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**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2017  
FOR  
APOSTLESHIP OF THE SEA**



**APOSTLESHIP OF THE SEA**  
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**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**APOSTLESHIP OF THE SEA**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2017. The trustees have adopted the provisions of 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)

**OBJECTIVES AND ACTIVITIES**

**Objectives and activities for the public benefit**

The object of the charity is the promotion and advancement of the general and pastoral welfare of the People of the Sea worldwide, regardless of creed, gender or ethnic origin, in ways consistent with Christian principles and the recognised practices of the Catholic Church.

The People of the Sea include Seafarers and Maritime Personnel. Seafarers are those actually on board merchant ships and fishing vessels and all who for whatever reason are undertaking a voyage. Maritime Personnel includes those who work on production platforms offshore; it includes students preparing for this work and those who have retired from this work; it also includes their families and port workers.

The Apostleship of the Sea (AoS) is part of a worldwide association of the Apostleship of the Sea known by the People of the Sea as 'Stella Maris' which, in turn, operates under the oversight of the Vatican Dicastery for the Promotion of Integral Human Development (formerly the Pontifical Council for the Pastoral Care of Migrants and Itinerant People).

The charity's primary purpose is to provide welfare, pastoral and spiritual outreach to the thousands of seafarers, fishermen and other People of the Sea who visit British ports every year. International seafarers and fishermen work away from home for up to 12 months, facing loneliness and isolation, danger and even exploitation as they deliver the goods and resources we consume each day. In today's globalised maritime industry, turn-around time in port is very short, putting seafarers under pressure and limiting their time ashore. Commercial pressures mean that crew size is smaller than in the past. This can lead to exhaustion and tension on-board and the craving to talk to someone other than a crew member. Many of the People of the Sea are drawn from economically disadvantaged nations, working for low wages. They provide vital support to extended families at home, meaning that money is scarce. Despite ongoing improvements in internet provision and telecommunications, the majority of seafarers and fishermen are without access to communication facilities at sea, so there is a great premium on the provision of inexpensive communication facilities when in port so that they can contact families and friends at home.

Seafarers deliver over 90% of the goods bought and sold in Great Britain, yet to most people they are invisible. Ports are highly secure places often in isolated locations, leaving seafarers with limited or no access to facilities ashore.

AoS service provision closely matches the needs identified by the People of the Sea themselves as well as those needs identified in research commissioned by AoS during 2016 and 2017 from the Benedict XVI Centre for Religion and Society at St. Mary's University, Twickenham. The findings of this research project were consistent with earlier research by the Maritime Charities Funding Group (renamed the Maritime Charities Group) and work completed by the Seafarers' International Research Centre at Cardiff University.

AoS fulfils its object by:

The missionary and outreach programme involved in its chaplaincy activities. AoS contributes to the spiritual and physical well-being of the People of the Sea by providing a team of full and part-time paid ship-visiting chaplains, ably assisted by volunteers, whose task is to visit ships calling in ports in Great Britain. Their task is to:

- o Listen to and counsel seafarers and fishermen on-board ships.
- o Support seafarers and fishermen in the practice of their Christian faith, for example, through the celebration of Mass and the sacraments of the Catholic Church, blessings, prayer, fellowship and contact with local parish groups.
- o Provide seafarers and fishermen with faith resources to support and facilitate the practice of their faith.

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- o Provide practical assistance, particularly in the provision of inexpensive means of communicating with home (internet, phone and SIM cards), port information, news from home and transport to shops and seafarers' centres.
- o Comfort those who are bereaved and distressed, particularly as a result of death or injury to shipmates and/or family.
- o Develop a team of volunteers in order to widen the provision of support and to carry out vital support functions such as counselling, fellowship and transport of seafarers and fishermen.
- o Provide an example to seafarers, fishermen and the local community of AoS chaplaincy as a practical expression of our Christian faith and the way in which we contribute to a better society by promoting social cohesion, particularly amongst families.
- o Cooperate with partners in providing seafarers' centres so that seafarers and fishermen are able to rest and relax away from their ships, purchase affordable refreshments, toiletries and foreign exchange, access transport to and from the centres and local amenities, access inexpensive or free internet and telephone services and source free donated clothing, books and DVDs.
- o Provide support in times of crisis, in particular through hospital and prison visiting. Also, to provide support with pay and conditions issues and refer to other specialist agencies where appropriate. Our chaplains and ship visitors are able to act as advocates for the People of the Sea when they have to deal with unfamiliar official authorities.
- o Advocate on behalf of the People of the Sea with national and international bodies and the shipping industry, particularly regarding seafarers' human rights and welfare.

All AoS services are provided free-of-charge (or at cost price for some internet, phone and SIM cards) and are provided regardless of any factor other than need. AoS operates as broadly across Great Britain as resources allow. Service provision is not restricted by geography or ability to pay. Furthermore, service provision is available to all and is not restricted to those who adhere to the Catholic faith. A large proportion of the seafarers and fishermen who visit Great Britain are Catholics or from other Christian denominations. There is therefore a significant demand for our chaplains and volunteers to support these individuals in the practice of their faith.

### **Significant activities**

During 2017 we continued to implement the results of our 2015 strategic review with a focus on three key areas: Mission, Governance and Operations.

#### **Mission**

Throughout the year, at all levels of the charity, we continued to give serious consideration to how we might further improve our mission to the People of the Sea. Much of this analysis is overseen and guided by the National Director and the Chaplains' Pastoral Committee (CPC). In May we held a successful national conference for our port chaplains and ship visitors where we sought to inform, educate and inspire them about our mission and the maritime sector. Days of renewal continued to take place in a number of regions in Great Britain to refresh, renew and inspire our port chaplains and volunteer ship visitors for their mission and ministry. These days were open to all with a view to recruiting additional ship visitors. Feedback from these days of renewal remained very positive. Our intention is that they become a regular part of our training and formation programme for port chaplains and ship visitors. Prior to our national conference we undertook a training and formation survey of our chaplains and ship visitors. We had an excellent response rate and the National Director and CPC are using the results of the survey to inform future training and formation for all. We also organised a number of diocesan commissioning Masses for our port chaplains and volunteer ship visitors. Celebrated by the diocesan bishop these Masses firmly and visibly rooted our mission in the life of the Catholic Church. In October the National Director and a large cohort of port chaplains attended the AoS World Congress in Taiwan. The congress was focused on our work with fishermen and proved tremendously educative and inspiring. Relationships with AoS colleagues around the world were strengthened which will further enhance our ministry to seafarers and fishermen.

