

Charity Registration No. 231724

SEAMEN'S HOSPITAL SOCIETY
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

SEAMEN'S HOSPITAL SOCIETY

INFORMATION

Charity number	231724
Patron	His Royal Highness The Duke of York KG KCVO ADC
Chairman	Mr P McEwen MBE MNM
Honorary Treasurer	Mr G Lane FCA
Other Trustees	Mr M Carden Dr J T Carter PhD FFOM MNM (from June 2014) Mr R J Chichester MA Mr M J Gladwyn (to May 2014) Captain D Glass OBE MNM Mr J C Jenkinson MVO Mr M Jess (from June 2014) Surgeon Commander J F Leonard MB ChB MSc MFOM RN Dr C Mendes Da Costa MBBS MRCP Mr A R Nairne CBE FSA Captain C M C Stewart LVO
Vice - Presidents	Captain I B Taylor OBE Mr J D Guthrie FICS Mr G P Elis FCMA Mr A P J Lydekker
Honorary Life Governors	Mr C Blount Mrs J Sullivan Professor G C Cook MD DSc FRCP
General Secretary	Mr P S Coulson
Honorary Archivist	Professor G C Cook MD DSc FRCP
Principal address	29 King William Walk Greenwich London SE10 9HX
Auditors	Alliotts Imperial House 15 Kingsway London WC2B 6UN
Bankers	Royal Bank of Scotland Plc 62-63 Threadneedle Street London EC2R 8LA
Investment advisor	J P Morgan Asset Management (UK) Limited Finsbury Dials 20 Finsbury Street London EC2Y 9AQ

SEAMEN'S HOSPITAL SOCIETY

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SEAMEN'S HOSPITAL SOCIETY

CHAIRMAN'S REPORT

I present my Annual Report, my fifth such report as Chairman.

During the year the Society continued to progress the objectives laid down in the Statutory Instrument which currently governs the work of the Charity. This included over 230 miscellaneous grants to individuals (in the main health related) and a further 57 grants to individuals for physiotherapy. Once again allowing for individuals assisted via SAIL and other projects around 1,300 seafarers and their dependents were directly assisted. In addition some £242,000 was awarded to the Seafarers Advice and Information Line (SAIL) which had another very successful year. Joint funding with Seafarers UK is now in place. There were over 1,000 clients and significant measurable financial successes totalling over £590,000. The increase in the use of SAIL in recent years often reflects greater financial pressure following the reduction in assistance available from Government and Local Authorities. This reduction has grown greater, and this trend as well as other issues impact significantly on the work of the Society.

The work that the Society does on Health Development continued and in particular it is hoped that the physiotherapy services to those employed in the Merchant Navy and Fishing Industry will be enhanced in mid-2015. In addition consideration is being given to the mental health needs of seafarers - an area which receives little attention but is of great importance.

The Strategic Review process continues as detailed elsewhere in the Report. The redrafting of the Scheme governing the Society proceeded during the year and was completed in 2015. This is now with the Charity Commission for approval. Once in place it will greatly simplify the governance arrangements of the Society, making them fit for modern purposes. A change of name, agreed by the General Committee, to Seafarers Hospital Society has, I am pleased to report, already been approved by the Commission.

At the Annual Court held in 2014 I announced the resignation from the General Committee of Max Gladwyn who had been a member since 2009. His service to the Society was much appreciated by the Committee and by the Annual Court. At the same meeting Mike Jess and Tim Carter were appointed to the General Committee.

My personal thanks go to members of the General Committee, especially Graham Lane, the Treasurer, the General Secretary Peter Coulson and his staff for their significant contributions during the year.

SEAMEN'S HOSPITAL SOCIETY

GENERAL COMMITTEE'S REPORT

The General Committee presents herewith its Annual Report for the year ended 31 December 2014.

Structure, governance and management

Governing Document

The Society was founded in 1821 and incorporated under Act of Parliament in 1833. Now a registered charity, its Object, as amended by the Charities (Seamen's Hospital Society) Order 1999, is "the relief of seamen and seawomen of all nations within the United Kingdom of Great Britain and Northern Ireland and their immediate dependants (including widows, widowers and children of deceased seafarers) who through sickness, misfortune or age are in need of assistance and providing such persons with medical care and surgical aid, lodging, support and clothing." The Society may also make grants to such other maritime charitable institutions with the same or similar objects to the Society as the General Committee shall think fit.

