



THE FISHERMEN'S MISSION

Trustees' report and financial statements

For the year ended 31 October 2016



Royal National Mission to Deep Sea Fishermen
(A Company limited by guarantee)
Company registered number
England & Wales Charity Registered number
Scotland Charity Registered number

24477
232822
SC039088

Mazars LLP, South West
5TH Floor, Merck House
Seldown Lane
Poole, Dorset
BH15 1TW

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

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Members of the Council who served during the year

Professor Glyn Tonge BSc, PhD, DUniv, FRSB, CBiol

Mrs Jill Henderson

Rear Admiral John Lang DL (resigned April 2016)

Mr Michael Vlasto OBE

Mr Derek Young MBE JP (resigned October 2016)

Rear Admiral Sir Jeremy de Halpert KCVO

Mr Ian Gatt

The Venerable Simon Golding CBE

Mr Trevor James

The Very Reverend Dr David Lacy DL

Mr James Parker DL (resigned April 2016)

Capt James Portus (resigned February 2016)

Ms Elizabeth Woodhatch

Dr Alison Fowlie

Chairman (from April 2016)

Chairman (to April 2016)

Deputy Chair (to April 16)

Deputy Chair (April 16)

Treasurer

Secretary and registered office

Commodore David Dickens CBE

Mather House

4400 Parkway

Solent Business Park

Whiteley

Hants PO15 7FJ

Solicitors

Brutton & Co

West End House

288 West Street

Fareham

Hampshire

PO16 0AJ

Executives

Commodore David Dickens CBE (Chief Executive)

Mrs Alison Godfrey (Director of Business Development)

Solicitors

Burness Paull

Union Plaza

1 Union Wynd

ABERDEEN

AB10 1DQ

Bankers

Lloyds TSB Bank Plc

Large Corporate

3 Town Quay

Southampton

SO14 2AQ

Investment Advisers

Argentis Financial

Management

Unit 3, London Road

Office Park,

London Road

Salisbury

Wiltshire

SP1 3HP

Registered auditors

Mazars LLP, South West

5th Floor, Merck House

Seldown Lane

Poole

Dorset

BH15 1TW

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TRUSTEES' REPORT

INTRODUCTION

The Trustees, who are also Directors of the Charity for the purpose of the Companies Act, present their annual report (incorporating the Strategic Report) and the audited financial statements for the year ended 31 October 2016. The Trustees confirm that the annual report and financial statements comply with the governing document, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015), the Companies Act 2006 and relevant law and United Kingdom Accounting Standards.

The Royal National Mission to Deep Sea Fishermen (or Fishermen's Mission), a Company Limited by Guarantee No. 00024477, is registered with the Charity Commissioners (No. 232822) and the Office of the Scottish Charity Regulator (No SC039088). It is governed by a Memorandum and Articles of Association.

Its governing body consists of a Council, no more than 15 in number, appointed from membership of the Fishermen's Mission Association and it normally meets six times a year. The Executive consists of the Chief Executive and the Director of Business Development to undertake the routine management of the Fishermen's Mission.

STRATEGIC REPORT

OUR MISSION

The Fishermen's Mission maintains a Christian presence in the United Kingdom's fishing communities, in order to provide, practical, welfare and spiritual support to active and retired fishermen and their families.

OUR VALUES

PRACTICAL We aim to provide the right assistance at the right time whenever and wherever it is required, no matter how complex or demanding the circumstances.

EFFECTIVE We are committed to ensuring that our practical help and support makes a real and positive difference to people's lives.

TRUSTED We aim to be recognised and respected for being there consistently and reliably in times of need.

HONEST We are dedicated to conducting ourselves with discretion, being guided by our belief in Christian values.

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HELPFUL No 'jobs worths' in the Fishermen's Mission! We will not dodge issues and will strive to provide support whatever the circumstances or challenges.

LOYAL We dedicate ourselves to the Fishermen's Mission and those we aim to help 24 hours a day 365 days a year.

TOLERANT Through our conduct and faith, we encourage understanding and empathy towards all those that make fishing their livelihood.

CONSIDERATE We aim to conduct ourselves with empathy and sensitivity, regardless of the intensity of the situation and to care without judgement.

APPROACHABLE We will be open to all people at all times and will always try to find time for others.

OUR FUNDAMENTAL TASKS

- To provide assistance to the families of fishermen who have been killed or seriously injured.
- To look after the survivors of fishing vessel accidents.
- To assist injured or ill fishermen and where appropriate arrange for them to receive enhanced medical attention.
- To source emergency accommodation and catering facilities where there is no alternative provision.
- To make emergency grants to fishermen and their families in times of need.
- To help fishermen's families in cases of illness or distress.
- To provide Christian pastoral and practical support and access to specialist advice and counselling, in relation to the full range of welfare issues, including problems with debt, alcohol and drugs, benefit and employment issues, sickness, bereavement, stress and family and relationship difficulties.
- To facilitate and disperse regular and one-off grants from other charities to needy fishermen and their families.
- To provide welfare and support to overseas fishermen working in the UK industry, especially those that have to live onboard boats.
- To alleviate loneliness through home and hospital visits to retired fishermen and their families.
- To officiate at fishermen's funerals when requested.

2015/16 PERFORMANCE AGAINST OUR VISION TO 2020

To Improve the Impact of Outreach

Through to 2020 our aim is to drive the development of the Fishermen's Mission to be a modern, relevant organisation that is recognised and respected across the UK as The Fishermen's Charity, that is totally committed

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to and effective in meeting the changing practical, welfare and spiritual needs of fishermen and their families.

Fishermen's Mission staff have also continued to support various safety initiatives co-ordinated by the Fishing Industry Safety Group, offering great opportunities for Fishermen's Mission Staff to engage positively with the active fishing community.

In 2015/16, the last remaining large centre at Peterhead was sold. A smaller space within the old building has been leased, providing 24/7 self-help facilities for fishermen, with development taking place in the next financial year. The development of the Fraserburgh centre in a joint venture with a local businessman is nearing completion by year end. Also suitable premises to re-house the 24/7 facilities at Portavogie have been identified, with a move expected in early 2017.

To Make a Difference

The drive to deliver situation and life changing outcomes for our beneficiaries has continued ensuring that we make best use of every penny of charitable funds. We have been involved with industry, government and other agencies in delivering better safety and living conditions for active fishermen both ashore and afloat making real progress with issues aimed at prevention or reduction of need in the future. We will also seek new ways to deliver effective relief of deprivation, especially loneliness.

