



Trustees' report and financial statements

For the year ended 31 October 2020



Royal National Mission to Deep Sea Fishermen

(A Company limited by guarantee)

Company Registration Number 24477

England & Wales Charity Registration Number 232822

Scotland Charity Registered Number SC039088

Mazars LLP, South West

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Royal National Mission to Deep Sea Fishermen

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

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Royal National Mission to Deep Sea Fishermen

Members of the Council who served during the year

Mr Michael Vlasto OBE	Chairman
Ms Elizabeth Woodhatch	Deputy Chair
Mr Ian Gatt	
The Venerable Simon Golding CBE	
Rear Admiral Sir Jeremy de Halpert KCVO	
Mr Trevor James	
The Very Reverend Dr David Lacy DL	
Mr Thomas Maier	
Dr Jonathan Shepherd	
Mr Edward Whittle	
Mr Matthew Cox (Appointed 29 April 2020)	
Reverend Derath Durkin (Appointed 29 April 2020)	
Mrs Helen Nickells (Appointed 29 April 2020)	
Mr Nathan de Rozarieux (Appointed 29 April 2020)	
Miss Kirsty Masters (Appointed 29 April 2020)	
Mrs Kate Pound (Appointed 29 April 2020)	

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Commodore David Dickens CBE RN (Chief Executive)
Mrs Alison Godfrey (Director of Business Development)

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Registered Auditors

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Investment Managers

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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 2020. 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.

The charity's governing body consists of a Council, that under the Memorandum and Articles of Association, should have no more than 15 in number Trustees, appointed from the membership of the Fishermen's Mission Association. However, following a very successful recruiting campaign in early 2020, a resolution was passed at the 2020 Annual General Meeting to authorise a temporary increase in Council membership to 16 until April 2021. This move has allowed early improvements in Council diversity and a measured approach to succession and new trustee training. The Council normally meets 4 times per year. The Executive consists of the Chief Executive and the Director of Business Development who undertake the routine management of the Fishermen's Mission.

STRATEGIC REPORT

Council reviewed their 2019-2024 Strategy in September 2020 with a focus on the in-year and longer-term impacts and implications of the global coronavirus (CV-19) pandemic on their objectives. Trustees were clear that their overall strategy remained fit for purpose. However, considering a reduction in some fundraising streams and the economic uncertainties for the near and medium term, trustees took the view that until the Spring of 2021, the charity's focus should be on sustaining core service delivery, with most development activities being paused. Trustees intend to review their decision in May 2021 when it is hoped the economic outlook will be clearer.

MISSION

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

VALUES

The charity's values are founded on our ecumenical Christian faith and our commitment to provide practical help that makes a positive difference in people's lives.

The charity's focus is the people in need of the practical assistance and support we provide.

The charity's work reflects the things that matter to us and which we care about.

- To be open and welcoming to everyone
- To listen hard, because needs are often complex, deeply personal and ever-changing
- To be trusted to work with care, integrity and discretion
- To be purposeful, resilient, open and straightforward

Royal National Mission to Deep Sea Fishermen

- To work collaboratively to solve wide-ranging challenges

The charity's values align closely with the Nolan Principles of conduct in public service and the NCVO Charity Ethical Principles.

FUNDAMENTAL TASKS

- To provide a 24/7 emergency response to all fishing emergencies at sea:
 - 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 fishermen and their families.
- To provide welfare and support to overseas fishermen working in the UK industry, especially those that live aboard boats.
- To alleviate loneliness through home and hospital visits to retired fishermen and their families.
- To officiate at fishermen's funerals when requested.

2019/20 PERFORMANCE AGAINST COUNCIL'S STRATEGY

Summary

Response to the CV-19 Pandemic

After a poor period for fishing during winter 2019/20, the impact of CV-19 was felt immediately in fishing communities as global markets, especially for shellfish, collapsed. While pelagic and larger white fish boats saw markets recover during the summer months, market prices remained below 2019 values. However, restrictions on the food service sector and a significant downturn in tourism in Europe, impacted especially on smaller shellfish operators and high-end product. As a result, there was a significant increase in demand for the charity's assistance, particularly along the west coast of Scotland and The Borders. These areas remained at focus at the year end.

Just prior to the lockdown, the Fishermen's Mission initiated measures to allow staff to continue working. This enabled a near seamless transition to all staff working remotely from the start of the first period of lockdown.

Development Activities

While all efforts were made to sustain key elements of the successful joint GetSeaFit programme, trustees quickly established remote delivery of core welfare services as the main priority. Frontline staff also successfully included those working in aquaculture in their outreach work.

However, uncertainties over Brexit and CV-19 delayed plans for further research into needs among fishermen in Ireland. With reductions in raised voluntary income, primarily due to cancellation of events and other community fundraising activities, Trustees decided to delay enhancements to the management of operations. Response to initial recruiting for these roles in early 2020 was strong giving confidence for an early fill once conditions allow.

Strategic Objectives

Enhance support to both active and retired fishermen and their families.

Highlights:

- Successful and ongoing response to CV-19, with the majority of core services delivered consistently. To date:
 - Around 4000 CV-19 related client interactions.
 - Over £400k provided in immediate financial assistance primarily for general living expenses.
 - Some 84 families referred to and taken on by the Sailors' Children's Society, providing additional funds for children, including for home schooling equipment.
 - Around 100 referrals to the Royal National Merchant Navy Education Foundation with children of fishermen receiving additional one-off financial support and home-schooling resources (including laptops).
 - Regular telephone contact with scores of our older clients to reduce loneliness and isolation during the pandemic.
 - Health and Mental Health Trainers at Newlyn, Bridlington and in Norfolk sustained services, with much being delivered remotely.
 - A partnership was entered into with Aberdeenshire Council to provide health and wellbeing support (including mental health) to fishing communities in the area.
 - Mental health was identified early in the pandemic as a priority with many referrals to both the GetSeaFit Mental health trainers and a telephone counselling service funded through the Fishermen's Mission.
 - Although limited on occasions by CV-19 restrictions, the physiotherapy network has continued to be to provide an effective service to active fishermen.
 - While challenged by several physical restrictions, engagement and partnership working with a range of wellbeing agencies such as Macmillan, the British Heart Foundation and Prostate Cancer UK was continued.

Improve the collection, quality, management and use of our data.

Following on from investment into our digital structure, both hardware and software, and the continuation of work to be paper free by 2021, the Fishermen's Mission was well placed to be able to ensure that all staff were able to work from home. Some non-budgeted expenses were incurred as extra hardware was required.

The continued development to move all client data to Raiser's Edge NxT (a relationship management database) by 2021 continued apace and will be accessed via a portal that is in the process of being delivered and is now at the testing stage. This move has been named the Navigator Project.

