

Registered Charity Number
207500

Registered Company Number
0428236

The Merchant Seamen's War Memorial Society (Incorporated)

Report and Accounts

31 March 2007

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The Merchant Seamen's War Memorial Society (Incorporated)
Report and accounts
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The Merchant Seamen's War Memorial Society (Incorporated)

The report of the trustees for the year ended 31 March 2007

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2007.

The board of trustees are satisfied with the performance of the charity during the year and the position at 31st March 2007 and consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations.

Reference and administrative details.

Charity number:	207500
Company number:	428236
VAT number:	811 2144 83
Principle office:	"Springbok-Radcliffe" Springbok Farm Estate Alfold, Nr Cranleigh Surrey GU6 8EX
Telephone:	01403 752555/752270
Facsimile:	01403 753404
Website:	www.mswmsociety.org.uk
Auditors:	Counsells, Smithbrook Kilns, Cranleigh, Surrey, GU6 8JJ
Bankers:	NatWest PLC, Stocklund Square, Cranleigh, Surrey GU6 8RH
Solicitors:	Charles Russell LLP, Buryfields House, Buryfields, Guildford, Surrey GU2 4AZ

The Merchant Seamen's War Memorial Society (Incorporated)

The report of the trustees for the year ended 31 March 2007

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of the charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year end were as follows:

Full Board of trustees

Chairman:	Robert Crow, Esq. General Secretary Railway and Maritime Transport Union
Honorary Treasurer:	Councillor Kenneth Turner, Esq. Retired RMT S. Todd, Esq. National Secretary RMT M. Carden, Esq. RMT D. Leonard, Esq. RMT Councillor B Gregory, Esq. Retired RMT H. Bygate, Esq. Retired RMT F. Welsh, Esq. Retired Official RMT Dr. A. R Leach Esq., MRCS. (LOND) LRCP T. Simco Esq., M.B.E F. Ward, Esq. Mobil Shipping Retired. G Jones, Esq., CSO, RFA (retired 15 December 2006) D. Tedder, Esq. A. Allenby Esq RMT Mrs. P. Mason RMT A. Campbell Esq

Chief Executive:	T. R. Goacher, Esq.
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2007 Finance and General Purpose Committee

Chairman:	Councillor Kenneth Turner, Esq. Retired RMT
Honorary Treasurer:	Councillor Kenneth Turner, Esq. Retired RMT D Leonard, Esq. RMT F. Ward, Esq. Mobil Shipping Retired F. Welsh, Esq. RMT Official Retired Councillor B. Gregory, Esq. RMT Retired D. Tedder, Esq. T Simco. Esq., M.B.E A. Allenby, Esq. RMT

Chief Executive:	T. R. Goacher Esq
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The Merchant Seamen's War Memorial Society (Incorporated)

The report of the trustees for the year ended 31 March 2007

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Merchant Seamen's War Memorial Society is a company limited by guarantee governed by its Memorandum and Articles of Association dated 23rd day of January 1947 and amended to allow for current governance arrangement on the 24th day of August 2005. It is registered as a charity with the Charity Commission.

Appointment of trustees

As set out on the Articles of Association the number of trustees shall be sixteen including the General Secretary or Acting General Secretary for the time being of the Union of Rail Maritime and Transport Workers. Of the said other fifteen Trustees two-thirds shall be nominated by the Shipping Grade members of the Executive Council of the Union of Rail Maritime and Transport Workers. Those nominated must be, or have been, serving members of the merchant navy. The other third shall be nominated by members of the charity and need not be serving or retired members of the merchant navy but must be familiar with the welfare of merchant seamen. All Trustees will be appointed as laid down in the Articles.

Trustee induction and training

New trustees undergo a period of orientation to brief them on their legal obligations under the charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making process, the business plan and are updated on the recent financial performance of the charity. During the induction period they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The board of trustees, which can have up to 16 members, administers the charity. The board meets quarterly and the sub-committee meet more regularly to cover the development, membership, finance and audit. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within the terms of their delegation approved by the trustees, for operational matters including finance, employment and management of the complete operations of the organisation.

The Merchant Seamen's War Memorial Society (Incorporated)

The report of the trustees for the year ended 31 March 2007

Risk management

The trustees have a risk management strategy that comprises:

- an annual review of the risks the charity may face;
- the establishment and monitoring of an Operational Risk Register;
- the establishment of procedures designed to minimise any potential impact on the charity should these materialise.