#### **Governance**

Throughout the year we worked to implement the outcomes of our 2015 trustees' away day. In particular, we conducted appraisals of the board, Chair and National Director, engaging the services of an expert Charity consultant to assist with this process and formally feedback to the board on the outcomes. Two new trustees were appointed with the skills and experience identified in our trustees' skills and experience matrix. We began to plan for the retirement of our Chair of Trustees in 2018 and the recruitment of his successor. We also agreed to review our application of the 7 principles of the Charity Governance Code over our next 7 meetings.

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**Operations**

2017 was another busy year for our port chaplains and volunteer ship visitors due to significant levels of welfare need (including arrested and detained ships, bereavements and contractual disputes), together with the ongoing impact of a reduced presence in British ports from the other Christian maritime charities. Additional port chaplains were appointed in Immingham and the West of Scotland.

As a result of the growth in the number of port chaplains we employ the decision was taken, after extensive consultation and discussion with chaplains, the CPC and at board level, to restructure the chaplaincy team so as to improve the support to port chaplains and enable the National Director to be more strategic and outward looking in his role. Great Britain has been split into 4 regions with a Senior Regional Port Chaplain designated to line manage the Regional Port Chaplains in her/his region. The Senior Regional Port Chaplains will report to the National Director. The restructure will be implemented during 2018.

The aforementioned days of renewal and commissioning Masses were an integral element of our strategic objective to support the local development of AoS, working with, and supporting our, volunteers and prospective volunteers in ports and parishes.

Internationally, we continued to work closely with the Dicastery for the Promotion of Integral Human Development and the AoS regional coordinators. In particular, we played a key role in the planning and organisation of the World Congress in Taiwan in October. Twinning arrangements with our colleagues in South Africa and Canada continued with the focus of our support being around governance, fundraising and communications so as to enhance effective in-country ministry. This ongoing international activity reflects the trustees' strategic objective of cooperating more closely with our colleagues overseas in order to further improve their pastoral outreach and communicate their work more effectively to the People of the Sea, the Church, the maritime industry and wider society.

**Public benefit**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

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**ACHIEVEMENT AND PERFORMANCE**

**Maritime Ministry - Monitoring achievement**

In furthering the objects of the charity to the benefit of the public the trustees report on the activities and achievements for 2017.

The trustees' primary objective is to deliver a first class service to the People of the Sea as part of the mission of the Catholic Church whilst, at the same time, maintaining a sustainable financial position now and into the future. The trustees concentrate on delivery of port chaplaincy services in the core port areas where demonstrable need has been identified. The trustees remain committed to working as closely and ecumenically as possible with other service providers.

During 2017 our chaplains and volunteer ship visitors visited 10,173 ships in over 50 ports in Great Britain. We helped many of these seafarers and fishermen to contact family and friends back home through the provision of internet and telecommunication facilities. This is critical to the spiritual, psychological and physical well-being of seafarers, fishermen and their families.

The trustees are pleased to report that during 2017 AoS organised the celebration of 74 masses on board ships. In addition we regularly arrange to transport seafarers and fishermen to the local Catholic Church where they can join the local community for their worship and parish activities. Provision of the sacrament of reconciliation, prayer, praise and worship are regular features of our maritime ministry. Christian faith resources were provided to approximately 3,201 ships. These included prayer cards, books, scripture booklets and bibles in different languages. We would like to thank the Bible Society for their generous provision of bibles throughout the year.

During 2017 our chaplains and volunteers provided supported seafarers with welfare cases on 5,891 ships. These included instances of seafarer imprisonment, abandonment, or non-payment of wages. We also helped 58 seafarers and fishermen who were hospitalised in Great Britain during the year.

The work of AoS would not be possible without the inspirational dedication of our many volunteers. We have a variety of volunteer roles including trained ship visitors, drivers, head office support, fundraising support, woolly hat knitters and parish contacts. We have over 100 trained volunteer ship visitors drawn from all sections of the community.

During the winter months our provision of practical support is of particular value to seafarers and fishermen. AoS is a trusted source of warm clothing and woolly hats. The trustees would like to record their thanks for the many woolly hats produced by our loyal supporters during the year. The Christmas season was celebrated by the provision of Christmas presents to seafarers in the principal ports where AoS operates. The trustees would like to express their deepest thanks to all those individuals and parishes who assisted with the donation, collection and distribution of Christmas presents.

AoS chaplains and volunteers supported seafarers and fishermen in cases where the ship's owner had gone into liquidation or had abandoned the ship. Crews are particularly vulnerable at this time, awaiting repatriation, perhaps without wages. Crews can remain unpaid for some months. During 2017 AoS chaplains and volunteers provided much needed support to crews affected in this manner, most particularly in Aberdeen where our port chaplain and his team supported the abandoned crew of the Malaviya 7, a supply vessel. Such was the level of support provided by AoS that Douglas Duncan, our port chaplain, was awarded the Pride of Aberdeen award at the end of the year in recognition of all his work for the seafarers. When seafarers and fishermen are stranded in the UK for any length of time we seek to involve them in the life of the local community, often through the fellowship and hospitality provided by parishioners from the local Catholic Church. This certainly happened in Aberdeen for the crew of the Malaviya 7 and we would like to express our deepest thanks to our local supporters, the local Church and the people of Aberdeen for their generosity.

Cruise chaplaincy represents an important aspect of our ministry, thanks to the constructive working relationship established with Carnival UK. We continue to deploy chaplains on board P&O and Cunard ships at Christmas and Easter times, providing much needed support to the crew who are away from family and friends during these important seasons.