The Navigator Project will bring about some significant developments and improvement in the collection and processing of client data. This will allow better access across the organisation to client files and information and improve business continuity and data gathering. Information from Navigator will inform our strategic development and service delivery.

Extend our support to wider areas, both geographical and occupational.

Little progress has been possible with this objective due to CV-19 restrictions, although routine outreach has sustained and developed relationships with potential clients in aquaculture.

Provide or work with others to offer lifestyle improvements for both active and retired fishermen and their families.

GetSeaFit has continued as the central delivery vehicle in this area and despite CV-19 restrictions, engagement was sustained with a broad range of local and national service providers, making a real contribution to the effectiveness of quayside health and wellbeing services. With funding from Seafarers' UK, GetSeaFit has become a recognised and respected brand within fishing communities. Working with our partners, Seafarers' Hospital Society, important elements of the programme will continue throughout 2021.

In addition to quayside Health and Mental Health trainers in Newlyn, Bridlington, and Norfolk a joint project has been started with Aberdeenshire Council to bring similar waterfront services to fishing communities in Aberdeen, Peterhead and Fraserburgh.

As an adjunct to GetSeaFit, under the banner of SightFit, an agreement was brokered with Vision Express to provide free eyes tests and discounts on spectacles for active fishermen. While CV-19 restricted access to services during periods of lockdown, the project has been extended to increase opportunities for clients to engage with the offer.

As a member of the Merchant Navy Welfare Board's (MNWB) coordination groups on both serving seafarers and the retired and dependent populations, the charity continued to contribute to the formulation and delivery of pan-sector projects and initiatives to improve outcomes. In 2020, engagement with MNWB's CV-19 focused special working group proved particularly effective in resolving many issues affecting all seafarers.

Under an initiative from Seafarer's UK, Fishermen's Mission staff were authorised to refer clients directly to the services provided through Relate. The service has been well received.

Improve cooperative and collaborative engagement with others. At the same time explaining to industry and beyond our work, our vision to 2024 and the relevance of the Fishermen's Mission.

The support, flexibility and generosity of our charity friends and long-standing partners was a highlight of this difficult year. The Fishermen's Mission is most grateful to all those that provided early and significant additional financial support to meet the CV-19 related needs among fishing communities, notably Trinity House and Seafarers' UK. In addition, the Shipwrecked Mariners Society, Seafarers' Hospital Society, Sailors' Children's Society (SCS) and the Royal Merchant Navy Education Foundation (RMNEF) all introduced streamlined processes and additional packages of financial and other support for the neediest families affected by the pandemic. It was a real team effort that proved the value of close cooperation and collaboration, especially during periods of high demand.

The charity remains engaged with the Maritime and Coastguard Agency's (MCA) tripartite working groups on the Work in Fishing Convention and Fishing Industry Safety. The charity also has membership of the Gangmasters Labour Abuse Authority's Liaison Group and the Seafish Ethics Common Language Group and has attended All Party Parliamentary Groups with a fishing focus. In addition, support and advice have been provided to individuals seeking compliance with the latest legislation and most recently urging fishermen to get ready for the changes to regulations once the Brexit transition phase comes to an end.

Enhance further the reputation and the face of the Fishermen's Mission by improving service quality and consistency and the governance of our charity.

In early 2020, Trustees pursued a major recruiting campaign for new trustees, with a particular focus on improving board diversity and beneficiary voice. Several appropriate and high-quality candidates were interviewed, and 6 new trustees appointed. All procedures and appointments followed the safe recruiting guidelines.

While the introduction of a new Quality Assurance tool was delayed further to reflect higher priorities because of CV-19, the imperative for remote and online working has delivered unexpected and significant improvements in oversight and consistency of both data and processes.

Similarly, preparations for the Navigator Project have required substantial data cleansing, process review and assurance of commonality in practices across the charity. This development also encouraged greater engagement from staff in driving good practice and capturing lessons learned where things have gone awry.

Equality and Diversity Objectives

The Council sets strategic diversity objectives, along with in-year targets:

Objectives for 2019/20

Trustees established the following objectives:

- Complete the recruitment of at least 2 new Trustees to enhance the diversity and skill sets of Council.
- Provide equality and diversity training for all Trustees and staff.
- Seek to engage a wider diversity of candidates in the recruitment of staff.
- All frontline staff to receive online training in Philippine culture to inform the level of support to migrant crew.
- Identify key minority groups and develop a plan to engage more closely at both operational and strategic levels.

Six new trustees were appointed in early 2020, bringing diversity and a strong client voice along with much needed experience in areas such as health and wellbeing, safeguarding, fundraising and the management of seafood supply chains.

For recruiting at all levels, advice has been taken from representatives of minority groups on how to broaden the appeal of roles within the charity. While so far success has been limited, the intent is to persevere in line with advice.

With some training postponed due to CV-19, equality and diversity and cultural training were not completed, but the objective is rolled forward into 2021.

Objectives for 2020/21

Trustees' objectives for the next financial year are:

- Bring the experience of new trustees to bear on equality and diversity understanding in decision making.
- Complete equality and diversity training for all staff and trustees.
- Consider the introduction of training in unconscious bias.
- All frontline staff to receive online training in Philippine culture to inform the level of support to migrant crew.

- Continue efforts to attract minority groups into service with the charity.

2019/2020 IMPACT

Core statistics that include activities in response to CV-19, are as follows:

- A total of 9,500 clients received support from the charity
- Around £1.4m facilitated in financial support with over £480,000 distributed in reactive grants to meet urgent financial hardship.
- Over 21,500 interactions with clients in the delivery of welfare services.
- 312 fishermen received emergency financial assistance in the total sum of over £46,000.
- 287 families assisted in gaining access to additional family support through the SCS and the RMNEF, including assistance with equipment for home schooling.
- 54 fishermen were assisted following accidents at sea.

In common with the last few years, extensive support was provided to migrant crew working in the UK especially in Northern Ireland and Scotland.

In the context of CV-19 and remote working, complex casework has been particularly challenging during 2020, but online assessments of needs and provision of services have been a real success story and one on which the charity will build for the future.

PUBLIC BENEFIT

The Trustees of the Council 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 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 principal financial risk is a significant increase in the Retirement Benefit 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 quarterly reviews (Top 10 risks) and an annual review of all risks. In October 2020 Council considered all risks in the context of CV-19 and while some risks were identified as increased, no new, or specifically CV-19 related risk were identified. The Council's top five risks are as follows:

1. Significant increase in the Retirement Benefit Pension Scheme (RBS) deficit threatening sustainability of Fishermen's Mission's work/strategy.