This work has identified a few minor risks but has resulted in a more efficient procedure and contingency plans and has given impetus for better planning. Particular attention has been focused on non financial risk arising from fire, health & safety of residents, staff and visitors and food hygiene. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

Reserves policy

The trustees policy is to maintain reserves at a level sufficient to support both Capital Projects and a renovation programme. A modest amount will be invested annually into an Endowment Fund. The trustees also have a policy to build reserves such that there are sufficient funds available when taken with the bank overdraft to enable continued operations for a period of six months.

Achievements for 2006-2007

During the year the organisation recruited an additional staff member to work with the welfare team. This has proved to be extremely beneficial to both residents and staff as the service has improved plus the pressure on the department has been eased.

A number of easy access showers were installed to several properties following a review of residents needs. Many indicated that they were finding it difficult to climb in and out of a bath and we were delighted to be able to provide this facility to improve the quality of their lives.

In June the Guest Rooms were officially opened by Mr John Guthrie, Chairman of the Seamen's Hospital Society who have continually supported the holidays for seafarers at Springbok. We were delighted to welcome a number of guests from the seafaring world and are very grateful to all those that contributed funds to the project.

The Merchant Seamen's War Memorial Society (Incorporated)

The report of the trustees for the year ended 31 March 2007

Objectives for the Year April 2007 - March 2008

a. To raise the levels of income throughout the year to include 3.0% increase in the rental of the Investment Properties. It is also anticipated that through improved marketing, the level of income secured through the newly refurbished Guest Rooms can be further improved.

b. To apply for grants from various organisations/agents in support of running costs and capital projects to improve the services offered to seafarers and their dependants in need. These will include repairs to estate roads, improved fire alarm system and new welfare facilities.

c. To continue to improve the level of service provided, in line with relevant National Standards. Also, to develop the organisation so that it meets Best Practice in line with the Supporting People Strategy. To continue reviewing and updating Policy and Procedures that assures continuity in the service provided. To maintain the relationship with Surrey County Council Social Services and Waverley Borough Council to meet the standards to secure grants for housing and support.

d. To provide training for trustees, staff and volunteers that will help develop and strengthen the organisation.

e. To remain a Constituent Member of the Merchant Navy Welfare Board and continue relationships with all other nautical organisations. Also to review and implement any relevant recommendations within the reports submitted by the working groups of the MNWB and Constituent Members.

The main activity of the charity is to provide sheltered housing, with support for independent living. This is achieved through a relationship with the local authority and Surrey County Council. The charity recognises the need to provide dedicated housing for those seafarers in need and who choose to live in a community with other seafarers. However, it is also as important to introduce these same seafarers into a wider community so that friendships can be established outside the housing scheme.

The charity also provides holidays and respite breaks at its establishment and intends to increase the number of seafarers who use the facility further. The way the charity intends to do this is through a improved marketing strategy, using the internet and its relationships with others to promote the newly refurbished guest rooms.

The Merchant Seamen's War Memorial Society (Incorporated)

The report of the trustees for the year ended 31 March 2007

PLANS FOR FUTURE PERIOD

The trustees have identified various projects that need to be addressed, these include the resurfacing of the estate roads, which are in an ill state of repair, provision of toilets adjacent to the dining room within Sachel Court, improvements to the fire alarm system to conform to statutory regulations and the re-tiling of the main roof. We will be making grant applications to support these projects, plus will use some of our reserves.

During the summer we will hold some fund-raising events and these will include a Model Boat Show, Western Weekend and a Music Festival. These weekends have proved to be popular in the past and the organisation not only benefits from any income raised at these events, but also from raising awareness of our services to possible stakeholders.

From 1st April 2007 the organisation will be managing its accounts in-house, having outsourced it for the past 10 years. An independent team from our auditors, Counsell's have been instrumental in providing training, plus guidance to ensure we are properly prepared for the new financial year and we are very grateful for their support.

The residents formed a committee during the year and this will be encouraged to flourish throughout the year. Meetings are planned on a monthly basis and are aimed at improving communications between the management and themselves, plus provide a platform to socialise with and support one another.

The Maritime Charities Funding Group implemented a review of all seafarers services in the UK in 2006. The Society will consider all recommendations from the report and aim at raising standards to meet the needs of seafarers.

