



Seafarers UK

Trustees' Annual Report and Accounts

For the year ended 31 December 2016

Patron: Her Majesty The Queen
President: HRH The Earl of Wessex, KG, GCVO, CD, ADC(P)

Seafarers UK (King George's Fund for Sailors) is a Registered Charity No. 226446 in England and Wales, incorporated under Royal Charter.
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Message from the Chairman

Vice Admiral Peter Wilkinson CB CVO BA

It remains a huge privilege to be the Chairman of a national charity that has reached such a significant milestone as its 100th birthday. The Director General pays tribute to key senior staff and their departments below, and on behalf of the Trustees, I would like to endorse his comments unreservedly, adding our thanks for his own contribution over the past 15 years.

The Trustees are, of course, acutely aware that we are at a crossroads for the charity. The arrival of the RNRMC a few years ago meant that the Royal Navy would no longer be so reliant on our support - which in turn is allowing us to focus more on our work with both the Merchant Navy and the Fishing Fleet. For seafarers actively working in these two areas, life can still be pretty tough and for those who have come ashore after a long, or short, career, life can be tougher still. It is good that we are able to use a greater percentage of our resources to help them now and into the future.

Our traditional supporter base sadly is also reducing – based on the days of a Royal Navy that was 100,000 strong – when there was a large serving and retired community that were as keen to give something back to the institution they loved and

which had looked after them. Anno domini is taking its toll here, as well as a much reduced number of potential supporters, given the current smaller size of both the RN and the Merchant Navy. We need to be prepared to make some difficult decisions. We are very proud to be able to provide grants of over £2.5m each year in support of our charitable objectives but, given our current and likely future income, that would mean that we will run out of money in about 30 years' time. That may be the right thing to do, but it may be more appropriate to alter our operating model and keep going for longer – and the charity will need to consider the options carefully, informed by the Strategic Review being undertaken by Trustees.

As the Director General (DG) says, we are in good shape and undoubtedly, the future is exciting; there are a number of different paths we could take. Carry on as we are – balance the books better – join with another organisation – and I'm sure that other options will emerge. I can assure you, however, that the Trustees will make the decisions that are in the best interest of our beneficiaries, whilst obviously also making sure that we look after our loyal staff and supporters.

Introduction from the Director General

Commodore Barry Bryant CVO RN

By the time you read this, the Centenary is here and so are we, in ever better shape! But I'm extremely glad we started intensive planning for this great Anniversary about three years ago, and the Annual Report for 2016 tells the story of an extremely successful past year as we improved all aspects of our traditional business, looked in great detail at the forthcoming commemorations and celebrations, began work on our own internal Strategic Review, continued to direct the external research on the future of the whole maritime welfare sector through the Maritime Charities Group (MCG), and seized the unique opportunities offered by the national Maritime Growth Study - as led by our own Trustee, Lord Mountevans - to promote awareness of the seafaring life to both the general public and, in particular, the young jobseekers that will man the fleets of tomorrow. In short, we've been busy again!

Traditional business encompasses grant-making and fundraising and both have enjoyed an interesting year, with the grants department under new management as Deborah Layde became our latest Grants Director. The whole philosophy of grant-making has come under the microscope as part of our Review; we need to make the very best of the total resources available to the sector, and this has involved Deborah establishing a close relationship with her peers in the MCG as well as studying best practice in other regimes. This work continues and the overall outcomes of the Review will be

revealed at the Supporting Seafarers Conference in October 2017. The way ahead for fundraising will also become clear after more work, but Fundraising and Communications Director Nigel Shattock and his team achieved much in 2016, particularly where Trust income (rising by almost 100%) and a resurgence of Legacy income were concerned, along with a successful 24 Peaks Challenge, detailed Centenary programme planning, on-going communications with supporters including the launch of a new website, and in managing key partnerships such as the one with Fuller's.

Executive Director Robina Whitehorn has not only kept the ship afloat but proceeding at full speed; her sure grasp of every aspect of administration and governance ensured successful reaccreditation by PQASSO, the major quality assurance mark available to the charity sector, and Seafarers UK is proud to be one of the few to have achieved this. Underpinning all this front-line effort is the guarantee that all aspects of our financial management remain in excellent order under the guidance of our Finance Director Ian Wardle and his team. I make no apology for bringing the exploits of the whole crew to your notice; they have worked hard and seamlessly over the past year with dedication and good humour, and our maritime community should be grateful to them.

We have not been slacking on the external fronts either! As Chair of the MCG, we have continued to direct a complex

research programme based on the ground-breaking Conference in 2007; present work builds on the outcomes of that conference but is now looking much further ahead in a bid to inform our entire sector of the challenges in size, shape and need that will confront us all over the next few decades. It has been very heartening to see the readiness of the other MCG members to help fund this programme, proving the huge potential of working together.

The acknowledged success of our unique Seafarers Awareness Weeks over the past few years made us an obvious choice to construct and lead the Awareness Group

for the Maritime UK as it promotes the national Maritime Growth Study, pulling all aspects of the seagoing industries to compete in the post-Brexit global environment. Early days but exciting times, and we look forward to proving to potential contributors that Seafarers UK occupies a singular place in the UK's maritime matrix, able to use the full spectrum of the charitable objects in our Royal Charter to best effect.

So welcome to this year's Annual Report, telling of successful hard work as we plan for the more efficient and even brighter future that our whole seafaring community so richly deserves!

Objectives and Activities

Who we are and what we do

Seafarers UK is a charity that helps people in the maritime community by providing vital funding to support seafarers in need and their families. We do this by giving money to organisations and projects that make a real difference to people's lives.

Key aims

Our key aims are to improve the quality of life for seafarers and their families in times of need by securing more efficient aid and support for them, and to ensure the effective distribution of funds to those charities that help them, so as to assist as many people as possible.

Royal Charter

Our governing document is our Royal Charter, first issued in 1920 and last amended in 2010. It describes our Objects as:

- The relief of seafarers, their families or dependants, who are in need.

- The education and training of people of any age to prepare for work or service at sea.

- The promotion of efficiency and effectiveness of the maritime charitable sector.

- The promotion of safety at sea.

All of these are achieved by providing support to organisations established within or occasionally outside the Commonwealth. This allows us to help a wide range of people from the maritime community, although both the Charter and resolutions made by the Trustees exclude some specific activities. For example, we are unable to support memorials or the various charities and trusts promoting sailing activities for disabled people.

We consistently review our activities so we can meet the fundamental aims of the Charter in the light of the changing maritime, defence and social environment of the 21st century. How we do this is described in the following sections of this report.

Providing public benefit

Under the Charities Act 2011 there is a requirement for charities to make formal statements in their reports concerning more precisely how their activities fall under one or more of the 13 definitions of providing public benefit. The Trustees of Seafarers UK confirm that they have taken heed of the Charity Commission's guidance on this matter when reviewing their aims and objectives and in planning future activities.

Seafarers UK is actively and positively involved in:

- The prevention and relief of poverty.

- The advancement of health.

- The relief of those in need by reason of youth, age, ill-health, disability, financial hardship and other disadvantages.

- The promotion of the efficiency of the armed forces of the Crown.

The charity also has connections to other definitions promoting amateur sport, religion and education, where these are to do with nautical welfare. Indeed, we take great pride in having the ability, in principle, to relieve almost every aspect of the human condition, from cradle to grave, and irrespective of race, gender or orientation, so long as the beneficiary has satisfactory links with the UK and Commonwealth maritime community.

Strategic Plans

Each year the Chairman and the General Council look at both our short and long-term plans and agree with the Director General and the Senior Management Team the overarching Key Performance Indicators that underpin our future direction.

Our Vision is:

A proud and respected UK and Commonwealth maritime community, living free of need and social disadvantage.

Future Mission

The medium-term direction will be driven by a shared Mission Statement of where and how Seafarers UK should operate over the next two years, incorporating the Centenary commemorations and celebrations and taking forward the recommendations of the present major and wide-ranging Strategic Review and MCG research activity. The Mission is based on six main themes:

- Remaining and strengthening our position as 'the leading charity for the UK's whole maritime community'
- Maintaining a strong central position in the maritime charity sector as Chair of the MCG, thereby providing leadership and a focus for coordination, campaigning, and managing generic services and projects
- Supplying a strong, successful and innovative fundraising and grant-making service to the sector
- Remaining the pan-maritime link with Cobseo, FiMT, Veterans Scotland and other maritime and military sector bodies
- Providing a focus for maritime research and the link with the FiMT's Research Cluster, the Veterans' Research Foundation, and the MCG research base, plus other external data sources.
- Working as a member of Maritime UK and the Maritime Skills Alliance

to further the work of the Maritime Growth Study as Chair of the national Awareness Subgroup.

Core Strategies

To achieve the above, the following core strategies will be adopted:

- To promote and support the concept of the 'UK Maritime Community' as a single entity, bound by the unique nature of service at sea and the concept of an 'Island Nation'.
- To campaign for greater maritime awareness as Chair of the MGS Awareness Subgroup while continuing with our own discrete activities as leader and coordinator of Seafarers Awareness Week and linked events.
- To promote maritime education and career opportunities, mainly as a member of the Maritime Skills Alliance and a Lead Partner with Seavision, but with increasing liaison with the Merchant Navy Training Board and others.
- To build upon our success in achieving a proper definition for MN Veterans by the MoD and others as part of the Armed Forces Community by seeking funding from the Aged Veterans Fund to identify and provide for this unsung cadre.
- To examine in principle any possible beneficiary benefits and operating efficiencies inherent in any potential merger with any other organisation,

and take forward such activity if deemed appropriate by Trustees.

- To ensure that fundraising, grant distribution and campaigning are advised by the best available objective and evidence-based research, and to make this research available to others, largely via the MCG.
- To retain a motivated and PQASSO-assured staff and administrative structure, able to support continuous improvement, internal progression, and the supply of external services.
- To ensure the skills and experience-based General Council operates at maximum effectiveness and in accordance with best practice, with members advising the Chairman on the execution in their specific areas of expertise, particularly via the sub-Committees.