Action – Sustain Reserves Strategy to support the Scheme. Within the next two years, move to transfer the Scheme to a suitable insurer. By year end this decision had been agreed with the Scheme trustees and they have directed that the pension fund investments be invested to a 'buyout aware' strategy, with all funds in protection assets to minimise risk to their value.

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

Action – 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.

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

Action – In light of the challenges to many streams of voluntary income as a result of CV-19 and continued adverse media coverage of some major charities, Council has maintained close scrutiny of this risk. An enduring commitment to exploring new revenue streams such as digital, in tandem with regular reviews and revitalisation of more traditional sources.

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

Action - This risk was reviewed closely in the context of CV-19 and while it was judged that the risk had increased, Trustees agreed that the reserves investments provided sufficient financial resilience at least out to the medium term. In this it was acknowledged that CV-19 specific grants from some of our charity partners had been vital in supporting the increased pressure on resources during the year.

Council has adopted a 'consolidation' approach to the budget for FY 2020/21, with all but the highest priority strategic development objectives paused until May 2021. Develop effective prioritisation systems and seek alternative methods of sustaining more routine activities/visits, building on the lessons of remote working. Introduction of a dedicated digital fundraising strategy, along with appointment of appropriately skilled staff.

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.

While a formal risk to reflect the possible implications of Brexit did not appear in the Top 5 Risks during the year, actions are in hand to ensure the charity is able to respond to any additional welfare needs arising.

FUNDRAISING

The Fishermen's Mission is registered with the Fundraising Regulator and works within their Code of Fundraising Practice (came into effect in October 2019) and the Institute of Fundraising's guidance. During the period of this report no complaints were received regarding any fundraising appeals or practices. To ensure protection of vulnerable people, the Fishermen's Mission never purchases names or addresses for fundraising purposes nor sells any information that it holds and only contacts those people who have donated or offered support. No third parties are ever employed by the Fishermen's Mission to undertake fundraising on their behalf although a small voluntary team operate a House-to-House collection scheme that is fully monitored. All fundraising and marketing were carried out within the compliance framework of the Data Protection Act 2018.

As a result of the CV-19 outbreak, in line with most other charities, the level of income dropped by up to 30% in some income streams. The most severely affected was community

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fundraising. This dip in income was mitigated by fundraisers taking on other roles within the team and joining together to develop new projects and ideas. This resulted in a more collegiate approach and the development of new skills. At the end of the financial year, the benefits of this new approach were noticeable.

The Fishermen's Mission recognises both the hard work and commitment of all the staff team in raising this income alongside a deep gratitude for the support of donors throughout the UK.

Integration of Port and Head Office Fundraising

With staff working from home during the lockdown period a stronger bond was developed across the entire team. This enabled the sharing of fundraising and media skills. Regular training slots saw an increase in media presence and a greater involvement in fundraising events and projects.

Partnership Fundraising

A new role in 2017/18, Partnerships both in the fishing industry and in non-related areas is developing well. In response to the well-publicised difficulties facing the fishing industry as a whole and the lack of market opportunities there has been a renewed interest in the sector, and we are delighted to be working alongside several new partners.

Fundraising from Trusts, Grant Making Foundations & Partners

Partnerships with grant making trusts remained vital to the Fishermen's Mission and this was particularly true of the long-term funding relationships within the maritime sector, including Seafarer's UK, Trinity House, the Merchant Navy Welfare Board, and the Fishmongers' Company. Both Trinity House and Seafarers UK also made exceptional, additional grants during the year to help underpin the charity's CV-19 response which were gratefully received. Outside the sector, key support was received from a sound base of grant making foundations and partners including the Thomas J Horne Memorial Trust, the Edith Murphy Foundation and the Grimsby Sailors' and Fishing Charity. There still remains, however, a need to develop and broaden this supporter base, particularly in relation to the implementation of the Strategic Plan 2019 – 2024 and the key to this development largely rests with future project-based funding opportunities.

Digital and Social Media

Following an independent Executive Review in Spring 2019, additional resources were allocated to Digital Fundraising initiatives. As previously noted, following the review Council approved the appointment of a Digital and Marketing Fundraiser to develop online digital fundraising presence. An appointment was made in February 2020. As a result, the charity's digital presences improved significantly including digitally enabled fundraising events.

Supporters of the Fishermen's Mission

The Fishermen's Mission is proud to be supported by so many loyal friends from around the UK and beyond. It is a privilege to receive help and friendship from the charity's supporters. The Fishermen's Mission values each and every letter and gift that is received as well as being deeply grateful for those who pray each week for the charity's work and staff using the Prayer Calendar. It is recognised that giving is a very personal decision and the Fishermen's Mission is proud that so many people choose to support its work and recognises the vital support that donors and volunteers bring to the charity.

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Legacy Income

Income from legacies remained key to the charity's overall income. In 2019/20, legacy income was greater than the previous year but there is still considerable uncertainty about legacy income arising not so much from the pandemic, but from the impact of administrative delays in probate. However, the longer-term outlook for charitable legacies is positive with growth in both income and bequests expected over the next five years. The Fishermen's Mission implemented a more streamlined process for recording and monitoring legacy income and remains deeply indebted to those who choose to make this special gift.

PR and Marketing

All branding and marketing will be refreshed in 2020/21 to reflect a need for a greater digital communications presence. Although the printed word will continue to have a presence.

OUR FINANCES

Overall Results

An operating surplus of £337,490 (2018/19: £155,680 deficit) was better than budget due to higher-than-expected legacy income and savings resulting from reduced travel and subsistence costs due to lockdown and staff working from home. To meet the requirement of Section 28 of the FRS 102, the Retirement Benefit Pensions Scheme fund income and expenditure are shown within the Fishermen's Mission's accounts.

The small improvement to the balance sheet position reflects the performance of investments and excess of legacy income over budget.

Fishermen's Mission Reserves

Reserves Policy

In September trustees reviewed the Investments Policy Statement and decided that it remained fit for purpose notwithstanding the challenges of the CV-19 context. To reflect their general judgements, the Fishermen's Mission's Trustees maintain financial reserves to achieve 5 key objectives:

1. Funds for the early stages of major fishing emergencies.
2. Generation of income/revenue for sustained operations.
3. Sufficient funds to ameliorate short and longer-term challenges to the charity's continuity. Minimum reserve 2 years costs for operations.
4. Adequate funds to fulfil the employer's covenant to the Retirement Benefit Pension Scheme.
5. Provision of resources for activities in support of Council's strategic vision.

Investments

Sarasin and Partners LLP are appointed as the charity's Investment Managers, with funds invested in their pooled Charities Fund. Over the period, performance has met the benchmark criteria set by Trustees and has remained competitive with providers of similar investment vehicles. A commentary on performance is included under Investment in the notes to the accounts.