DISCLOSURE OF INFORMATION TO AUDITORS

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Society's auditors are unaware, and each trustee has taken all reasonable steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

The Merchant Seamen's War Memorial Society (Incorporated)

The report of the trustees for the year ended 31 March 2007

TRUSTEE'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make sound judgement and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The trustees 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.

Auditors

A resolution will be proposed at the Annual General Meeting that Counsell Chartered Accountants be appointed as auditors to the charity for the ensuring year

By order of the trustees

A handwritten signature in black ink, appearing to read 'Mr Kenneth Turner', with a stylized flourish at the end.

Mr Kenneth Turner

The Merchant Seamen's War Memorial Society (Incorporated) Independent Auditors' Report

Independent auditors' report to the shareholders of The Merchant Seamen's War Memorial Society (Incorporated)

We have audited the financial statements of The Merchant Seamen's War Memorial Society (Incorporated) for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes, as set out on pages 10 to 33. These financial statements have been prepared in accordance with the *Financial Reporting Standard for Smaller Entities*, effective January 2005, and in accordance the requirements of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005, under the historical cost convention and in accordance with the accounting policies set out in the notes to the financial statements.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 liability 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.

Respective responsibilities of trustees as directors and of the auditors

As described in the Statement of Trustees' Responsibilities on page 7 the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) in order to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

In making our report, we must state our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and all applicable United Kingdom Accounting Standards.

We also report to you if, in our opinion, the information contained within the Report of the Trustees is not consistent with the financial statements, if the company 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.

The Merchant Seamen's War Memorial Society (Incorporated)

Independent Auditors' Report

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and in accordance with the Practice Note 'The Audit of Charities in the United Kingdom', revised in April 2002. 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 the 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 comply with the requirements of regulation 3 of the Charities (Accounts and Reports) Regulations 2005 and give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities of the state of the charity's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and the financial statements have been properly prepared in accordance with the Companies Act 1985 and in accordance with the requirements of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, and the information given in the Trustees' Report is consistent with the financial statements.

We confirm that we are eligible under S.43 (2)(b) of the Charities Act 1993 to conduct this audit, and that this report is a report in respect of an audit carried out under section 43 of the 1993 Act and in accordance with regulations made under section 44 of that Act.



Counsells
Registered auditors
Chartered Accountants
Smithbrook Kilns
Cranleigh
Surrey
GU6 8JJ

The date upon which our opinion is expressed is :-
24 August 2007

The Merchant Seamen's War Memorial Society (Incorporated)
Statement of Financial Activities
for the year ended 31 March 2007

	Unrestricted Funds	Restricted Funds	Total Funds	Last Year Total Funds
	2007 £	2007 £	2007 £	2006 £
Incoming resources				
<i>Incoming resources from generated funds</i>				
Voluntary Income	81,895	-	81,895	69,154
Investment Income	141,567	586	142,153	139,949
<i>Incoming resources from charitable activities</i>	423,543	-	423,543	381,098
<i>Other Incoming Resources</i>	-	-	-	(1,754)
Total incoming resources	647,005	586	647,591	588,447
 <i>Costs of generating funds</i>				
Fundraising trading - costs of goods & other costs	39,781	-	39,781	37,334
<i>Costs of charitable activities</i>	531,013	-	531,013	469,223
<i>Governance costs</i>	52,725	-	52,725	46,131
<i>Other resources expended</i>	6,188	-	6,188	3,075
Total resources expended	629,707	-	629,707	555,763
 Net incoming resources				
before transfers between funds	17,298	586	17,884	32,684
Gross transfers between funds	586	(586)	-	-
Net incoming resources before				
Other recognised gains and losses	17,884	-	17,884	32,684
 Other recognised gains and losses				
<i>Gains on investment assets</i>	1,375	937	2,312	4,210
Net movement in funds	19,259	937	20,196	36,894
 Reconciliation of funds				
Total funds brought forward	4,213,517	54,479	4,267,996	4,231,102
Total Funds carried forward	4,232,776	55,416	4,288,192	4,267,996

The net movement in funds referred to above is the net incoming resources as defined in the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission for England & Wales and is reconciled to the total funds as shown in the Balance Sheet on page 14 as required by the said statement.

All activities derive from continuing operations

The notes on pages 16 to 33 form an integral part of these accounts.

