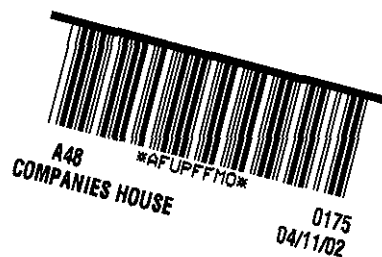


THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2001**



THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

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For the year ended 31 December 2001**

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THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Legal and Administrative Information

Trustees/Directors

Rev J S Pyper BA
M Jeffers
R McMillan - resigned 14 February 2002
C H Simms
D Thornton
T Dunn
D V Knox
D Barrett - appointed 14 February 2002

Secretary

Pickerings

Registered Office

48 South Street
Alderley Edge
Cheshire
SK9 7ES

Registered Number

Company number 378765 (England and Wales)
Charity number 209133

Auditors

Clarke Nicklin
Chartered Accountants and Registered Auditors
Grove House
227/233 London Road
Hazel Grove
Stockport
Cheshire SK7 4HS

Bankers

National Westminster Bank plc
20A King Street
Stretford
Manchester
M32 8AE

Stockbrokers

Arnold, Stansby & Co
3rd Floor
Alexandra Buildings
Queen Street
Manchester
M2 5JJ

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Report of the Trustees in relation to the financial statements For the year ended 31 December 2001

Objectives and Constitution

The Seamen's Christian Friend Society (SCFS) seeks to:-

- promote and minister in every possible way to the spiritual and temporal welfare of seamen and others and to afford to them advice and counsel in the cause of the Christian faith, temperance and well being.
- disseminate the Holy Scriptures, tracts and healthy literature among them.
- supply them with woollen and other comforts placed at the disposal of the Mission by donors.
- employ missionaries for the visitation of ships in various ports.
- do all such things as are incidental or conducive to the attainment of the above objects.

The charity is governed by its Memorandum and Articles of Association. The charity was incorporated on 9 February 1943 (number 378765) and registered with the Charity Commission on 8 February 1967 (number 209133).

The Organisation's Structure

The SCFS operates from its Headquarters at 48 South Street, Alderley Edge, Cheshire where the Chief Executive and Administrator are located. The work of mission is carried out by full time employees, part time employees and volunteers in ports of the UK, Ireland, Germany, Holland, Belgium and St Lucia. There is a close association with Seamen's Christian Friend Society - Philippines and Seamen's Christian Friend Society - Ghana, although there is no formal or legal connection with them. The SCFS also recognises Galilee Mission to Seamen in the Port of Tauranga, Bay of Plenty, New Zealand, as an Associate Ministry. The SCFS also operates the Merchant Navy Christian Fellowship.

During the year the work amongst seamen from countries around the world has continued with the main emphasis being the work of evangelism and teaching on board ship.

Review of the year

The Trustees have recognised that the Society will continue, over the next few years, to face many challenges and changes. Most, if not all, retiring employees are continuing to represent the Society in a voluntary capacity.

The SCFS continues to value the contacts it has in many ports around the world which enable the Society's missionaries to refer contacts from one port to another. This is especially valuable now that some ships spend a very short time in port. A parallel development is the growing reputation of the SCFS in various countries, and the SCFS is often approached with a view to agreeing ways of co-operating with other agencies doing similar work elsewhere.

The Society has continued to maintain and develop its Port Links directory which includes the contact details of ship visitors around the world (many of whom work on their own or for other organisations) and this also helps with the work of follow-up.

The Society records its appreciation to the ITF Seafarers' Trust which provided a grant for the provision of computer equipment to several SCFS branches. This has enabled the Society to complete its network of computers with internet access to aid the work of follow-up from port to port.

During the year, the Society has continued its support of associated operations in Ghana and the Philippines as well as providing the start-up funds for the new work in Rotterdam and Long Beach, California.

Auditors

The auditors, Clarke Nicklin, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

On behalf of the Trustees

J. S. Pyper Trustee

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Statement of Trustees' Responsibilities

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

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

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Independent auditors report to the members of The Seamen's Christian Friend Society

We have audited the financial statements of The Seamen's Christian Friend Society for the year ended 31 December 2001 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees, who are also directors of The Seamen's Christian Friend Society for the purposes of company law, are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We considered the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2001 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Clarke Nicklin
Chartered Accountants and Registered Auditors
Grove House
227/233 London Road
Hazel Grove
Stockport
Cheshire SK7 4HS

Dated:

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 December 2001

	Note	Unrestricted Funds	Total 2001	Total 2000
Incoming Resources				
Subscriptions, donations and collections		200,145	200,145	193,152
King George V Merchant Seamen's Memorial Fund		3,160	3,160	2,658
Legacies		22,733	22,733	1,791
Investment income		1,107	1,107	1,087
Bank and other interest received		135	135	124
Total incoming resources		227,280	227,280	198,812
Resources expended				
Direct charitable expenditure	2	191,804	191,804	180,501
Other expenditure:				
Fundraising and publicity	3	567	567	4,463
Management and administration	4	45,433	45,433	43,442
Total resources expended		237,804	237,804	228,406
Net expenditure for the year		(10,524)	(10,524)	(29,594)
(Losses)/Gains on investment assets:				
Realised		(78)	(78)	(29)
Unrealised		863	863	(1,988)
Net movement in funds		(9,739)	(9,739)	(31,611)
Fund balances brought forward		137,578	137,578	169,189
Fund balances carried forward		127,839	127,839	137,578

All the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The deficit for the year for Companies Act purposes comprises the net expenditure for the year plus realised losses on investments and was £10,602 (2000 - £29,623 deficit).