Taking together the ministry of our port chaplains, volunteer ship visitors and cruise chaplains we estimate that approximately one million people, comprising the People of the Sea, were supported, directly or indirectly, by AoS during 2017.

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**ACHIEVEMENT AND PERFORMANCE**

**Maritime Ministry - Monitoring achievement**

**Seafarers' Centres**

The AoS drop-in facilities in Fawley, Kings Lynn, Portsmouth, Sheerness and Teignmouth remained popular with seafarers. During the year we also assumed responsibility from a separate charity, the Humber Seafarers' Service, for the seafarers' centre in Hull, creating a drop-in centre with free-Wi-Fi and refreshments. We would like to thank our Hull port chaplain, Anne McLaren, and her team of excellent volunteers for all their hard work in making the Hull centre fit for purpose.

**FINANCIAL REVIEW**

**Investment Policy**

**Scope of investment powers:**

The trustees are empowered by the Articles of Association to invest any trust monies, as authorised by law, in such manner as they think fit.

**Investment objectives:**

The trustees have adopted a policy for the portfolio of investments that is designed to optimise returns over the longer term and thus provide a regular flow of funds to support AoS's operating activities both in the UK and overseas.

**Who can take investment decisions?**

In managing our financial reserves and regularly assessing market risk, the trustees draw up the investment policy and this is reviewed annually.

**Attitude to risk:**

Our investment strategy is to accept a level of medium risk with a balance sought between realising a target income and achieving capital growth. Investments are divided amongst equities, bonds, cash and alternatives. The portfolio is externally managed by investment managers who are regulated by the Financial Conduct Authority.

**How investments will be managed and reporting requirements for investment managers:**

Updates on the value of the portfolio are provided to us monthly. Once a year we discuss the performance of the investments with our investment manager, the prevailing and anticipated economic conditions, a forecast of future trends and we look at our future cash requirements to be funded by these investments.

**Types of investment, including ethical considerations:**

In the implementation of this policy, the trustees follow the Charity Commission guidance for the investment of charitable funds. We are mindful of our status as an official agency of the Catholic Bishops' Conference of Scotland and the Catholic Bishops' Conference of England and Wales when investing the charity's assets. Our investment portfolio should be consistent with, and reflect, Catholic teaching. We will not invest in businesses that conduct activities contrary to Catholic Church teaching. The following examples illustrate our approach:

<b>Restriction</b>	<b>Notes</b>
<b>Sanctity of Life</b>	Companies engaged in the provision and/or practice of abortion, embryo research and euthanasia are excluded. Also excluded are companies engaged in the manufacture of contraceptives.
<b>Labour Standards</b>	Companies that fail to comply with International Labour Organisation (ILO) labour standards are excluded.
<b>Pornography</b>	Companies with over 10% of turnover resulting from adult entertainment related products and services are excluded.

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**Investment Performance**

The trustees are empowered by the Articles of Association to invest any trust monies, as authorised by law, in such manner as they think fit.

As previously reported, during 2016 the trustees decided to align our investment strategy more closely with our operational strategy. In particular the trustees decided to help fund any future international projects by utilising our investment portfolio to provide a higher income. We recognised that a higher income increases the risk in our portfolio but given the fact we have not withdrawn any capital from the portfolio since 2008 we concluded we could ably cope with short-term volatility as long as we received a sustainable (and growing) income.

At the beginning of the year Waverton Investment Management took over from Ruffer as our investment managers. We are pleased with the start they have made to the management of our investment portfolio.

The trustees' policy of financial prudence and strong financial performance by the charity during the year meant that it was not necessary to realise investments during the year.



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**FINANCIAL REVIEW**

**Fundraising**

The trustees are satisfied with the fundraising performance in 2017. In particular, we are delighted with the highest ever grant income. Income from Sea Sunday, our primary source of income, also increased. The increase in grant income was particularly pleasing as some of this income was used to support AoS in other countries. Our international work is an increasingly attractive proposition to grant funders. Overall our fundraising performance continues to support our agreed strategy to focus on key income streams and develop our core support within the Catholic Church and maritime sector.

**Fundraising strategic review**

At the beginning of 2017 a comprehensive fundraising strategic review was undertaken by two trustees experienced in risk management and large organisational development. They were assisted by an external fundraising consultant with significant experience in Church fundraising together with the Director of Development and other staff. One of the trustee members of the review group, Mgr. Richard Madders, summarised the key finding of the review.

'The review paper offers a detailed, comprehensive 'global' strategy that sets out the direction of travel for Apostleship of the Sea (AoS) fundraising. It lays to rest worrying trends in fundraising regarding the use of donor information and provides a realistic analysis of fundraising within the UK Catholic community and beyond. The review convincingly answers a range of questions that are regularly asked at Trustees meetings.

The key recommendations of the review for the next three years are:

1. Continue effective planning and monitoring to sustain the current income through core streams.
2. Increase the number and motivation of parish contacts and supporting parishes.
3. Build our corporate and major donor programme.
4. Recruit donors from new sources.
5. Ensure data management risk is mitigated.
6. Share Fundraising & Communications experience through the twinning programme to build capacity overseas: donor recruitment, trust funding, communications, organisational and financial structure.

**General Data Protection Regulation (GDPR).**

In advance of the coming into force of this legislation in May 2018 we ensured we were fully informed on how we were ensuring compliance with regard to our processing of existing supporter data along with how new supporter consent is acquired and recorded. During the year our established practice of recording supporter consent to contact them was extended. Those individuals whom we contacted in the past with 'legitimate interest' but who had not responded had their records suppressed.

**Head of Major Gifts**

In 2017 we employed an experienced Head of Major gifts to oversee our fundraising from trusts, major donors and corporates. His initial work has augmented income in these areas and was particularly beneficial in assisting AoS in developing countries to attend the World Congress in Taiwan.