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The charity's investments managers have in place an exclusionary ethical policy for the Fishermen's Mission; details of this policy can be found in the Sarasin Guide to Ethical Exclusions accessible via the Sarasin & Partners website. The policy is summarised below:

- There will be no holdings in companies with exposure to the production of tobacco or tobacco-related manufacturing
- The Sarasin CAIFs will also avoid investment in companies that generate significant revenues from:
 - Alcohol
 - Armaments
 - Gambling
 - Adult entertainment

In addition to this exclusionary policy Sarasin & Partners consider the charity to be stewards of our clients' assets, a mind-set that is guided by a commitment to think like owners of the companies in which the charity invests, rather than simply holders of the shares taken. The charity takes an active and responsible approach to investment with the principles of stewardship being embedded at the heart of the investment process.

The analysis of environmental, social and governance (ESG) factors forms an integral part of the consideration for every investment decision. The Trustees strongly believe that this analysis must be conducted by Sarasin's equity and fixed income teams as any material risks and opportunities from ESG issues will influence the valuation of each company. Sarasin also has specialist stewardship analysts within the team, who advise on company engagements and lead the company's policy outreach work.

Guided by the charity, Sarasin scores each potential investment separately on the environmental, social and governance factors and then builds an overall ESG score with a range from A to E (where A is exemplary, and E is un-investable), which then feeds into the valuation methodology of each company.

Investment Performance (source Sarasin & Partners)

For the 12 months to 30 September 2020 the Fishermen's Mission investment portfolio generated a total return of 6.3% ahead of the composite benchmark return of 2.0%, the long-term objective (inflation (UK CPI) +4%) of 4.2% and the peer group return (ARC Steady Growth Charity Index) of -1.4%. It is worth noting that the peer group includes managers that have a higher allocation to UK equities which performed poorly during this period due to both CV-19 and the continuing overhang of Brexit.

Income generation continued to be strong over the period; the structure of the Charity Authorised Investment Fund enables income to be held in an income reserve, this means that despite the challenging economic environment and dividend cuts across the market the level of income was maintained in 2020 at the same level as 2019 the global investment approach and allocation meant that income receipts within the portfolio benefited from weaker sterling over the period. Sarasin and Partners are guiding for a c.10% cut to income distributions in 2021, with this likely to come into effect in the final distribution for the Fishermen's Missions financial year.

Equities were the major contributor to the outperformance with strong stock selection in both UK (-13.4% vs -19.8%) and Global equities (16.3% vs. 6.5%), although there were also strong nominal returns from Alternatives 13.9% in large part due to the holding of physical gold that returned 23.0% for the period. Fixed Income also generated positive absolute and relative returns for the period (4.2% versus 3.8%).

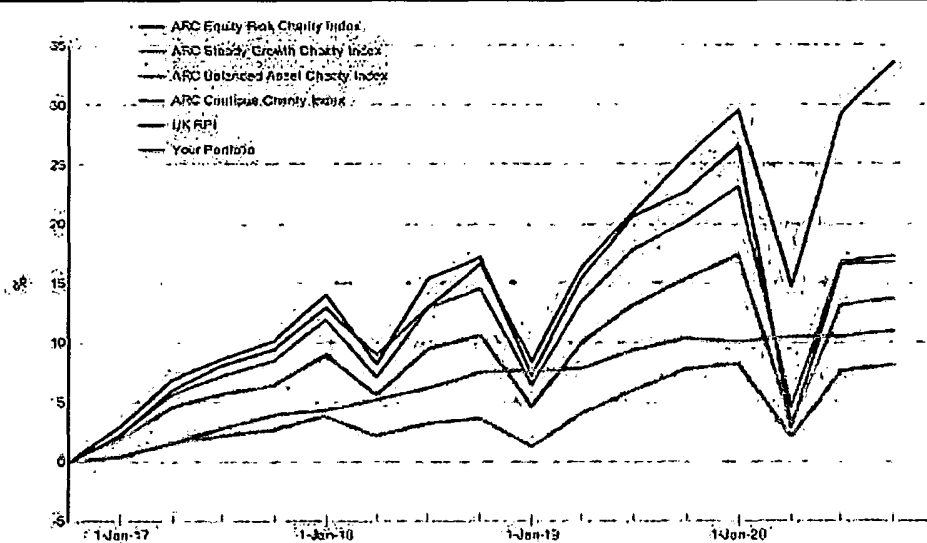
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The only detractor to performance was the allocation to direct property, which returned -4.9% for the period. However, we were underweight in this asset class relative to benchmark as a result of the changes that were made to the benchmark in Q1 2020. These changes proved prudent as the majority of the property funds held were forced to close to investment and redemption as a result of the pandemic and its impact on their ability to value the underlying assets. These funds opened again for their September dealing.

The below table summarises performance over a 1 and 3 year basis against a range of performance comparators, with the chart showing performance in comparison to the ARC peer groups. Please note that the Steady Growth peer group is the relevant peer group for your portfolio.

Performance to 30-Sep-20	1 Year	3 Years Annualised	5 Years Annualised
Portfolio	6.4%	6.9%	
Inflation (FISHERM1-5)	4.2%	5.0%	
Portfolio Benchmark	2.0%	5.2%	
Peer Group	2.4%	2.6%	
Volatility			
Portfolio	12.5%	9.2%	
Portfolio Benchmark	13.4%	9.8%	
Income			
	Portfolio		
	3.1%		

Cumulative Performance Compared to the ARC Peer Groups



Source: Sarasin & Partners, RAMEL, Bloomberg and ARC

Portfolio benchmark (from 1-Feb-20): ICE BofAML Sterling Corporate (7.5%), ICE BofAML UK Gilts All Stocks (7.5%), MSCI AC World ex UK (Local Currency) (GBP) (10%), MSCI AC World ex UK (Net Total Return) (40%), MSCI All Balanced Property Funds - One Quarter Lagged (5%), MSCI UK IMI (Net Return) GBP (20%), UK cash LIBOR 1 Month (Total Return) (10%).

Peer Group: The WM Charity Index was discontinued from March 2016. The peer group performance data used is the ARC Steady Growth Charity Index (further details within the Glossary) which could include an ARC estimate for the most recent period.

Performance is calculated 'net' of Sarasin's investment management fees, using Bid prices. This takes into account receipts to and withdrawals from the portfolio during the period, and their dates. Prices are sourced from Bloomberg.

All volatility figures measure the standard deviation of the monthly returns over the period and are annualised for periods over 1 year. This is not the only method of calculating volatility and other methods may produce different results.