Organisational Structure

In accordance with the Governing Document, the Society is currently administered and managed by a General Committee which must number no less than twelve members and not more than twenty, including the President and Honorary Treasurer as ex-officio members. The members are appointed by the Annual Court; other than the President and the Honorary Treasurer, one third of their number retire by rotation at each Annual Court and are then eligible for re-election. The President is elected for life or until retirement. The Honorary Treasurer is elected for a period of three years and is then eligible for re-election at the Annual Court falling in the relevant year. A Chairman and Deputy Chairman of the General Committee are appointed by the Annual Court for a term of three years, after which they may be re-appointed. The quorum for the General Committee is five, excluding ex-officio members.

As further explained below, the Society has been developing a proposed new governing Scheme and structure as part of its Strategic Review and, on an interim basis, has not re-appointed to the vacant posts of President and Deputy Chairman.

Decision Making

Apart from the current responsibilities of the Annual Court of Governors - the receipt of the Annual Report and Accounts of the preceding financial year, election of Governors and members of the General Committee and the appointment of auditors - all other decision making is vested in the General Committee which delegates specific matters to the General Secretary. Such delegation is laid out in the Members' Handbook which can only be amended by the authority of the General Committee.

The Members' Handbook sets out a code of conduct for trustees and job descriptions for the General Secretary and other staff, the Chairman, the Honorary Treasurer and trustees. It details limits of authority for expenditure, analysed to various headings, and sets out signatories on bank accounts. The Handbook will be revised in 2015 in line with the proposed new Scheme.

Recruitment and Appointment of New Trustees

The identification of potential new trustees is carried out by the General Committee, the aim being to recommend for appointment those with expertise appropriate to carry on the Society's work. Apart from seeking those with seafaring and maritime backgrounds, those with medical or other qualifications such as in finance or the legal profession are also sought to bring a wide expertise to bear in administering the Society's affairs.

On appointment all new trustees are given a copy of the Members' Handbook and provided further induction training in-house and appropriate external training.

Risk Assessment

The established written analysis of risks to which the Society is exposed is reviewed annually by the trustees. This analysis sets out the probability, seriousness, current precautions and any further action to be effected to mitigate the identified risks.

SEAMEN'S HOSPITAL SOCIETY

GENERAL COMMITTEE'S REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Object

The Society fulfils its Object, set out in the Governing Document, principally through grant making and project work. It aims to maximise the impact of this activity through collaboration with the work of other maritime organisations, as well as through the Seafarers' Advice & Information Line by means of whose assistance seafarers are often able to obtain greater financial or welfare benefit than would be possible through grant making alone. In addition to specific financial support for the Dreadnought Medical Service at Guy's and St Thomas' NHS Foundation Trust, and for its users, the Society plays an active part in promoting the effective delivery of priority healthcare to seafarers.

The members of the General Committee of the Society confirm that they have paid due regard to the public benefit guidance published by the Charity Commission and that, in fulfilling the Society's Object, the identified benefits set out in this Report are provided to a section of the public.

Activities

Of the £543,446 expended by the Society on charitable activities in 2014, grant expenditure was £386,768 and Health Development Project costs were £2,000. The balance of £154,678 comprised support costs, representing staff time, publicity costs and other resources directly related to advising and assisting applicants, and liaising with caseworkers and other charities, in seeking to best serve the needs of the Society's beneficiaries.

The Society continues its active collaboration with the work of other maritime organisations, supporting and participating in initiatives to promote best practice and best use of resources, notably within forums operating under the auspices of the Merchant Navy Welfare Board (MNWB) and the Maritime Charities Funding Group (MCFG - and from 2015, known as the Maritime Charities Group).

ACHIEVEMENTS AND PERFORMANCE

Grants to Individuals

During the year 2014 the Society awarded 212 miscellaneous grants to individuals, valued in total at £105,206 (2013: 260 grants valued at £117,893). The grants were awarded for medically related items such as electrically powered wheelchairs and adapted shower facilities, essential household goods and maintenance, clothing, payment of priority debts, respite breaks, other pressing welfare requirements and, in certain circumstances, funeral costs, all on the basis of assessed financial and personal need.

A further 21 grants, totalling £4,562 (2013: 16 grants totalling £2,425), were awarded for the fares, and in certain cases towards accommodation costs, of seafarers in need attending the Dreadnought Medical Service at Guy's and St Thomas' NHS Foundation Trust in London.

As part of its established collaboration with the local Harbourside clinic, the Society awarded 30 grants totalling £5,025 (2013: 37 grants totalling £5,890) for physiotherapy treatment for working fishermen in the Newlyn area. In respect of more recent schemes in association with Connect Physical Health and its partners, the Society awarded 27 grants totalling £8,341 (2013: 41 grants totalling £6,646) for physiotherapy treatment for merchant navy ratings throughout the UK and working fishermen in the Kilkeel area.