The Merchant Seamen's War Memorial Society (Incorporated)
Statement of Financial Activities
for the year ended 31 March 2007

Income and Expenditure Account as required by the Companies Act
for the year ended 31 March 2007

	2007 £	2006 £
Turnover	505,438	450,252
Direct costs of turnover	570,794	506,557
Gross deficit	<u>(65,356)</u>	<u>(56,305)</u>
Governance costs	52,725	46,131
Operating deficit	<u>(118,081)</u>	<u>(102,436)</u>
Losses on disposals of fixed assets	-	(1,754)
Income from other fixed asset investments	139,368	138,801
Interest receivable	2,785	1,148
Interest payable	(6,188)	(3,075)
Surplus on ordinary activities before tax	<u>17,884</u>	<u>32,684</u>
Surplus for the financial year	<u>17,884</u>	<u>32,684</u>
Gift Aid Payments	-	-
Retained surplus for the financial year	<u>17,884</u>	<u>32,684</u>

All activities derive from continuing operations

The notes on pages 16 to 33 form an integral part of these accounts.

The Merchant Seamen's War Memorial Society (Incorporated)
Statement of Financial Activities
for the year ended 31 March 2007

Statement of Total Recognised Gains and Losses
for the year ended 31 March 2007

	2007	2006
	£	£
Excess of Expenditure over income before realisation of assets	17,884	34,438
Losses on disposals of fixed assets used by Charity	-	(1,754)
Profit per Profit and Loss account	17,884	32,684
Unrealised Gains on investments	789	1,412
Grants for the acquisition of fixed assets	-	-
Net Movement in funds before taxation	18,673	34,096

Movements in revenue and capital funds
for the year ended 31 March 2007

Revenue accumulated funds	Unrestricted Funds	Restricted Funds	Total Funds	Last year Total Funds
	2007	2007	2007	2006
	£	£	£	£
Accumulated funds brought forward	4,112,971	-	4,112,971	4,076,780
Recognised gains and losses before transfers	18,673	1,523	20,196	34,096
	4,131,644	1,523	4,133,167	4,110,876
Transfers between restricted and unrestricted funds	586	(586)	-	-
Transfers (to)/from revaluation reserve	-	-	-	2,095
Closing revenue accumulated funds	4,132,230	937	4,133,167	4,112,971

The Merchant Seamen's War Memorial Society (Incorporated)
Statement of Financial Activities
for the year ended 31 March 2007

Revaluation Reserve Fund	Unrestricted Funds	Restricted Funds	Total Funds	Last year Total Funds
	£	£	£	£
	2007	2007	2007	2006
At 1 April	100,546	-	100,546	102,641
Transfer (to)/from revenue accumulated funds	-	-	-	(2,095)
At 31 March	100,546	-	100,546	100,546

Summary of funds	Designated Funds	Unrestricted Funds	Restricted Funds	Total Funds	Last Year Total Funds
	£	£	£	£	£
	2007	2007	2007	2007	2006
Revenue accumulated funds	-	4,132,230	-	4,132,230	4,112,971
Revaluation reserve fund	-	100,546	-	100,546	100,546
Endowment funds	-	-	55,416	55,416	54,479
Total funds	-	4,232,776	55,416	4,288,192	4,267,996

The statement of changes in resources applied for fixed assets for Charity use is shown in the notes to the accounts

The notes on pages 16 to 33 form an integral part of these accounts.

The Merchant Seamen's War Memorial Society (Incorporated)
Balance Sheet
as at 31 March 2007

	Notes	2007 £	2006 £
<i>The assets and liabilities of the charity :</i>			
Fixed assets			
Tangible assets	11	741,838	688,715
Investments	12	3,577,598	3,575,286
Total fixed assets		<u>4,319,436</u>	<u>4,264,001</u>
Current assets			
Stocks & Work in progress		15,896	9,048
Debtors	13	42,890	30,152
Cash at bank and in hand		65,433	124,722
Total current assets		<u>124,219</u>	<u>163,922</u>
Creditors:-			
amounts due within one year	14	(65,547)	(61,321)
Net current assets		<u>58,672</u>	<u>102,601</u>
Total assets less current liabilities		<u>4,378,108</u>	<u>4,366,602</u>
Creditors:-			
amounts due after more than one year	15	(89,916)	(98,606)
Provisions for liabilities and charges		-	-
Net assets		<u>4,288,192</u>	<u>4,267,996</u>