Income

The Net Movement of Funds for the year was £118,249 inflow (2018/19: £1,984,186 inflow) which has been transferred to the relevant funds. This increase has been generated by excess legacies, unrealised gain on the investments and this has been partially offset by the actuarial loss on the defined benefit pension scheme of £475,000. The designations resulted in the Fishermen's Mission free reserves at 31 October 2020 standing at £5,217,496 (excluding pension deficit which is currently a £380,000 deficit). 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 specific purpose, this includes a minimum level of 2 years to cover costs for operations as stated in the Fishermen's Mission reserve policy. 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.

Donations and gifts totalled £1,743,774, a decrease of £25,672 on the 2018/2019 figure. The legacies received were £323,437 better than budget. Building legacies for the future remains a priority and a legacy marketing programme is in place.

Expenditure

Overall centres overhead costs decreased from 2018/2019 mainly due to savings resulting from working at home and no staff travel during lockdown. Average staff numbers on 31 October 2020 were 70, down from 71 on 1 November 2019.

Retirement Benefit Pension Scheme

From June 2018 the full administration of the scheme was transferred to Broadstone Actuaries in Bristol. Legal and General LLP remained the pension Fund Managers.

The FRS 102 valuation on 31 October 2020 saw an increase in the scheme's deficit to £380,000. (2018/19: £0).

Melita Retirement Housing

The status of the discontinued Melita Housing Scheme for former employees was reviewed in detail during the year and it was decided that no changes are required for those remaining on the Scheme. A routine review of the Scheme is undertaken every 3 years and there is an ongoing refurbishment programme.

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; Dr Jonathan Shepherd, Mr Tom Maier and Mr Ian Gatt retired by rotation at the Annual General Meeting in May 2020 and were re-elected. Additionally, six new Trustees were appointed to the Council in 2020: Reverend Derath Durkin, Mr Matthew Cox, Mrs Helen Nickells, Mrs Kate Pound, Miss Kirsty Masters and Mr Nathan de Rozarieux. Council Trustees are appointed based upon their knowledge of the fishing industry or the specific skills and experience they can bring to the work of the charity.

On joining the Council, Trustees receive a comprehensive briefing package and undertake induction visits. The composition of and succession planning for Council is considered formally every year. At the Annual General Meeting in May 2020 a resolution was passed to allow a temporary uplift to the maximum number of trustees to 16 giving the opportunity for new

Royal National Mission to Deep Sea Fishermen

Trustees to become members of the Council immediately, not only to improve board diversity but also to facilitate the replacement of trustees retiring in 2021-2022.

Exceptionally, Mr Ian Gatt's term of service was extended, for a further year to April 2022 to retain his specific fishing industry experience and knowledge to guide Council through the uncertainties of the post-Brexit position.

As indicated earlier in this report, the Trustees have directed a strategic pause in most development activities to reflect uncertainties in the economic outlook, including the outcome of Brexit and the challenging fundraising scene. The focus is on core service delivery. However, development in 3 key areas is planned for FY 2020/21:

- Continuation of important elements of the highly successful 'GetSeaFit' initiative beyond the end of the current Seafarers' UK funded 2-year programme (31 March 2021). For 2020/21, the priority is to sustain and widen the quayside wellbeing presence and to seek partners for the longer-term provision of accessible wellbeing services for fishing communities.
- Rollout of a new Relationship Management System from mid-2021.
- Introduction of contactless giving arrangements.

In addition, where resources allow, the Fishermen's Mission will support and contribute to the recently launched Financial Capability initiative under the umbrella of Seafarers' UK.

RESPONSIBILITIES OF THE MEMBERS OF THE COUNCIL OF MANAGEMENT

The Trustees of the Council of Management (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:

- 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 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 for FY 2019/20 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 OF MANAGEMENT



Michael Vlasto OBE
Chairman

Date 16th Feb 2021

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

Opinion

We have audited the financial statements of Royal National Mission to Deep Sea Fishermen (the 'charity') for the year ended 31 October 2020 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 October 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



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: 4 March 2021

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating the income and expenditure account) For the year ended 31 October 2020

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
INCOMING RESOURCES -					
Incoming resources from generated funds:					
Voluntary Income: Donations & Gifts		967,517	776,257	1,743,774	1,769,446
Legacies		1,056,437	67,000	1,123,437	802,526
Investment Income	2	299,856	-	299,856	222,853
Incoming resources from charitable activities					
Income from accommodation		183	-	183	369
Charity Shop		55,208	-	55,208	72,463
Other incoming resources					
Net realised gain/(loss) on sale of fixed assets		4,357	-	4,357	7,323
Rental Income		50,128	-	50,128	49,310
TOTAL INCOMING RESOURCES		2,433,686	843,257	3,276,943	2,924,290
RESOURCES EXPENDED					
Less: Costs of generating funds					
Fundraising and publicity		886,441	-	886,441	903,336
Charitable activities					
Charitable expenditure		1,266,537	786,475	2,053,012	2,176,634
TOTAL RESOURCES EXPENDED		2,152,978	786,475	2,939,453	3,079,970
NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER GAINS AND LOSSES					
		280,708	56,782	337,490	(155,680)
OTHER RECOGNISED GAINS AND LOSSES					
Unrealised gain/(loss) on investment assets		255,759	-	255,759	1,003,863
Actuarial (loss)/gain on defined pension scheme	10/16	(475,000)	-	(475,000)	1,136,000
Other gains on defined pension scheme	16	-	-	-	-
NET MOVEMENT IN FUND		61,467	56,782	118,249	1,984,186
RECONCILIATION OF FUNDS					
Balance brought forward at 1 November 2019	10	13,962,540	272,748	14,235,288	12,251,105
Balance carried forward at 31 October 2020	10	14,024,007	329,530	14,353,537	14,235,288

All activities relate to continuing operations. The SOFA includes all gains and losses recognised in the year

BALANCE SHEET AS AT 31 OCTOBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Investments Shares - General	6	11,454,935	11,212,626
Investments – George Watts Fund	6	673,331	659,884
Tangible Assets	7	1,757,899	1,837,912
		<u>13,886,165</u>	<u>13,710,419</u>
CURRENT ASSETS			
Debtors	8	151,779	29,736
Cash at bank and in hand		779,785	717,281
		<u>931,564</u>	<u>747,017</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(84,192)</u>	<u>(222,148)</u>
NET CURRENT ASSETS		<u>847,372</u>	<u>524,869</u>
NET ASSETS BEFORE PENSION LIABILITY		14,733,537	14,235,288
Defined benefit pension scheme liability	16	<u>(380,000)</u>	-
NET ASSETS AFTER PENSION LIABILITY	12	<u>14,353,537</u>	<u>14,235,288</u>
FUNDS OF THE CHARITY			
Restricted funds	11	329,530	272,748
Designated funds	10/12	9,186,511	6,923,261
		<u>9,516,041</u>	<u>7,196,009</u>
Free reserves			
• Pension deficit	16	(380,000)	-
• General fund	10/12	5,217,496	7,039,279
		<u>4,837,496</u>	<u>7,039,279</u>
TOTAL CHARITY FUNDS		<u>14,353,537</u>	<u>14,235,288</u>