Changing Times

2016 was always going to be an exceptionally busy year at Seafarers UK as detailed planning for the Centenary got underway and the team of Trustees masterminding the Strategic Review began gathering initial evidence. The Maritime Charities Group (MCG) Research programme also gathered speed – and then along came the national Maritime Growth Study! No-one can accuse us of not playing a very full part in the life of our maritime nation, from dealing with government departments, the Chamber of Shipping, Trinity House and others on the national stage, to the huge amount of practical financial benefit that we distribute to

almost a hundred front-line charities, to working with local Rural Community Councils in a bid to improve the lives of those particularly in the fishing industry. In recent years, and as we approach our hundredth birthday, it has become increasingly clear that the maritime welfare sector, while undoubtedly providing vital services, is too fragmented to make the very best use of its limited resources and, for perfectly respectable historical reasons, many of those resources can only be used in certain areas. It is perhaps not surprising that the Royal Navy and its associated charities command by far the majority of financial reserves, followed by the Merchant Service and then, some way behind, the relatively impoverished fishing communities. It would be naive to envisage a world of total equality but, with our unique sector-wide remit, Seafarers UK feels a responsibility to promote communication, champion best practice, and provide information that will help all those involved with the seagoing life to make the very best of any available benefit – charitable, state, or otherwise.

It is too early to foretell the outcomes of either our own strategic review or the several strands of the MCG research into the current and future state of our sector. However, what we have done over the past year, and will continue to do in 2017, is manage both processes with constant checks to ensure that they are following the same principles of efficiency, effectiveness and, where possible, fairness. Our own future as a charity, linked with objective and research-based guidance to our many colleagues, will be revealed at the second Supporting Seafarers Conference in October 2017. Many of the initiatives that arose from the first such Conference in 2007 are now regarded as commonplace, but there are undoubtedly still gaps in provision to be overcome. This time around we hope to look into the future in a bid to match available resources to an inevitably declining population – our demographic research has already shown us that the total UK maritime community of about 1.4 million in 2015 will decline to some 650,000 by 2050; a drop of well over 50%, and that will

continue. It would of course be easy to conclude that the total ‘need’ – however that is defined – will also drop by over 50%, but that would be far too easy! Factors of longevity, austerity, social policy and pension regimes will certainly play their part and, of course, there will be other unknown and perhaps undreamt of pressures, because there always are. However, that should not stop us making some educated guesses as to how best to deploy what we presently have, and our successors will have to judge us against those assumptions as the decades pass.

Despite our efforts of the past few years, it still comes as a surprise to some that we are also a campaigning charity, and that campaign is to raise awareness among a generally apathetic British public – including many who should know better – about the importance of the sea and its people to this island nation, and to encourage youngsters and their parents and advisers to consider careers at sea and in the associated industries. A century ago, our far-sighted Founders made ‘support of education and training to prepare for work or service at sea’ one of our formal charitable objects, and we can only fulfil that object if we get enough potential seafarers in the first place. We were therefore delighted during 2016 when Maritime UK, the promotional body recommended by the Maritime Growth Study, turned to us to Chair the new ‘Awareness’ Group bringing together about twenty other organisations to share expertise, resources, existing materials and experience in a concerted joint campaign to ensure that all the required facts about any form of seagoing career were made as widely available as possible, using all modern media outlets. This is no small task and is set to grow during the year, but it is a great tribute to our work with other campaigns in recent years such as ‘Seafarers Awareness Week’ each June, and ‘Fly the Red Ensign for Merchant Navy Day’ each September.

This short essay on Seafarers UK’s current and future business is entitled ‘Changing Times’ for the simple reason that we must use the best evidence and experience available, coupled with a bold and assertive approach,

to ensure that necessary change does indeed come about in a swift, positive and practical manner.

Achievements and Performance

Grants

Seafarers are among the least visible people in UK society and the sheer scale of need, in all its forms, among seafarers and their families is sobering. Research and 100 years of experience demonstrates that poverty, despair and isolation of seafarers and their families have a tendency to affect not just whole households, but whole areas.

We work with, and financially support, many organisations as they tackle the multitude of issues that our ultimate beneficiaries, seafarers past and present, face.

Not giving grants directly to beneficiaries means we support a broad range of measures to support seafarers, as well as partnering with organisations to make our money go further, increase efficiency, encourage collaboration and, finally, by campaigning on specific issues.

Grant making statistics for 2016

Grants awarded by our Trustees in 2016 totalled over £2.5m in pursuit of our charitable objects. We assessed over 120 applications and awarded 103 grants (85 in 2015) to support the work of 94 projects (90 in 2015). In 2016 we supported 69 organisations and ultimately assisted over 186,390 seafaring beneficiaries and their families.

Our average grant awarded in 2016 was £24,974 (£28,000 in 2015) and we attracted applications from 22 organisations new to us, awarding grants to seven of these (14 in 2015). Once an applicant was through our eligibility process the chances of receiving a grant, at assessment stage, were 80%; thus, a good chance of success for applicants who make it to stage two. However, grant requests totalled over £4.3m and we were only able to award £2.5m, only meeting an average of 57% of the requested amount for each grant application.

A total of £292,187 was awarded, and spent, directly, on seafarers in Scotland.

This total constituted 16 grants which varied from specific work in ports, attending to the basic needs of seafarers, to poverty and hardship grants for former seafarers, mostly Merchant Navy, as well as supporting the payment by our beneficiaries of regular grants to supplement those on low incomes. The monetary value of our grants to seafarers in Scotland is higher than the £292,187 awarded directly to Scottish based organisations as this figure does not consider our funding of other organisations that support seafarers around the UK.

Grant making in 2016

Our support of the maritime sector has been particularly focused on need as presented in grant applications this year. Additionally, Trustees have been mindful that there are increased opportunities for those organisations supporting Royal Navy and Royal Marines veterans and serving seafarers in need, to obtain funding from an increasing range of sources. This includes the LIBOR Fund (set up from fines levied on banks for manipulation of the London Interbank Offer Rate) which as at end-2015 had channelled £450million to military charities. These factors have enabled Trustees to look at increasing our support to the Merchant Navy and fishing communities in 2016. Our support of these communities was over 65% of our grants budget this year (Merchant Navy 45% and Fishing 20%) with funds to Royal Navy-focused beneficiary charities sitting at 14% (21% in 2015), cross sector grants were 4% and spending on youth 17%. Going forward, it is likely that the increased funding sources and opportunities available to Royal Navy-focused charities will remain, and so this will continue to have a bearing on our support for potential Royal Navy beneficiaries in the short to medium term, and possibly beyond that.

There has also been an increase in our spending on youth, in line with our continued campaign, via Seafarers Awareness Week, to promote UK maritime job opportunities, at sea and ashore. See below for more

details on our expenditure on maritime education and training.

We aim to ensure that our grants programme is flexible enough to support the real need experienced by seafarers, via the organisations that we fund. To enhance this flexibility in 2016 we restructured part of our decision-making process to meet more closely, and more often, the operational needs of our beneficiary organisations – and so grant applications for £10,000 and less benefit from a quicker turnaround time. This mechanism will continue into 2017.

Monitoring and evaluation of previous grants awarded

2016 was our fourth year of formal monitoring and evaluation of grants awarded over £5,000. (We take a more 'light touch' approach with grants up to and including £5,000, in line with Inspiring Impact's Guiding Principles.) Our completion rate of monitoring and evaluation of grants dropped to 93% (98.9% in 2015) a disappointment after last year's high. However, we still ensured that the same number of organisations were monitored year on year.

Grants awarded 2016

The total grants awarded in 2016 to organisations were £2,575k. However, a prior year adjustment (grants awarded and not spent) means the final amount in the accounts is shown as £2,573k.

The type of work we fund with organisations helping seafarers broadly falls into the following categories of support:

Individual Regular Welfare Grants

£179,500 awarded in five grants to five organisations. Our continued support of Shipwrecked Mariners Society assists them to support many former merchant seamen, fishermen and their widows and dependants in real need throughout the United Kingdom and Ireland. Other grants included regular grants to those in need on the Isle of Man, Scotland

and in other ports, or former ports, around the UK. All grants are means tested and support those in poverty.

Port Based Welfare Services

£645,479 was awarded to 11 organisations via 17 grants to support seafarers, both British and Commonwealth, worldwide. Port welfare services were provided across the UK as well as in far flung ports, serving a wide variety of seafarers from Canada to the Falkland Islands. We provided further support in 2016 to Stanley Seamen's Mission in the Falkland Islands as their centre had been set up as a 'staffed centre' and was well used by a wide variety of seafarers, from cruise ships to oil workers and fishers, many of whom may have been away from home/family for many months and certainly at sea for extended periods. The funds will help towards ensuring that seafarers can access the centre 24/7 without the need for staffing it at all hours. But of course, the personal presence will be maintained for much of the time when large numbers of seafarers are in port.

We continue to provide support to the main port based welfare providers as well as some key projects that support them – for example the 'port vehicle replacement project' which helps welfare providers purchase port based welfare vehicles for the provision of front line welfare services.

Our grant will be used to help replace 11 port vehicles from the vehicle 'master list' which includes one car, eight MPVs (Multi-Purpose Vehicles) and two minibuses for seafarers' welfare services to Tees, Bristol, Belfast, Cardiff, Southampton, NE Scotland, Felixstowe, Grimsby and North Shields.

Health and Care Services

£110,724 was awarded via 11 grants to eight organisations in this area supporting a wide variety of projects from physiotherapy services, health awareness sessions, gym provision and rehabilitation equipment needed to deal with specialist injuries or equipment for elderly ex-seafarers in need. A new organisation supported in this

category aims to assist fishermen and ex-fishermen from a former traditional fishing port become more active, both physically and socially. The provision of a range of opportunities will be offered for seafarers to take up a form of sport or exercise that works for them and at the same time provides opportunities for them to get together, talk and mix socially, as well as aiming to improve their mental wellbeing and support network. Literacy levels are historically seen as a problem amongst fishermen and the project also aims to investigate this and other issues and look at providing solutions that help these ex-seafarers to develop.