Particularly in the aftermath of accidents at sea and other emergencies, but also across the gamut of welfare need, in 2015/16, Fishermen's Mission staff have again delivered event and life changing practical and pastoral support to several thousand beneficiaries. At one end of the scale this can be providing emergency financial assistance to a family following an injury, while at the other it can mean painstaking work to provide for the long-term stability and care for a bereaved widow and her family, or a destitute, poorly retired fisherman.

Throughout the year, our Executive has been involved in several initiatives and groups concerned with measures to improve terms and conditions for fishermen, as well as supporting moves to tackle trafficking and abuses in the industry. We are active members of the UK's ILO 188 (Fishing Convention) working group, the Merchant Navy Welfare Board's seafarers' working groups Seafish's Ethical Working Group, while we also continue this work in tandem with some of our sister maritime charities and ICMA.

To Recruit and Train Committed Port Staff of Suitable Calibre

Recruitment, retention, development and training of our staff will remain a key focus over the period to 2021. The annual training conference concentrated on our front line staff's skills as practitioners. We have also used volunteer events to attract new active volunteers.

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Engagement of new Mission Port Officers and Honorary Agents has been successful with an emphasis on local recruitment

The first steps to a revised standard training package for new port staff were completed with more to come in the near future. Staff have undertaken training in induction, bereavement, casework updates, leadership and relationships, and dealing with beneficiaries with mental health issues, along with on-line courses on Risk Assessment and Data Protection for all staff.

To Develop Strong Links with Other Maritime Charities

The emphasis here is on the nurturing of close working relationships at local level, rather than on seeking formal merger or partnership. The clear intent is to avoid duplication of effort, increase burden sharing and improve cooperation and over the last 12 months, much progress has been made, although this is still an area that needs more resource and focus.

Working with the Apostleship of the Sea it was possible to provide support to the family of a Filipino fisherman working on a UK vessel; it is hoped to extend this 'proxy' working for migrant crew's families during 2016/17.

To Develop an Advocacy Role

Work here has had to be approached sensitively, but it has been reassuring to receive wide support for our engagement in issues such as trafficking, counter-slavery, terms and conditions and safety. Most encouraging is the willingness of many Government Departments and Agencies, including the devolved administrations to both listen and act on matters affecting the welfare of fishermen.

To Develop a Nationwide Education/Training Programme

Modest progress in this area was sustained over the year, with a joint project with Morrison's, utilising some funds from the plastic bag (tax), enabling a number of younger men to train for and enter the fishing industry.

Two successful sessions of quayside health checks for fishermen were held in Norfolk and Cornwall, which have confirmed the model for further checks around the coast from 2017 through to 2021.

2016 STATISTICS

This year's statistics show variances due to changes to recording late in the reporting year. The underlying trends suggest that outreach and other initiatives to engage actual and potential beneficiaries and supporters are bearing fruit. Key statistics for 2015/16:

- Support for 2,574 (2014/15: 2,081) beneficiaries in receipt of grants in the sum of £975,784 (2014/15 £1,136,000).
- Around 9,658 (2014/15: 10,700) beneficiaries were visited at home, in hospital or interviewed in Fishermen's Mission offices.

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- 178 (2014/15: 185) fishermen received emergency financial assistance.
- 157 (2014/15: 152) children of fishermen helped.
- 194 (2014/15: 280) fishermen assisted following accidents, injury or sickness at sea.
- 216 (2014/15: 291) funerals conducted.
- 103,044 (2014/15: 98,795) miles covered during outreach and visits.
- 4,507 (2014/15: 4,861) boats visited - including repeat visits.
- 3,335 (2014/15: 3,472) active fishermen were visited.

PUBLIC BENEFIT

The Trustees have referred to the guidance published by the Charity Commission in reviewing the Fishermen's Mission's aims and objectives and in planning future activities. The charity's Articles of Association and the Memorandum of Understanding revised and approved at AGM 2016.

The Council's existing Strategy from 2013, covering the period to 2020, was reviewed formally in May 2016. A revised Strategy through to 2021 will be introduced from 1 November 2016. The high-level strategic objectives are reviewed by the Council Members on an annual basis and these are developed into change objectives and outcomes for the forthcoming twelve months. A five-year rolling business plan sets out the assumptions for future predicted income and the costs incurred in meeting its activities.

FINANCIAL RISK MANAGEMENT

The principle financial risk is a significant increase in the Final Salary Pension Scheme deficit threatening the sustainability of the Fishermen's Mission work/strategy.

RISK MANAGEMENT

In accordance with SORP 2015, key risks have been identified and measures undertaken to mitigate them. All risks are recorded on a Council endorsed Risk Register, which was subject to six monthly reviews. The Council's top 5 risks are as follows:

1. Significant Increase in the Final Salary Pension Scheme deficit threatening sustainability of Fishermen's Mission's work/strategy.

Action – Sustain Reserves Strategy to ensure Council's covenant remains sound. Ensure the retirement benefit scheme investments are matched to the Actuary's recommended investment policy and increase the Fishermen's Mission's annual contribution to deficit reduction if required.

2. Reputation – Single media event resulting in fundamental undermining of reputation and trust, with possible business failure resulting.

Action – Engage part-time professional media specialist, to advise on and ameliorate threats. Pro-active engagement through social media and website

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with both managed from Head Office. Clear guidance on dealing with media has been provided to all staff. Official spokespersons identified and administration of press releases formalised.

3. Future significant downturn in fundraising – Fishermen's Mission becomes unsustainable with the need to re-shuffle operations or close

Action – In light of adverse media coverage of some major charities in 2015, Council has increased the risk score (likelihood) in this area. In this year, rollout of new website and engagement of a dedicated social media manager have shown much promise, while identification of new and/or more diverse streams is a constant theme.

4. Fishermen's Mission resources over-stretched – staff unable to respond effectively or consistently and/or reserves eroded to maintain service levels.

Action – Revitalise volunteer arrangements. Develop effective prioritisation systems and seek alternative methods of sustaining more routine activities/visits.

5. Adverse publicity leading to erosion of reputation and trust. Probable impact on fundraising and ability to deliver charitable objects.

Action – See Risk 2. Pro-active engagement through social media and website with both managed from Head Office. Clear guidance on dealing with media has been provided to all staff. Official spokespersons identified and administration of press releases formalised, along with contingency planning and additional training for staff and volunteers.

FUNDRAISING

This year we have been able to consolidate our great efforts from the previous years and have increased our profile in many new areas.