The financial statements on pages 20 to 37 were approved by the Members of the Council on 10 February 2021 and were signed on its behalf by:

K. Vlasto

Michael Vlasto OBE

Elizabeth Woodhatch

Elizabeth Woodhatch

Members of the Council

Royal National Mission to Deep Sea Fishermen

CASH FLOW STATEMENT
For the year ended 31 October 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:	18(a)	(160,584)	(390,003)
Net cash (used in)/provided by operating activities		<u>(160,584)</u>	<u>(390,003)</u>
Cash flows from investing activities			
Interest received		856	2,853
Interest paid		(8,752)	(9,647)
Dividends received from investments (gross)		300,000	250,000
Purchase of tangible fixed assets		(75,160)	(127,883)
Sale of tangible fixed assets		6,144	5,157
Sale of investments		-	-
Purchase of fixed asset investments		-	-
Net cash used in investing activities		<u>223,088</u>	<u>120,450</u>
Change in cash and cash equivalents in the year		<u>62,504</u>	<u>(269,554)</u>
Cash and cash equivalents at 31 October 2019		717,281	986,835
Cash and cash equivalents at 31 October 2020		<u>779,785</u>	<u>717,281</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020

1. ACCOUNTING POLICIES

The Royal National Mission to Deep Sea Fishermen (or Fishermen's Mission), a company limited by guarantee is incorporated in the United Kingdom and is registered 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 £1,039,574 (2019: £845,881) 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 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

1. ACCOUNTING POLICIES (continued)

(d) Capital grants

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

(e) Investments

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

(f) Investment income

Investment income is shown on an accruals basis.

(g) 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.

(h) Charitable expenditure

Charitable expenditure includes all costs associated with the Fishermen's 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.

(i) 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.

(j) 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 and evenly across cost centres.

(k) Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

1. ACCOUNTING POLICIES (continued)

fees and costs linked to the strategic management of the charity. These are included under resources expended within charitable expenditure.

(l) 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.

(m) 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 Fishermen's 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.

(n) 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 allocation of the Designated fund has been added as a note under the fund analysis.

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

(o) 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.

(p) Financial Instruments

The Fishermen's 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 Fishermen's Mission has

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

1. ACCOUNTING POLICIES (continued)

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.

(q) Going Concern

A five-year rolling business plan underpins Trustees' strategic assessments of going concern out to the medium term (3 years). This plan cascades through an annual budget assumptions process and thence to the production of the in-year budget that reflects:

- Core business expenditure
- Planned developments
- Forecasts for key voluntary income streams (notably risks)

Where appropriate, funds from a designated 'Development Fund' in the reserves are allocated to balance the budget and reduce in-year income risk. To sustain going concern for the medium term, as a strategic priority, the trustees aim to maintain the level of free reserves to support two years business continuity of core service delivery. On the basis of this assessment the Trustees are satisfied that the charity has sufficient liquid resources to meet its planned obligations and maintain its stated reserve policy and have adopted the going concern basis for preparation of the financial statements.

(r) 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.

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party 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 trade discounts due.

Trade debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Accrued in is included at the best estimate of the amounts receivable at the balance sheet date.

Royal National Mission to Deep Sea Fishermen

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

2. INVESTMENT INCOME

	2020	2019
	£	£
Bank Interest	856	2,853
Net Pension (expense) income	(1,000)	(30,000)
Income from Investments	300,000	250,000
	299,856	222,853

3. TOTAL RESOURCES EXPENDED

3a Costs of generating voluntary income

	Restricted Fund	Unrestricted Fund	Total Funds	Total Funds
	2020	2020	2020	2019
	£	£	£	£
Fundraising	-	796,186	796,186	798,708
Support costs	-	90,254	90,254	104,627
	-	886,440	886,440	903,336

3b Governance cost

	Restricted Fund	Unrestricted Fund	Total Funds	Total Funds
	2020	2020	2020	2019
	£	£	£	£
Salaries and related	-	33,974	33,974	33,271
Council expenses	-	10,870	10,870	22,703
Audit fee	-	14,150	14,150	14,022
	-	58,994	58,994	69,996

3c Direct Costs

	Welfare	Total	Total
	2020	2020	2019
	£	£	£
Manual staff costs	62,272	62,272	58,147
Uniformed staff costs	916,671	916,671	904,579
Depreciation	95,308	95,308	92,516
Mini centre costs	-	-	-
Centres operating costs	546,066	546,066	750,051
Welfare payments	23,108	23,108	40,795
	1,643,425	1,643,425	1,846,088

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

3d Support Costs

	Costs of Generating Funds 2020 £	Governance 2020 £	Welfare 2020 £	Total 2020 £	Total 2019 £
Admin costs (HQ)	125,294	-	409,587	534,881	451,753
	125,294	-	409,587	534,881	451,753

The support costs allocation has been based on employee numbers.

3e Analysis of resources expended by expenditure type

	Staff Costs 2020 £	Depreciation 2020 £	Other Costs 2020 £	Total 2020 £	Total 2019 £
Costs of generating funds					
Fundraising	595,497	20,611	270,333	886,441	886,756
Welfare	978,943	128,418	957,697	2,065,058	2,088,282
Governance	33,974	-	25,020	58,994	71,932
	1,608,414	149,029	1,253,050	3,010,493	3,046,970

3f Analysis of resources expended by activities

	Activities undertaken directly 2020 £	Support Costs 2020 £	Total 2020 £	Total 2019 £
Welfare	1,643,425	409,587	2,053,012	2,176,634

- 3a. In 2020, of the costs of generating voluntary income £886,440 was to unrestricted funds and £nil to restricted funds.
- 3b. In 2020, of the governance costs £58,994 was to unrestricted and £nil to restricted funds.
- 3c. In 2020, of the direct costs £867,281 was to unrestricted funds and £776,144 to restricted funds.
- 3d. In 2020, of the support costs £534,881 was to unrestricted funds and £nil to restricted funds.
- 3e. In 2020, of the resources expended by expenditure type £2,234,349 was to unrestricted funds and £776,144 to restricted funds.
- 3f. In 2020, of the resources expended by activities £1,276,868 was to restricted funds and £776,144 to restricted funds.