Hardship and Poverty Grants

£102,104 was awarded in seven grants to five organisations. Grants included assisting those with very low weekly incomes and no savings (or very little savings) to purchase, or have purchased and delivered, furniture and white goods as well as assistance with mortgage arrears, whilst debt advice was being taken for beneficiaries facing eviction and homelessness. It should be noted that this overall figure does not reflect the total number of grants we award that ultimately help with issues such as these as often our grants to organisations are multi-functional and cover a broad range of support. Almost all larger grants we make have elements of hardship and poverty support built into them.

Welfare Support and Services

£183,000 in grants was awarded via 14 grants to 11 organisations in this category.

Our grant of £4,200 to Sennen Cove Harbour Commissioners was to support a project to prevent social isolation and loneliness across generations of fishermen in this small community with little opportunities for year-round work. The provision of simple infrastructure to encourage fishermen, whether working or retired, to socialise and interact with one another during the winter months, when fishing days are infrequent or non-existent, has many benefits. Getting out of the home to create and use this communal 'covered' space, like a 'men in sheds'

type project, aims to create a sense of purpose as well as help with their mental health and overall well-being.

Maritime Education and Training

£421,283 was provided via 18 grants to 13 organisations and all projects focused on youth maritime education and training, specifically encouraging future seafarers and/or maritime training to seafarers of working age.

This is the second year running where our support in this area has remained high in line with our campaigning theme reflected by Seafarers Awareness Week in both 2016 and 2015.

One project, and an organisation new to us, was a grant to Smallpeice Trust (founded by engineer by Dr Cosby Smallpeice in 1966) to support them in their running a specific STEM (science, technology, engineering and mathematics) Programme to support 50 secondary school students in STEM in marine engineering, and to encourage future maritime careers.

A large tranche of funds under this category went to Marine Society and Sea Cadets in support of the Marine Engineering Project, a joint project with our delivery partner Sea Cadets, to enable and deliver an improved syllabus and greater access to a pathway of engineering-related training UK wide for young people. We are very excited about this project and now have two marine engineering 'pods' – aka mobile learning units – on the move to schools and sea cadet units in the South West of England and soon in London, but with plans, and funding in place, to locate further 'pods' in four other regions including Scotland.

Children and Youth Welfare

£269,200 awarded via seven grants to five organisations

Our grants assisted Royal Liverpool Seamen's Orphans Institution and Sailors Children Society, who in turn assisted Merchant Navy orphans as well as means-tested children from both MN and Royal Navy backgrounds. Assistance was given for families

who were struggling to provide basics such as school clothing and IT equipment for homework and job-seeking purposes. The children of Royal Naval and Royal Marines were also helped via our £100,000 grant to the Royal Navy and Royal Marines Children's Fund. Our support enabled the organisation to award a variety of grants to assist children and their families in cases ranging from issues of severe disablement or disability to more straightforward educational needs.

Advice and Information Services

£420,155 awarded was split across 12 grants to 11 organisations.

We have continued our support of the Seafarers Advice and Information Line (SAIL), run by Greenwich Citizens Advice Bureau who are contracted to provide this service to Seafarers Hospital Society, to assist seafarers with advice on benefits, debts, employment and housing. The service has also been extended to support RN and RM beneficiaries, thanks to support from Greenwich Hospital, and take up was strong in the last half of the year.

We also continue to support the caseworker service provided in Hull and Southampton by Nautilus Welfare Fund. This support has enabled some 200 seafarers to benefit from the service with over £365,000 in benefits and grants secured in 2016 for this needy group. In addition, needy seafarers are assisted with accessing other essential housing, health and social care services and the model's success can be partly demonstrated by the return on investment (ROI) of £7 for every £1 spent.

Accommodation and Supported Housing

In this category, we awarded £243,217 to 11 organisations via 12 grants. Two of these projects were to assist homeless veteran seafarers – one grant was made to Alabaré to help those in need in the South West of England and our grant to Veterans Aid assisted veterans in London. Both organisations aim to use our grant to support vulnerable, homeless and marginalised seafarers, and help them transform their lives,

providing accommodation and helping them gain the skills, confidence and opportunities to live a fulfilled life.

Other grants in this area included care home top up fees for those from the Merchant Navy or fishing fleets (grants to Royal Alfred Seafarers Society and Nautilus Welfare Fund); a small contribution towards a mini-bus to enable outings for care home residents and two grants to two different organisations who provide respite holidays for carers and these for whom they care.

Restricted Funds

Merchant Navy Fund Grants

The Merchant Navy Fund is a collaborative initiative by the Merchant Navy Welfare Board and Seafarers UK in recognition that many of those with a Merchant Navy background increasingly want to see their donations and legacies used specifically in support of British Merchant Navy seafarers and their families. All the money raised for this fund is used exclusively to make grants to charities supporting our UK Merchant Navy seafarers and their families. The aim is that this fund spends funds raised and does not sit on reserves of cash.

This year, thanks to a very generous legacy received in 2015 along with many regular donations, we awarded £171,878 in 12 grants given to 10 organisations.

One grant from this fund was awarded to Community Network to deliver volunteer facilitated 'Talking Communities' groups. These groups bring people at risk of or experiencing loneliness and isolation together in peer led telephone, video and online groups. 'Seafarers Link Talking Communities' have several groups that enable MN seafaring veterans and their dependents to exchange peer support and develop friendships. Trained volunteers, with either first-hand experience of life at sea or an understanding of the life seafarers have led, host each group.

Another grant awarded from this fund was to support poverty and hardship grants to those in real need. Many thanks to the individuals

that regularly donate to this fund.

Campaigning

Our on-going aim through our campaigning work is to raise awareness across our stakeholders and especially with the general public where possible, of our dependence on the sea. This includes highlighting how the maritime sector at large impacts the UK's economy, and also the crucial contribution of those who work at sea in keeping our island nation afloat and the consequent difficulties they may experience in their lives through carrying out their role.

In 2016 we specifically worked to highlight the education, training and job opportunities that exist in pursuing a maritime career at sea and ashore through our annual Seafarers Awareness Week campaign. Taking place over 20 to 26 June and sponsored by Inmarsat, the campaign built on the recommendations of the influential Maritime Growth Study chaired by Lord Mountevans. 130 partner organisations (up by 26 from 2015) supported the campaign and there was good local and industry press coverage, along with some national news articles, and increases across all the charity's social media metrics. An additional element involved raising awareness among primary school children, teachers and parents. With funding support from Fyffes, this enabled the distribution of 6,000 schools materials packs across the UK. We extended 2015's inaugural 'Fly the Red Ensign' campaign, taking place on or around Merchant Navy Day (3 September), and doubled the number of UK local authority and community events to just over 400, achieving significant print and online local and regional media coverage in the process. Lastly, Seafarers UK also joined the Maritime UK Board in 2016 and is now chairing the People & Skills Committee's 'Awareness' working group. Potentially this will position Seafarers UK very well for future campaigning with greater industry connections, recognition and brand awareness as a result.

Project Funding

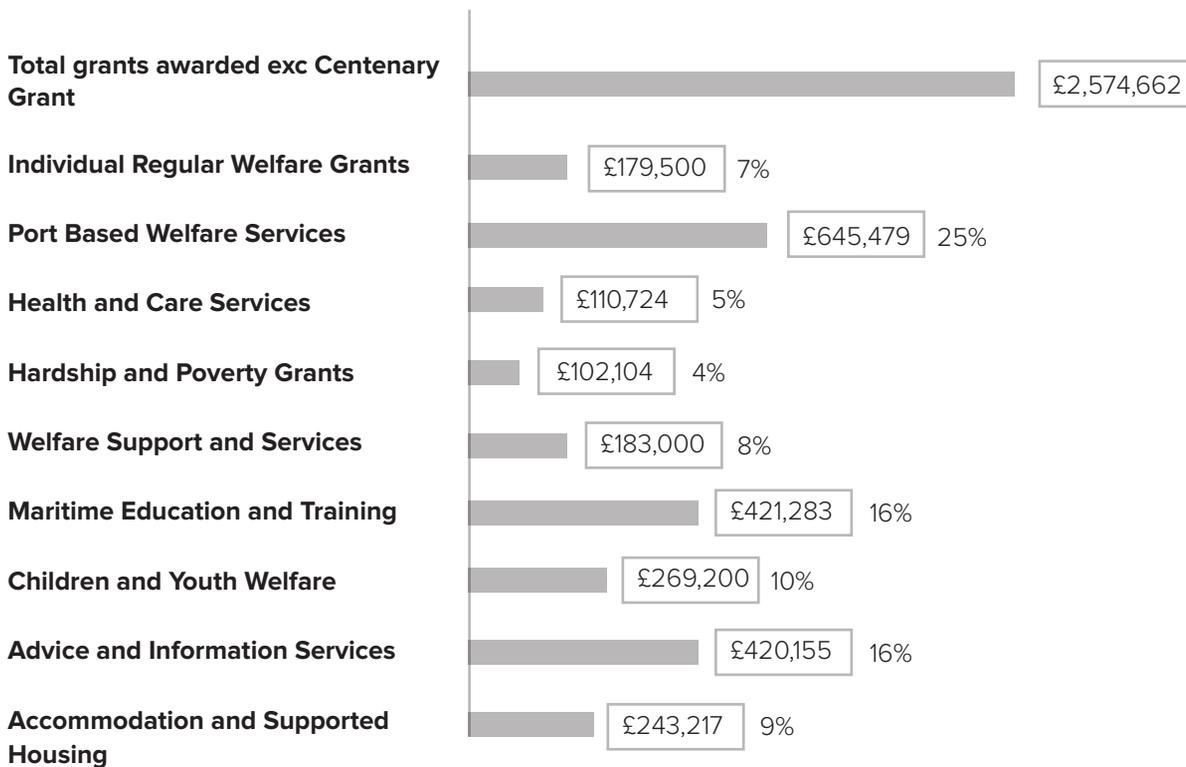
Our Project Funding work enables new

and additional funding opportunities for projects with specific outcomes enhancing our grant giving capacity. The model enables Seafarers UK to work with donors and beneficiary organisations in supporting new areas of need, whilst not taking away from the