Integration of Port and Head Office Fundraising

We are continuing with our plans to bring together both Port Staff and Fundraisers into one team, geographically linked, to provide a stronger resource for our fundraising efforts. This approach prevents duplication of efforts and cuts back on travel costs as Fundraisers are able to assist Port Staff with simple tasks when required.

Corporate Fundraising

Forging strong partnerships with corporate partners remains a priority. Support from National Fish Fryers Federation has been welcomed this year and from this relationship our support from fish and chips shops continues to increase. We are pleased to be able to strengthen our relationships with nationally recognised chefs and restaurants. There are still many avenues to be explored in this area.

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Fundraising from Trusts, Grant Making Foundations & Partners

We rely very much on the partnerships we have with grant making trusts, this is particularly true of the long term relationship we have with Seafarers UK, Shipwrecked Mariners, Sailors Society, Seamen's Hospital Society, Trinity House and Merchant Navy Welfare Board. We recognise the need however, to develop and broaden our support base in this area, particularly as we continue to expand our work with beneficiaries. As our work develops outside of the more traditional work streams, for example, healthcare projects, then our ability to reach out to other funders is a welcome opportunity.

Digital and Social Media

The appointment of a Digital Manager in 2014 has made a significant difference to our profile and fundraising efforts. Through the social media platforms we are able to vastly increase the reach of our message. This is a successful area and is continuing to develop.

Supporters of the Fishermen's Mission

We remain deeply indebted to our many thousands of loyal friends, volunteers and donors throughout the United Kingdom. We recognise the need to maintain our relationship with them all. We are also grateful for all the support we receive from churches (all denominations and faiths), groups and associations who continue to provide us with financial support and practical help throughout the year. We have devoted time to seeking new ways to talk to our supporters in a more personal way and to ensuring we communicate with them in the way that they choose. We have maintained their trust and their support.

PR and Marketing

The new website launched at the beginning of 2015 has been a great success. The rebranding, likewise, has been well received. We continue to endeavour to raise our profile with the press and media and this has been successful but there is still work to be done to ensure that our work and the needs of our fishermen and their families is accurately portrayed and brought to the attention of the general public.

OUR FINANCES

Overall Results

Financial Year 2015/16 was another sound year for the Fishermen's Mission's finances. A small operating deficit of £21,526 (2014/15: £869,311 surplus after restatement) was better than budget due to another exceptional year for legacies. To meet the requirement of Section 28 of the FRS 102 the final salary scheme Pension Fund income and expenditure are shown within the Fishermen's Mission's accounts.

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Minor improvement to the balance sheet position in the large part reflects legacies and increased investments.

Contingent Liability

At the year end there is an ongoing dispute with regards to the RBS defined benefits pension scheme liability. At the year-end it was not possible to quantify the potential liability however; the worst case scenario would amount to £1.2m over the life of the scheme. It is also not possible to determine the likelihood of any potential claim at this time.

Fishermen's Mission Reserves

During 2015/16, the Council directed a major change to the management of the reserves that resulted in a move from an advisory approach to a discretionary model. Following advice from the Fishermen's Mission IFA and an assessment of a number of providers of Discretionary Fund Management services, Sarasin and Partners LLP were engaged to manage the reserves. In parallel, the Council reviewed its reserves strategy and issued a new **Investment Policy Statement** that established 5 key objectives for the reserves, namely:

- To provide funds for the early stages of a major fishing emergency;
- To generate revenue income for sustained operations;
- To ameliorate short and longer term challenges to business continuity (up to 2 years);
- Provide the bedrock of the employer's covenant to the now suspended defined benefits pension scheme.
- Provide resource for activities in support of strategic development.

In light of professional advice, the emergency facility is now held as cash on medium term deposit rather than in a low risk investment fund. From September 2016 the remainder of the reserves is invested through the Sarasin Alpha Common Investment Fund for Endowments, with revenue targets set and drawn on a total return basis. Through the Alpha Fund, Trustees accommodate social, environmental and ethical issues where performance is not unduly prejudiced. In this the Council seeks to avoid investing in areas associated with increased levels of need and suffering among the fishing communities

The Fishermen's Mission reserves investments experienced a satisfactory net gain of just over 8.8%. The portfolio also generated £124,986 (2014/15: £129,251) in dividend/interest payments for revenue. Revenue income for the final quarter of the year was deferred due to the switch to Sarasin for management of the reserves.

The Net Movement of Funds for the year was £344,504 inflow (2014/15: £1,637,165 inflow) which has been transferred to the relevant funds. The Fishermen's Mission free reserves at 31 October 2016 stood at £8,691,769.

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Free reserves available for use by the Fishermen's Mission are deemed to be those that are readily realisable, less funds whose uses are restricted or else designated for a particular purpose. The calculation excludes funds invested in property and other fixed assets that will continue to be used in the day to day running of the Fishermen's Mission.

Income

Donations and gifts totalled £1,486,405, a small decrease of £34,151 on 2014/2015 figures. The yearly legacies target was again exceeded, continuing to reap the benefits of a very successful house to house campaign in the past. Building legacies for the future remains a priority.

Expenditure

Overall centres overhead costs remained stable within the year although showing a slight reduction with the disposal of the two remaining large centres. Staff numbers at 31 October 2016 were 52, up from 47 on 1 November 2015.

Retirement Benefit Scheme (RBS)

Over the year, the Scheme Trustees, working with the Council, reviewed and reissued their Investment Policy Statement. Having taken professional investment advice, the Scheme Trustees also decided to adopt a discretionary approach to the management of the fund.

Utilising the professional services of Barnet Waddingham LLP, Trustees considered formally a number of prospective Institutional Fund Managers, ultimately selecting Legal and General LLP to take on management of the fund during the financial year 16/17.

Overall the fund balance is £9,861,438 and increase of £462,601 on the previous year. The increase is primarily due to the change in market value of the investments.

Asset Class	Performance for scheme year ending:			
	31/10/2016	31/10/2015	31/10/2014	31/10/2013
Equities	22.49%	8.42%	5.80%	21.95%
Fixed Interest	9.73%	1.77%	4.29%	10.57%
General/Other	3.55%	7.17%	5.15%	2.58%
RBS Scheme Return	10.86%	5.73%	5.22%	15.98%
Benchmark Return (FTSE WMA Stockmarket Income Index)	13.21%	4.76%	4.88%	11.33%

The FRS 102 valuation on 31 October 2016 saw an increase in the scheme's deficit by £364,000 to £953,000 (2014/15: £589,000).