In dealing with general assistance applications the Society aims, as always, to provide a practical and flexible response; its eligibility criteria are not rigidly specified and it always seeks to consider the overall picture when evaluating a grant application singly or in conjunction with other maritime charities. It works closely with the Seafarers' Advice & Information Line with a view to ensuring that clients are best advised, and the Society's funds put to the most effective use, where benefit/debt/legal or other technical questions arise.

SEAMEN'S HOSPITAL SOCIETY

GENERAL COMMITTEE'S REPORT (CONTINUED)

The assistance of caseworkers greatly benefits clients in helping to evaluate their needs and present their applications; this is normally done on a face to face basis in their own homes. The Society very much values the help and co-operation it receives from caseworkers and colleagues from the MNWB, Soldiers, Sailors, Airmen and Families Association - Forces Help (SSAFA), the Shipwrecked Mariners Society, the Fishermen's Mission, the Royal British Legion and other maritime agencies.

Grants to Institutions

A total of £262,375 was awarded to institutions in 2014 (2013: £246,217).

As well as grants to the Seafarers' Advice & Information Line of £242,225, this sum mainly comprised the Society's contribution of £20,000 to the MCFG.

In this connection, the Society is, as always, very pleased to acknowledge the valuable role of the MCFG - of which it is a member, along with the MNWB, Nautilus International (on behalf of the ITF Seafarers Trust), Nautilus Welfare Fund, the Royal Navy & Royal Marines Charity, Seafarers UK and Trinity House - in informing and developing grant making policy for all involved in the maritime charity sector. Each member contributed £20,000 in the year towards the cost of the MCFG's development and other continuing work, which includes funding of the Seafarer Support service run on the MCFG's behalf by the MNWB, as well as commissioning the significant new UK Seafarers Demographic Profile report from the Institute of Public Care (IPC) at Oxford Brookes University. The Society's Secretary was the lead for this work.

The MCFG has revised its constitution and relaunched itself, from 2015, as the Maritime Charities Group (MCG). Greenwich Hospital joined the Group, initially with observer status, and, from 2015, as a full member.

Seafarers' Advice & Information Line (SAIL)

The Seafarers' Advice & Information Line (SAIL) is a unique national telephone based service offering free advice and help exclusively to seafarers on a range of issues including benefits, employment, housing, debt, consumer problems, legal matters, personal relationships and taxation. Its services are provided to active and retired UK based seafarers, including fishermen, and their dependants. Assistance is also offered to charities and other organisations involved with seafarers.

In addition to providing advice, detailed casework for individual clients is also undertaken, where appropriate, including correspondence and negotiation with third parties - for example with creditors.

Established in 1996 at the initiative of the Society, SAIL is managed and operated by Greenwich Citizens Advice Bureaux (GCAB) on behalf of the Society. In recent years the Society's own funding of the service has been substantially supplemented at various stages by contributions from the MNWB, the MCFG and Seafarers UK, enabling the service to be enhanced and expanded in various ways, in particular in response to the findings of the MCFG's Supporting Seafarers 2007 report. The Society very much appreciates that Seafarers UK agreed to provide funding for SAIL in 2014 on a new partnership basis, sharing all costs equally with the Society.

Activity during 2014 remained at high levels with a record 1,009 unique (that is, new and existing) clients helped (2013: 907 unique clients), including 561 new clients. Total client contacts, an indicator of workload intensity, were also up, at a record 7,564 for the year (2013: 7,408 client contacts). Measurable financial successes - comprising debt write-offs, benefit entitlement (calculated over one year), charitable grants and other identified gains - totalled £590,000 (2013: £560,000).

SEAMEN'S HOSPITAL SOCIETY

GENERAL COMMITTEE'S REPORT (CONTINUED)

In a similar picture to the previous year, 55% of new clients in 2014 described themselves as being disabled or having a long term health issue, a much higher level than the corresponding 37% applicable across all CAB clients in England and Wales, and 24% of all benefit issues handled by SAIL concerned disability related benefits, including the new Personal independence Payment (PIP). Housing Benefit problems accounted for 10% of benefit issues, representing a significant increase over the previous year's 4% figure, a change likely to have arisen from implementation of the controversial "bedroom tax" measures and their consequences. Along with other advice bureaux, SAIL has continued to find individual advice work very intensive in the current climate, a fact reflected in the rising client contacts noted.

Royal Navy referrals from the White Ensign Association, the Officers' Association, the Royal Navy & Royal Marines Children's Fund, and the Sailors' Children's Society continued to be taken on a trial basis, though numbers have been low.