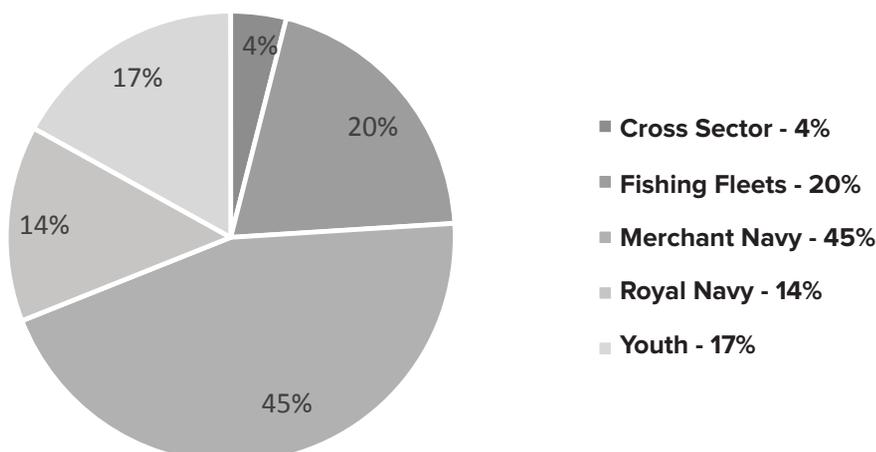
charity's core funding commitments. Five Project Funding grants totalling £215,750 were awarded in this way in 2016. Of particular note were four grants to the Marine Society & Sea Cadets to fund three mobile Marine Engineering learning units ('Pods'), and contributions

towards staff costs in running the Pods as part of Seafarers UK's Marine Engineering Pathway Centenary project (see 'Maritime Education & Training' for more information).

2016 grants by category



Sector split by grants



Structure, Governance, Management & Risk

Legal Structure

Seafarers UK is a non-statutory body incorporated by Royal Charter. The Charter was originally granted in 1920 and, together with the Statutes, provides the rules and guidelines under which Seafarers UK operates. After approval by the Privy Council, Supplemental Charters were granted in 1949, 1960, 1976, 1992 and 2010. Amendments to the Statutes were approved by the Privy Council in 2010.

The Trustees are members of The General Council, which is the ultimate governing body. The General Council sets policy and is responsible for the conduct of Seafarers UK's affairs and for ensuring that the charity operates formally in accordance with the Royal Charter, the Statutes and the law, as well as observing recognised best practice in all functional areas.

Organisational Structure and Operation

The General Council, which meets three times a year, has a formal schedule of matters specifically reserved to it for decisions. It has delegated authority to the following main Committees of Council Members which meet regularly during the year:

- Audit and Governance
- Finance and Investment
- Grants

Members of these Committees are shown on page 16. Committee Chairmen, supported by the relevant Executive staff, report on Committee activities to each General Council meeting. The Chairman of the Council also convenes informal groups of Trustees as required to discuss specialist matters. Exceptionally, in late 2015 the Council authorised the formation of a Strategic sub-Committee to examine all aspects of the charity's policies, business and operations during 2016, and a full report of these proceedings and subsequent recommendations will be considered by Council in 2017.

The Council has overall responsibility for Seafarers UK's system of internal control and has an organisational structure with clearly defined lines of responsibility and delegation of authority. Information and reporting systems are in place for monitoring Seafarers UK's activities and performance. The Audit and Governance Committee reviews the effectiveness of Seafarers UK's internal control procedures and receives regular reports from management and the external auditors. The financial software system has been designed to enable individual staff to have closer control and ownership of their budgetary areas, and produce management accounts which enables them to monitor, react to variances and better utilise the finances within their budgetary control.

The Council has delegated to Executive management the implementation of the system of internal control, including those concerning Voluntary Committees. Controls and procedures, including information systems controls, are detailed in the Staff Handbook. Efficiency studies into discrete aspects of Seafarers UK's activities are conducted periodically.

The Council believes that Seafarers UK's system of internal control provides reasonable, but not absolute, assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors and irregularities are either prevented or would be detected within a timely period. In common with many other charities of similar size and organisation, a proportion of voluntary income is derived from events which cannot be fully controlled until it is recorded in the accounts. The General Council and Executive management make every effort to ensure that all such sums are properly accounted for and, in their opinion, this does not constitute a significant uncertainty in the preparation of the accounts.

Seafarers UK's strategy to help achieve its purposes is set out in an annual Business Plan, aspects of which are reviewed regularly by standing committees throughout the year, with the overall Plan updated for the following year and approved by the General Council each December.

Appointment of Trustees

New Trustees are co-opted during the year by the General Council and, subject to the approval of the full membership of the Corporation, are formally elected for a five-year term of office at the next Annual Meeting. They may serve one further term of five years.

Training of Trustees

Following co-option to the Council, each new Trustee is provided with an induction programme covering both their generic and specific responsibilities and the entire spectrum of Seafarers UK's business, plus relevant Charity Commission publications covering more general but essential knowledge; these are updated when necessary. Trustees also receive regular briefings on any emerging legislation affecting charities at their four-monthly meetings.

Statement of Trustees' responsibilities

Under the Royal Charter and Byelaws of the charity and charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The Trustees have elected to prepare the financial statements in accordance with FRS 102, the financial reporting standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and expenditure and income for the period.

In preparing those financial statements, Generally Accepted Accounting Practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- 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 financial statements;
- state whether the financial statements comply with the trust deed [and rules], subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Trustees confirm that they have complied with the above requirements in preparing the financial statements.

The Trustees are required to act in accordance with the Royal Charter and Byelaws of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time and enable the Trustees to ensure that, where any statement of accounts are prepared by them under the Charities Act 2011 and the Charities and Trustees (Scotland) Act 2005, those statements comply with the requirements of regulations under those Acts. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and prevent and detect fraud and other irregularities.

Each Trustee accepts that:

- insofar as he or she is aware, there is no relevant audit information of which the Trust's auditors are unaware; and that
- he or she has taken all the steps that a Trustee should have taken in order to make him or herself aware of any relevant audit information and to establish that the Fund's auditors are aware of that information.

Seafarers UK Remuneration Policy

Seafarers UK is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

In accordance with the SORP (Statement of Recommended Practice), Seafarers UK:

- discloses all payments made to Trustees (NB no Trustees receive 'pay')
- discloses the number of staff in receipt of remuneration of more than £60,000 (in bands of £10,000). This figure includes gross pay and National Insurance Contributions
- discloses the policy for pensions and other staff benefits

Seafarers UK has a Remuneration Committee which meets annually, comprising the Seafarers UK Chairman, Deputy Chairman, Chairmen of the Finance and Audit Committees, and one other (appointed by the Chairman) and reviews the remuneration for all staff. The Director General is in attendance for the meeting (leaving for the discussion regarding his remuneration) and no members of staff are members of the committee.

The main responsibilities of the Committee are to:

- review the Seafarers UK salary structure against an agreed independent market benchmarking tool and make amendments as appropriate to ensure that Seafarers UK salaries remain competitive
- determine the remuneration package of the Director General
- approve the annual percentage (cost of living) increase in the payroll for all staff (which can be zero) taking into account the most recent inflation figures
- approve any consolidated pay awards and staff salary increases outside the annual review process as recommended from time to time by the Director General
- determine pension arrangements, and
- ensure that contractual terms on termination are fair to the individual and the charity, that poor performance is not rewarded, and a duty to mitigate loss is recognised

Seafarers UK aims to recruit, subject to experience, at the lower – medium point within an appointment band, providing scope to be rewarded for subsequent performance excellence. We do not employ interns without pay, and we pay at least the living wage for all our staff.

Delivery of Seafarers UK's charitable vision and objectives is primarily dependent on our staff which, apart from Grants, reflects the largest single element of expenditure. At the beginning of 2016 Seafarers UK awarded all staff a 2% uplift in salary.

Control of risk

Identification and subsequent control of Risk is as important in running a major Charity as in any business. Seafarers UK has recently adopted a more sophisticated and pro-active approach to Risk Management, in all its facets, accepting that active management of certain risks can have a positive overall effect on the organisation and its reputation.

The Senior Management Team has adopted the approach recommended by Sayer Vincent and endorsed by the National Council for Voluntary Organisations. Essentially this method requires a more holistic appreciation of the many factors surrounding each individually identified risk – some of which may be out of the control of the Charity's staff – and, where possible informs subsequent considered management of that risk in the best interests of the Charity.

Trustees and the Senior Management Team appreciate this philosophy and understand that Risk Management, across all activity areas, should be an integral part of planning processes and performance monitoring. At all times, Trustees must be satisfied that there are sufficient controls and processes in place to ensure that the key risks identified are being either mitigated or managed effectively. The Audit and Governance Committee reviews the Risk Register twice-yearly, and high-level risks are subsequently referred to the General Council for their evaluation. In reality, it is not possible to identify all risks,

actual or potential; Risk Management is not about eliminating or fully controlling all or individual risks, but a management tool whereby Seafarers UK seeks to become a risk enabled and responsive organisation, which reacts positively and meaningfully to opportunities, innovation and change.

On the basis of their recent assessment across a wide range of activity, the Trustees consider the areas presently requiring closest attention are Reputational Risk and Staff Resource planning. Reputation can be adversely affected by a multiplicity of factors, from financial irregularity to Data Protection issues, and unfortunate instances in the wider charity sector in recent months have heightened the awareness of both Trustees and Staff in this regard. The focus on Staff Resource arises from the suggestion by several long-serving and experienced staff members that they are considering retirement within the next two years; there is thus a requirement to manage change positively and constructively in order that Seafarers UK may take forward and build on the very best knowledge and expertise as the bedrock of a mature and progressive organisation.

The Trustees believe that the controls and staff actions being implemented at this time provide a strong mitigating effect in both these and other areas where Risk has been assessed. They remain firmly of the view, however, that it is the responsibility of the Management team to undertake continuous review, and to ensure that Council is fully informed.