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Reserves Policy

As the Fishermen's Mission has a relatively small level of discretionary expenditure within its annual outlay, to ensure business continuity the aim is to maintain the charity's free reserves at a level of approximately two year's operating costs of £4M. This level of reserves also underpins the covenant for the RBS pension scheme, on-going strategic restructuring of the Fishermen's Mission through to 2021, generation of revenue income and provision for a major operational emergency. The Reserves Policy is reviewed annually.

MEMBERS OF THE COUNCIL

The Trustees of the Council during the year were as shown on page 2. In accordance with the provisions of the Company's Articles of Association; Ms Libby Woodhatch, Sir Jeremy de Halpert, The Very Reverend Dr David Lacy and Mr Michael Vlasto retired by rotation at the Annual General Meeting in April 2015 and were re-elected. In April 2016 Jill Henderson stood down as Chairman and was replaced by Prof. Glyn Tonge and Mr Michael Vlasto replaced Rear Admiral John Lang as Deputy Chairman, upon his retirement. Capt. James Portus resigned February 2016, Rear Admiral John Lang and Mr Jamie Parker resigned April 2016 and Mr Derek Young resigned October 2016; Mr Trevor James was elected as a new Trustee. Council Trustees are appointed based upon their knowledge of the fishing industry or the specific skills and experience they can bring to bear. On joining the Council, Trustees receive a comprehensive briefing package and undertake induction visits to a number of ports. The composition of and succession planning for Council is considered formally every year.

FUTURE DEVELOPMENTS

Details on future developments are included within the Strategic Report: '2015/16 performance against our vision to 2020'.

RESPONSIBILITIES OF THE MEMBERS OF THE COUNCIL

The Trustees (who are also Directors of Royal National Mission to Deep Sea Fishermen for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved confirms that:

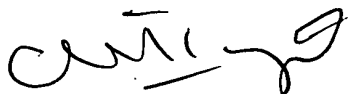
- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and;
- that the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant information and to establish that the charitable company's auditor is aware of that information.

AUDITORS

In accordance with section 487 of the Companies Act 2006, a resolution proposing that Mazars LLP be reappointed as auditors of the charitable company will be put to the forthcoming Annual General Meeting.

The Trustees approve their Annual Report and, in their capacity as company directors and approve the Strategic Report incorporated therein.
Signed on behalf of the Trustees.

BY ORDER OF THE COUNCIL



Professor Glyn Tonge BSc, PhD, DUniv, FRSB, CBiol
Chairman
Date 21 February 2017

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Independent auditor's report to the members of Royal National Mission to Deep Sea Fishermen

We have audited the financial statements of Royal National Mission to Deep Sea Fishermen for the year ended 31 October 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of trustees and auditor

As explained more fully in the Responsibilities of the Members of the Council Statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

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/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

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

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

Opinion on the other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us;
or
- the financial statements are not in agreement with the accounting records and returns;
or
- certain disclosures of trustees' directors' remuneration specified by law are not made;
or
- we have not received all the information and explanations we require for our audit [or

Jonathan Marchant

(Senior Statutory Auditor)



for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor
Merck House
Seldown Lane
Poole
Dorset
BH15 1TW
Date

27/2/17.

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

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STATEMENT OF FINANCIAL ACTIVITIES (Incorporating the income and expenditure account) For the year ended 31 October 2016

	Notes	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £ Restated
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary Income :Donations and gifts		1,383,299	103,106	1,486,405	1,452,254
Legacies		788,535	168,692	957,227	1,271,457
Investment Income	2	106,403	-	106,403	91,741
Incoming resources from charitable activities					
Income from catering and accommodation		98,363	-	98,363	145,901
Charity Shop		43,353	-	43,353	38,376
Other incoming resources					
Net realised (loss)/gain on sale of fixed assets		(2,152)	-	(2,152)	478,234
Rental Income		45,963	-	45,963	39,088
TOTAL INCOMING RESOURCES		2,463,764	271,798	2,735,562	3,517,051
RESOURCES EXPENDED					
Less: Costs of generating funds					
Fundraising and publicity	3	822,167	-	822,167	798,389
Charitable activities					
Charitable expenditure		1,585,639	349,282	1,934,921	1,849,351
TOTAL RESOURCES EXPENDED		2,407,806	349,282	2,757,088	2,647,740
NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER GAINS AND LOSSES		55,958	(77,484)	(21,526)	869,311
OTHER RECOGNISED GAINS AND LOSSES					
Unrealised gain on investment assets		701,030	-	701,030	292,854
Actuarial (loss)/gain on defined pension scheme	11/17	(335,000)	-	(335,000)	475,000
NET MOVEMENT IN FUNDS		421,988	(77,484)	344,504	1,637,165
RECONCILIATION OF FUNDS					
Balance brought forward at 1 November 2015	11	10,565,325	326,591	10,891,916	9,254,751
Balance carried forward at 31 October 2016	11	10,987,313	249,107	11,236,420	10,891,916

All activities relate to continuing operations.

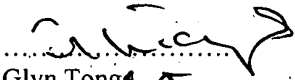

The Statement of Financial Activities includes all gains and losses recognised in the year.

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BALANCE SHEET AS AT 31 OCTOBER 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Investments Shares	6	9,000,345	7,999,312
Tangible Assets	7	1,999,652	2,206,353
		<u>10,999,994</u>	<u>10,205,665</u>
CURRENT ASSETS			
Stocks	8	450	300
Debtors	9	119,639	120,490
Cash at bank and in hand		1,222,915	1,282,862
		<u>1,343,004</u>	<u>1,403,652</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(153,578)	(128,401)
		<u>1,189,426</u>	<u>1,275,251</u>
NET CURRENT ASSETS			
		<u>1,189,426</u>	<u>1,275,251</u>
NET ASSETS BEFORE PENSION LIABILITY		12,189,420	11,480,916
Defined benefit pension scheme liability	17	(953,000)	(589,000)
		<u>11,236,420</u>	<u>10,891,916</u>
NET ASSETS AFTER PENSION LIABILITY	13		
		<u>11,236,420</u>	<u>10,891,916</u>
FUNDS OF THE CHARITY			
Restricted funds	12	249,107	326,591
Designated funds	11/13	<u>2,659,544</u>	<u>2,828,230</u>
		2,908,651	3,154,821
Free reserves			
- Pension deficit	17	(953,000)	(589,000)
- General fund	11/13	<u>9,280,769</u>	<u>8,326,095</u>
		8,327,769	7,737,095
TOTAL CHARITY FUNDS		<u>11,236,420</u>	<u>10,891,916</u>