The Merchant Seamen's War Memorial Society (Incorporated)
Balance Sheet
as at 31 March 2007

The funds of the charity :

Unrestricted income funds

Unrestricted revenue accumulated funds	4,134,325	4,112,971
Designated revenue funds	-	-

Unrestricted capital funds

Designated fixed asset funds	-	-
Unrestricted revaluation reserve	<u>98,451</u>	<u>100,546</u>

Total unrestricted funds	4,232,776	4,213,517
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Restricted income funds

Restricted capital funds

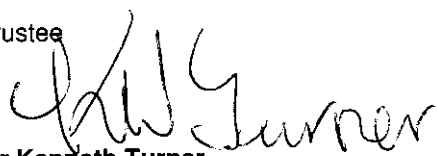
Total restricted funds

Endowment funds	55,416	54,479
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Total charity funds	<u>4,288,192</u>	<u>4,267,996</u>
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The accounts have been prepared in accordance with the special provisions relating to small companies in Part VII of the Companies Act 1985 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Trustee



Mr Kenneth Turner

Approved by the trustees on 24 August 2007

The notes on pages 16 to 33 form an integral part of these accounts.

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

1 Accounting policies

Basis of preparation of the accounts

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2005, and all other applicable accounting standards, as modified by the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005. The accounts have been drawn up in accordance with the provisions of the Charities Act and the Companies Act.

Insofar as the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005 requires compliance with specific Financial Reporting Standards other than the FRSSE then the specific Financial Reporting Standards have been followed where their requirements differ from those of the FRSSE.

Advantage has been taken of paragraph 3(3) of Schedule 4 of the Companies Act 1985 to allow the format of the financial statements to be adapted to reflect the special nature of the company's operation.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement.

The particular accounting policies adopted are set out below.

Accounting convention

The financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of freehold land and buildings and fixed asset investments.

Incoming Resources

Incoming resources are accounted for on a receivable basis deferred as described below where appropriate.

Investment Income

Dividends are included in the income and expenditure account when they are received.

Rental income is included in the income and expenditure account gross, collection charges are shown as part of governance costs.

Bank Interest received is included on an actual receipts basis.

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

Compliance with Statement of Standard Accounting Practice 19

Compliance with SSAP 19 "Accounting for Investment Properties " requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of the departure is given below.

The Companies Act 1985 requires all properties to be depreciated. However this requirement conflicts with the generally accepted accounting principle set out in SSAP 19 and the overriding requirements to show a true and fair view. The board of trustees consider that because the properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

The charity's investment properties were professionally revalued at 31 March 2005. In the opinion of the trustees their value has not materially altered since that date.

Deferred income

In accordance with the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commissioners for England & Wales grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

Recognition of liabilities

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commissioners for England & Wales .

Resources Expended

The policy for including items within the relevant activity of categories of resources expended is as follows:

Costs of generating funds

to identify those costs specifically incurred in generating funds and disclose them accordingly.

Charitable activities

to identify those costs incurred in delivering the charity's primary objectives and disclose them accordingly.

Governance costs

to identify those costs that are incurred in the management and administration of the charity and disclose them accordingly.

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

Unrealised and realised gains

Realised gains and losses are included in the accounts on the date at which a contractual obligation is entered into.

Unrealised gains and losses are computed by reference to the market value of the investments at the balance sheet date, compared to the brought forward cost or valuation, and gains and losses arising on similar categories of investments are netted off.

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value.

Investments held by the charity

The policy for including investments in the accounts is as follows :-

Listed investments have been included in the balance sheet at their mid-market value at the year end.

Unlisted investments have been included in the balance sheet at cost.

The charity's investment properties are included at valuation. They were professionally revalued at 31 March 2005. In the opinion of the trustees their value has not materially altered since that date.

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

Fixed assets and depreciation

All tangible fixed assets, except freehold land and buildings, are stated at cost less depreciation. Freehold land and buildings (other than investment properties) are stated at a valuation arrived at by a professionally qualified firm of valuers, who valued the assets on the basis of open market value in current use.

Depreciation has been provided at the following rates in order to write off the assets (less their expected residual value) over their estimated useful economic lives.

Freehold charitable buildings	2% on a reducing balance basis per annum
Vehicles	25% on a reducing balance basis per annum
Plant and machinery	25% on a reducing balance basis per annum

A regular annual review of the likelihood of asset impairment is undertaken. The basis of this review is to write down to net realisable value those assets (other than investment assets) that are no longer used in delivering the charity's primary objectives.