Reference and Administrative Details

Name and registered office

Seafarers UK (King George's Fund for Sailors) is a registered charity, number 226446, in England and Wales, incorporated under Royal Charter, and registered in Scotland under number SC038191. The registered office is 8 Hatherley Street, London, SW1P 2QT. Seasevellers Limited is a wholly-owned subsidiary of the Charity through which Flagship Magazines are published and sponsorships and commercial events are operated.

The officers of Seafarers UK

Members of the General Council

President:

HRH The Earl of Wessex, KG, GCVO, CD, ADC(P)

Chairman:

Vice Admiral P. J. Wilkinson CB, CVO, BA

Deputy Chairman:

Captain R. H. Barker FNI (G)

- Mr M. C. D. Acland (F)
- Mr N. Azhar (A) (appointed 28 April 2016)
- Mr D. Bain FCA (F)
- Mr P. Butterworth (appointed 8 September 2016) (A)
- Surgeon Commodore P. J. Buxton OBE QHP RN (G)
- Mr M. Carden (G)
- Mr M. Dickinson (G)
- Mr W. Lawes (appointed 8 September 2016) (F)
- Alderman The Lord Mountevans
- Mrs C. Gould (G) (appointed 28 April 2016)
- Mr C. Marr (G)
- Mr J. J. Monroe (G) (*A)
- Captain D. A. Parsons MNM MNI (*G)

- Mr S. Rivett-Carnac (*F)
- Ms N. Shaw FCIPD (appointed 28 April 2016) (F)
- Ms D. Sterling (G)
- Mrs E. A. Strouts (A)

Management

Director General: Commodore Barry Bryant CVO FCIPD RN

Director of Finance: Ian Wardle ACMA

Grants Director: Deborah Layde

Director of Fundraising & Communications: Nigel Shattock

Executive Director: Robina Whitehorn

Vice Presidents

The Most Rev. & Rt. Hon. The Lord Archbishop of Canterbury

His Eminence The Cardinal Archbishop of Westminster

The Chief Rabbi of The United Hebrew Congregations

The Rt. Rev. The Moderator of The General Assembly of the Church of Scotland

The Rt. Rev. & Rt. Hon. The Bishop of London

The Rt. Rev. The Bishop of Sodor and Man

The President of The Methodist Conference

The Vice President of The Baptist Union of Great Britain

Key to General Council sub-committee membership:

F Member of the Finance and Investment Committee

G Member of the Grants Committee

A Member of the Audit and Governance Committee

* Chairman of Committee

The Moderator of The General Assembly of The United Reformed Church

The Chaplain of The Fleet

Admiral of the Fleet Sir Benjamin Bathurst GCB, DL

Admiral Sir Jock Slater GCB, LVO, DL

Sir Brian Jenkins GBE

Admiral Sir William O'Brien KCB, DSC (deceased 19 February 2016)

Admiral Sir Brian Brown KCB, CBE

Captain Sir Miles Wingate KCVO (deceased 2 May 2016)

Vice Admiral Sir Donald Gosling KCVO, RNR

Sir Ian Denholm CBE, JP, DL

Sir John Ritblat FRICS

F. M. Everard CBE

Captain D. C. Glass OBE

The Rt. Hon. The Lords Mayor of the City of London, Cardiff and Bristol

The Rt. Hon. The Lords Provost of the Cities of Edinburgh and Glasgow

The Lords Provost of Aberdeen and Dundee

The Rt. Worshipful The Lords Mayor of Birmingham, Coventry, Kingston upon Hull, Liverpool, Manchester, Newcastle, Nottingham, Oxford, Plymouth, Portsmouth, Swansea and Westminster

The Rt. Worshipful The Mayor of Southampton

It is with great sadness that we report the deaths of Admiral Sir William O'Brien KCB, DSC on 19 February 2016, and Captain Sir Miles Wingate KCVO on 2 May 2016. As Chairman and Deputy Chairman respectively, both served this Charity for many years with great loyalty and distinction, and we remember them with gratitude and respect.

Bankers

National Westminster Bank plc
280 Bishopsgate, London, EC2M 4RB

Auditors

KPMG LLP,
15 Canada Square,
London,
E14 5GL

Investment Managers

Ruffer LLP,
80 Victoria Street,
London,
SW1E 5JL

UBS AG - Wealth Management Division,
5 Broadgate,
London,
EC2M 2AN

Veritas Investment Management LLP,
90 Long Acre,
London,
WC2 9RA

Financial Review

The financial statements are presented in the standard format required by The Charities Act 2011 and the Trustees have elected to prepare the financial statements in accordance with SORP FRS 102 the Financial reporting standard applicable in the UK and Republic of Ireland. The Statement of Financial Activities (SOFA) shows the gross income from all sources and the split of activity between restricted and unrestricted funds.

Overview

It can be seen from the Statement of Financial Activities (SOFA) on page 20 that the Income for 2016 was £2,833k compared with £2,735k in 2015, representing a 3.6% increase of £98k. The Expenditure decreased by £1,029k to £4,576k, an 18.4% decrease. The reason for the decrease was our Centenary Grant to Nautilus Welfare Fund of £1,172k in 2015. Thus our deficit decreased from £2,870k to £1,743k.

Fundraising

Fundraising income is shown in the Statement of Financial Activities on page 20 as Donations and Legacies, Events and Charitable Activities.

In 2016 our fundraising income increased by £419k and expenditure decreased by £73k, thus increasing the fundraising surplus from £528k to £1,020k, a 93.2% increase in surplus of £492k. The majority of the increased surplus was £475k from legacies, with a further £17k from donations and events.

Our short-term aim is to achieve a 25%-30% FACE (Fundraising and Administration Costs to total Expenditure) ratio. This ratio improved to 23.1% in 2016, compared to 18.8% in 2015. The increase is mainly due to the decrease in charitable activities and, more specifically, the Centenary Grant to Wallasey in 2015.

Donations and Legacy income rose by £418k to £1,490k with legacies up £453k to £889k and Donations down £35k to £601k.

Gross income from Activities for Generating Funds increased only slightly by £1k to £362k. There were three significant changes. Firstly we received additional sponsorship income for our National events. Secondly overall income from National events increased due to a decision to reduce the number of events and to focus mainly on the larger ones, such as the 24 Peaks Challenge and the London Marathon. The third major change was seen in the regional committees where fewer events took place and income decreased. Most regional events made a surplus, but a few regional committees made a deficit due to a reducing number of attendees at their events and increased costs. Overall Activities for generating funds increased by £28k.

Charitable Activities

Grants

Our main expenditure is the awarding of grants to Maritime organisations; this decreased by £1,006k (see Note 9) on page 27, the main decrease is due to the Wallasey centenary grant of £1,172k awarded in 2015.

Campaigning

Our main campaigning activity is Seafarers Awareness Week which in 2016 occurred during 20 to 26 June. The post-event analysis shows this campaign achieved the following: 130 official 'supporter' organisations; increases across all social media metrics, with combined totals now over 12,800. Twitter reach alone exceeded 2.5 million in June. Strong BBC radio coverage included BBC Radio Scotland, BBC Radio Lancashire and BBC Radio Tees. A total of 28 pieces of broadcast and online coverage reached an audience of over 18 million.

Assistance to other organisations

We can and do assist several organisations with grant, financial and Human Resource administration; in 2016 we assisted Annual National Service for Seafarers (ANSS), Cobseo,

Maritime Charities Group (MCG) and Seavision. These are services we are pleased to offer and would like to hear from similar organisations if they feel we could assist them in the future. The cost of assisting other organisations decreased in 2016 from £121k to £74k; mainly due to Forces in Mind Trust (FIMT) setting and running their own finance and grant administration.

Investment policy

The investments are maintained for current, future and ex-seafarers' needs. The investment policy balances the need for capital protection with the desire to secure investment returns. With the demographics information available and an overview of funds held within other maritime organisations, the General Council has chosen to reduce Seafarers UK funds over the medium term as part of the charity's agreed reserves policy. The investment managers are allowed to use derivatives for protection purposes, after prior approval from the Finance and Investment Committee.

The investment portfolio is managed on our behalf by professional Investment Managers, who are set targets to utilise their professional expertise. The Finance & Investment Committee take an overview of the total impact and individual portfolio performances. Investment managers report and discuss actual performances at each Finance and Investment Committee; this is conveyed to each General Council.

Seafarers UK promote the health of seafarers and does not invest in any company which derives 10% or more of their income from tobacco products.

Investment Manager Performances

In 2016 our investments market valuation increased by £2,988k, the overall investment valuation is now £38,719k compared to £35,731k in 2015. This includes the drawdown from the portfolio of £1,956k.

Ruffer LLP operate an absolute

return policy and aims not to lose money on a twelve month rolling basis, followed by outperforming cash returns. In 2016 Ruffer returned 11.3% (2015: 0.5%) against a Bank rate of 0.4% (2015: 0.5%) and in the last 5 years have returned 36.1%. The Retail Price Index (RPI) in these periods was 2.5% in 2016 (2015:1.2%) and 11.6% over the last 5 years

Veritas Investment Management LLP are required to protect and grow the real value of capital over the longer term with a target return of RPI plus 4% per annum over a rolling 5 to 10 year period. Over the last 5 years, the investment portfolio has produced a total return of 50.8% against the UK RPI + 4% of 33.2%. Over calendar year 2016 the portfolio returned 16.6% against the RPI +4% of 6.5%.

We also have an investment in a fund of funds. We plan to let this investment run its natural course, with the expected termination date currently between 2020-2023. This is now in its eleventh year and in 2016 produced a net distribution of £364k (£399k: 2015); the market valuation decreased by £149k, a decrease of 10.5% (£29k increase and 2.0%: 2015).

The investment portfolio also includes rental properties, which are the residential flats at 7 Hatherley Street and an office on the ground floor. All properties are let through agents and are currently occupied. The rental income received in 2016 was £91.2k and £1.2k (1.3%) higher than 2015.

