candidates undertook the Distance Learning version of the Ship Welfare Visitor training in 2016. The Board has been working with the International Christian Maritime Association to provide an online training package that will be launched in 2017, supplemented by face to face training.



### *Ship Welfare Visitors on-line training*

In 2016 the Board funded and worked in partnership with the North American Maritime Ministries Association (NAMMA) to transfer the contents of the Ship Welfare Visitor's Course to an on-line training package. This was successfully trialled in the latter part of the year and is being launched in early 2017. The intention is to overcome the difficulties of providing sufficient courses in numerous locations and will also negate delays for personnel awaiting a course. The Board has agreed that this can be released to other partners globally. Each applicant, outside the UK and Gibraltar, will need to be approved by an ICMA member or ISWAN. The Board will retain a register of all those who have successfully completed the course and issue an identity card. It will charge a small administration fee to cover the costs. The Board would like to record its thanks to Dr. Jason Zuidema, Executive Director of NAMMA for his invaluable contribution in transferring the course material on-line and adding videos.

### *Evaluation Studies*

At the request of its Constituent members, the Board can arrange evaluation, or feasibility studies in various ports and other seafarers' facilities. This is to help promote and ensure the most effective and highest standards of welfare services for both serving and retired seafarers within the UK and Gibraltar. Included in this is:

*UK Seafarers' Centre Review* In early 2015 three societies, jointly responsible for administering several seafarers' centres, asked the Board to conduct a review of usage, services, structure and governance. Work commenced with a survey of working seafarers' current needs and aspirations whilst visiting UK ports. During the course of 2016 the Board reviewed the seafarers' centres in Bristol Ports (Avonmouth & Portbury) Felixstowe, Humberside, Southampton and Tilbury, which are all jointly run centres and produced reports with recommendations. A report looking at the joint governance and management arrangements is in preparation. If requested, the Board will also review other UK centres operated by individual charities.

### *MNWB Data Integration System (DIS) Project and UK Port Survey:*

This is a major project to enable societies to review, on a port by port basis, welfare provision against any gaps or duplication. Evaluation of all major ports has been completed and work is now underway in the medium size and some smaller ports. The information includes port structures, commercial traffic (shipping) and local welfare provision, including centres, chaplaincy, transport and volunteer numbers. Subsequently the Board commissioned Southampton Solent University to place this database on-line, to enable all interested organisations to review the activities in each port. This is now finished and, from early 2017, will enable societies to determine what welfare resources are, ideally, needed. Selected personnel will be able to amend the information pertinent to their port. The database will be extended to include smaller ports and all content will be updated on an on-going basis utilising the knowledge amongst the PWCs.

### *Merchant Navy Fund*

This was established, at the suggestion of MNWB, as a partnership with Seafarers UK, to raise money from the Merchant Navy for the Merchant Navy. It is pleasing to note that the fund continues to be increasingly supported, albeit rather slowly, with all monies raised used to support those societies that help UK Merchant Navy Seafarers and their families. Only voluntary societies (not individuals) can apply for a grant and these must be used specifically to support UK resident merchant seafarers and their families. Those seeking a grant should apply to Seafarers UK, using one of their standard grant application forms, but advising that it is an application to the Merchant Navy Fund. The small costs of administering and publicising this Fund is shared between both MNWB and Seafarers UK and, in 2016 this was £3,748 (2015 - £2,065) in total.

## Publications

The Board, on behalf of its Constituents, publishes and distributes the following publications which are also included on the website:

- **Port Information Leaflets:** The Board currently publishes (and updates) 35 Port Information Leaflets for seafarers throughout UK ports and Gibraltar. These are welcomed as they focus on seafarers' needs, when ashore, in the limited time that most have available. They are also included on the Board's website. During 2016, two new ports were added, with seven more under consideration and a significant number reprinted (with updated information).



1st Edition of the Sunderland Port Information Leaflet

- **'Remembering those left behind':** This booklet provides advice for both those seeking to make funeral plans before their death, and for people who are faced with making the arrangements with no plan in place. Further copies will be printed on demand and the booklet will be reviewed regularly.
- **'Arrested and Detained Vessels and Abandoned Seafarers – A Guide to Who Does What':** This booklet, published in hard copy and on-line, is intended to be a simple guide explaining the duties of the various authorities when voluntary societies encounter seafarers on arrested, or detained vessels, or who have been abandoned. It will be reviewed regularly and updated when necessary.

## Vehicle Replacement Programme

The Board in partnership with three other funders: ITF Seafarers Trust, Seafarers UK and Trinity House continued to fund and manage the port based vehicle replacement programme which allows replacement of all vehicles after 5 years. The Board secured sufficient funds for 2016 amounting to £160,000 (£40,000 from each partner). All recipient charities are required to agree a Memorandum of Understanding. During 2016 the programme provided grants towards replacing 2 cars, 6 MPVs and 4 minibuses. Subsequently, due to rationalisation by some of the societies involved, there has been a reduction in the overall number of vehicles. As a result, on this occasion, each partner has contributed a reduced amount of £30,000 which, with some money carried forward, will provide adequate funds to cover the 2017 replacement programme. It is hoped that there will be an opportunity to trial at least one electric MPV in 2017. Whilst these will not be suitable in all ports, they will almost certainly reduce running costs where they are usable. Unfortunately, there are no electric minibuses currently available. The programme is hugely welcomed by all those involved as it provides a rationalised and efficient support service.