Royal National Mission to Deep Sea Fishermen

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2020 (continued)

4. NET INCOMING RESOURCES

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

	2020	2019
	£	£
Depreciation of tangible fixed assets	149,029	147,507
Auditors' remuneration – audit fees	11,470	11,470
(Profit) on disposal of fixed assets	(4,357)	(7,323)
Interest payable – bank interest	8,752	9,647
Operating lease rentals – plant and equipment	5,597	5,253
Operating lease rentals – other	81,754	83,823

5. EMPLOYEE INFORMATION

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

	2020	2019
	Number	Number
Mission Staff – Port and Fundraising	47	44
Administration Staff – Head Office	11	11
Support Staff (Ports)	12	16
	70	71

Employment costs for all full time and part time staff:

	2020	2019
	£	£
Wages and Salaries	1,475,459	1,423,581
Social Security Costs	131,987	125,457
Pension Costs	113,844	112,553
	1,721,290	1,661,591

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

	2020	2019
	Number	Number
£60,001 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

The pension contribution made by the employer on behalf of one employee above was £6,589 (2019: £6,460 contribution for one employee).

The charity has identified Key Management Personnel as the current Executive Team and their total remuneration amounts to £177,790, (2019: £179,950).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

Council members' remuneration, expenditure and donations given

No Council member received any remuneration for the year (2019: nil). Costs relating to Council members' expenditure included in governance expenses were for accommodation, travel, and meal costs £10,049 (2019: £15,040). 8 Council Members claimed expenses during the year (2019:8). Donations of £2,547 (2019: £1,502) were received from Council members.

6. FIXED ASSET INVESTMENTS

	Listed Investments £
Market Value	
At 1 November 2019	11,872,507
Purchases	-
Net unrealised investment gain	255,759
At 31 October 2020	12,128,266

Fixed asset investment represents:

Cash 1.2%	146,603
Currency Stirling 1.2%	150,028
Mixed Investments 97.6%	11,831,635
	12,128,266

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

Sarasin Alpha CIF	11,831,635
	11,831,635

Investment Income of £300,000 is released at £75,000 each quarter and is shown as in Note 2.

7. TANGIBLE FIXED ASSETS

	Freehold and Leasehold Property £	Motor Vehicles £	Furniture, Fixtures, Fittings and Computer Equipment £	Total £
Cost				
At 1 November 2019	2,558,830	392,682	227,030	3,178,542
Additions	-	58,984	16,176	75,160
Disposals	-	(67,904)	-	(67,904)
At 31 October 2020	2,558,830	383,762	243,206	3,185,798
Depreciation				
At 1 November 2019	881,455	276,214	182,961	1,340,631
Charge for year	70,338	56,903	21,789	149,029
Disposals	-	(61,762)	-	(61,762)
At 31 October 2020	951,793	271,355	204,750	1,427,898
Net Book Values at 31 October 2020	1,607,037	112,406	38,456	1,757,889
At 31 October 2019	1,677,375	116,468	44,069	1,837,912

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

The Freehold properties include 12 Retirement properties and the Head Office in Whiteley. The Leasehold properties' costs related to works carried out on 4 leased units to make them suitable for Fishermen's Mission use.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other Debtors	1,426	928
Prepayments and Accrued Income	150,353	28,808
	<u>151,779</u>	<u>29,736</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade Creditors	12,411	13,190
Other Creditors	246	2,523
Other Taxes and Social Security	40,388	37,325
Accruals and Deferred Income	31,148	169,110
	<u>84,192</u>	<u>222,148</u>

10. FUNDS

	Unrestricted Funds				Total
	General Fund	Pension Fund	Designated Funds	Restricted Funds	
	£	£	£	£	£
At 1 November 2019	7,039,279	-	6,923,261	272,748	14,235,288
Net Incoming Resources for the Year	185,708	95,000	-	56,782	337,490
Net Unrealised Gain on Investment Assets	255,759	-	-	-	255,759
George Watts Fund (NE Scotland)	(13,450)	-	13,450	-	-
Actuarial (Loss) on Defined Benefit Scheme	-	(475,000)	-	-	(475,000)
Transfers Between Funds (Note 10a)	(2,249,800)	-	2,249,800	-	-
At 31 October 2020	5,217,496	(380,000)	9,186,511	329,530	14,353,537

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

10a. DESIGNATED FUNDS ANALYSIS

	At 1 November 2019	Incoming	Expenditure	At 31 October 2020
Fixed Assets	1,863,380	-	173,637	1,689,743
Pension Cov/Buyout Provision	900,000	2,100,000	-	3,000,000
Major Emergency	500,000	-	-	500,000
Business Continuity	3,000,000	-	250,000	2,750,000
Business Development	-	573,437	-	573,437
George Watts Fund	659,881	13,450	-	673,331
	6,923,261	2,673,437	426,637	9,186,511

11. RESTRICTED FUNDS ANALYSIS

	At 1 November 2019	Incoming	Expenditure	At 31 October 2020
Future Expenditure Fund	1,277	476,684	476,684	725
Shetland Fishermen's Association	54,218	-	2,539	51,679
M J Pipe Trust	7,197	-	7,197	-
Seafarers UK (Grant 2019)	5,622	-	5,622	-
Morrison's Foundation Trust	15,638	-	1,590	14,048
Seafarers UK (Seafit)	109,432	219,500	249,754	79,178
Age UK	545	-	-	545
Far & Wide (Aberdeen)	329	-	-	329
Trinity House (Sight Fit)	-	6,000	-	6,000
Megavissy Parish Council	-	1,000	-	1,000
Tanner Trust	-	4,000	1,920	2,080
Seafarers UK (CV19)	-	133,333	30,084	103,249
MNWB (Helston Hub)	-	1,740	199	1,541
Helston Town Council	-	1,000	-	1,000
Acquired Fixed Assets Fund	78,490	-	10,334	68,156
	272,748	843,257	786,475	329,530

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Investments	Net Current Assets	Pension Liability	Total
	£	£	£	£	£
Restricted Funds					
Expenditure Fund	-	-	261,374	-	261,374
Acquired Fixed Assets	68,156	-	-	-	68,156
	68,156	-	261,374	-	329,530
Unrestricted Funds					
Designated Fund	1,689,743	673,331	6,823,437	-	9,186,511
General Fund	-	11,454,935	(6,237,739)	-	5,217,439
Pension Scheme Fund	-	-	-	(380,000)	(380,000)
	1,757,899	12,128,266	847,372	(380,000)	14,353,537

The Future Expenditure Fund is a fund which consists of income given for the purchase of specific items. The Shetland Fishermen's Association is a restricted fund consisting of income given for use in the Shetland Islands. Seafarers Seafit Project is to underpin the health project around several ports. The Acquired Fixed Assets Fund is a restricted fund consisting of assets with restrictions on use.