**Fundraising assistance to AoS overseas**

In line with the 2017 fundraising strategy the following assistance was given to AoS colleagues overseas:

- AoS Canada – consultancy was provided in the build of a new website at a much reduced cost to them
- AoS Seychelles – we applied for grants on their behalf for new IT equipment to produce a newspaper for fishermen.
- AoS South Africa – guidance in the formation of their new national board was provided. Funding was secured to enable two of their chaplains to attend the AoS World Congress. Funding was also secured to launch a volunteer recruitment campaign to increase their ship visiting capacity.
- AoS World Congress – Prior to the congress our Director of Development conducted a survey of AoS worldwide reviewing governance, fundraising and communications and capacity. The results were presented to the World Congress and will assist the Regional Coordinators with the development of our global strategy.

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**Our work with, and oversight of, any commercial participators/professional fundraisers**

AoS does not contract out any of its fundraising to commercial participators or professional fundraisers.

**Our monitoring of fundraising carried out on our behalf**

The trustees have delegated the day to day management of fundraising to a team of experienced fundraisers, employed by AoS. This delegation is clearly documented with job descriptions, clear lines of reporting and accountability and an annual fundraising plan that is monitored on a monthly basis. A detailed fundraising and communications report is submitted to each quarterly trustees' meeting. The Director of Development is a qualified fundraiser with a Masters in Voluntary Administration from London South Bank University.

**Fundraising complaints**

During 2017 no fundraising complaints were received.

**Thanks for particular support**

We would like to express our gratitude for the continued support of Porticus UK, Seafarers' UK, the Merchant Navy Welfare Board and the International Transport Federation (Seafarers' Trust).

**Principal Funding Sources**

35% of total income is from the annual voluntary Sea Sunday collection held in Catholic parishes in England, Wales and Scotland on the second Sunday in July. 33% is from regular donations from active supporters of our work. 17% is from trusts and grant making foundations and 7% came from legacies. The trustees would like to express their gratitude for the continued support of Porticus UK, Seafarers UK, Trinity House, the Merchant Navy Welfare Board and the International Transport Federation (Seafarers' Trust).

**Reserves policy**

The consolidated reserves fund stands at £5,138,366 (FY2016 £4,895,284) of which £114,982 is represented by the fixed assets and £4,536,770 by investments within general funds. Total restricted reserves at the year end were £92,804 (FY 2016 £122,874). The trustees set the challenge of a balanced budget for 2017, which has been achieved. The trustees' objective is to deliver a balanced budget in 2018 although the trustees are prepared to incur a deficit where this will deliver a demonstrable benefit for the People of the Sea.

AoS holds reserves for 4 principal reasons:

1. To cope with an unexpected downturn in budgeted income, particularly Sea Sunday.
2. To support international AoS capacity building projects to which we are strategically committed, in particular using the income generated from our reserves for this purpose.
3. To meet our financial commitments to jointly run seafarers' centres if support cannot be provided from in-year income. Applications would be considered by the trustees on their merits on a case by case basis.
4. To build up the income base: the trustees are conscious of the need to generate income from as many diverse sources as possible, and feel that it is prudent to build up the reserves for this purpose in line with Chapter 5 of CC19.

The balance of the reserves will be retained within general funds as a contingency against stock market falls, operational commitments, associated liabilities and wind-up costs.

## APOSTLESHIP OF THE SEA

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

#### FUTURE PLANS

The trustees have agreed five strategic objectives for the period 2017-2018 as follows:

1. **To ensure all our port chaplains and ship visitors in Great Britain continue to be properly resourced - spiritually, practically and financially – so that they can continue to serve the People of the Sea with ever greater effectiveness.** More particularly:
  - To produce a parish mission strategy that clearly articulates the parish as the prime locus for mission outreach in Great Britain and beyond through the provision of prayer, time and money for AoS and those whom we serve. The strategy was approved by the board of trustees in December 2017 and begins with a yearlong pilot in Portsmouth diocese during 2018.
  - To implement the results of the training and formation needs survey of our port chaplains and ship visitors which was completed in May 2017.
  - To implement the review of the line management structure for port chaplains.
  - To further support the training and formation of port chaplains and ship visitors through:
    - Cooperation with other Catholic chaplaincy sectors with a view to providing opportunities for ongoing chaplaincy training and formation for port chaplains and volunteer ship visitors through recognised further education institutions. Discussions with St. Mary's University, Twickenham with a view to making a Chaplaincy Course available to our port chaplains and ship visitors are ongoing.
    - Sending two port chaplains per annum to the Philippines for an immersion experience into Filipino life and culture, in particular the lives of Filipino seafarers, fishermen and their families. Representing over 25% of the global seafaring population Filipino seafarers represent the largest single nationality bloc. Our ministry will be enhanced with a better understanding of the lives and culture of Filipino nationals. Port chaplains will travel to the Philippines in the third quarter of the year, reporting to the autumn meeting of the Chaplains' Pastoral Committee.
  - To implement the recommendations of our 2017 fundraising and communications strategic review.
  - To improve our system for the collection and dissemination of chaplains' reports, enabling reports of pastoral care and support to be shared more effectively internally (across the AoS GB and global network) and externally (to the Church, maritime sector and supporters). We hope to trial an online platform by the end of 2018.
2. **To implement the governance actions agreed in June 2015.** More particularly:
  - To confirm the appointment of a chair and vice-chair by mid-2018.
  - To ensure that trustee recruitment follows our trustee recruitment policy and that, as far as possible, our board is representative of the People of the Sea.
  - To apply the board code of conduct agreed in 2016, providing training and support where necessary.
  - To apply the Charity Governance Code.
3. **In response to the World Fisheries Day 2016 message from the Pontifical Council for the Pastoral Care of Migrants and Itinerant People, to “intensify our presence in fishing harbours” and “work more closely with the leaders of fishing communities” in Great Britain.** More particularly:
  - To conduct a review of our work in British fishing ports, including exploration of how we might work more collaboratively with the Royal National Mission to Deep Sea Fishermen. This review, postponed from 2017, is to be completed by the end of 2018.
  - To continue our involvement with the Santa Marta anti-human trafficking initiative. This will include the planning and organisation of a series of modern slavery workshops in key ports around the world.
  - To advocate at national and international levels for abandoned, exploited and abused fishermen in collaboration with the Fishermen's Welfare Alliance and with the assistance of public affairs consultants.
4. **To use technology more effectively to promote and advance the welfare of the People of the Sea.** More particularly:
  - To refine and improve the Stella Maris seafarers' App in response to user feedback.
  - To continue to explore how we might use multi-media platforms, for example the Stella Maris App, our website and Facebook, to both inform and educate the People of the Sea and provide helpful welfare information and signposting.