Among various initiatives during the year, a new and improved website was developed and launched, and SAIL's quarterly email newsletter to maritime charities, and others working with seafarers, was widened in scope from being a benefits update to encompass other relevant issues and developments, now that the government's Welfare Reform programme has been implemented to a significant degree.

SAIL may be contacted as follows: telephone - 08457 413 318; fax - 020 8269 0794; e-mail - admin@sailine.org.uk. Further information is also available on its website at the following address: www.sailine.org.uk.

Dreadnought Medical Service

As the provider of a special medical service for seafarers the Dreadnought Medical Service at Guy's & St Thomas' NHS Foundation Trust is the successor to the former Dreadnought Seamen's Hospital in Greenwich and the ultimate successor, within the NHS, to the original hospital function of the Seamen's Hospital Society.

During 2014 565 new medical and surgical patients, compared with 539 seen the previous year, were treated by the Dreadnought Medical Service. In addition, the Dreadnought dentist saw 990 patients - both existing and new - compared with 956 seen the previous year. The Society provides a degree of financial support by funding, among others things, publicity material and for individual patients by paying, where there is need, travel costs incurred when attending the hospital as well as, in certain cases, contributing towards associated accommodation costs, including in some cases those of an immediate family member. In 2014 the Society provided grants totalling £5,821 (2013: £2,491) for these purposes.

The seafarers healthcare study, commissioned by the Society (with funding from the MCFG and a contribution from the Dreadnought charitable funds held by Guy's & St Thomas' Hospital) and published by the Institute of Occupational Medicine (IOM) in 2011, highlighted important issues concerning the delivery and future provision of the Dreadnought Service. Key findings included high levels of need for treatment of musculo-skeletal conditions for seafarers generally and, for the Dreadnought (which receives around £1.9m per annum in NHS funding), disproportionate usage by retired seafarers and those in the south east combined with an often uncertain provision of the intended priority service for working seafarers.

Guy's and St Thomas' accepted the findings relevant to them, and reaffirmed their intention to provide a priority service, and to take appropriate internal measures in support of that. Subsequent performance has been moderately encouraging in that respect, and there has been a continuing trend of increasing usage levels. Members of the Dreadnought Standing Joint Policy Committee, in particular the Society, Nautilus International and the RMT, continue to keep this under review, and are also exploring further options which go beyond the current Dreadnought model, as indicated in IOM's report. The major changes in NHS organisation and funding in recent years give rise to both risks and opportunities and, in this context, it is reassuring that the Dreadnought's dedicated funding arrangements currently remain in place and effectively unchanged.

The Dreadnought Medical Service may be contacted as follows: telephone - 020 7188 2049; fax - 020 7188 2051; e-mail - dreadnought2@gstt.nhs.uk Further information is also available on the Society's website at the following address: www.seahospital.org.uk.

SEAMEN'S HOSPITAL SOCIETY

GENERAL COMMITTEE'S REPORT (CONTINUED)

Health Development

Physiotherapy Services

The Society's support for its funded schemes providing physiotherapy services continued during the year.

Schemes for merchant navy ratings and Kilkeel fishermen are operated by a private provider, Connect Physical Health, with a national partnership network of appropriately qualified physiotherapists, and involve initial assessment and advice by telephone, with about 40% subsequently authorised to receive face to face assessment and, where appropriate, treatment. 27 users benefited from this service during the year.

The longer established collaboration with the Harbourside clinic in Newlyn, with its localised nature, operates according to a somewhat different model, with fishermen working in the area able to receive face to face assessment from the outset. 30 users benefited from this service during the year.

Recent evaluations of the Connect and Harbourside services have presented largely favourable pictures of both, although the initially high take up of the Kilkeel service has significantly reduced for reasons that are not entirely clear. Possible future expansion of physiotherapy services is now under active consideration for possible implementation in mid 2015.

Get Fit booklet for merchant seafarers (The Physical Initiative)

The Society has collaborated with and supported the work of The Physical Initiative, which promotes the health and fitness of seafarers, on a number of occasions, and provided funding and other input towards the 2011 publication of their "Get Fit, Look Good, Feel Good" fitness guide for merchant seafarers. With the initial print run exhausted, the Society has now contributed £2,000 towards an updated reprint. In addition to the content also being downloadable from the web, it is further intended that it will be made available on a wristband memory stick.

STRATEGIC REVIEW AGENDA

The Society is continuing to work through a Strategic Review agenda, covering demand for services, a review of current services and of possible new services, governance issues and finance including investment policies.