New Liverpool Seafarers' Centre minibus provided through the Vehicle Replacement Programme

## Port Levy or Contribution Project

The Board has begun, on behalf of the Apostleship of the Sea, Mission to Seafarers, Sailors' Society and Fishermen's Mission, to lobby for the establishment of new port levy, or contribution, schemes in UK ports. These are seen as increasingly essential sources of income needed to sustain port welfare services at a time when the traditional fundraising streams are declining. The Port of Tyne Port Authority has worked in partnership with the Board and the Tyne Area PWC to establish a pilot levy scheme within the conservancy area. This scheme began raising funds on 1 January 2016 and is aimed at supporting all those charities supporting seafarers visiting the port. It is expected to be formally launched when the first grants from the fund are awarded in early 2017. Whilst there are already several successful schemes in place this is a new template that can, hopefully, be replicated elsewhere.

### *Digital Inclusion Project*

This pilot project was funded via a grant from the Merchant Navy Fund to enable retired seafarers and sometimes their families, without any previous IT experience or skills, to receive a loan laptop or tablet with bespoke beginners' software. The trial commenced in the latter part of 2014 with the assistance of three seafarers' homes – Care Ashore (Surrey), Nautilus Welfare Fund's Mariners Park (Wallasey) and Sir Gabriel Woods Mariners Home (Greenock) and was concluded in 2016. The Board would like to record its thanks to the management and staff of each home for their support. Those societies supporting seafarers and their dependents living independently have asked the Board to investigate whether it is possible to provide IT, with initial face to face support, to some of their beneficiaries. The feasibility of this will be examined in 2017, exploring opportunities in both the maritime and wider charity sectors. If this can be achieved it is anticipated that it will be of great benefit to those people, many of whom are leading quite isolated lives.

### *Watch Ashore Project*

The Watch Ashore is a mutual support and social group of wives and partners of personnel from the Merchant Navy. In times gone by when the UK fleet was much bigger they had a large membership, often from among the wives of seafarers living in and around key ports. Nowadays seafarers' numbers are smaller and they and their families live in widely scattered locations. Nonetheless there remains great scope for continuing the original aims utilising, to a large extent, the medium of social media. Between 2014 and 2016 the Board provided social media training sessions and support for a number of Watch Ashore members, who are now undertaking a successful recruiting campaign. In addition to increasing mutual support they are also able to refer those seeking help from the maritime charities. The successful project, which was concluded in 2016, was paid for via grants from the Merchant Navy Fund and Seafarers UK and has begun to recruit new members. In the meantime, the Board greatly values the work of the Watch Ashore and will continue to work closely with them.

### *ISWAN's International Port Welfare Partnership Programme*

In September 2014, the Board began managing a pilot project, on behalf of the International Seafarers Welfare & Assistance Network (ISWAN), to assist and mentor the establishment of new national seafarers' welfare boards (NSWBs) and PWCs around the world. This, even as a pilot, was a significant piece of work. The Board received funding, from ISWAN who, in turn had received a grant from the ITF Seafarers Trust for this purpose. The Board was considered ideally placed to act in this capacity with its long experience and expertise and because the ILO and others see it as a template for a national seafarers' welfare board with PWCs. The project originally intended to help establish up to 5 PWCs, or national seafarers' welfare boards, over a period of 18 months, but it achieved supporting ten, notably: Antigua & Barbuda; Australia (Brisbane and Gladstone); Benin (Porto Novo); Canada (Toronto); Ghana (Tema); Mauritius (Port Louis), Netherlands (Rotterdam); South Korea (Busan) and Spain (Barcelona). Their successes would not have been possible without the support of members of the various local maritime communities and the Board would like to use this opportunity to gratefully acknowledge this contribution.



As a result of this successful pilot project the Board has been commissioned, again by ISWAN, which has received grants to undertake a three-year programme. For this programme ISWAN's funders are: ITF Seafarers Trust; Seafarers UK; TK Foundation; and MNWB itself. This programme formally commenced in February 2017 when staff resources were in place (funded by the programme). However, in August 2016, responding to an important opportunity, the Board's Deputy Chief Executive, supported the establishment of a PWC in Savannah, Georgia (USA), believed to be the first formal PWC in the USA. The Board has attended a number of overseas conferences to promote the programme and will continue to do so when appropriate.

At the time of this report there are currently expressions of interest from 65 countries (2015 – 57) and 153 ports (2015 – 127). The on-line Port Data Information package, initially developed for the UK by MNWB

(see above), has been extended to allow it to be made available for this programme, albeit under strict conditions. The Programme's website; <https://www.portwelfare.org> is also being extensively updated taking into account the move from a project to a programme. The intended outcome is to build a global network of NSWBs and PWCs which will do much to support and enhance the work of the front line port welfare providers. The enormous benefits to seafarers and their welfare support organisations globally is fully understood and supported by the Board's own Council.

## PORT WELFARE COMMITTEES (PWC)

### Introduction

With effect from October 2016 the Board administers one other national seafarers' welfare board (Gibraltar which was formerly a PWC) in addition to the 15 PWCs within the UK.