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5. **To cooperate more closely with AoS colleagues overseas in order to further improve their pastoral outreach and communicate their work more effectively to the People of the Sea, the Church, the maritime industry and wider society.** More particularly:
- To agree an international strategy for AoS aligned with that agreed by the Regional Coordinators during 2018.
  - To raise sufficient funds from grant applications and investment income for global capacity building projects in support of this strategic objective. Costed proposals will be submitted to the board of trustees for approval.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The Apostleship of the Sea (Great Britain) is an agency of both the Catholic Bishops' Conference of England and Wales (<http://www.catholicchurch.org.uk>) and the Catholic Bishops' Conference of Scotland (<http://www.bpsconfscot.com>). The Apostleship of the Sea is a Registered Charity in England and Wales No 1069833, a Registered Charity in Scotland No SC043085 and a Company limited by Guarantee No 3320318. The Articles of Association were agreed in 1997 and amended by Special Resolutions dated 24 July 2002, 6 June 2005, 1 April 2008, 9 June 2011, 15 March 2012 and 4 December 2014.

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Recruitment and appointment of new trustees**

Trustees are appointed by the relevant Standing Committees of the Catholic Bishops' Conferences. Trustees are appointed on the basis of suitable qualifications and experience, including senior clergy experienced in maritime chaplaincy and those with knowledge of the global maritime industry. Trustees are given in-service support by the Charity Commission and other charity publications and regular e-mail updates by the National Director.

The members of the trustee board are also directors and members under the terms of the Companies Act.

The members of the trustee board have no beneficial interest in the charity or any other company or charity with whom the Apostleship of the Sea works in collaboration or cooperation.

The main trustee board meets four times a year and takes reports and recommendations from the Finance Committee. Trustees are represented on the Chaplains' Pastoral Committee which also reports to the main trustee board through the National Director and the chair of the Chaplains' Pastoral Committee.

All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related transactions are disclosed in the notes to the accounts. Trustees are required to disclose all relevant interests at each meeting.

**Related Charities and Organisations**

The charity acts as a 'founding society' trustee for the seafarers' centres at Bristol, Seaham, Felixstowe and the Humber (Immingham). Limited financial support is provided to the Bristol, Seaham and Montrose centres and operating deficits can bring liability to AoS. However, the trustees have determined that the liability of AoS should be limited by advising that centre trustees operate a balanced budget or within their own reserves.

AoS is an active member of the International Christian Maritime Association (ICMA).

**Key management remuneration**

**Pay and Remuneration policy**

The charity benchmarks the pay and remuneration of the key management personnel against the pay and remuneration of their counterparts in similar size charities in the Catholic Church and maritime sector. Salaries are reviewed on an annual basis.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The trustees' risk assessment and risk management programme covers all material aspects of the operation and conduct of the charity. The process is managed through a risk register. It is a board document, which is reviewed by the full trustee board at least once a year.

The risk evaluation process encompasses the following factors:

- o **Strategic:** Risks that endanger the sustainable delivery of the objects of the charity. The assessment is mindful of our responsibilities to our main partner organisations: other maritime charities, seafarers' centres, our AoS colleagues overseas, the Dicastery for the Promotion of Integral Human Development and ICMA.
- o **Operational:** Risks that endanger the safe and continued delivery of the support services provided by the charity to seafarers. These risks include activities undertaken by the trustees, officers of the charity, port and cruise chaplains and their volunteers.
- o **Financial:** Risks that endanger the financial good health of the charity. These include investment performance, revenue from fundraising activities, cost control, sustainability, accounting controls, liability as a founding society centre trustee, security and anti-fraud controls.

**APOSTLESHIP OF THE SEA**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**Risk Assessment**

The principal risks which exercised us during the year related to the need to ensure full compliance with GDPR, ensuring that parishes continue to support AoS, hence the development of our parish mission strategy, and development of our international strategy to more clearly indicate how we plan to deploy our reserves in furtherance of this strategy.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

3320318 (England and Wales)

**Registered Charity number**

1069833 (England and Wales)

SCO43085 (Scotland)

**Registered office**

39 Eccleston Square

London

SW1V 1BX

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees**

Reverend Doctor Stephen Morgan

Chairman

Right Reverend Bishop Thomas Burns

Retired 16<sup>th</sup> February 2017

Right Reverend Bishop Paul Mason

Right Reverend Stephen Robson

Professor Mark Watson-Gandy

Retired 23<sup>rd</sup> March 2017

Mr Juvenal Shiundu

Captain Kevin Doyle

Mrs Louise Carter

Mr James Brennan

Dr Marcus Jones

Monsignor Richard Madders

Mr Robert Ashdown

Mrs Helen Brennan

Mr James Gosling

Appointed 7<sup>th</sup> December 2017

**Chief Executive**

Mr Martin Foley

**APOSTLESHIP OF THE SEA**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**Auditors**

Morris Crocker Limited  
Chartered Accountants  
Statutory Auditors  
Station House  
North Street  
Havant  
Hampshire  
PO9 1QU

**Solicitors**

Stone King  
13 Queen Square  
Bath  
BA1 2HJ

**Bankers**

The Co-Operative Bank  
City Office  
80 Cornhill  
London  
EC3V 3NJ

AIB Group (UK) Plc  
Office 9/10 Angel Court  
London  
EC2R 7AB

**Investment Fund Managers**

Waverton Investment Management Ltd  
16 Babmaes Street,  
London,  
SW1Y 6AH

Ruffer LLP  
80 Victoria Street  
London  
SW1E 5JL

UBS AG  
1 Curzon Street  
London  
W1J 5UB

**APOSTLESHIP OF THE SEA**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Apostleship of the Sea (Great Britain) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year 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.