Reserves Policy

Our reserves policy is directly linked to our income and expenditure and is set at a level to meet the needs of our beneficiaries and maintain our maritime wide objectives for the longer-term. When setting the annual budget the trustees look at the recent income and expenditure trends, including all grant applications, whether successful or not. They also draw information from external sources, including The Maritime Charities Group 'demographic profile' and the levels of reserves held at other maritime organisations. The charity aims to operate in perpetuity and uses

actuary reports and current trends to estimate future requirements on the charity. From these reports the trustees designate funds for the continuing operation of the charity. In 2016 the trustees authorised a drawdown from the capital of our investment portfolio of £1.0 million (£2.5 million in 2015). Total reserves as at the 31st December 2016 were £40,047k (£37,738k, 2015) and are shown on pages 31 & 32.

Our reserves are also shown on pages 31 & 32 and are sub-divided into endowed, restricted, designated and unrestricted.

*Endowed funds are invested, with the income from those investments being restricted.

*Restricted funds are to be used for the purpose specified by the donor

*Designated funds are the amount set aside by the Trustees for future requirements

*Unrestricted funds can be used for any charitable purpose, within our aims

Cash reserves

Cash reserves are held for immediate cash requirements, i.e. grants payable plus a minimum of eight weeks for other expenditure. As at 31st December 2016 our grants payable were £1,840k and eight weeks average expenditure is £308k, a total of £2,148k. Our cash held was £1,733k, a shortfall of £415k. This is due to legacy receipts received later than expected. The current shortfall is within our acceptable tolerances, with over half of the grants being paid in quarterly instalments during 2017. Trustees and senior staff are content with the current shortfall. In 2015 cash held was £3,029k with grants payable at £2,542k and £487k for average other expenditure being 12.5 weeks.

Statement of Financial Activities

for the year ended 31 December 2016

Income	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	2016 Total Funds	2015 Unrestricted Funds	2015 Restricted/Endowment Funds	2015 Total Funds
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Donations and Legacies	2	1,111	371	8	1,490	667	405	1,072
Activities for generating funds	3	318	44	-	362	340	21	361
Investment income	4	812	139	-	951	1,051	226	1,277
Charitable activities	5	30	-	-	30	25	-	25
Total income		2,271	554	8	2,833	2,083	652	2,735
Resources expended								
Raising funds								
Costs of donations and Legacies	6	482	-	-	482	528	-	528
Costs of activities for generating funds	7	311	39	-	350	356	21	377
Costs of managing investments	8	246	69	91	406	328	69	397
Total cost of raising funds		1,039	108	91	1,238	1,212	90	1,302
Charitable activities								
Individual regular welfare grants	9	222	29	-	251	288	28	316
Port based welfare services	9	698	79	-	777	472	127	599
Health and care services	9	120	53	-	173	190	40	230
Hardship and poverty grants	9	91	73	-	164	72	5	77
Welfare support services	9	224	31	-	255	141	41	182
Maritime education and training	9	430	93	-	523	374	56	430
Children and youth welfare	9	241	111	-	352	153	117	270
Advice and information services	9	506	16	-	522	415	16	431
Accommodation and supported housing	9	310	11	-	321	353	132	485
Centenary (Extension at Wallasey)	9	-	-	-	-	1,281	2	1,283
Total cost of charitable activities		2,842	496	-	3,338	3,739	564	4,303
Total Resources expended		3,881	604	91	4,576	4,951	654	5,605
Net (expenditure)/income		(1,610)	(50)	(83)	(1,743)	(2,868)	(2)	(2,870)
before transfers and other gains and losses								
Other recognised gains and losses								
Realised (Loss)/Gains	14	(100)	(101)	(37)	(238)	1,169	252	1,421
Unrealised Gains/(Loss)	14	3,582	41	667	4,290	(655)	(171)	(826)
Net Gains on investment assets		3,482	(60)	630	4,052	514	81	595
Net movement in funds		1,872	(110)	547	2,309	(2,354)	79	(2,275)
Reconciliation of Funds								
Total funds brought forward		30,278	1,135	6,325	37,738	32,632	7,381	40,013
Total funds carried forward		32,150	1,025	6,872	40,047	30,278	7,460	37,738

The above results relate wholly to continuing activities.

There is no material difference between the results above and the historical cost equivalent.

Balance Sheet

as at 31 December 2016

	Note	Unrestricted Funds (£'000)	Restricted Funds (£'000)	Endowment Funds (£'000)	2016 Total Funds (£'000)	2015 Total Funds (£'000)
Fixed assets						
Tangible assets	13	1,320	-	-	1,320	1,339
Investments	14	30,822	1,025	6,872	38,719	35,731
Total fixed assets		32,142	1,025	6,872	40,039	37,070
Current assets						
Debtors and prepayments	15	398	-	-	398	406
Cash at bank and in hand		1,733	-	-	1,733	3,029
Total current assets		2,131	-	-	2,131	3,435
Liabilities						
Creditors : Amount falling due within one year	16	(2,123)	-	-	(2,123)	(2,767)
Net current assets		8	-	-	8	668
Net assets		32,150	1,025	6,872	40,047	37,738
Unrestricted General Funds		2,149	-	-	2,149	1,998
Designated Reserves		27,211	-	-	27,211	25,490
Property Revaluation Reserve		2,790	-	-	2,790	2,790
Restricted Funds		-	1,025	-	1,025	1,135
Total Permanently Endowed Funds		-	-	6,872	6,872	6,325
Total Funds as at 31 December 2016	17	32,150	1,025	6,872	40,047	
Total Funds as at 31 December 2015		30,278	1,135	6,325		37,738

The financial statements set out on pages 20 to 34 were approved by the General Council on the 27 April 2017 and signed on its behalf by:




Vice Admiral P. Wilkinson
Chairman

S. Rivett-Carnac
Chairman, Finance and
Investment Committee



Commodore B.W. Bryant
Director General

Cash Flow Statement

for the year ended 31 December 2016

	Note below	2016 (£'000)	2015 (£'000)
Cash outflow from operating activities	1	(3,304)	(2,688)
Cash flows from investing activities	2	951	1,277
Capital expenditure and financial investments	3	1,057	3,051
Change in cash and cash equivalents during the reporting period		(1,296)	1,640
Cash and cash equivalents as at 1 January		3,029	1,389
Cash and cash equivalents as at 31 December		1,733	3,029
Change in cash and cash equivalents during the reporting period		(1,296)	1,640
1. Cash outflow from operating activities			
Net (outgoing) resources		(1,743)	(2,870)
Dividend income		(708)	(846)
Interest receivable		(151)	(340)
Rental income		(92)	(91)
Depreciation – fixed assets		26	28
Decrease in debtors and prepayments		8	74
(Decrease)/increase in creditors		(644)	1,357
Cash outflow from operating activities		(3,304)	(2,688)
2. Cash flow from investing activities			
Dividend income received		708	846
Interest received		151	340
Rental income received		92	91
Cash inflow from investing activities		951	1,277
3. Capital expenditure and financial investments			
Purchase of tangible fixed assets		(7)	(30)
Purchase of fixed asset investments		(9,598)	(13,357)
Sale of fixed asset investments		10,662	16,438
Net cash inflow from capital expenditure		1,057	3,051

Notes to the accounts

for the year ended 31 December 2016

1	Accounting Policies	11	Information regarding employees and Trustees
2	Donations and legacies	12	Pension
3	Activities for generating income	13	Tangible assets
4	Investments income	14	Investment analysis
5	Charitable activities	15	Debtors and prepayments
6	Costs of donations and legacies	16	Creditors falling due within one year
7	Costs of activities for generating funds	17	Total Funds
8	Costs of managing investments	18	Subsidiary undertaking
9	Charitable activities	19	Related parties
10	Governance costs	20	Assistance to other organisations

1. Accounting Policies

A Basis of Accounting

The financial statements have been prepared in accordance with the requirements of the Accounting and Reporting by Charities: Statement of Recommended Practice FRS102 and in accordance with the Charities Act 2011, with applicable Accounting Standards and the other relevant legislative requirements.

The financial statements have been prepared under the historical cost convention as modified for the revaluation of freehold properties and investments to market value.

A Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the objects of the Fund in accordance with its Royal Charter.

Restricted funds can be used only in accordance with the charitable objects specified in each fund's establishing constitution. The purpose of each restricted fund is set out in the notes to the financial statements. The costs of administering these funds are charged to each restricted fund.

Endowment funds can only be used in accordance with the charitable objectives specified in each fund's establishing constitution. Any gains or losses arising from the portfolio are included in each endowment fund. Income raised through investment income is reflected in a corresponding restricted fund where required. The purpose of each endowment fund is set out in the notes to the financial statements.

C Income

All income is included in the Statement of Financial Activities ("SOFA") when the Fund is legally entitled to the income and the amount can be

quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Fund being notified of an impending distribution where the amount is quantifiable or the legacy being received.

Donated goods and services, where material, are included at the value to the Fund, and the value can be quantified and a third party is bearing the cost. No amounts are included for services donated by volunteers.

In common with many other charities of similar size and organisation, a proportion of voluntary income is derived from events and flag days which cannot be fully controlled until it is received. The General Council and management make every effort to ensure that all such sums are properly accounted for and, in their opinion, this does not constitute a significant uncertainty in the preparation of the accounts.

Notes to the accounts (continued)

for the year ended 31 December 2016

1. Accounting Policies (continued)

D Expenditure

All expenditure is accounted for on an accruals basis and classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they are allocated to activities on a basis consistent with the use of the resources. Premises overheads are allocated by reference to space utilisation and other overheads on the basis of staff numbers.

i Costs of Raising Funds are those costs incurred in seeking donations, legacies, generating funds and investments.

ii Charitable activities

These include all expenditure (including grants which are recognised as a liability once the relevant committees have authorised payments) directly related to the objects of the Fund and comprise the following:

- Individual regular welfare grants
- Port based welfare services
- Health and care services
- Hardship and poverty grants
- Welfare support services
- Maritime education and training
- Children and youth welfare
- Advice and information services
- Accommodation and supported housing

iii Support costs

Support costs represent the staffing and associated costs of governance, finance and general administration. These costs include the costs of governance which relate to the statutory compliance and strategic running of Seafarers UK (King George's Fund for Sailors) as opposed to the direct management functions inherent in generating funds, improving efficiency within the maritime sector and administering the grants. These include such items as internal and external audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

The costs are allocated to charitable activities and fundraising activities in proportion to the respective time spent, number of staff employed or space occupied depending upon which method of allocation is most appropriate to the cost.