The financial statements on pages 16 to 34 were approved by the Members of the Council on **21st February 2017** and were signed on its behalf by:


 Glyn Tonge

 Michael Vlasto

)
) Members of the Council

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

CASH FLOW STATEMENT

For the year ended 31 October 2016

	Notes	2016 £	2015 £
Cash flows from operating activities:			
	20(a)	65,631	337,364
Net cash (used in)/provided by operating activities		<u>65,631</u>	<u>337,364</u>
Cash flows from investing activities			
Interest received		3,417	2,490
Interest paid		(7,072)	(7,558)
Dividends received from investments (gross)		124,986	129,251
Purchase of tangible fixed assets		(121,823)	(121,785)
Sale of tangible fixed assets		174,914	888,824
Sale of investments		-	-
Purchase of fixed asset investments		(300,000)	(600,000)
Net cash used in investing activities		<u>(125,578)</u>	<u>291,222</u>
Change in cash and cash equivalents in the year		<u>(59,947)</u>	<u>628,586</u>
Cash and cash equivalents at 31 October 2015		<u>1,282,862</u>	<u>654,276</u>
Cash and cash equivalents at 31 October 2016		<u>1,222,915</u>	<u>1,282,862</u>

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2016

1. ACCOUNTING POLICIES

The Royal National Mission to Deep Sea Fishermen (or Fishermen's Mission), a Company Limited by Guarantee No. 00024477, is registered with the Charity Commissioners (No. 232822) and the Office of the Scottish Charity Regulator (No SC039088). The registered office is Mather House, 4400 Parkway, Solent Business Park, Whiteley, Hampshire, PO15 7FJ.

Basis of preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention, except as modified by the inclusion of investments at market value, and in accordance with applicable Accounting Standards in the United Kingdom, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Statement of Recommended Practice – Accounting and Reporting by provision of the Charities SORP 2015 (FRS 102). A summary of accounting policies, which have been applied consistently, is set out below.

(a) Income from donors and supporters

Income from donations and supporters are accounted for on an accruals basis. Any significant income related to the year end and received at the Mission's headquarters or main bankers after the year end is accrued in the financial statements.

Gifts in kind are included in incoming resources at the year end at an estimate of their value to the Mission.

(b) Legacies received

Legacy income is recognised when there is sufficient evidence to provide the necessary certainty that the legacy will be received and the value of the incoming resource can be measured with sufficient reliability. Estimated legacy income of £995,250 (2015: £902,750) has not been included in the Statement of Financial Activities because the conditions of recognition have not been met.

(c) Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets over their expected useful economic lives on the following basis:

Freehold property	2% straight line
Long term and short term leasehold property	Amortised over period of the lease
Motor vehicles	33% reducing balance
Furniture, fixtures and fittings	20% reducing balance
Computer equipment	25% straight line

Individual fixed assets costing more than £1,000 are capitalised at cost and are subsequently stated at cost less depreciation.

(d) Capital grants

Capital grants are recognised in restricted or unrestricted funds in accordance with the conditions of the grantor.

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2016 (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(e) **Stock**

Stock is stated at the lower of cost and net realisable value.

(f) **Investments**

Investments are stated at market value. Any unrealised gains and losses on investments are taken directly to the statement of financial activities.

(g) **Investment income**

Investment income is shown on an accruals basis.

(h) **Classification of expenditure**

Administration/Support costs have been reapportioned to direct charitable and fundraising costs dependent on the expense i.e. headcount/direct/evenly across cost centres in accordance with guidance in the SORP. Expenditure includes any VAT, which cannot be recovered and is reported to the part of the expenditure to which it relates. Resources expended are accounted for on an accruals basis.

(i) **Charitable expenditure**

Charitable expenditure includes all costs associated with the Fishermens Mission and Welfare centres situated throughout the United Kingdom. A proportion of time is spent doing work of a fundraising nature. The costs of this have been allocated to fundraising expenditure.

(j) **Fundraising expenditure**

Fundraising expenditure includes a proportion of administration charges and includes depreciation costs on motor vehicles and equipment. Fundraisers spend a proportion of their time doing work of a charitable nature. The costs of this have been allocated to charitable expenditure.

(k) **Administration/Support expenses**

Administration/Support expenses include building running costs and all related charges (including salaries) of head office. Administration/Support expenses are re-allocated to charitable and fundraising expenditure by headcount/direct/evenly across cost centres.

(l) **Governance costs**

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. These are included under resources expended within charitable expenditure.

(m) **Operating lease**

Rental payments under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2016 (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Pension costs

The charitable company participates in a defined benefit scheme. The defined benefit scheme pension costs are assessed in accordance with actuarial advice and based on the most recent actuarial valuation of the scheme. Pension costs and disclosures have been reported in accordance with Section 28 of the FRS 102.

The Mission also operates a defined contribution scheme. Contributions payable to this scheme are included in the Statement of Financial Activities in the period to which they relate.

(o) Funds

Restricted funds are funds whose use is legally restricted to specific uses whether by a trust deed or by a letter received with the original gift.

Designated funds are funds whose use is not legally restricted but whose purpose has been designated by the Council. The Council is entitled to change its mind and use these funds in whichever way it sees fit. The Designated fund is currently committed to cover the carrying value of the fixed assets and the additional contributions that are likely to be required for the Mission's defined benefit pension scheme.

The general fund covers all items that do not fall into the above categories.

(p) Cash and Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are also liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(q) Financial Instruments

The Fishermens Mission only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Creditors are recognised where the Fishermens Mission has a present obligation resulting from a past event and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

(r) Going Concern

In arriving at the judgement that the Fishermens Mission is a going concern a large number of assumptions and estimates are calculated and a 5 year rolling business plan is produced and reviewed by the Trustees on an annual basis.

(s) Key Estimations

All accounting estimates are included that could be material to the financial statements. Those estimates used are reasonable in the circumstances and consistent with assumptions used in previous years.