Following earlier decisions relating to services and resources, the Society has been developing a new and modernised draft Scheme intended to replace the existing Statutory Instrument under which it is governed. The text has been agreed and is currently under consideration by the Charity Commission. This Scheme is intended to greatly simplify the governance arrangements and it is hoped will be accepted by the Commission by the autumn.

Meanwhile, and as part of the Strategic Review agenda, it was decided to change the Society's name from Seamen's Hospital Society to Seafarers Hospital Society. This change has been agreed by the Charity Commission and took effect from April 2015.

In addition the Society intends to seek recognition under Investors in People in the context of the Strategic Plan.

The implementation of the Strategic Review will provide a framework to guide the Society over the challenging period of the next several years to help ensure that the welfare needs of seafarers and their dependents continue to be met by the Society as far as possible.

SEAMEN'S HOSPITAL SOCIETY

GENERAL COMMITTEE'S REPORT (CONTINUED)

FINANCIAL REVIEW

Financial Summary

The Society's total incoming resources for the year were £495,537 (2013: £507,256), of which investment income amounted to £370,740 (2013: £371,008) and grants received were £116,840 (2013: £127,840). Total resources expended were £619,764 (2013: £625,936), of which grants and project expenditure amounted to £388,768 (2013 - £384,193). After total gains on investments of £44,206 (2013: £1,373,017) the net decrease in funds amounted to £80,021 (2013: net increase of £1,254,337).

Total funds at the year end amounted to £8,986,374 (2013: £9,066,395).

Policy on Reserves

The Society's reserves are largely expendable endowments represented as unrestricted funds but with some restricted funds. The Society's expenditure on assistance, support and governance costs is funded for the greater part from investment income and grant support with the policy of meeting any shortfall by drawing from reserves provided that, in meeting shortfalls over a period of time, the value of the reserves (essentially the investment assets) is not diminished unduly, thus ensuring the continuance of the Society. The policy on reserves is kept under review by the General Committee.

Investment Policy

The Society's long term investments are held in pooled vehicles run by J P Morgan Asset Management (UK) Limited (UK equities and bonds) and the Charities Property Fund (property). The Society's investment policy sets out the range of assets in which funds can be held which is as follows:

UK equities 70%	- range 60% to 80%
Fixed income 15%	- range 10% to 20%
Property 15%	- range 10% to 20%

As at the end of December 2014 the actual distribution of investments was:

UK Equity Fund for Charities	76.7%
Bond Fund for Charities	11.7%
The Charities Property Fund	11.6%

Investment Performance

The year end value of investments under management amounted to £8.76m (2013 - £8.79m) after disposals of £75,000 (2013 - £302,413).

The performance of the various funds is summarised below.

	2014 return	2014 benchmark	2013 return	2013 benchmark
Equities Fund	2.34%	1.18%	29.68%	20.81%
Bond Fund	13.13%	13.02%	-1.19%	-1.65%
Property Fund	17.3%	17.2%	11.2%	9.1%

As common investment funds open to all charities in England and Wales, the J P Morgan funds are not permitted to have an ethical policy which is not based on maximising financial returns. However, after discussions with the Charity Commission, neither fund will invest in the sector directly involved in tobacco products manufacturing.

SEAMEN'S HOSPITAL SOCIETY

GENERAL COMMITTEE'S REPORT (CONTINUED)

STATEMENT OF GENERAL COMMITTEE'S RESPONSIBILITIES

The General Committee is responsible for preparing the General Committee's Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

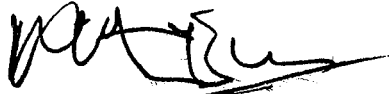
The law applicable to charities in England and Wales requires the General Committee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these accounts, the General Committee is required to:

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

The General Committee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVED AND SIGNED
ON BEHALF OF THE GENERAL COMMITTEE



Peter McEwen MBE MNM
Chairman

Dated: 22 April 2015

SEAMEN'S HOSPITAL SOCIETY

INDEPENDENT AUDITORS' REPORT

TO THE GENERAL COMMITTEE OF SEAMEN'S HOSPITAL SOCIETY

We have audited the accounts of Seamen's Hospital Society for the year ended 31 December 2014 set out on pages 11 to 19. 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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of General Committee and auditors

As explained more fully in the statement of General Committee's responsibilities in the Annual Report, the General Committee are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the General Committee; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the General Committee's Annual Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2014 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

SEAMEN'S HOSPITAL SOCIETY

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE GENERAL COMMITTEE OF SEAMEN'S HOSPITAL SOCIETY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the General Committee's Annual Report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Alliotts
Chartered Accountants
Statutory Auditor