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Balance Sheet at 31 December 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	7	253,017	256,232
Investments	8	30,308	29,423
		<u>283,325</u>	<u>285,655</u>
Current assets			
Debtors	9	31,783	28,004
Cash and bank balances		<u>12,150</u>	<u>20,983</u>
		43,933	48,987
Creditors: amounts due within one year	10	<u>44,659</u>	<u>43,394</u>
Net current (liabilities)/assets		(726)	5,593
Total assets less current liabilities		<u>282,599</u>	<u>291,248</u>
Creditors: amounts due after one year	11	154,760	153,670
Net assets		<u>127,839</u>	<u>137,578</u>
Funds:			
Unrestricted funds			
Revaluation fund		207,279	206,416
General fund		<u>(79,440)</u>	<u>(68,838)</u>
		<u>127,839</u>	<u>137,578</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Trustees on 29.10.02 and signed on its behalf by

Rev J S Pyper.....*J S Pyper*.....Trustee

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Notes to the financial statements for the year ended 31 December 2001

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in October 2000.

Income

All voluntary income is recognised as income on receipt.

Legacies are recognised as income on receipt.

Donations under deeds of covenant together with the associated income tax recovery are recognised as income when the donations are received.

Fixed Assets and Depreciation

(a) Freehold properties are stated at valuation. The charity has a policy and practice of regular maintenance and repair of the freehold properties. An impairment review, in accordance with FRS 11, is carried out by the Trustees at the end of each accounting period. The properties are expected to have useful economic lives exceeding fifty years. Consequently, no depreciation is charged on the properties since, in the opinion of the Trustees, neither the depreciation charge nor the accumulated depreciation to date are material.

(b) Motor vehicles are stated at cost. Depreciation is provided at 25% per annum on the reducing balance basis, in order to write off each asset over its useful life.

(c) Fixtures, fittings and equipment are written off against revenue in the year purchased.

(d) All investments are stated at market value.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Expenditure

All expenditure is accounted for gross, and when incurred.

Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on either an estimate of time or floor space basis, as appropriate.

Branches

Branches, which are non-autonomous, are included in full in the financial statements.

Pensions

The Society operates a defined contribution pension scheme. Contributions payable for the year are charged to revenue.

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Notes to the financial statements for the year ended 31 December 2001

2. Direct charitable expenditure

	2001 £	2000 £
Salaries	97,188	95,649
Pension costs	1,874	3,429
Home costs	806	803
Motor expenses	6,370	7,110
Travelling expenses	11,638	15,025
Postage, printing and stationery	5,959	4,075
Telephone	4,580	3,581
Literature	5,962	8,306
Other operating costs	5,309	2,415
Contribution overseas	42,841	28,876
Depreciation of motor vehicles:		
Owned	5,501	7,876
Held under hire purchase contracts	2,750	1,446
Loss on disposal of tangible fixed assets	1,026	1,910
	<u>191,804</u>	<u>180,501</u>

3. Fundraising and publicity

	2001 £	2000 £
Magazines	<u>567</u>	<u>4,463</u>

4. Management and Administration costs

	2001 £	2000 £
Administration fees	21,174	15,299
Postage, printing and stationery	4,619	4,154
Travelling	7,191	9,232
Sundry expenses	932	596
Auditors remuneration:		
Audit services	3,150	3,000
Non-audit services	1,679	4,443
Professional fees	-	1,147
Rent	4,500	4,500
Hire purchase interest	374	418
Bank charges and interest	1,723	850
(Profit)/Loss on exchange	2,306	(1,630)
	<u>(2,215)</u>	<u>1,433</u>
	<u>45,433</u>	<u>43,442</u>

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Notes to the financial statements for the year ended 31 December 2001

5. Trustees' remuneration

The trustees neither received nor waived any emoluments during the year (2000:£nil).

Out of pocket expenses were reimbursed to trustees as follows:

	2001 Number	2000 Number	2001 £	2000 £
Travel	<u>3</u>	<u>4</u>	<u>1,428</u>	<u>1,121</u>

During the year, accounting and administrative services were supplied by Pickerings, a firm which acts as the Company Secretary. Under a twelve-month contract fees for these services are deposited with the firm in advance. The amount of such fees in advance at the year end was £17,427.

One of the partners of the firm, Michael J Wilson acts as Chief Executive Officer of the Society and his remuneration is included in salaries.