### Gibraltar Seafarers' Welfare Board.

On 7<sup>th</sup> October, at its AGM, the Gibraltar PWC was formally wound up and superseded by the Gibraltar Seafarers' Welfare Board (GSWB). This recognised that Gibraltar is a maritime state in its own right and the change of title properly reflects this. This was unanimously supported by MNWB's Council and hugely welcomed in Gibraltar, where it was formally announced by the Minister for Transport, Traffic and Technical Services - The Hon Paul J Balban MP. The membership of the new Board reflects that of the former PWC and Capt. Ferro (former PWC chairman) was elected as the first chairman. The GSWB is pleased for MNWB to act as the administrator in the future.

### UK PWCs

The fifteen UK PWCs (plus the GSWB) remain an essential and integral part of the Board's work. The contribution, made by members, allows the Board and, importantly its Constituents, to better understand issues that affect seafarers locally, nationally and internationally. The meetings also provide the Board with a platform to disseminate information considered of interest to members. The committees adhere to 'Terms of Reference' provided by the Board.

The PWCs cover the entire coastline of the United Kingdom whilst the GSWB covers Gibraltar. Each comprises representatives of organisations concerned directly, or indirectly, with the welfare of seafarers visiting the ports, or those locally domiciled. Members are drawn from various backgrounds, including maritime charities, port authorities, port health authorities, maritime trade unions and ship owners (commonly represented by the shipping agents). Committees and the GSWB meet three times a year and one of these is combined with an AGM to confirm membership, and elect, or re-elect, the Chairman and Vice Chairman.



Members of the Gibraltar Seafarers' Welfare Board

In 2016 total PWC membership was 348 (2015 - 335). The overall membership continues to reflect the importance of these committees within their local maritime communities. There were 48 meetings and 16 AGMs (as in 2015).

### Committees and Chair

Committee	Chair	Committee	Chair
<b>Bristol</b>	Mr G Strickland	<b>Northern Ireland</b>	Mr P Hayes
<b>Central and West Scotland</b>	Mr S Bradley	<b>North West (England)</b>	Mr J Wilson
<b>East Anglia</b>	Revd P Paine	<b>South Wales</b>	Mr E Watts
<b>Haven (River Orwell)</b>	Capt. J Coleman	<b>Southern (England)</b>	Capt. M Phipps
<b>Humber</b>	Revd Fr C Kelly	<b>South West (England)</b>	Mrs C Rankin MBE MNM
<b>London and South East</b>	Mr T Goacher	<b>Tees Area</b>	Capt. J Drewitt MNM
<b>Milford Haven</b>	Mr J Bowen	<b>Tyne Area</b>	Capt. P Wynn
<b>North and East Scotland</b>	Mr D Kenwright		
<b>Gibraltar Seafarers' Welfare Board</b>			
Chair Capt. J Ferro MBE MNM			



A very significant aspect of PWCs is that of enhancing local networking. Quite commonly, although all the members work and live in comparatively small areas, many do not encounter one another on a regular basis. Meetings offer an excellent opportunity for members to better network and understand each other's roles and responsibilities within the maritime community. This can be invaluable in times of crisis or even, for example, when trying to resolve access problems to a particular berth. The PWCs are asked to comment on all new local grant applications that are being made to any maritime grant making charity. Their comments and support can be invaluable to the potential funder, or funders. They are also a key factor in assisting the Board in its evaluation of welfare provision in the ports. Their knowledge and experience is essential when considering any project.

The Board uses meetings to share regular updates on issues affecting seafarers and the maritime welfare providers. At the same time members provide regular reports, which are always of interest locally and can, sometimes, have much wider implications. PWCs are increasingly proactive in looking at the issues affecting seafarers' welfare in their areas. This includes identifying any shortfalls in provision and looking at opportunities for support such as port levies or contributions. The Tees PWC has prepared a local strategy, which is welcomed and some other committees are also looking at the value of this.

#### *Port Welfare Committee grants to promote seafarers' welfare*

The Board sets aside an annual grant of up to £500 per PWC and GSWB to promote seafarers' welfare activities within their own areas. Committees have been encouraged to explore and suggest ways in which this can be achieved. In 2016 several organised awareness events were held in the local areas to highlight the work of the local voluntary societies and the issues among seafarers.

The Board would like to record its thanks to all those PWC members who organised events using these grants.



Members of the Milford Haven Port Welfare Committee saying their farewells to Port Welfare Committee Manager, Mrs Susan Newcombe

#### *Extending the PWC network*

The Board remains open to reviewing the need for further PWCs but there are currently no proposals to subdivide any existing areas, or establish new committees in the UK, but this is kept under review. The Board's Chief Executive is to visit the Falkland Islands in early 2017 to look at whether there would be mutual advantages in establishing a closer relationship with the embryo PWC currently in place. The costs of this visit are being funded locally and it is accepted that, due to distance and cost, the 'hands on approach', to UK PWCs and GSWB, with staff in attendance, would be impractical. Nonetheless with everyday access to communications it is entirely possible to provide support if that is what is wanted locally.

The Board would like to place on record its gratitude for the commitment made by all Chairs and Vice Chairs of the GSWB and PWCs and all the members in support of both their own committee and the Board, with its Constituents. In addition it would like to record its thanks to the staff involved. These are the current PWC Managers, Miss Sharon Coveney and Miss Sarah Edward and the previous manager, Mrs Susan Newcombe, who retired from her role in September to pursue other interests (which may include some consultancy work for the Board). She served tirelessly as the manager of eight PWCs over a 7 year period and was hugely respected and liked by all the members and her colleagues.

The PWC members and staff, with their enthusiasm and commitment, continue to enhance the importance of the committees in their local maritime community.