4th Floor
Imperial House
15 Kingsway
London WC2B 6UN

Dated: 22 April 2015

SEAMEN'S HOSPITAL SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Unrestricted funds £	Restricted funds £	Total 2014 £	2013 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
- donations		1,407	-	1,407	1,408
- legacies receivable		50	-	50	500
- grants receivable	2	8,340	108,500	116,840	127,840
Investment income	3	370,740	-	370,740	371,008
Incoming resources from charitable activities					
Rent receivable	4	6,500	-	6,500	6,500
Total incoming resources		387,037	108,500	495,537	507,256
Resources expended					
Investment management costs		41,606	-	41,606	41,628
Charitable activities	5	434,946	108,500	543,446	550,221
Governance costs	6	34,712	-	34,712	34,087
Total resources expended		511,264	108,500	619,764	625,936
Net outgoing resources before and after transfers and before other recognised gains and losses		(124,227)	-	(124,227)	(118,680)
Other recognised gains/losses:					
Net gain on investment assets	10	44,206	-	44,206	1,373,017
Net movement in funds		(80,021)	-	(80,021)	1,254,337
Reconciliation of funds:					
Total fund balances at 1 January 2014		9,066,395	-	9,066,395	7,812,058
Total fund balances at 31 December 2014	13	8,986,374	-	8,986,374	9,066,395

All recognised gains and losses in the year and the previous year have been included in the Statement of Financial Activities.

The results for the year and the previous year as set out above have been derived entirely from continuing operations.

The notes on pages 13 to 19 form part of the accounts.


SEAMEN'S HOSPITAL SOCIETY

BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	9		68,971		72,040
Investments	10		8,762,024		8,792,818
			<u>8,830,995</u>		<u>8,864,858</u>
Current assets					
Debtors	11	77,950		188,335	
Cash at bank and in hand		100,088		62,696	
			<u>178,038</u>	<u>251,031</u>	
Creditors: amounts falling due within one year	12	<u>(22,659)</u>		<u>(49,494)</u>	
Net current assets			<u>155,379</u>		<u>201,537</u>
Total assets less current liabilities			<u>8,986,374</u>		<u>9,066,395</u>
Funds					
Unrestricted	13		<u>8,986,374</u>		<u>9,066,395</u>
			<u>8,986,374</u>		<u>9,066,395</u>

The accounts on pages 11 to 19 were approved by the General Committee on 22 April 2015.


Peter McEwen MBE MNM
Chairman


Graham Lane FCA
Honorary Treasurer

The notes on pages 13 to 19 form part of the accounts.

SEAMEN'S HOSPITAL SOCIETY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", ('SORP'), issued in March 2005 and the Charities Act 2011.

1.2 Investment income

Distributions of income from Common Investment Funds are included in the Statement of Financial Activities on an accruals basis, at an amount which includes any income tax recoverable from HM Revenue & Customs.

Bank interest is included in the Statement of Financial Activities on receipt and is received gross. Allocation on a time basis of interest receivable is made to the restricted fund.

1.3 Investments and Investment Gains and Losses

Units in the Common Investment Funds are valued on a bid price basis.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses are calculated as the difference between sales 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 and losses are not separated in the Statement of Financial Activities.

1.4 Incoming resources

Rent receivable and Unrestricted Grants

The Society receives a grant from Trinity House equal to the costs in respect of the hire of Trinity House rooms for the Society's committees and Annual Court.

Restricted Grants receivable relate to the funding from Seafarers UK in respect of the SAIL Helpline.

Legacies receivable

Legacies are included in the Statement of Financial Activities when the Society has knowledge of a legacy left to the Society, it is certain that the resources will be received and that the monetary value of the incoming resources can be measured with sufficient reliability.

Donations

Donations are included in the Statement of Financial Activities only when the charity has unconditional entitlement to the resources and their monetary value can be measured with sufficient reliability.

1.5 Resources expended

All revenue expenditure incurred by the charity during the year has been charged to the Statement of Financial Activities. In accordance with the SORP, a liability is only disclosed for those grants where a legal and constructive obligation to make payment exists at the year end. All expenditure is accounted for on an accruals basis and is classified under appropriate headings that aggregate all costs related to the same category. Grants payable are made to third parties in furtherance of the charitable objects of the Society.

Included within costs of charitable activities are support costs, which comprise costs for processing grants and applications, including support to actual and potential applicants, and an apportionment of overhead costs; governance costs are those incurred in the running of the charity itself as an organisation. Where costs cannot be directly attributed to either of these two categories, an apportionment is made based on staff activity levels. Costs that are directly attributable to restricted funds are charged against the relevant fund. Support costs not directly attributable to restricted funds are allocated on a reasonable basis as approved by the trustees.