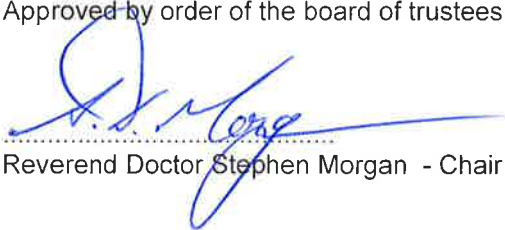
In so far as the trustees are aware:

- 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**

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 19 JUNE 2018 and signed on its behalf by:



Reverend Doctor Stephen Morgan - Chair of Trustees



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF APOSTLESHIP OF THE SEA

### **Opinion**

We have audited the financial statements of Apostleship of the Sea (the 'charitable company') for the year ended 31 December 2017 on pages seventeen to thirty one. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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.

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 2017 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.
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF APOSTLESHIP OF THE SEA

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

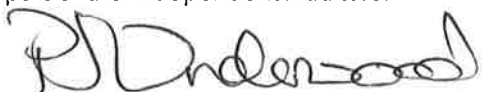
As explained more fully in the Statement of Trustees Responsibilities set out on page eleven, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.



Paul Underwood (Senior Statutory Auditor)  
for and on behalf of Morris Crocker Limited  
Chartered Accountants  
Statutory Auditors  
Station House  
North Street  
Havant  
Hampshire  
PO9 1QU

Date: 10 September 2018

# APOSTLESHIP OF THE SEA

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2017

		Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
	Notes				
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	1,339,749	177,623	1,517,372	1,771,844
Investment income	3	96,994	-	96,994	38,314
Other income		<u>195</u>	<u>-</u>	<u>195</u>	<u>779</u>
<b>Total</b>		1,436,938	177,623	1,614,561	1,810,937
<b>EXPENDITURE ON</b>					
Raising funds	4	416,282	-	416,282	441,232
<b>Charitable activities</b>	5				
Pastoral care to seafarers		<u>998,327</u>	<u>207,693</u>	<u>1,206,020</u>	<u>926,863</u>
<b>Total</b>		1,414,609	207,693	1,622,302	1,368,095
Net gains/(losses) on investments		<u>250,823</u>	<u>-</u>	<u>250,823</u>	<u>300,018</u>
<b>NET INCOME/(EXPENDITURE)</b>		273,152	(30,070)	243,082	742,860
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>4,772,410</u>	<u>122,874</u>	<u>4,895,284</u>	<u>4,152,424</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>5,045,562</u></u>	<u><u>92,804</u></u>	<u><u>5,138,366</u></u>	<u><u>4,895,284</u></u>

### CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

**APOSTLESHIP OF THE SEA**  
**(REGISTERED COMPANY NUMBER: 3320318)**  
**BALANCE SHEET**  
**AT 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	12	114,982	133,465
Investments	13	<u>4,536,770</u>	<u>3,855,718</u>
		4,651,752	3,989,183
<b>CURRENT ASSETS</b>			
Debtors	14	169,202	75,002
Cash at bank and in hand		<u>411,057</u>	<u>909,011</u>
		580,259	984,013
<b>CREDITORS</b>			
Amounts falling due within one year	15	(93,645)	(77,912)
<b>NET CURRENT ASSETS</b>		<u>486,614</u>	<u>906,101</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,138,366</u>	<u>4,895,284</u>
<b>NET ASSETS</b>		<u>5,138,366</u>	<u>4,895,284</u>
<b>FUNDS</b>	16		
Unrestricted funds		5,045,562	4,772,410
Restricted funds		<u>92,804</u>	<u>122,874</u>
<b>TOTAL FUNDS</b>		<u>5,138,366</u>	<u>4,895,284</u>

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 19 JUNE 2018 and were signed on its behalf by:

  
 J Brennan -Trustee

  
 Reverend S Morgan -Trustee

**APOSTLESHIP OF THE SEA**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	A	<u>(117,024)</u>	<u>438,260</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(117,024)</u>	<u>438,260</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(47,890)	(55,449)
Purchase of fixed asset investments		(4,629,154)	(1,380,954)
Sale of tangible fixed assets		-	300
Sale of fixed asset investments		4,198,925	1,382,487
Interest received		195	13,359
Dividends received		<u>96,994</u>	<u>25,435</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(380,930)</u>	<u>(14,822)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(497,954)	423,438
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>909,011</u>	<u>485,573</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>411,057</u></u>	<u><u>909,011</u></u>

# APOSTLESHIP OF THE SEA

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

### A. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	243,082	742,860
<b>Adjustments for:</b>		
Depreciation charges	66,373	62,605
Losses/(gain) on investments	(250,823)	(300,018)
Profit on disposal of fixed assets	-	(300)
Interest received	(195)	(13,359)
(Increase)/Decrease in debtors	(94,200)	(29,887)
Increase/ (Decrease) in creditors	15,733	1,794
Dividends received	<u>(96,994)</u>	<u>(25,435)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(117,024)</u>	<u>438,260</u>

## APOSTLESHIP OF THE SEA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 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, as modified by the revaluation of certain assets, being investments which are included at market value.

##### **Going Concern**

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

##### **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.

For legacies, entitlement is taken as the earlier of:

- o the date on which the charity is aware that probate has been granted;
- o the estate has been finalised and notification has been made by the executor(s) to the Estate that a distribution will be made; or
- o when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executors intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

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

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes to the accounts.

##### **Donated Goods and Services**

Goods donated for on-going use by the charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the SOFA.

## APOSTLESHIP OF THE SEA

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

#### **Tangible fixed assets**

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

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Individual fixed assets costing £500 or more are capitalised at cost.

#### **Taxation**

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



# APOSTLESHIP OF THE SEA

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

### 1. ACCOUNTING POLICIES - continued

#### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

#### Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis used for these instruments is detailed below.

#### Investments

Investments are stated at market value inclusive of accrued income as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value or purchase date if later. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and opening market value, or purchase date if later. Realised and unrealised gains are not separated in the statement of financial activities.