## BIENNIAL CONFERENCE OF CONSTITUENTS 2016

The Board held a very successful biennial meeting for its Constituent members and a representative, commonly the Chair if available, from each PWC, at the Aztec Hotel, Bristol on 29<sup>th</sup> & 30<sup>th</sup> November. Keynote speaker was Mark Dickinson, Vice Chair of MNWB and General Secretary of Nautilus International who spoke of the challenges faced by maritime trade unions in today's fast changing maritime climate and the excellent work of the Nautilus Welfare Fund. Other speakers were Cdre Barry Bryant - Seafarers UK, Cdr. Graham Hockley - Trinity House and Luca Tommasi - ITF Seafarers Trust who each gave delegates an insight into how their organisations supported seafarers' welfare services. The after dinner speaker was Capt. Martin Phipps, Chairman of the Southern PWC and Harbour Master of the Port of Southampton who gave an excellent and very amusing account of his life as a seafarer, Southampton pilot and ultimately the challenges of his current role.



A breakout session in progress at the biennial Conference of Constituent Members in Bristol

The conference provided an opportunity for delegates to discuss various issues during breakout sessions and open forums, looking at how maritime charities can better address today's needs. In particular a number of suggestions were made as to how the MNWB could better service its Constituents and these have been, or will be, considered in early 2017.

## MNWB SERVICES TO SEAFARERS' WELFARE AWARD 2016

The Board announced two annual Awards for Services to Seafarers' Welfare in 2016 at the above conference. These were:

*Mrs Susan Newcombe*, recently retired MNWB Port Welfare Committee Manager, whose passion, commitment and knowledge of the welfare sector and seafarers' issues has been invaluable to both the Board and the PWCs. She is hugely liked and respected by all PWCs and her colleagues. Her warmth, sense of humour, awareness of issues and ability to 'manage', sometimes, difficult situations has greatly enhanced the work and reputation of the Board.



Mrs Susan Newcombe, recipient of the 2016 MNWB Services to Seafarers' Welfare Award

*Reverend Frans Sahetapy*, Sailors' Society port chaplain in Tilbury who has undertaken this role for over 10 years, firstly in the port of Southampton. After Typhoon Haiyan devastated the Philippines in 2013, he went to the area to offer emotional and practical support to victims of the disaster.

Wherever he works he goes about this tirelessly, in an unassuming manner with a smile on his face and is a true friend to seafarers visiting the port.



Revd Frans Sahetapy receiving the 2016 MNWB Services to Seafarers' Welfare Award from Mr Bob Jones

## GRANTS

Whilst the Board's priority is that of providing support services to its Constituents and Port Welfare Committees, its second priority is to provide capital grants. The amount available for this purpose is based on the overall return from the investment portfolio after deducting revenue costs and services to Constituents. In 2016 a sum of £233,016 was awarded in capital grants (2015 - £225,996). Before allocating grants Council reviews the quality of each application and the impact that this would have on the maritime community. In some cases it will endeavour to share a grant with other organisations. Under its Small Grants Programme the Board can allocate grants of up to £5,000 throughout the year, up to a total annual limit of £50,000.

### Grants Awarded

<b>Annual National Service to Seafarers</b> annual contribution	<b>£100</b>
<b>Fishermen's Mission (Lowestoft)</b> upgrade of the heating system	<b>£1,899</b>
<b>ISWAN</b> IPWP Programme	<b>£50,000</b>
<b>Lighthouse Seamen's Mission</b> Stanley, Falkland Islands - towards a new house for port chaplain	<b>£20,000</b>
<b>Liverpool Seafarers' Centre</b> outdoor garden area for seafarers	<b>£12,000</b>
<b>Maritime Charities Group</b> annual contribution	<b>£5,000</b>
<b>Merchant Navy Medal Committee</b> annual contribution	<b>£100</b>
<b>Mission to Seafarers, Falmouth</b> to provide improved outside lighting	<b>£1,800</b>
<b>Mission to Seafarers, Newport</b> to replace central heating system	<b>£10,000</b>
<b>Mission to Seafarers, North Tees</b> for new admin computer	<b>£417</b>
<b>Nautilus Welfare Fund</b> to replace Nurse Care System in care home	<b>£26,700</b>
<b>Port Welfare Committees</b> towards local promotions	<b>£8,000</b>
<b>Queen Victoria's Seamen's Rest</b> towards a replacement lift and Motability scooter store -	<b>£20,000</b> <b>£4,000</b>
<b>Total contribution</b>	<b>£24,000</b>
<b>Sailors' Society</b> – towards establishing a new seafarers' centre in Southampton	<b>£20,000</b>
<b>Seafarer Support</b> contribution towards annual running costs	<b>£10,000</b>
<b>Tyne Mariners Benevolent Institute</b> towards a replacement warden call system	<b>£13,000</b>
<b>Vehicle Replacement Fund</b> annual contribution	<b>£30,000</b>
<b>Total grants awarded in 2016</b>	<b>£233,016</b>



The Lighthouse Seamen's Mission Port  
Chaplain's House in Stanley, Falkland Islands



Mission to Seafarers Flying Angel Club,  
in Falmouth



Nautilus Welfare Fund's Mariners Park  
Care Home, in Wallasey



New port vehicle for the Seamen's Christian  
Friend Society in Belfast, provided through the  
Vehicle Replacement Programme