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2016 (continued)

2. INVESTMENT INCOME

	2016 £	2015 £ Restated
Bank Interest	3,417	2,490
Net Pension (expense)\income	(22,000)	(40,000)
Income from Investments	<u>124,986</u>	<u>129,251</u>
	<u>106,403</u>	<u>91,741</u>

3. TOTAL RESOURCES EXPENDED

3a. Costs of generating voluntary income

2015 figures have
been restated

	Restricted fund 2016 £	Unrestricted fund 2016 £	Total funds 2016 £	Total funds 2015 £
Fundraising	-	696,911	696,911	702,319
Support costs	-	125,256	125,256	96,070
	-	822,167	822,167	798,389

3b. Governance costs

	Restricted fund 2016 £	Unrestricted fund 2016 £	Total funds 2016 £	Total funds 2015 £
Salaries and related	-	31,081	31,081	41,645
Council expenses	-	32,406	32,406	15,075
Audit fee	-	13,930	13,930	14,700
	-	77,417	77,417	71,420

3c. Direct costs

	Welfare 2016 £	Total 2016 £	Total 2015 £
Manual staff costs	87,671	87,671	153,374
Uniformed staff costs	689,959	689,959	673,070
Depreciation	100,117	100,117	107,101
Catering/accom exp	32,180	32,180	42,618
Centres operating costs	467,003	467,003	482,537
Welfare payments	77,961	77,961	59,734
	<u>1,454,891</u>	<u>1,454,891</u>	<u>1,518,434</u>

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2016 (continued)

3d.Support costs

	Costs of Generating Funds 2016 £	Governance 2016 £	Welfare 2016 £	Total 2016 £	Total 2015 £
Admin costs (HQ)	166,906	-	480,030	646,936	307,567
	166,906	-	480,030	646,936	307,567

The support costs allocation has been based on employee numbers.

3e.Analysis of resources expended by expenditure type

	Staff Costs 2016 £	Depreciation 2016 £	Other Costs 2016 £	Total 2016 £	Total 2015 £
Costs of generating funds - Fundraising	475,416	18,892	278,789	773,097	782,389
Welfare	926,462	132,565	658,547	1,717,574	1,729,931
Governance	31,081	-	46,336	77,417	71,420
	1,432,959	151,457	983,672	2,568,088	2,583,740

3f.Analysis of resources expended by activities

	Activities undertaken directly 2016 £	Support Costs 2016 £	Total 2016 £	Total 2015 £
Welfare	1,454,891	480,030	1,934,921	1,849,351

3a. In 2015, of the costs of generating voluntary income £798,839 was to unrestricted funds and £nil to restricted funds.

3b. In 2015, of the governance costs £71,420 was to unrestricted and £nil to restricted funds.

3c. In 2015, of the direct costs £1,288,503 was to unrestricted funds and £229,931 to restricted funds.

3d. In 2015, of the support costs £307,567 was to unrestricted funds and £nil to restricted funds.

3e. In 2015, of the resources expended by expenditure type £2,353,809 was to unrestricted funds and £229,931 to restricted funds.

3f In 2015, of the resources expended by activities £1,619,420 was to restricted funds and £229,931 to restricted funds.

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2016 (continued)

4. NET INCOMING RESOURCES

The net incoming resources for the year are stated after charging/ (crediting):-

	2016 £	2015 £
Depreciation of tangible fixed assets	151,457	160,323
Auditors' remuneration		
- audit fees	13,000	10,800
(Profit) on disposal of fixed assets	2,152	(478,324)
Interest payable		
- bank interest	7,072	7,558
Operating lease rentals		
- plant and equipment	2,830	6,040
- other	73,514	73,514
	<u>151,457</u>	<u>160,323</u>

5. EMPLOYEE INFORMATION

The average weekly number of persons employed during the year is analysed below:

	2016 Number	2015 Number
Mission staff – uniformed & fundraising	26	25
Administration staff – Head office	9	9
Support staff (Ports)	17	13
	<u>52</u>	<u>47</u>

In addition to the above employees, the group used the services of 19 (2015:19) auxiliary staff, who worked on average 7 to 10 hours per week.

Employment costs for all full time and part time staff:

	2016 £	2015 £
Wages and salaries	1,222,184	1,226,577
Social security costs	111,841	107,203
Pension costs	72,921	72,248
	<u>1,406,946</u>	<u>1,406,028</u>

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2016 (continued)

The number of employees whose emoluments for the year exceeded £60,000 is as follows:

	2016 Number	2015 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>2</u>

The pension contribution made by the employer on behalf of one employee above was £5,794 (2015: £5,699, contribution for one employee).

We have identified our Key Management Personnel as the current Executive Team and their total remuneration amounts to £169,147 (2015:£166,046).

Council members' remuneration, expenditure and donations made

No Council member received any remuneration for the year (2015: £nil). Costs relating to council members' expenditure included in governance expenses were for accommodation, travel and meal costs £23,126 (2015: £14,732). 11 Council Members claimed expenses during the year (2015:9). Donations of £844 were received from Trustees.

6. FIXED ASSET INVESTMENTS

	Listed Investments £
Market value	
At 1 November 2015	7,999,312
Purchases	300,000
Net unrealised investment gain	701,030
	<u>9,000,342</u>
At 31 October 2016	<u>9,000,342</u>
Fixed asset investments represents:	£
Fixed Income	1,226,454
UK Equities	2,376,709
Global Equities	3,532,020
Property	1,080,231
Alternative Investments	559,245
Liquid Assets	225,683
	<u>9,000,342</u>

The following investments represent more than 5% of the portfolio by market value:

	£
Sarasin Alpha CIF	8,532,472
	<u>8,532,472</u>

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2016 (continued)

7. TANGIBLE FIXED ASSETS

	Freehold and leasehold property £	Motor vehicles £	Furniture fixtures, fittings and computer equipment £	Total £
Cost				
At 1 November 2015	2,655,783	320,653	309,093	3,285,529
Additions	65,010	38,168	18,645	121,823
Disposals	(258,768)	(12,050)	(62,679)	(333,497)
At 31 October 2016	2,462,025	346,771	265,059	3,073,855
Depreciation				
At 1 November 2015	599,438	205,139	274,599	1,079,176
Charge for year	89,151	50,553	11,753	151,457
Disposals	(88,695)	(11,561)	(56,174)	(156,430)
At 31 October 2016	599,894	244,131	230,178	1,074,203
Net book values				
At 31 October 2016	1,862,131	102,640	34,881	1,999,652
At 31 October 2015	2,056,346	115,513	34,494	2,206,353

8. STOCK

	2016 £	2015 £
Food and ancillary items for resale	450	300

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other debtors	487	520
Prepayments and accrued income	119,152	119,970
	119,639	120,490