SEAMEN'S HOSPITAL SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting Policies

(continued)

1.6 Tangible fixed assets and depreciation

Fixed assets are shown at cost except for selected furniture and fixtures which are at valuation. Fixed assets are only capitalised where their cost, either individually or as a functional set, exceeds £3,000.

Depreciation is provided at rates estimated to write off the relevant assets less their residual value by equal annual amounts over their expected useful lives. The rates used are as follows:

Office premises	straight line over the balance of the lease - to 2024
Computers and related equipment	25% straight line
Fixtures, fittings & equipment	15% straight line
Other fixed assets	0%

No depreciation is charged on selected furniture and fixtures, shown under other fixed assets, as the trustees' current valuation of these assets (which is not included in the accounts) is not materially different to their book value and therefore no depreciation is appropriate and any depreciation and accumulated depreciation are immaterial. The selected furniture and fixtures are reviewed for impairment at each balance sheet date and any impairment losses are provided for, or reversed if appropriate.

1.7 Pensions

The pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity during the year in accordance with FRS 17.

2 Grants receivable	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Trinity House				
- Room Hire	8,340	-	8,340	6,840
Seafarers UK	-	108,500	108,500	121,000
	<u>8,340</u>	<u>108,500</u>	<u>116,840</u>	<u>127,840</u>
3 Investment income	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Equity	273,790	-	273,790	268,932
Bond	40,219	-	40,219	39,892
Property	56,170	-	56,170	61,807
Short term cash deposits				
- Other bank accounts	561	-	561	371
Interest receivable	-	-	-	6
	<u>370,740</u>	<u>-</u>	<u>370,740</u>	<u>371,008</u>
4 Rent receivable			2014 £	2013 £
Rental for SAIL accommodation at 29 King William Walk			<u>6,500</u>	<u>6,500</u>

SEAMEN'S HOSPITAL SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

5 Charitable activities - assistance to seafarers in the UK

	Unrestricted Funds £	Restricted Funds £	2014 £	2013 £
Grants to individuals:				
- General welfare assistance - 212 (2013 - 260)	105,206	-	105,206	117,893
- Physiotherapy (Connect) - 27 (2013 - 41)	8,341	-	8,341	6,646
- Physiotherapy (Harbourside, Newlyn) - 30 (2013 - 37)	5,025	-	5,025	5,890
Grants to Institutions:				
- Seafarers Advice and Information Line	133,725	108,500	242,225	226,067
- Other (note 5a)	20,150	-	20,150	20,150
Grants for Dreadnought Medical Service:				
- General	1,259	-	1,259	66
- Patient expenses - 21 (2013 - 16)	4,562	-	4,562	2,425
	<u>278,268</u>	<u>108,500</u>	<u>386,768</u>	<u>379,137</u>
Health Development Project costs (note 5b)	2,000	-	2,000	5,056
	<u>280,268</u>	<u>108,500</u>	<u>388,768</u>	<u>384,193</u>
Support costs				
Staff costs including travel and training	136,926	-	136,926	115,137
Staff recruitment and compensation costs	-	-	-	25,728
Office costs	8,969	-	8,969	11,094
Building running and maintenance costs	2,902	-	2,902	5,722
Publicity costs	2,812	-	2,812	5,276
Depreciation	3,069	-	3,069	3,071
	<u>154,678</u>	<u>-</u>	<u>154,678</u>	<u>166,028</u>
	<u>434,946</u>	<u>108,500</u>	<u>543,446</u>	<u>550,221</u>

SEAMEN'S HOSPITAL SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

5 Charitable activities - assistance to seafarers in the UK (cont'd.)

5a Grants to Institutions - other

	Unrestricted Funds £	Restricted Funds £	2014 £	2013 £
MCFG Development Programme	20,000	-	20,000	20,000
Annual National Service for Seafarers	150	-	150	150
	<u>20,150</u>	<u>-</u>	<u>20,150</u>	<u>20,150</u>
5b Health Development Project costs				
Health Trainer - Bridlington fishermen	-	-	-	3,750
Reprint of "Get Fit" (The Physical Initiative)	2,000	-	2,000	-
Miscellaneous costs	-	-	-	1,306
	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>3,750</u>

Total staff costs are detailed in note 8.