## **MERCHANT NAVY HONOURS CONSULTATIVE COMMITTEE formerly MERCHANT NAVY MEDAL COMMITTEE**

In 2015 Her Majesty The Queen graciously signed the Royal Warrant for the Merchant Navy Medal for Meritorious Service. As a result the last of the original Merchant Navy Medals were presented in late 2015. The first of these prestigious new State Awards were presented by HRH The Princess Royal at a ceremony in Trinity House on Tuesday 15th November 2016. The names of those first recipients were announced, ahead of this, on Merchant Navy Day, 2 September 2016, by Shipping Minister John Hayes MP, who went on to say:

*“This new state award, with a place in the order of wear, is being awarded to those who are serving or have served in the Merchant Navy and fishing fleets of the UK, Isle of Man or Channel Islands for exemplary service and devotion to duty, rewarding those who have set an outstanding example to others. Coinciding with Merchant Navy Day, it provides an opportunity to remember the sacrifices of our brave seafarers of the past and to show our appreciation for British shipping today and in the future.”*

Whilst the Department of Transport (DfT) is ultimately responsible for recommending awards to the Minister it has agreed to consult closely with the Committee when reviewing nominations. During much of 2016, therefore, the Merchant Navy Medal Committee, chaired by Captain Matthew Easton, maintained a watching brief on the new arrangements for processing nominations and the Award Ceremony, whilst also submitting a number of, successful, nominations (which it had received). The award ceremony was organised entirely by the DfT and all members of the MN Medal Committee were invited to attend as guests. The event, which had previously been organised, on behalf of the Committee, by the Board was extremely successful and has set the course for the future.

The Committee has magnanimously accepted the new arrangements and an invitation, by the DfT, to act as a consultative forum in the future. This recognises the wide experience and unique range of knowledge from among the membership. They have also agreed to encourage nominations for higher ‘Orders of Wear’ throughout the maritime sector. In recognition of the changed role, with effect from 1<sup>st</sup> January 2017, the committee has changed its name to the **Merchant Navy Honours Consultative Committee** and this will continue to be administered by the Board. Each corporate member, as a token of its commitment, has agreed to pay an annual subscription of £100 and that all money raised from this should be transferred to the Board to help with its administration costs.

It is very pleasing to report that the Board’s Chairman, Mr Bob Jones, was among the first of the recipients of this new Honour. Other recipients of the Honour, in this first year, included:

- Captain Roger Barker, for services to the Merchant Navy
- Mr Andrew Dalrymple, for services to the welfare of seafarers
- Captain Susan Harrison, for services to the shipping and ports industries
- Captain Nicholas John Jeffery, for services to the promotion of Merchant Navy careers
- Mr Glyn Trevor Jones, for services to the Merchant Navy and the Royal National Lifeboat Institution
- Mr Robert Jones, for services to the Merchant Navy Welfare Board
- Captain Peter James McArthur, for services to the Merchant Navy
- Captain David Stuart McCallum, for services to the Merchant Navy
- Captain Nicholas McIntyre, for services in the rescue of refugees
- Mr Mark Franklyn Morgan, for services to the Merchant Navy and the Royal National Lifeboat Institution
- Captain Derek Peters, for services to the welfare of seafarers
- Captain Philip Rentell, for services to the Merchant Navy
- Captain Roger Towner, for services to seafarer certification and training

Importantly all recipients must have served in the Merchant Navy or UK fishing fleets, ideally for a minimum of 20 years, although this can include an unspecified time ashore within the industries. In any event, both those who do, or do not, meet this criteria can also be put forward for a higher honour if



this is felt appropriate. The Committee is anxious to encourage nominations throughout the maritime sector. More information and a link to the DfT's nomination guidelines and form can be found on: <http://merchantnavymedal.org>. The Committee has emphasised that it believes that all previous recipients of the original Merchant Navy Medal should consider their award to be equal to the new National Honour.



Mr Bob Jones, Chairman of the Board of Trustees of the MNWB receiving the Merchant Navy Medal for Meritorious Service



Mr Andrew Darymple, Chairman of the Humber Seafarers Service and long standing member of the Humber PWC receiving the Merchant Navy Medal for Meritorious Service

## FUTURE STRATEGY

Whilst much information about on-going efforts is contained within the main body of the report, the Board reviews its future strategy annually, whilst also reviewing the progress and achievements from the previous year. The key objectives set down in the 2017/18 review are as follows:

### On-going projects

- Promote awareness of the maritime charity sector
- Support the Constituent members as appropriate
- Support and maintain the 15 Port Welfare Committees & Gibraltar Seafarers' Welfare Board
- Review the need for additional Port Welfare Committees, or boards in UK and overseas Dependencies
- Monitor the impact of ILO's Maritime Labour Convention (2006)
- Provide training packages
- Manage and maintain the Vehicle Replacement Fund
- Publish, revise, reprint and distribute Port Information leaflets
- Maintain and update the Seafarer Support and Maritime Charities Welfare Guide
- Act as a clearing house for applications for help and arrange caseworker home visits to clients
- Support and encourage home visits by trained caseworkers
- Maintain the database – Register of Grant Recipients
- Publish a 'ready reference' survey of all charities making grants to individuals
- Manage all working groups and utilise these to begin preparing reports and recommendations pertaining to their particular sectors
- Provide evaluation and feasibility studies where appropriate
- Maintain, enhance and update regularly the findings of the UK Port Survey
- Continue to build upon the online database of port welfare provision (SWIMS)
- Manage a collaborative project to endeavour to secure improved funding from port levies, or other local sources, on behalf of those Constituents providing port based welfare
- Review with appropriate Constituents the changes in seafarers' communication needs and IT provision
- Review all jointly owned UK seafarers' centres
- Encourage the establishment of more port levy or contribution schemes
- Review access to welfare provision and charitable assistance to professional luxury yacht crews
- Maintain and enhance the role of the Working Groups to review existing provision and future needs
- Publish biennial reports on the progress of the Working Groups
- Alternate biennial conferences for Constituent and PWC members
- Continue partnership arrangement with Seafarers UK, to raise money for the Merchant Navy Fund