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2016 (continued)

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	44,946	80,943
Other creditors	4,506	857
Other taxes and social security	31,592	29,968
Accruals and deferred income	72,534	16,633
	<u>153,578</u>	<u>128,401</u>

11. FUNDS

	Unrestricted funds		Fixed Asset	Restricted	Total
	General Fund	Pension Fund	Fund	Funds	
	£	£	£	£	£
At 1 November 2015	8,326,095	(589,000)	2,828,230	326,591	10,891,916
Net incoming resources for the year	84,958	(29,000)	-	(77,484)	(21,526)
Net unrealised gain on investment assets	701,030	-	-	-	701,030
Actuarial gain on defined benefit scheme	-	(335,000)	-	-	(335,000)
Transfers between funds	<u>168,686</u>	<u>-</u>	<u>(168,686)</u>	<u>-</u>	<u>-</u>
At 31 October 2016	<u>9,280,769</u>	<u>(953,000)</u>	<u>2,659,544</u>	<u>249,107</u>	<u>11,236,420</u>

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2015 (Continued)

12. RESTRICTED FUNDS ANALYSIS

	At 1 November 2015	Incoming	Expenditure	At 31 October 2016
Future Expenditure Fund	3,623	95,626	96,140	3,109
Emergency Appeal Fund	-	50	50	-
Shetland Fishermens Association	56,790	-	-	56,790
M J Pipe Trust	35,824	-	3,104	32,720
Fishmongers Hall	5,417	-	-	5,417
Seafarers UK	-	6,000	4,040	1,960
J Cassidy	200	-	200	-
Morrison's FFP (Scotland)	16,545	-	10,102	6,443
G Melton Fund	10,350	-	10,350	-
K Wiseman	-	1,100	-	1,100
Georgia Couttes	-	3,211	-	3,211
Dorothy Robertson	-	5,000	5,000	-
Alice Heaton Tompson	-	500	500	-
Sylvia May Gilder	-	61,048	61,048	-
Carl Royston Jose	-	32,993	32,993	-
Nancy E Walker	-	2,000	2,000	-
Dorothy Fraser Fairlie	-	63,940	63,940	-
Beatrice Lanham	4,781	-	4,781	-
Henry Slater	64,938	-	17,018	47,919
Scotland Ghana Society	-	330	-	330
Acquired Fixed Assets Fund	<u>128,123</u>	<u>-</u>	<u>38,015</u>	<u>90,108</u>
	<u>326,591</u>	<u>271,798</u>	<u>349,282</u>	<u>249,107</u>

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2016 (continued)

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Notes	Tangible fixed assets	Investments	Net current assets	Pension liability	Total
	12	£	£	£	£	£
Restricted funds						
Future Expenditure Fund		-	-	3,109	-	3,109
Seafish UK		-	-	1,960	-	1,960
Shetland Fishermens Assoc		-	-	56,790	-	56,790
M J Pipe Trust		-	-	32,720	-	32,720
Fishmongers Guild		-	-	5,417	-	5,417
K Wiseman		-	-	1,100	-	1,100
Morrison Training Fund		-	-	6,443	-	6,443
Scotland Ghana Society		-	-	330	-	330
Georgia Couttes Legacy		-	-	3,211	-	3,211
Henry Slater Legacy		-	-	47,919	-	47,919
Acquired Fixed Assets Fund		<u>90,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,108</u>
		90,108	-	158,999	-	249,107
Unrestricted funds						
Designated – Fixed Assets Fund		1,909,544	-	750,000	-	2,659,544
General Fund		-	9,000,342	280,427	-	9,280,769
Pension Scheme Fund		<u>-</u>	<u>-</u>	<u>-</u>	<u>(953,000)</u>	<u>(953,000)</u>
		<u>1,999,652</u>	<u>9,000,342</u>	<u>1,189,426</u>	<u>(953,000)</u>	<u>11,236,420</u>

The Future Expenditure Fund is a fund which consists of income given for the purchase of specific items.

Seafish UK fund is to support the MPO programme in Fife. The Shetland Fishermens Association is a restricted fund consisting of income given for use in the Shetland Islands. The M J Pipe Trust is for use in Lowestoft. The Fishmongers Guild fund is to be used to assist fishermen to remain active. K Wiseman is for the purchase of furniture prior to reopening the Fraserburgh Mission. Morrison's Fishermen for the Future Project (Scotland) is used to provide training for young people from a fishing family or community. Scotland Ghana Society Fund is to provide a meal at Christmas at the Troon Centre. Georgia Coutts is a legacy to be used in Peterhead. Henry Slater is a legacy to be used in Peterhead.

The Acquired Fixed Assets Fund is a restricted fund consisting of assets with restrictions on use.

The Fixed Assets Fund is a designated fund consisting of all fixed assets with no restrictions on use and for additional contributions that are likely to be required for the Mission's defined benefit scheme pension

The General Fund is an unrestricted fund which can be used for any charitable purpose.

The Pension Scheme Fund is an unrestricted fund equal to the year-end liability of the defined benefit pension scheme.

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2016 (continued)

14. TAXATION

The Mission is a charity and as such is exempt from taxation on its income and gains to the extent that they are applied to its charitable purpose.

15. FUTURE CAPITAL EXPENDITURE

	2016 £	2015 £
Authorised by the Council but not contracted for	110,000	49,000
Contracted for but not provided	nil	nil

16. FINANCIAL COMMITMENTS

At 31 October 2016 the Mission had annual commitments under non-cancellable operating leases expiring as follows:-

	Land & Building		Other	
	2016 £	2015 £	2016 £	2015 £
Due within 1 year	73,514	73,514	2,830	6,040
Due within 2-5 years	83,182	135,684	8,749	7,173
More than 5 years	-	10,667	-	-
	<u>156,696</u>	<u>219,865</u>	<u>11,579</u>	<u>13,213</u>

17. PENSIONS

In accordance with Financial Reporting Standard 102 – (FRS 102) the charity is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees.

The charity operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity, being invested with investment management companies. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the charity. A qualified independent actuary on the basis of triennial valuations last carried out on the 31 October 2012, updated to 31 October 2016, using the projected unit method determines the contributions.

The scheme was suspended from 1 November 2007 and so no contributions relating to wages and salaries were made during the year ended 31 October 2016. The Mission did make contributions towards administration costs of the pension scheme during the year as agreed in the Schedule of Contributions.