Capital grants

The board of trustees consider that, in order to comply with the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective October 2005), gifts of tangible fixed assets or grants of a capital nature given for specific purposes and fully utilised in the furtherance of the objects of the charity should be credited to the relevant fixed asset fund after the sums have been properly expended on the restricted purpose. The related asset is shown in the balance sheet at the full cost of acquisition or subsequent revaluation.

Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only.

Value Added Tax is charged as required on certain of the charity's fund raising activities and any Value Added Tax on the directly related costs are recovered. In addition an amount of Value Added Tax is recovered on other expenditure in accordance with the partial exemption rules. Any unrecoverable Value Added Tax is included in the relevant costs in the Statement of Financial Activities.

Finance and operating leases

Rentals payable in respect of operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

Finance leases are accounted for in accordance with the requirements of the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2005.

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

Funds structure policy

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

There is no formal policy of transfer between funds or on the allocation of funds to designated funds, other than that described above.

Any other proposed transfer between funds would be considered on the particular circumstances.

Accounting for Legacies

Income from legacies, where material, is recognised as soon as the trustees become aware of the legacy and have reasonable certainty of its receipt.

2 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

3 Surplus for the financial year

2007 **2006**
£ **£**

This is stated after crediting :-

Revenue Turnover from ordinary activities 505,438 450,252

and after charging:-

Depreciation of owned fixed assets	28,197	27,725
Rentals under operating leases	4,126	4,325
Auditors' Remuneration	6,048	4,750
Other professional fees paid to auditors	<u>5,318</u>	<u>1,843</u>

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

4 Expenses paid to trustees or persons connected with trustees

	2007	2006
	£	£
The aggregate amount of expenses paid to trustees was	<u>1,519</u>	<u>1,509</u>

The nature of the expenses was travel costs, and the number of trustees to whom expenses payments were made was 7 (2006: 8).

5 Detailed analysis of certain transactions required by the 2005 revision to the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective April 2005)

Various items which are required by the 2005 revision to the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective April 2005) to be disclosed in the notes to the accounts are set out in the Detailed Schedule to the Statement of Financial Activities on pages 30 to 33, which should be read together with these notes.

6 Investment Income	2007	2006
	£	£
Rent received from investment properties	138,697	138,216
Income from listed fixed asset investments	671	585
Other bank deposit interest received	2,785	1,148
	<u>142,153</u>	<u>139,949</u>

7 Analysis of support costs

The Trustees allocate costs to their related purpose. In the opinion of the Trustees the salary costs incurred by the Society are all directly related to the delivery of the charitable objects and only an immaterial amount relates to the administration of the Society.

8 Analysis of charitable expenditure

In the opinion of the Trustees all costs other than those allocated to governance are materially related to delivery of the charitable objects of the Society. In particular the salary costs incurred by the Society are all treated as being incurred in the furtherance of the Society's primary objectives.

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

9 Deferred Incoming Resources & Reserves - Unrestricted funds

	Opening Deferrals	Released from prior years	Received less released in year	Deferred at year end
	£	£	£	£
Holiday grants	16,667	16,667	16,667	16,667
Total	<u>16,667</u>	<u>16,667</u>	<u>16,667</u>	<u>16,667</u>
			2007	2006
			£	£
These deferrals are included in creditors			<u>16,667</u>	<u>16,667</u>

The deferrals included in creditors relate to those grants and donations specified by the donors as relating to specific periods and represent those parts of the grants or donations which relate to periods subsequent to the accounting year end and are treated as grants in advance, or alternatively where there are conditions which must be fulfilled prior to entitlement or use of the grant or donation by the charity.

10 Staff Costs and Emoluments

	2007	2006
	£	£
Gross Salaries	224,908	207,001
Employer's National Insurance	<u>19,493</u>	<u>17,901</u>
	<u>244,401</u>	<u>224,902</u>

Numbers of full time employees or full time equivalents	2007	2006
Engaged on charitable activities	13	13

There were no fees or other remuneration paid to the trustees

There were no employees with emoluments in excess of £60,000 per annum

Neither the trustees nor any persons connected with them have received any remuneration, either in the current year or the prior year.