- Administer the Merchant Navy Medal Committee and funds
- Support the Watch Ashore to provide an on-line mutual support network for the wives and partners of MN seafarers
- Manage a digital inclusion project to enable retired seafarers and their families, without previous IT experience and skills, to receive a loan laptop or tablet with bespoke beginners' software
- Review the opportunities for charities to share 'back office' support
- Manage an international partnership project, on behalf of ISWAN to encourage, support and mentor the establishment of seafarers' welfare boards and port welfare committees around the world under the auspices of the ILO's Maritime Labour Convention, 2006

It is important to emphasise that all the above projects are long-term and therefore none were completed during 2016. There were no new projects scheduled to commence in 2017 at the time of this report.

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Merchant Navy Welfare Board for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 business.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## **AUDITORS**

As noted previously, the Board has dispensed with the requirement to hold an Annual General Meeting. The re-appointment of auditors will be decided annually at a council meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

## **ON BEHALF OF THE BOARD:**

Captain D A Parsons MNM MNI  
 Chief Executive  
 Date 15<sup>th</sup> March 2017



We have audited the financial statements of Merchant Navy Welfare Board for the year ended 31 December 2016 on pages twenty eight to forty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page twenty six, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Report, the Chief Executive's Report and the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become

aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

P E H Wright FCA DChA (Senior Statutory Auditor)  
For and on behalf of Sheen Stickland  
Chartered Accountants  
Statutory Auditors  
7 East Pallant  
Chichester  
West Sussex  
PO19 1TR

Date: 15<sup>th</sup> March 2017

# STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 December 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	28,828	350,700	379,528	329,213
Investment income	3	329,681	-	329,681	316,309
<b>Total</b>		<b>358,509</b>	<b>350,700</b>	<b>709,209</b>	<b>645,522</b>
<b>EXPENDITURE ON</b>					
Raising funds	4	45,488	-	45,488	33,601
<b>Charitable activities</b>	5				
Support Services to Constituent Members		48,268	217,484	265,752	331,184
Grants to support the work of Constituent Members		233,016	-	233,016	225,996
Grants Unspent		(6,116)	-	(6,116)	(18,079)
Support to promote welfare activities		482,414	-	482,414	535,219
<b>Total</b>		<b>803,070</b>	<b>217,484</b>	<b>1,020,554</b>	<b>1,107,921</b>
Net gains on investments		1,118,566	-	1,118,566	629,609
<b>NET INCOME/(EXPENDITURE)</b>		<b>674,005</b>	<b>133,216</b>	<b>807,221</b>	<b>167,210</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>14,200,575</b>	<b>291,864</b>	<b>14,492,439</b>	<b>14,325,229</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>14,874,580</b>	<b>425,080</b>	<b>15,299,660</b>	<b>14,492,439</b>

## CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

# BALANCE SHEET

at 31 December 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	20,157	-	20,157	5,995
Investments	12	14,773,173	-	14,773,173	14,423,039
		14,793,330	-	14,793,330	14,429,034
<b>CURRENT ASSETS</b>					
Debtors	13	19,985	90,000	109,985	50,680
Cash at bank and in hand		286,560	335,080	621,640	263,159
		306,545	425,080	731,625	313,839
<b>CREDITORS</b>					
Amounts falling due within one year	14	(225,295)	-	(225,295)	(250,434)
		81,250	425,080	506,330	63,405
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>					
		14,874,580	425,080	15,299,660	14,492,439
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		14,874,580	425,080	15,299,660	14,492,439
<b>NET ASSETS</b>					
<b>FUNDS</b>					
Unrestricted funds	16			14,874,580	14,200,575
Restricted funds				425,080	291,864
<b>TOTAL FUNDS</b>					
				15,299,660	14,492,439

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 15th March 2017 and were signed on its behalf by:

..... Mr R Jones – Chairman of the Council  
 ..... Mr G Lane – Member of the Council  
 ..... Captain D A Parsons – Chief Executive

# CASH FLOW STATEMENT

for the Year Ended 31 December 2016

	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	(716,627)	(743,082)
<b>Net cash provided by (used in) operating activities</b>		<u>(716,627)</u>	<u>(743,082)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(23,005)	(4,376)
Purchase of fixed asset investments		(5,295,962)	(2,768,334)
Sale of fixed asset investments		6,064,394	2,961,077
Interest received		245	553
Dividends received		329,436	315,756
<b>Net cash provided by (used in) investing activities</b>		<u>1,075,108</u>	<u>504,676</u>
<b>Change in cash and cash equivalents in the reporting period</b>		358,481	(238,406)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>263,159</u>	<u>501,565</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>621,640</u>	<u>263,159</u>