### 2. DONATIONS AND LEGACIES

	2017	2016
	£	£
Donations	538,211	542,969
Legacies	117,766	522,966
Grants	268,898	149,700
Sea Sunday collections	566,663	545,659
Ports levy	25,834	10,550
	<u>1,517,372</u>	<u>1,771,844</u>

### 3. INVESTMENT INCOME

	2017	2016
	£	£
Dividends	96,994	25,435
Deposit account interest	-	12,879
	<u>96,994</u>	<u>38,314</u>

Investment income of £35,483 (2016: £11,839) is derived from assets held in the United Kingdom. Investment income of £61,511 (2016: £26,475) is derived from assets held outside of the United Kingdom.

# APOSTLESHIP OF THE SEA

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

### 4. RAISING FUNDS

#### Raising donations and legacies

	2017 £	2016 £
Staff costs	107,987	135,939
Other direct costs	146,172	137,270
Investment managers fees	32,499	39,851
Support costs	<u>129,624</u>	<u>128,172</u>
	<u>416,282</u>	<u>441,232</u>

### 5. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities (See note 6) £	Support costs (See note 7) £	Totals £
Pastoral care to seafarers	<u>681,792</u>	<u>27,687</u>	<u>496,541</u>	<u>1,206,020</u>

### 6. GRANTS PAYABLE

	2017 £	2016 £
Pastoral care to seafarers	<u>27,687</u>	<u>31,651</u>

The total grants paid to institutions during the year was as follows:

	2017 £	2016 £
Seaham Seafarers Club	1,000	1,000
Bristol Seafarers	8,500	8,500
Contribution to rent at Montrose Centre	145	651
Centres for Seafarers	-	21,500
Humber Seafarers	42	-
AOS Durban	3,000	-
Merchant Navy Welfare Board Contribution	<u>15,000</u>	<u>-</u>
	<u>27,687</u>	<u>31,651</u>

### 7. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Costs of generating voluntary income	129,624	-	129,624
Pastoral care to seafarers	<u>470,221</u>	<u>26,320</u>	<u>496,541</u>
	<u>599,845</u>	<u>26,320</u>	<u>626,165</u>

#### Basis of allocation

Wages, social security, pensions and recruitment and training - Staff time

Establishment costs – Staff time

Motor and travel, administrative and professional fees - Usage

Support costs, included in the above, are as follows:

# APOSTLESHIP OF THE SEA

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

### 7. SUPPORT COSTS - continued

#### Management

			2017	2016
	Costs of generating voluntary income £	Pastoral care to seafarers £	Total activities £	Total activities £
Staff Costs	94,092	283,579	377,671	275,410
Recruitment and training	6,438	82,267	88,705	46,071
Establishment costs	11,950	35,851	47,801	42,114
Motor and travel expenses	1,428	5,712	7,140	6,893
Administrative expenses	7,027	28,054	35,081	39,752
Professional fees	8,689	34,758	43,447	5,713
	<u>129,624</u>	<u>470,221</u>	<u>599,845</u>	<u>415,953</u>

#### Governance costs

	2017 Pastoral care to seafarers £	2016 Total activities £
Trustees' expenses	798	3,591
Auditors' remuneration – fee for statutory audit	8,820	8,710
Auditor's remuneration – fee for non-audit services	-	830
Insurance	4,626	3,249
Sundries	467	-
Legal fees	<u>11,609</u>	<u>4,924</u>
	<u>26,320</u>	<u>21,304</u>

### 8. NET INCOME/(EXPENDITURE)

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

	2017 £	2016 £
Auditors' remuneration	8,820	9,540
Depreciation - owned assets	66,373	62,605
Surplus on disposal of fixed asset	<u>-</u>	<u>(300)</u>

### 9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

#### Trustees' expenses

During the year two trustees (2016: three) were reimbursed out of pocket expenses for travelling and subsistence totalling £798 (2016: £3,591).

# APOSTLESHIP OF THE SEA

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

### 10. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	815,404	707,713
Social security costs	77,205	63,852
Other pension costs	45,753	35,808
	<u>938,362</u>	<u>807,373</u>

### Key Management Personnel

The key management personnel of the charity comprise the Trustees, National Director and Development Director. The total employee benefits of the key management personnel of the charity were £158,958 (2016: £151,301)

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

	2017	2016
Chaplaincy	19	18
Fundraising	8	7
Support	2	2
	<u>29</u>	<u>27</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017	2016
£60,001 - £70,000	<u>2</u>	<u>2</u>

The charity paid contributions to pension scheme for two (2016: two) of those employees with emoluments in excess of £60,000.

2017	Chaplaincy £	Fundraising £	Support £	Total £
Salaries and wages	402,797	292,786	119,821	815,404
Social security costs	34,828	31,466	10,911	77,205
Pension costs	<u>15,185</u>	<u>15,843</u>	<u>14,725</u>	<u>45,753</u>
Total	<u>452,810</u>	<u>340,095</u>	<u>145,457</u>	<u>938,362</u>
2016	Chaplaincy £	Fundraising £	Support £	Total £
Salaries and wages	355,896	244,226	107,591	707,713
Social security costs	30,081	25,320	8,451	63,852
Pension costs	<u>10,009</u>	<u>19,966</u>	<u>5,833</u>	<u>35,808</u>
Total	<u>395,986</u>	<u>289,512</u>	<u>121,875</u>	<u>807,373</u>

APOSTLESHIP OF THE SEA

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	1,624,876	146,968	1,771,844
Investment income	38,314	-	38,314
Other income	779	-	779
<b>Total</b>	1,663,969	146,968	1,810,937
 <b>EXPENDITURE ON</b>			
Raising funds	441,232	-	441,232
<b>Charitable activities</b>			
Pastoral care to seafarers	734,824	192,039	926,863
<b>Total</b>	1,176,056	192,039	1,368,095
<b>Net gains/(losses) on investments</b>	300,018	-	300,018
<b>NET INCOME/(EXPENDITURE)</b>	787,931	(45,071)	742,860
 <b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	3,984,479	167,945	4,152,424
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<u>4,772,410</u>	<u>122,874</u>	<u>4,895,284</u>