The Designated Fund is a fund consisting of all fixed assets with no restrictions on use. It includes provisions to underpin various Fishermen's Missions strategies including Major Emergencies, increased pension covenant to provide additional funding to support the Fishermen's Missions aim for scheme buyout in 2021/2022 and provision for business development and continuity. The carrying value of the George Watts Fund Trust fund that has been designated to provide an annual income and if required capital project funding for the North East of Scotland. With the uncertainty of Brexit and the impact of CV19, several projects/appointments have been postponed until 2020/2021.

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.

13. TAXATION

The Fishermen's 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.

14. FUTURE CAPITAL EXPENDITURE

	2020	2019
	£	£
Authorised by the Council but not contracted for	80,000	95,132
Contracted for but not provided	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

15. FINANCIAL COMMITMENTS

At 31 October 2020, the Fishermen's Mission had annual commitments under non-cancellable operating leases expiring as follows: -

	Land & Building		Other	
	2020	2019	2020	2019
	£	£	£	£
Due within 1 year	81,754	83,823	5,597	5,253
Due within 2-5 years	142,477	123,125	12,384	6,728
More than 5 years	66,916	31,666	2,544	-
	<u>291,147</u>	<u>238,615</u>	<u>20,526</u>	<u>11,981</u>

16. 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 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 2015, updated to 31 October 2019, 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 2020. The Fishermen's 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 2020 of £200,000. The expected payment in the year to 31 October 2021 is £200,000.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

Principal actuarial assumptions at the year-end were as follows:

	2020	2019
Discount Rate	1.6%	1.9%
Inflation	3.5%	3.3%
Pension increases in deferment (Non GMP)	3.5%	3.3%
RPI minimum 3% pa and maximum 5% pa pension increases	3.6%	3.5%
RPI maximum 5% pa pension increases	3.4%	3.2%
Post retirement mortality:	95% of S2NA CMI 2019 (1.25%)	
	95% of S2NA CMI 2018 (1.25%)	
Life expectancy at age 65 of male aged 65	87.2	87.0
Life expectancy at age 65 of female aged 65	89.2	89.1
Life expectancy at age 65 of male aged 45	88.5	88.3
Life expectancy at age 65 of female aged 45	90.7	90.3

The current asset split is as follows:

	Period to 31 Oct 2020	Period to 31 Oct 2019
Equity	£2,956,000	£3,283,000
Property	£994,000	£1,042,000
Diversified growth fund	-	-
Liability Driven Investments (LDI) Strategy	£2,118,000	£2,275,000
Multi Asset Fund	£3,730,000	£3,920,000
Cash and net current assets	£1,315,000	£803,000
Total Assets	£11,113,000	£11,323,000

Balance Sheet

	31 Oct 2020	31 Oct 2019
Fair value of assets	£11,113,000	£11,323,000
Defined benefit obligation	(£11,496,000)	(£11,134,000)
Surplus/(Shortfall)	(£380,000)	£189,000
Effect of asset ceiling	-	(£189,000)
Net asset (liability)/asset	(£380,000)	-

Amount recognised in Profit and Loss

	Period to 31 Oct 2020	Period to 31 Oct 2019
Current service cost	-	-
Administration costs	£104,000	£105,000
Interest on liabilities	£214,000	£305,000
Interest on assets	(£213,000)	(£275,000)
Past service costs	-	-
Settlements and curtailments	-	-
Total charge to Profit and Loss	£105,000	£135,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

Remeasurements over the year

	Period to 31 Oct 2020	Period to 31 Oct 2019
Return on assets less interest income	(£12,000)	(£1,077,000)
Experience (gains)/loss on experience	-	(£1,036,000)
Losses/(gains) from changes to demographic assumptions	84,000	(£290,000)
Losses/(gains) from changes to financial assumptions	£599,000	£1,078,000
Change in impact of asset ceiling	(£196,000)	£189,00
Total remeasurements	475,000	(£1,136,000)

Change in value of DB liabilities

	Period to 31 Oct 2020	Period to 31 Oct 2019
Value of liabilities at start	£11,134,000	£ 11,533,000
Current service costs	-	-
Members contributions	-	-
Past service costs	-	-
Interest cost	£207,000	£305,000
Benefits paid	(£531,000)	(£456,000)
Change due to settlement or curtailments	-	-
Experience (gain)/loss on experience	-	(£1,036,000)
Assumptions (gain)/loss	£683,000	£788,000
Closing defined benefit obligations	£11,493,000	£11,134,000

Change in value of assets

	Period to 31 Oct 2020	Period to 31 Oct 2019
Value of assets at start	£11,323,000	£10,260,000
Interest on assets	£213,000	£275,000
Employer contributions	£200,000	£272,000
Member contributions	-	-
Benefits paid	(£531,000)	(£456,000)
Administration costs	(£104,000)	(£105,000)
Settlements and curtailments	-	-
Actuarial gain/(loss) on Scheme assets	£12,000	£1,077,000
Value of assets at end	£11,113,000	£11,323,000

Change in effect of the asset ceiling/IFRIC14

	Period to 31 Oct 2020	Period to 31 Oct 2019
Opening effect of the asset ceiling/IFRIC14	£189,000	-
Interest on effect of assets ceiling/IFRIC14	£7,000	-
Change in the effect of asset ceiling/IFRIC14	(£196,000)	£189,000
Closing effect of the asset ceiling/IFRIC14	-	£189,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2020 (continued)

GROUP PERSONAL PENSION

The Fishermen's Mission also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Fishermen's Mission in an independently administered fund. The pension cost charge represents contributions payable by the Fishermen's Mission to the fund. At the year end, there were no unpaid contributions (2019: none).

	2020 £	2019 £
Contributions payable by the charity for the year	<u>113,844</u>	<u>112,553</u>

17. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

18. CASH FLOW STATEMENT

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

	2020 £	2019 £
Net Incoming/(expenditure) resources	341,847	(148,357)
Investment income	(299,856)	(222,853)
Interest payable	8,752	9,647
Depreciation on tangible fixed assets	149,029	147,507
(Increase)/Decrease in debtors	(122,043)	5,179
(Decrease)/Increase in creditors	(137,956)	(6,803)
Pension scheme contributions in excess of charge	(96,000)	(167,000)
(Gain)/Loss on Disposal of Fixed Assets	(4,357)	(7,323)
Net Cash Provided by (Used In) Operating Activities	<u>(160,584)</u>	<u>(390,003)</u>

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

	2020 £	2019 £
(Decrease)/Increase in cash in the year	62,504	(269,554)
Changes in net cash balance from cash flows	62,504	(269,554)
Net cash balance brought forward	717,281	986,935
Net cash balance carried forward	<u>779,785</u>	<u>717,281</u>

(c) Analysis of net cash resources for the year

	At 1 November 2019	Cash Flows £	At 31 October 2020 £
Cash in hand and at bank	<u>717,281</u>	<u>62,504</u>	<u>779,785</u>