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2016</b> £	<b>2015</b> £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	807,221	167,210
<b>Adjustments for:</b>		
Depreciation charges	8,843	8,818
Gain on investments	(1,118,566)	(629,609)
Interest received	(245)	(553)
Dividends received	(329,436)	(315,756)
Increase in debtors	(59,305)	(28,966)
(Decrease)/Increase in creditors	(25,139)	55,774
	<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>	<b>(716,627)</b>	<b>(743,082)</b>
	<hr/>	<hr/>



## **1. ACCOUNTING POLICIES**

### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### **Raising funds**

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

### **Allocation and apportionment of costs**

Expenditure, which does not directly relate to grant making is analysed between charitable support costs, governance and costs of generating funds. Items, which involve more than one cost category are apportioned as appropriate to the cost categories involved.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 10% on cost
Computer equipment	- 33% on cost

### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

### **Fund accounting**

#### **Unrestricted funds**

The general fund represents undesignated monies retained that provide the working capital, to enable the board to carry out its activities as a provider of services to seafarers. The council of management regularly reviews the level of income funds and the strategic needs of the Board.

#### **Restricted funds**

Restricted funds represent monies set aside for particular projects or purposes in accordance with the instructions of the donor.

### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

### **Pensions**

The charity provides a stakeholder pension scheme for employees. The contributions are charged to the statement of financial activities as they fall due.

## 1. ACCOUNTING POLICIES - continued

### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

## 2. DONATIONS AND LEGACIES

	<b>2016</b> £	<b>2015</b> £
Donations	1,553	981
Legacies	9,329	72,715
Grants	350,700	201,408
Miscellaneous income	17,946	54,109
	<b>379,528</b>	<b>329,213</b>

## 3. INVESTMENT INCOME

	<b>2016</b> £	<b>2015</b> £
Quoted UK and non-UK investments	329,436	315,756
UK portfolio cash	245	553
	<b>329,681</b>	<b>316,309</b>

## 4. RAISING FUNDS

### Investment management costs

	<b>2016</b> £	<b>2015</b> £
Portfolio management fees	45,488	33,601

## 5. CHARITABLE ACTIVITIES - PROVISION OF WELFARE SERVICES

	<b>2016</b> £	<b>2015</b> £
Support services to Constituent members:		
<b>Unrestricted expenditure:</b>		
Caseworker costs	16,656	5,786
Training courses	22,811	34,792
Evaluation studies	2,179	-
Port welfare promotion	2,874	1,998
Merchant Navy Fund promotion contribution	3,748	2,065
Online Port Information Database	-	19,319
Digital Inclusion	-	1,472
	<u>48,268</u>	<u>65,432</u>
<b>Restricted expenditure:</b>		
Vehicle Replacement Fund	150,035	174,884
MN Medal Fund	6,193	5,815
Seafarer Support	28,638	28,022
Digital Inclusion Project	-	295
Watch Ashore Project	360	2,104
Emergency Grant Fund	200	200
IPWP Pilot Project	17,552	54,432
IPWP Programme	14,506	-
	<u>217,484</u>	<u>265,752</u>
Total costs of support services to Constituent members	265,752	331,184
Grants to support the work of Constituent members	233,016	225,996
Grants unspent	(6,116)	(18,079)
Support to promote welfare activities	482,414	535,219
	<u>975,066</u>	<u>1,074,320</u>
<b>6. GRANTS PAYABLE</b>		
	<b>2016</b> £	<b>2015</b> £
Grants to support the work of Constituent members	<u>233,016</u>	<u>225,996</u>

A detailed analysis of grants payable to institutions can be found within the trustees' report on page 23.

## 7. SUPPORT COSTS – MANAGEMENT & GOVERNANCE

	<b>Management £</b>	<b>Governance costs £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Support Services to Constituent members	175	-	175	188
Support to promote welfare activities	39,573	94,128	133,701	127,207
	<u>39,748</u>	<u>94,128</u>	<u>133,876</u>	<u>127,395</u>

	<b>Management £</b>	<b>Governance costs £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Office running costs	20,307	-	20,307	21,449
Staff life assurance & training	7,303	-	7,303	6,801
Subscriptions and publications	3,295	-	3,295	5,500
Depreciation	8,843	-	8,843	8,818
Salaries	-	31,718	31,718	27,857
Head office costs	-	26,276	26,276	25,351
Trustees' expenses	-	3,042	3,042	2,206
Trustees' meeting costs	-	1,398	1,398	1,099
Legal fees	-	7,354	7,354	4,434
Accountancy	-	17,340	17,340	16,880
Auditors' remuneration	-	7,000	7,000	7,000
	<u>39,748</u>	<u>94,128</u>	<u>133,876</u>	<u>127,395</u>

Salary costs are made up of an apportionment of 30% of the Chief Executive and his PA's salary and related costs. Head office costs are an apportionment of 30% of total head office costs incurred during the year.

## 8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	<b>2016 £</b>	<b>2015 £</b>
Auditors' remuneration	7,000	7,000
Depreciation - owned assets	8,843	8,818

## 9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

### Trustees' expenses

Trustees' expenses were paid to four (2015: four) trustees during the year ended 31 December 2016 amounting to £3,042 (2015: £2,206).