6. Employee emoluments

	2001 £	2000 £
Wages and salaries	92,653	90,499
Social security costs	4,535	5,150
Pension costs	<u>1,874</u>	<u>3,429</u>
Total emoluments	<u>99,062</u>	<u>99,078</u>

No employee earned more than £50,000 per annum (2000 - nil)

Average number of employees	<u>7</u>	<u>8</u>
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7. Tangible Fixed Assets

	Freehold property £	Motor vehicles £	Total £
Cost or valuation:			
At 1 January 2001	228,265	70,737	299,002
Additions	-	6,662	6,662
Disposals	<u>-</u>	<u>(7,150)</u>	<u>(7,150)</u>
At 31 December 2001	<u>228,265</u>	<u>70,249</u>	<u>298,514</u>
Accumulated depreciation:			
At 1 January 2001	-	42,770	42,770
Charge for the year	-	8,251	8,251
Eliminated on disposals	<u>-</u>	<u>(5,524)</u>	<u>(5,524)</u>
At 31 December 2001	<u>-</u>	<u>45,497</u>	<u>45,497</u>

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Notes to the financial statements for the year ended 31 December 2001

7. Tangible Fixed Assets - continued

	Freehold property £	Motor vehicles £	Total £
Net book value:			
At 31 December 2001	228,265	24,752	253,017
At 31 December 2000	228,265	27,967	256,232

The primary use of all the tangible fixed assets is for direct charitable purposes.

The net book value of assets held under hire purchase contracts was £8,251 -2001 (£4,339 - 2000).

Cost or valuation at 31 December 2001 is represented by:

	Freehold property £	Motor vehicles £	Total £
Valuation in 1995	58,000	-	58,000
Valuation in 1998	170,265	-	170,265
Cost	-	70,249	70,249
	228,265	70,249	298,514

The historical cost of the freehold property is £38,825 (2000 - £38,825).

In the opinion of the trustees they are not aware of any material changes in revalued assets since the last valuation.

Capital expenditure contracted for, but not provided in the financial statements, was £16,000 (2000: nil)

8. Investments

	2001 £	2000 £
Market value as at 1 January 2001	29,423	32,340
Disposal proceeds	22	(929)
Net investment gains/(losses)	863	(1,988)
Market value as at 31 December 2001	30,308	29,423
Historical cost	12,469	12,447

Investments in individual entities held at 31 December 2001 which are over 5% of the portfolio by value are:

Tyco International Ltd	11,165
Royal Bank of Scotland PLC	3,252
Co-operative Bank PLC	7,888
British Aerospace PLC	7,854

All investments held are listed UK Securities.

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Notes to the financial statements for the year ended 31 December 2001

9. Debtors

	2001 £	2000 £
Due within one year		
Debtors	27,638	23,859
Prepayments	4,145	4,145
	<u>31,783</u>	<u>28,004</u>

10. Creditors: amounts falling due within one year

	2001 £	2000 £
Bank overdraft	11,945	20,621
Social security and other taxes	12,878	6,445
Other creditors	123	720
Hire purchase contracts	3,333	1,348
Accruals	16,380	14,260
	<u>44,659</u>	<u>43,394</u>

11. Creditors: amounts falling due after one year

	2001 £	2000 £
Hire purchase contracts	3,085	1,978
Loans (unsecured)	151,675	151,692
	<u>154,760</u>	<u>153,670</u>

The Loans (unsecured) fall due after five years.

12. Secured debts

The following secured debts are included within creditors:	2001 £	2000 £
Hire purchase contracts	6,418	3,326
Bank overdraft	11,945	20,621
	<u>18,363</u>	<u>23,947</u>

The above debts are secured by way of a charge over the assets of the charity.

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Notes to the financial statements for the year ended 31 December 2001

13. Analysis of Net Assets between funds

	Unrestricted Funds £	Total Funds £
Fund Balances at 31 December 2001 are represented by		
Tangible fixed assets	253,017	253,017
Investments	30,308	30,308
Current assets	43,933	43,933
Current liabilities	(44,659)	(44,659)
Long term liabilities	(154,760)	(154,760)
Total Net Assets	127,839	127,839
Unrealised gains included above		
On tangible fixed assets	189,440	189,440
On investment assets	17,839	17,839
	207,279	207,279
Reconciliation of Movements in Unrealised Gains on Investment Assets		
Unrealised gains at 1 January 2001	16,976	16,976
Disposals	-	-
Net gains arising on revaluations in year	863	863
Unrealised gains at 31 December 2001	17,839	17,839

14. Connected charities

The King George V Memorial Fund for Sailors ("the fund") is a connected charity which operates from the same address. The directors of The Seamen's Christian Friend Society are also trustees of the fund.

Creditors due after more than one year include a loan of £145,419 from the fund.

All investment income earned by the fund is donated to The Seamen's Christian Friend Society.

15. Status of the Society

The Society is a company limited by guarantee and is a registered charity. It is exempt from direct taxation under the relevant provisions of the Income and Corporation Taxes Act 1988.