6 Governance costs

	2014 £	2013 £
Staff costs	10,404	9,865
Members and committee expenses	402	163
Trinity House room hire (see note below)	8,340	6,840
Annual Court and Report & Accounts	2,006	5,119
Legal and professional	3,720	2,500
Auditors' remuneration	6,960	6,720
Auditors' fees for non-audit work	2,880	2,880
	<u>34,712</u>	<u>34,087</u>

A grant of £8,340 (2013: £6,840) was received from Trinity House (see also Note 2) to cover charges invoiced - identified above - in respect of Trinity House rooms hired for the Society's committees and Annual Court.

Total staff costs are detailed in note 8.

7 Related Party Transactions and Payments to Trustees

The sum of £402 (2013 - £163) was reimbursed to 3 trustees (2013 - 1) in respect of travel and subsistence costs incurred in the performance of duties on behalf of the Society. An amount of £600 (2013 - £2,500) was paid to a firm of solicitors in which a trustee was a partner.

SEAMEN'S HOSPITAL SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

8 Employees			
Number of employees		2014	2013
		Number	Number
The average monthly number of employees during the year was:		<u>4</u>	<u>4</u>
Staff costs		2014	2013
		£	£
Salaries		123,904	103,708
Social Security Costs		12,388	10,823
Pension costs		8,710	9,789
		<u>145,002</u>	<u>124,320</u>

The number of staff for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2013: 4).

There were no employees whose annual emoluments were £60,000 or more.

9 Tangible fixed assets		Office	Computers	Fixtures,	Other fixed	
		premises	and related	fittings &	assets	Total
		£	equipment	equipment	£	£
Cost						
At 1 January 2014		<u>47,126</u>	<u>7,771</u>	<u>9,981</u>	<u>47,125</u>	<u>112,003</u>
At 31 December 2014		<u>47,126</u>	<u>7,771</u>	<u>9,981</u>	<u>47,125</u>	<u>112,003</u>
Depreciation						
At 1 January 2014		23,096	6,887	9,980	-	39,963
Charge for the year		2,186	883	-	-	3,069
At 31 December 2014		<u>25,282</u>	<u>7,770</u>	<u>9,980</u>	<u>-</u>	<u>43,032</u>
Net book value						
At 31 December 2014		<u>21,844</u>	<u>1</u>	<u>1</u>	<u>47,125</u>	<u>68,971</u>
At 31 December 2013		<u>24,030</u>	<u>884</u>	<u>1</u>	<u>47,125</u>	<u>72,040</u>

Selected furniture and fixtures (shown under other fixed assets) are shown at book value as the trustees' valuation at 31 December 2014 is not materially different to the current figure.

SEAMEN'S HOSPITAL SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

10 Fixed asset investments	2014	2013
	£	£
Market value of investment funds at 1 January 2014	8,792,818	7,722,214
Disposal proceeds	(75,000)	(302,413)
Change in value in the year	44,206	1,373,017
Market value of investment funds at 31 December 2014	8,762,024	8,792,818
Historical cost:		
At 31 December 2014	8,829,210	8,902,201

Except for The Charities Property Fund, the investment assets are quoted on the UK stock exchange.

10.1 Schedule of investment funds

	Market Value		Cost	
	£	%	£	%
J P Morgan Bond Fund	1,023,945	11.69	827,890	9.38
J P Morgan UK Equity Fund	6,724,270	76.74	6,652,843	75.35
The Charities Property Fund	1,013,809	11.57	1,348,477	15.27
	<u>8,762,024</u>	<u>100.00</u>	<u>8,829,210</u>	<u>100.00</u>

11 Debtors	2014	2013
	£	£
Other debtors	13,564	17,050
Share disposal proceeds	-	102,413
Accrued income	64,386	68,872
	<u>77,950</u>	<u>188,335</u>

12 Creditors: amounts falling due within one year	2014	2013
	£	£
Other creditors	-	13,050
Accruals and deferred income	22,659	36,444
	<u>22,659</u>	<u>49,494</u>

SEAMEN'S HOSPITAL SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

13 Analysis of movement in funds	Restricted funds (note 14) £	Unrestricted funds £	Total 2014 £	Total 2013 £
Balance at 1 January 2014	-	9,066,395	9,066,395	7,812,058
Net movement in funds	-	(80,021)	(80,021)	1,254,337
Balance at 31 December 2014	-	8,986,374	8,986,374	9,066,395

14 Restricted funds

The income funds of the charity include the following restricted funds held on trust for specific purposes:

	Movement in funds				
	Balance at 1 January 2014 £	New funds £	Interest allocation £	Outgoing resources £	Balance at 31 December 2014 £
SAIL (Seafarers UK)	-	108,500	-	(108,500)	-
	-	108,500	-	(108,500)	-