## 10. STAFF COSTS

	<b>2016</b> £	<b>2015</b> £
Wages and salaries	245,185	255,904
Social security costs	23,036	22,351
Other pension costs	46,576	56,568
	<u>314,797</u>	<u>334,823</u>

The average monthly number of employees during the year was as follows:

	<b>2016</b>	<b>2015</b>
Charitable and administration staff	<u>8</u>	<u>8</u>

There were no employees whose benefits (excluding employer pension costs) exceeded £60,000.



## 11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2016	9,048	47,254	56,302
Additions	401	22,604	23,005
At 31 December 2016	9,449	69,858	79,307
<b>DEPRECIATION</b>			
At 1 January 2016	7,409	42,898	50,307
Charge for year	1,680	7,163	8,843
At 31 December 2016	9,089	50,061	59,150
<b>NET BOOK VALUE</b>			
At 31 December 2016	360	19,797	20,157
At 31 December 2015	1,639	4,356	5,995

## 12. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
<b>MARKET VALUE</b>			
At 1 January 2016	14,158,649	264,390	14,423,039
Additions	5,277,555	18,407	5,295,962
Disposals	(6,138,852)	-	(6,138,852)
Revaluations	1,193,024	-	1,193,024
At 31 December 2016	14,490,376	282,797	14,773,173
<b>NET BOOK VALUE</b>			
At 31 December 2016	14,490,376	282,797	14,773,173
At 31 December 2015	14,158,649	264,390	14,423,039
<b>Historical cost</b>			
At 31 December 2016	11,981,474	282,797	12,264,271
At 31 December 2015	11,868,859	264,390	12,133,249

## 12. FIXED ASSET INVESTMENTS - continued

### Analysis of investments at 31 December 2016

	<b>2016</b> £	<b>2015</b> £
<b>Listed investments</b>		
UK quoted investments	7,881,778	6,873,343
Non UK quoted investments	6,608,598	<u>7,285,306</u>
	14,490,376	14,158,649
UK cash held as part of portfolio	282,797	<u>264,390</u>
	<u>14,773,173</u>	<u>14,423,039</u>

### Investments that are in excess of 5% of the portfolio are as follows

	<b>2016</b> £
CF Milton UK Multi CAP Income B Inc	<u>735,357</u>

No investments were held at the year-end that relate to restricted funds.

## 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2016</b> £	<b>2015</b> £
Prepayments and accrued income	<u>109,985</u>	<u>50,680</u>

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2016</b> £	<b>2015</b> £
Trade creditors	12,351	7,675
Social security and other taxes	5,961	5,938
Other creditors	3,927	4,026
Accruals and deferred income	20,057	42,495
Grants payable	182,999	<u>190,300</u>
	<u>225,295</u>	<u>250,434</u>

## 15. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2016 £	2015 £	2016 £	2015 £
Expiring:				
Between one and five years	-	-	3,781	3,781
In more than five years	27,000	27,000	-	-
	<u>27,000</u>	<u>27,000</u>	<u>3,781</u>	<u>3,781</u>

## 16. MOVEMENT IN FUNDS

	At 1.1.16 £	Net movement in funds £	At 31.12.16 £
<b>Unrestricted funds</b>			
General fund	14,200,575	674,005	14,874,580
<b>Restricted funds</b>			
MCFG Vehicle Replacement Programme	240,968	(30,035)	210,933
MN Medal Fund	16,853	(4,763)	12,090
IPWP Pilot Project	17,636	(17,552)	84
IPWP Programme	-	183,525	183,525
Watch Ashore Project	2,868	480	3,348
Digital Inclusion Project	911	-	911
Emergency Grant Fund	650	(200)	450
Seafarers Support	11,978	1,761	13,739
	<u>291,864</u>	<u>133,216</u>	<u>425,080</u>
<b>TOTAL FUNDS</b>	<u>14,492,439</u>	<u>807,221</u>	<u>15,299,660</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	358,509	(803,070)	1,118,566	674,005
<b>Restricted funds</b>				
MCFG Vehicle Replacement Programme	120,000	(150,035)	-	(30,035)
MN Medal Fund	1,430	(6,193)	-	(4,763)
IPWP Pilot Project	-	(17,552)	-	(17,552)
IPWP Programme	198,031	(14,506)	-	183,525
Watch Ashore Project	840	(360)	-	480
Digital Inclusion Project	-	-	-	-
Emergency Grant Fund	-	(200)	-	(200)
Seafarers Support	30,399	(28,638)	-	1,761
	<u>350,700</u>	<u>(217,484)</u>	<u>-</u>	<u>133,216</u>
<b>TOTAL FUNDS</b>	<u>709,209</u>	<u>(1,020,554)</u>	<u>1,118,566</u>	<u>807,221</u>

The restricted funds noted above and their uses are described in the Report of the Trustees.

## **17. RELATED PARTY DISCLOSURES**

There are a number of constituent charities where there are common trustees with the Board and transactions take place during the year on an arm's length basis. Details of these transactions are disclosed in the Report of the Trustees.

## **18. PENSIONS**

Contributions made to the employees' stakeholder pension schemes amounted to £46,576 (2015: £56,568).

At the balance sheet date contributions of £3,927 (2015: £4,026) were outstanding

## **19. COMPANY LIMITED BY GUARANTEE**

The company is limited by guarantee and accordingly does not have share capital.





Recipients of the 2016 Merchant Navy Medal for Meritorious Service, accompanied by HRH The Princess Royal



## **MERCHANT NAVY WELFARE BOARD**

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