Additional contributions have been made by the charity from 1 November 2004, such amounts of a regular and one off nature as may be agreed between the trustees and the employer from time to time and recorded in a trustee minute or resolution. These contributions have been made to remove the deficiency in respect of past service at the valuation date. A contribution was made in the year ended 31 October 2016 of £132,000. The expected payment in the year to 31 October 2017 is £132,000.

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2016 (continued)

Principal actuarial assumptions at the year end were as follows:

	2016	2015
Discount rate	2.7%	3.7%
Inflation	3.6%	3.2%
RPI minimum 3% pa and maximum 5% pa pension increases	3.7%	3.5%
RPI maximum 5% pa pension increases	3.4%	3.1%
Expected return on scheme assets	2.7%	3.7%
Post retirement mortality:	95% of S2NXA CMI 2015 (1%) S2NXA CMI 2014(1%)	
Life expectancy at age 65 of male aged 65	87.6	87.4
Life expectancy at age 65 of male aged 45	88.9	88.7

The current asset split is as follows:

	Bid Value at 31 Oct 2016
Equities	£5,211,000
Bonds	£2,882,000
Property	£ 814,000
Cash and net current assets	£ 679,000
Alternative assets	<u>£ 275,000</u>
Total Assets	<u>£9,861,000</u>

The following amounts at 31 Oct and 31 Oct 15 were measured in accordance with the requirements of FRS102:

	31 Oct 2016	31 Oct 2015
Total assets	£9,861,000	£9,399,000
Present value of funded scheme liabilities	<u>(£10,814,000)</u>	<u>(£9,988,000)</u>
Surplus/(deficit) in scheme	(£953,000)	(£589,000)

Amount recognised in Statement of Other Comprehensive Income

	Period to 31 Oct 2016	Period to 31 Oct 2015
Actuarial gains and (losses)	(£335,000)	£475,000
Effect of limit on recognised surplus	<u>£0</u>	<u>£0</u>
Total amount recognised in OCI	(£335,000)	£475,000

Amount recognised in Profit and Loss

	Period to 31 Oct 2016	Period to 31 Oct 2015
Current service cost	£0	£0
Administration costs	£189,000	£64,000
Interest on liabilities	£360,000	£383,000
Interest on assets	(£338,000)	(£343,000)
Past service costs	£0	£0
Settlements and curtailments	<u>£0</u>	<u>£0</u>
Total charge to Profit and Loss	£211,000	£104,000

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2016 (continued)

Change in value of assets

	Period to 31 Oct 2016	Period to 31 Oct 2015
Value of assets at start	£9,399,000	£9,125,000
Interest on assets	£338,000	£343,000
Employer contributions	£182,000	£185,000
Member contributions	£0	£0
Benefits paid	(£535,000)	(£389,000)
Administration costs	(£189,000)	(£64,000)
Settlements and curtailments	£0	£0
Actuarial gain/(loss) on Scheme assets	<u>£666,000</u>	<u>£199,000</u>
Value of assets at end	£9,861,000	£9,399,000
Actual return on assets	£1,004,000	

Change in value of DB liabilities

	Period to 31 Oct 2016	Period to 31 Oct 2015
Value of liabilities at start	£9,988,000	£10,270,000
Interest cost	£360,000	£383,000
Current service costs	£0	£0
Past service costs	£0	£0
Members contribution	£0	£0
Benefits paid	(£535,000)	(£389,000)
Settlements and curtailments	£0	£0
Total actuarial (gain)/loss due to changes in the assumptions	£1,723,000	£83,000
Actuarial gain/(loss) on due to experience	<u>£666,000</u>	<u>£199,000</u>
Value of liabilities at end	£9,861,000	£9,988,000

GROUP PERSONAL PENSION

The Mission also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Mission in an independently administered fund. The pension cost charge represents contributions payable by the Mission to the fund. At the year end there were no unpaid contributions (2015: none).

	2016	2015
	£	£
Contributions payable by the company for the year	<u>72,921</u>	<u>72,249</u>

18. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2016 (continued)

19. CONTINGENT LIABILITY

At the year end there is an ongoing dispute with regards to the RBS Pension scheme liability. At the year end it was not possible to quantify the potential liability however the worst case scenario would amount to £1.2m over the remainder of the scheme. It is also not possible to determine the likelihood of any potential claim at this time.

20. CASH FLOW STATEMENT

(a) Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016 £	2015 £
Net (expenditure)/incoming resources	(21,526)	1,013,311
Investment income	(106,403)	(131,741)
Interest payable	7,072	7,558
Depreciation on tangible fixed assets	151,457	160,323
(Increase)/Decrease in stocks	(150)	2,497
Decrease/(Increase) in debtors	851	(78,439)
Increase/(Decrease) in creditors	25,178	67,089
Pension scheme contributions in excess of charge	7,000	(225,000)
Loss/(Gain) on Disposal of Fixed Assets	2,152	(478,234)
NET CASH PROVIDE BY (USED IN) OPERATING ACTIVITIES	65,631	337,364

(b) Reconciliation of net cash flow to movement in net cash balance

	2016 £	2015 £
(Decrease)/Increase in cash in the year	(59,947)	628,586
Changes in net cash balance from cash flows	(59,947)	628,586
Net cash balance brought forward	1,282,862	654,276
Net cash balance carried forward	1,222,915	1,282,862

(c) Analysis of net cash resources for the year

	At 1 November 2015 £	Cash Flows £	At 31 October 2016 £
Cash in hand and at bank	<u>1,282,862</u>	<u>(59,947)</u>	<u>1,222,915</u>

ROYAL NATIONAL MISSION TO DEEP SEA FISHERMEN

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2016 (continued)

21. TRANSITION TO SORP (FRS102) – Reconciliaton with previous SORP 2005

The Statement of Financial Activities have been adjusted at 31 October 2015 to show the position as if SORP (FRS102) had always been applied, as follows

Recognition of additional pension liability on scheme:	At 31.10.15 Restated
	£
Interest received adjustment	(80,000)
Reduction in contribution paid (previously treated as expenses)	(64,000)
Actuarial gain on defined pension scheme adjustment	<u>144,000</u>
This has a zero impact on the balance sheet opening balance	<u>0</u>

Under previous UK GAAP the return on scheme assets was measured using a market rate of return and the cost of the scheme liabilities using a discount rate set at the interest rate of an appropriate corporate bond. FRS 102 requires the discount rate to be applied to the net assets of the scheme rather than apply different rates to scheme assets and liabilities. The change has had no effect on the total defined benefit plan obligation.