E Fixed Assets and Depreciation

All assets costing more than £1,000 are capitalised and included at valuation plus any incidental expenses of acquisition. Property is re-valued every five years. Other fixed assets are valued at cost. Depreciation is provided on all fixed assets, from the day of acquisition, at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold Buildings	2%
Fixtures and Fittings	10%
Computer Equipment	20%
Office Equipment	15%

Freehold land is not depreciated.

F Investments

UK freehold land and buildings held as an investment are included in the accounts on the basis of professional valuations made every four years. Investment freehold plots of land held in the Bahamas are stated at valuation (on the basis of local real estate agents). Other investments are stated at market value at 31 December. Unlisted investments are held at the most recent valuation available.

The SOFA includes the net gains and losses arising on revaluations and disposals during the year.

G Pension

The Fund operates a defined contribution scheme with Aviva PLC for employees who choose to participate in the scheme. Participating staff are required to contribute a minimum of 5% of basic salary to which the Fund will contribute a further 7.5% of their basic salaries plus an amount equivalent to the reduced liability of Employer's National Insurance. Contributions are recognised in the SOFA, in the year they were incurred.

Notes to the accounts (continued)

for the year ended 31 December 2016

INCOME**2. Donations and Legacies**

	Unrestricted (£'000)	Restricted (£'000)	Endowed (£'000)	2016 (£'000)	2015 (£'000)
Donations	228	365	8	601	636
Legacies	883	6	-	889	436
	1,111	371	8	1,490	1,072

3. Activities for Generating Funds

	Unrestricted (£'000)	Restricted (£'000)	Endowed (£'000)	2016 (£'000)	2015 (£'000)
Events	299	15	-	314	330
Advertising from Flagship Magazine	-	-	-	-	5
Corporate Sponsorships	18	29	-	47	18
Trading	1	-	-	1	8
	318	44	-	362	361

4. Investment Income

	Unrestricted (£'000)	Restricted (£'000)	Endowed (£'000)	2016 (£'000)	2015 (£'000)
Dividends	605	103	-	708	846
Interest	129	22	-	151	340
Rental income	78	14	-	92	91
	812	139	-	951	1,277

5. Income from Charitable Activities

	Unrestricted (£'000)	Restricted (£'000)	Endowed (£'000)	2016 (£'000)	2015 (£'000)
Re-charges to other organisations	30	-	-	30	25
	30	-	-	30	25

Income from Charitable Activities are charges to unrelated organisations who contribute to the Maritime Charity Sector, the re-charges are mainly for Grant, Financial services and Human Resources services but also include expenses incurred on their behalf.

Notes to the accounts (continued)
for the year ended 31 December 2016

RESOURCES EXPANDED

Raising funds

6. Costs of Donations and Legacies

	Unrestricted (£'000)	Restricted (£'000)	Endowed (£'000)	2016 (£'000)	2015 (£'000)
Donations	408	-	-	408	432
Legacies	74	-	-	74	96
	482	-	-	482	528

Support & Governance costs included in above figures

163 170

7. Costs of Activities for Generating Funds

	Unrestricted (£'000)	Restricted (£'000)	Endowed (£'000)	2016 (£'000)	2015 (£'000)
Events	311	39	-	350	377
	311	39	-	350	377

Support & Governance costs included in above figures

53 54

8. Cost of Managing Investments

	Unrestricted (£'000)	Restricted (£'000)	Endowed (£'000)	2016 (£'000)	2015 (£'000)
Cost of maintaining rental properties	17	5	1	23	31
Investment managers' fees/other costs	229	69	90	383	366
	246	69	91	406	397

Support & Governance costs included in above figures

25 22

9. Charitable Activities

	Financial grants (£'000)	Campaigns, communications & events (£'000)	Assistance to other organisations (£'000)	Grants administration (£'000)	Support costs (£'000)	Total 2016 (£'000)	Total 2015 (£'000)
Individual regular welfare grants	179	41	8	7	16	251	316
Port based welfare services	645	41	10	26	55	777	599
Health and care services	111	41	8	4	9	173	230
Hardship and poverty grants	102	41	8	4	8	164	77
Welfare support services	183	41	8	7	16	255	182
Maritime education and training	421	41	8	17	37	523	430
Children and youth welfare	269	41	8	11	23	352	270
Advice and information services	420	41	8	17	36	522	431
Accommodation and supported housing	243	41	8	9	20	321	485
Extension Wallasey Housing (Centenary)	-	-	-	-	-	-	1,283
Total charitable activities – 2016	2,573	369	74	102	220	3,338	
Total charitable activities – 2015	3,579	262	121	137	204		4,303
						2016 (£'000)	2015 (£'000)
Support costs included in charitable activities							
Staff costs						45	52
Governance costs						141	122
Other costs						34	30
Total support & governance costs for charitable activities						220	204

10. Governance Costs

	2016 (£'000)	2015 (£'000)
Auditor's remuneration for audit services*	24	28
Annual Meeting	10	11
Trustee expenses	2	1
Staff support costs	94	83
Other support costs	43	28
Re-allocated to support costs	(173)	(151)
	-	-

* No non-audit fees were incurred or paid to KPMG LLP during 2015 or 2016. Support costs include Annual Report, Meetings for Trustees, staff time and overheads.

Under financial reporting requirement, SORP FRS102, Governance costs are included within support costs. This has not affected the overall expenditure.

Notes to the accounts (continued)
for the year ended 31 December 2016

11. Information Regarding Employees and Trustees

	2016	2015
Number of full time equivalent employees during the year :	FTE	FTE
Generating charitable income (FTE)	10	11
Charitable activities	8	8
Governance	-	-
	18	19
Staff costs comprise:	(£'000)	(£'000)
Wages & Salaries	802	841
Redundancies	-	8
Social Security	76	84
Money Purchase Pension scheme Contributions	54	58
Other Benefits	18	19
	950	1,010

Seafarers UK contribute to personal pension plans through Aviva.

The number of employees paid over £60,000 during the year (salary plus taxable benefits, excluding employer pensions contributions, National Insurance & redundancy payments) was :

	2016 (£'000)	2015 (£'000)
£60,000 to £69,999	2	3
£70,000 to £79,999	-	-
£80,000 to £89,999	-	1
£90,000 to £99,999	1	-

All three employees earning more than £60,000 participate in the Personal Pension Plan. The contributions were £6,979, £5,017 and £4,865 from highest to lowest paid respectively, (2015 were: £6,475, £4,993, £4,919 and £4,818).

The trustees neither received nor waived any emoluments during the year (2015 : nil). Trustees are entitled to

reimbursement of expenses incurred on Fund business and expenses of £1,204 were paid to five trustees (2015: £1,118 paid to five trustees) which were mainly travel expenses.

A further £1,095 was spent on training (£341 : 2015) and £666 on magazine subscriptions (£1,506 : 2015), and Insurance Indemnity fees paid by Seafarers UK were £750 (2015:£750).

12. Pension

Seafarers UK operates a defined contribution scheme for all employees. The assets of the schemes are held in separate funds administered by independent pension providers.

The total cost of pensions for the year incurred by Seafarers UK was £54k (2015 : £58k).

13. Tangible Assets

	Freehold Land and Buildings (£'000)	Fixtures Fittings & Equipment (£'000)	Total (£'000)
Cost or valuation at 1st January	1,325	150	1,475
Additions at cost	-	7	7
Less disposals	-	(2)	(2)
Cost or valuation at 31st December	1,325	155	1,480
Accumulated depreciation at 1st January	35	101	136
Charge for the year	12	14	26
Less : Eliminated on disposals	-	(2)	(2)
Accumulated depreciation at 31st December	47	113	160
Net book value at 31st December 2016	1,278	42	1,320
Net book value at 31st December 2015	1,290	49	1,339

All of the above fixed assets are held for charitable use.

The above freehold land and buildings are 8 Hatherley Street, London which is occupied and carrying out the operations of the Fund. All properties were revalued as at 31 December 2012 by Third Sector Properties, using the Royal Institute of Chartered Surveyors appraisal valuation. The original historical (from 1991) cost was £456,000. The valuation is assessed annually.

Investments are shown in more detail in Note 14.

Notes to the accounts (continued)

for the year ended 31 December 2016

14. Investment Analysis

	2016 £'000)	2015 (£'000)
Market Value at 1st January	35,731	38,217
Additions at Cost	9,598	13,357
Sales at Book Value	(10,662)	(16,438)
Change in Market Value of Non Property Investments	4,052	595
Market Value at 31st December	38,719	35,731
Historical Book Value at 31st December	32,575	35,319

Analysis of Market Value at 31st December	2016		2015	
	(£'000)	(%)	(£'000)	(%)
Interest bearing stocks and deposits				
UK Stocks	8,674	22.4	7,541	21.1
Non UK Stocks	2,841	7.3	12,375	34.6
Deposits	2,744	7.1	3,993	11.2
Total interest bearing stocks and deposits	14,259	36.8	23,909	66.9
Equities				
UK	4,197	10.8	3,470	9.7
Overseas	18,123	46.8	6,212	17.4
Total equities	22,320	57.6	9,682	27.1
Freehold land and buildings at valuation	2,140	5.6	2,140	6.0
Total Investments	38,719	100.0	35,731	100.0

There were no individual holdings of investments which exceeded 5% of the total market value of investments at 31st December 2016 (nil: 2015).

Freehold Land and Buildings includes flats held for investment purposes at 7 Hatherley Street which were valued in 2012 at £1.895 million by Third Sector Properties, Chartered Surveyors, using the RICS appraisal and valuation manual. In 2013 an increased valuation was included, based on Office for National Statistics average increase for the locality. The Investment Property in the Bahamas was revalued as at 31st December 2008 at £47,647 and the management are not aware of any material changes since the last valuation.