# APOSTLESHIP OF THE SEA

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

### 12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2017	38,737	12,903	336,920	61,267	449,827
Additions	-	-	47,044	846	47,890
Disposals	-	-	-	-	-
At 31 December 2017	<u>38,737</u>	<u>12,903</u>	<u>383,964</u>	<u>62,113</u>	<u>497,717</u>
<b>DEPRECIATION</b>					
At 1 January 2017	21,489	12,903	223,208	58,762	316,362
Charge for year	7,884	-	56,186	2,303	66,373
Eliminated on disposal	-	-	-	-	-
At 31 December 2017	<u>29,373</u>	<u>12,903</u>	<u>279,394</u>	<u>61,065</u>	<u>382,735</u>
<b>NET BOOK VALUE</b>					
At 31 December 2017	<u>9,364</u>	<u>-</u>	<u>104,570</u>	<u>1,048</u>	<u>114,982</u>
At 31 December 2016	<u>17,248</u>	<u>-</u>	<u>113,712</u>	<u>2,505</u>	<u>133,465</u>

### 13. FIXED ASSET INVESTMENTS

	Listed investments £
<b>MARKET VALUE</b>	
At 1 January 2017	3,855,718
Additions	4,629,154
Disposals	(4,198,925)
Revaluations	<u>250,823</u>
At 31 December 2017	4,536,770
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>4,536,770</u>
At 31 December 2016	3,855,718

Analysis of investments by type:

	2017 £	2016 £
Equities	3,561,220	1,349,543
Fixed interest securities	513,274	1,864,175
Property funds	137,032	42,656
Other investments	295,911	442,849
Cash held within the investment portfolio	<u>29,333</u>	<u>156,495</u>
	<u>4,536,770</u>	<u>3,855,718</u>

# APOSTLESHIP OF THE SEA

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

Geographical analysis of investments:

	2017 £	2016 £
Held inside the United Kingdom	816,470	1,830,319
Held outside the United Kingdom	<u>3,720,300</u>	<u>2,025,399</u>
	<u>4,536,770</u>	<u>3,855,718</u>

	UBS £	Ruffer £	Waverton £	Total £
B/Fwd	5,230	3,850,488	-	3,855,718
Additions	-	-	4,629,154	4,629,154
Disposals	(3,443)	(3,476,864)	(718,618)	(4,198,925)
Transfer of investments between Ruffer & Waverton	-	(382,568)	382,568	-
Unrealised gains/(losses)	442	8,944	241,437	250,823
	<u>2,229</u>	<u>-</u>	<u>4,534,541</u>	<u>4,536,770</u>

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

	2017 £	2016 £
Other debtors	141,685	45,774
Prepayments	<u>27,517</u>	<u>29,228</u>
	<u>169,202</u>	<u>75,002</u>

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

	2017 £	2016 £
Trade creditors	17,692	25,594
Social security and other taxes	29,782	24,172
Other creditors	23,500	8,500
Accrued expenses	<u>22,671</u>	<u>19,646</u>
	<u>93,645</u>	<u>77,912</u>

### 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Fixed assets	44,596	70,386	114,982	133,465
Investments	4,536,770	-	4,536,770	3,855,718
Current assets	557,841	22,418	580,259	984,013
Current liabilities	<u>(93,645)</u>	<u>-</u>	<u>(93,645)</u>	<u>(77,912)</u>
	<u>5,045,562</u>	<u>92,804</u>	<u>5,138,366</u>	<u>4,895,284</u>

# APOSTLESHIP OF THE SEA

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

### 17. MOVEMENT IN FUNDS

	At 1.1.17 £	Net movement in funds £	At 31.12.17 £
<b>Unrestricted funds</b>			
Unrestricted	4,772,410	273,152	5,045,562
<b>Restricted funds</b>			
Merchant Navy Welfare Board	85,456	(15,070)	70,386
Pontifical Council for the Promotion of Integral Human Development (International Fund)	22,418	-	22,418
Other restricted grant income	<u>15,000</u>	<u>(15,000)</u>	<u>-</u>
	122,874	(30,070)	92,804
<b>TOTAL FUNDS</b>	<u>4,895,284</u>	<u>243,082</u>	<u>5,138,366</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>				
Unrestricted	1,436,938	(1,414,609)	250,823	273,152
<b>Restricted funds</b>				
Merchant Navy Welfare Board	28,000	(43,070)	-	(15,070)
Other restricted grant income	149,623	(164,623)	-	(15,000)
Pontifical Council for the Promotion of Integral Human Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	177,623	(207,693)	-	(30,070)
<b>TOTAL FUNDS</b>	<u>1,614,561</u>	<u>(1,622,302)</u>	<u>250,823</u>	<u>243,082</u>

Merchant Navy Welfare Board - grants received for the purchase of motor vehicles, seafarers' room refurbishment and chaplains' computer equipment and peripherals.

Pontifical Council for the Promotion of Integral Human Development (International Fund) – funds to be used to support AOS activities around the world.

Other restricted grant Income - grants received from a number of generous sources have been designated to specific expenditure for which they were provided.

### 18. PENSION COMMITMENTS

The Charity operates a defined contribution scheme which is administered independently of the Charity. The cost to the Charity for the year was £45,753 (2016: £35,808). At the balance sheet date the amount due to the pension scheme administrators was £5,724 (2016: £4,030). The expected cost to the Charity in the coming year is expected to be in line with that of 2017.



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**19. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 December 2017.

**20. ULTIMATE CONTROLLING PARTY**

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company.

**21. MATERIAL LEGACIES**

Legacy income is only included in incoming resources where the legacy has been received or both the receipt and the amount is probable. As at 31 December 2017 the Charity had been notified of the following legacies which have not been recognised as income in these accounts:

An Estate where the Charity is entitled to 1% share of the residual estate. The Charity does not have an estimate for this legacy.

An Estate where the Charity is entitled to ½% share of the residual estate. The Charity does not have an estimate for this legacy.

**22. LEGAL STATUS OF THE CHARITY**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.