15. Debtors and Prepayments

	2016 £'000)	2015 (£'000)
Debtors	56	63
Prepayments	67	53
Amount due from subsidiary undertaking	-	2
Accrued income	275	288
	398	406

Notes to the accounts

for the year ended 31 December 2016

16. Creditors Falling Due Within One Year

	2016 (£'000)	2015 (£'000)
Grants payable	1,840	2,542
Accruals	130	146
Trade creditors	73	79
Prepaid event income	60	-
Amount due to subsidiary undertaking	20	-
	2,123	2,767

17. Total Funds

	Balance 01.01.16 (£'000)	Income (£'000)	Gains/Losses Expenditure and Transfers (£'000)	Balance 31.12.16 (£'000)
Unrestricted General Funds	1,998	2,121	(1,970)	2,149
Designated Funds				
Individual regular welfare grants	2,495	-	41	2,536
Port based welfare services	4,606	-	1,340	5,946
Health and care services	1,777	-	(74)	1,703
Hardship and poverty grants	1,257	-	(94)	1,163
Welfare support services	1,758	-	178	1,936
Maritime education and training	3,197	-	573	3,770
Children and youth welfare	2,208	-	423	2,631
Advice and information services	3,213	-	799	4,012
Accommodation and supported housing	4,979	-	(1,465)	3,514
Property revaluation reserve	2,790	-	-	2,790
Unrestricted Funds	30,278	2,121	(249)	32,150
Restricted Funds				
Royal Naval Officers' Fund	556	84	(108)	532
Joyce Pratt Legacy	8	1	(9)	-
Beryl Joyce Threadkell Legacy	71	9	(13)	67
Sheila Constance Woods Legacy	307	38	(4)	341
Centenary	2	184	(186)	-
Merchant Navy Fund	175	85	(175)	85
Restricted to Scotland	3	76	(79)	-
Event Sponsorship	-	50	(50)	-
Trusts	-	26	(26)	-
Projects	-	1	(1)	-
	1,122	554	(651)	1,025

17. Total Funds (continued)

	Balance 01.01.16 (£'000)	Incoming Resources (£'000)	Gains/Losses Expenditure and Transfers (£'000)	Balance 31.12.16 (£'000)
Restricted income/(expenditure) from permanently endowed fund				
Endowed general purposes	-	20	(20)	-
Inglis Fund (incorporating the van de Kastele Scholarship Fund)	-	21	(21)	-
Merchant Navy South Africa Scholarship Scheme	6	5	(11)	-
Royal Navy War Libraries Endowment Fund	7	5	(12)	-
South African Women's Auxiliary Service	-	9	(9)	-
Arthur T. Jeffress Fund	-	65	(65)	-
David Richards Trust	-	20	(20)	-
Henry Herbert Wills Fund	-	5	(5)	-
Total Permanently Endowed Restricted Funds	13	150	(163)	-
Total Restricted Funds	1,135	704	(814)	1,025
Permanently Endowed Funds				
Endowed General Purposes	833	-	71	904
Inglis Fund (incorporating the van de Kastele scholarship fund)	885	8	75	968
Merchant Navy South Africa Scholarship Scheme	208	-	18	226
Royal Navy War Libraries Endowment Fund	219	-	19	238
South African Women's Auxiliary Service	402	-	34	436
Arthur T. Jeffress Fund	2,737	-	233	2,970
David Richards Trust	812	-	69	881
Henry Herbert Wills Fund	229	-	20	249
Total Permanently Endowed Funds	6,325	8	539	6,872
Total Funds	37,738	2,833	(524)	40,047

The purpose of each Restricted and Endowment Fund is as follows:

Restricted Funds

Royal Naval Officers' Fund

To assist officers of the Royal Navy in need or distress.

Joyce Pratt Legacy

To assist Air Sea Rescue.

Beryl Joyce Threadkell Legacy

Funds made available for the Felixstowe Committee.

Sheila Constance Wood Legacy

To assist Naval Officers' Widows.

Restricted to Scotland

To assist in Scotland.

Event Sponsorship

To assist in the cost of hosting or running an event.

Merchant Navy Fund

Grants for Merchant Navy.

Trusts

Trust donations restricted as per the trust fund's request.

Projects

Projects are various grants restricted as per the donor's request.

Endowment Funds

Endowed General Purposes

To relieve sickness, poverty and distress of seafarers.

Inglis Fund (incorporating the van de Kastele Scholarship Fund)

Merchant Navy South Africa Scholarship Fund

Royal Naval War Libraries Endowment Fund

South African Women's Auxiliary Service

To further the educational and future career needs of seafarers' children.

Arthur T. Jeffress Fund

David Richards Trust

Henry Herbert Wills Fund

To assist officers and men of the Royal Navy, the Merchant Navy and the fishing fleet in need or distress.

18. Subsidiary Undertaking

Seaservers Limited, incorporated in England and having an authorised share capital of £100 (issued share £2), is a wholly owned subsidiary of the Fund through which branded goods are sold and commercial events are operated. The company's financial year ends on the 31 March and profits are paid to the Fund as and when appropriate by way of Gift Aid donation. A loss of £2,273 arose in the year ended 31 March 2016 (a gain of £31,941 in 2015). This was after charges of £250 (2015:£250) made by the Fund. There was a no Gift Aid donation made in 2016 (£31,941, 2015). As at 31 December 2016, £20,436 was owed on current account from Seaservers Limited (£18,642 in 2015).

The accounts of Seaservers Limited have not been consolidated into these financial statements on the grounds of immateriality. A summary of the unaudited results of Seaservers Limited for the year ended 31 March 2015 is shown below; the Company is entitled to exemption from statutory audit under section 249 of the Companies Act 1985.

Profit and Loss Account	2016 (£'000)	2015 (£'000)
Turnover	50	33
Cost of Sales and administration expenses	52	1
(Loss) / Profit on activities before Gift Aid	(2)	32
Gift Aid Payment	-	32
Retained (Loss) / Profit for the year	(2)	-
Summarised Balance Sheet at 31 March 2016		
Current assets	5	7
Net assets	5	7

19. Related Parties

Some members of the General Council are trustees of charities to which the Fund makes grants. The Grants Committee's procedures require all such interests to be declared and for these members to abstain from voting. Within the General Council no single member exercises control or influence over any particular grant approval.

Seaservers Limited is the trading subsidiary of Seafarers UK, see note 18 for details of transactions between Seaservers Limited and Seafarers UK.

20. Assistance to other organisations

We gave assistance to several organisations with Grant, Financial and Human Resource administration; in 2016 we supported Annual National Service for Seafarers (ANSS), Cobseo, Maritime Charities Group (MCG) and Seavision. These have been recharged below cost and are shown within the Charitable Activities on Page 25 (Note 5).

Independent auditor's report to the Trustees of Seafarers UK (King George's Fund for Sailors)

We have audited the financial statements of Seafarers UK (King George's Fund for Sailors) for the year ended 31 December 2016 set out on pages 20 to 34. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 charity's trustees as a body, in accordance with both section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act and section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 13-14 the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with the regulations made under those Acts. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.'

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeuprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs

as at 31 December 2016 and of its incoming resources and application of resources for the year then ended;

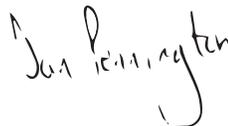
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient and proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Ian Pennington



for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London, E14 5GL

11 May 2017

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

2016 Trust Supporters

Seafarers UK is very grateful to the following Trusts and Charitable Foundations for financial support during 2016:

A & L Sussman Charitable Trust
A E H Salvesen's Charitable Trust
Ann Jane Green Trust
BP Foundation
Erskine Cunningham Hill Trust
G M Morrison Charitable Trust
Gamma Trust
Greenwich Hospital
Joseph Strong Frazer Trust
Martin Charitable Trust
Miss Mary Dunlop Murdoch
Andrew Charitable Trust
PF Charitable Trust
Raymond and Blanche Lawson Charitable Trust
Sir Jeremiah Colman Gift Trust
Sir John Fisher Foundation
Sir William Boreman's Foundation
Sylvia Waddilove Foundation UK
The Albert Hunt Trust
The Anson Charitable Trust
The Baltic Charitable Trust
The Barbour Foundation
The Bernard & Joan Dunn Charitable Trust
The Broughton Charitable Trust
The Bryan Christopher Corrigan Charitable Trust
The C S Heber Percy Charitable Trust
The Castanea Trust
The Catherine Cookson Charitable Trust
The Chandris Foundation
the Charity of Stella Symons
The Charles Wolfson Charitable Trust
The Clive & Sylvia Richards Charity
The Company of Watermen &
Lightermen of the River Thames
The Duffield (Tiverton) Charitable Trust
The Edith Lilian Harrison 2000 Foundation
The Edith Murphy Foundation
The Elaine Barratt Charitable Trust
The Elizabeth and Prince Zaiger Trust
The Freemasons' Grand Charity
The Gerald Bentall Charitable Trust
The Horace Moore Charitable Trust
The Joan Mary Woodham Hurrell Charitable Trust
The Lady Hind Trust
The Laurence Misener Charitable Trust
The MacRobert Trust
The Oakley Charitable Trust
The Patricia and Donald Shepherd Charitable Trust
The Pilkington Charities Fund
The Privy Purse Charitable Trust
The Rest-Harrow Trust
The Ropner Centenary Trust
The Ross Benwell Trust
The Royal Edinburgh Military Tattoo
The Stafford Trust
The Swire Charitable Trust
The Sydney Black Charitable Trust
The Sylvia and Colin Shepherd Charitable Trust
The Thomas Lilley Memorial Trust
The Verdon-Smith Family Charitable Trust
The W M Mann Foundation
The West Hall Charitable Fund
Vauxhall Motors Employees Charity Fund
William Allen Young Charitable Trust

Seafarers UK has been helping people in the maritime community for 100 years, by providing vital support to seafarers in need and their families, and to those in education or training who are preparing to work or serve at sea. We do this this by giving grants to organisations and projects that make a real difference to people's lives, across the Merchant Navy, Fishing Fleets, Royal Navy and Royal Marines.



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