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

11 Tangible functional fixed assets

	Freehold Land and buildings £	Plant, Machinery & Vehicles £	Total £
Asset cost, valuation or revalued amount			
At 1 April 2006	862,427	203,999	1,066,426
Additions	69,369	11,951	81,320
At 31 March 2007	<u>931,796</u>	<u>215,950</u>	<u>1,147,746</u>
Accumulated depreciation and impairment provisions			
At 1 April 2006	217,396	160,315	377,711
Depreciation on revaluation	-	-	-
Charge for the year	14,288	13,909	28,197
At 31 March 2007	<u>231,684</u>	<u>174,224</u>	<u>405,908</u>
Net book value			
At 31 March 2007	<u>700,112</u>	<u>41,726</u>	<u>741,838</u>
At 31 March 2006	<u>645,031</u>	<u>43,684</u>	<u>688,715</u>

The land and buildings held for charitable purposes were revalued in 1983. No information is held as to the historical cost of these assets.

The trustees consider that the market value of the land and buildings held for charitable purposes is substantially in excess of its carrying value. The trustees are of the opinion that it is not relevant, given the current use of these assets, to incur the expenditure necessary to quantify this difference.

All assets are used for direct charitable purposes and there are no inalienable or heritage assets

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

12 Fixed Asset Investments

	Property Investments £	Listed Investments £	Unlisted Investments £	2007 Total £
Valuation				
Market value at 1 April 2006	3,550,000	22,839	2,447	3,575,286
Net unrealised gain/(loss) on revaluation of investments	-	2,312	-	2,312
Market value at 31 March 2007	<u>3,550,000</u>	<u>25,151</u>	<u>2,447</u>	<u>3,577,598</u>
Cash held by investment advisors				-
Total Investments including cash		At 31 March 2007		<u>3,577,598</u>
Total Investments including cash		At 1 April 2006		<u>3,575,286</u>

Valuation other than by reference to readily available market prices

The charity's investment properties were revalued at 31 March 2005 by J C Catt BSc (Hons) FRICS FAAV.

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

Analysis of investments between UK investments and investments outside the UK

	Property Investments	Listed Investments	Unlisted Investments	2007 Total
Investment assets in the UK	3,550,000	25,039	2,559	3,577,598
Investment assets outside the UK	-	-	-	-
Total market value	3,550,000	25,039	2,559	3,577,598

	Property Investments	Listed Investments	Unlisted Investments	2006 Total
Investment assets in the UK	3,550,000	22,839	2,447	3,575,286
Investment assets outside the UK	-	-	-	-
Total market value	3,550,000	22,839	2,447	3,575,286

Unlisted Investments comprise :-

	Cost	Market Value	Cost	Market Value
	2007	2007	2006	2006
Sundry unlisted investments	2,447	2,447	2,447	2,447
Total	2,447	2,447	2,447	2,447

Listed Investments include the following material items :-

Listed investments include the following holdings which each represent greater than 5% of the market value of the portfolio :

Security	Type of share	Holding	Market Value 2007 £	Market Value 2006 £
COIF Charities Investment Fund	Units	1,649	19,180	18,243
Genus Investments plc	Ordinary	879	5,379	4,246
			24,559	22,489

The investment portfolio is shown in the accounts at market value at the accounting year end and is prone to movements in the stock market.

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

The total listed portfolio is :-

	Market Value 2007 £	Market Value 2006 £
As detailed above	24,559	22,489
Investments where holding is less than 5% of the total market value of listed investments	592	350
Total market value	25,151	22,839

13 Debtors

	2007 £	2006 £
Trade debtors	19,515	10,944
Other Debtors	18,936	15,000
Prepaid expenses	4,439	4,208
	42,890	30,152

Amounts due after more than one year included in the total above are analysed as:-

Other Debtors	15,000	15,000
Amounts due after more than one year included above	15,000	15,000

14 Creditors: amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	8,691	8,201
Trade creditors	25,071	20,245
Accrued expenses	4,500	4,500
Other creditors	10,618	10,064
VAT	-	1,644
Deferred income and grants in advance (see note 9)	16,667	16,667
	65,547	61,321

15 Creditors :- Amounts Falling due after one year

	2007 £	2006 £
Bank loans and overdrafts	89,916	98,606

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

16 Secured Loans and creditors due after more than five years

	2007 £	2006 £
<i>Creditors include:</i>		
Amounts falling due for payment after more than five years	<u>49,391</u>	<u>60,443</u>
Secured bank loans	<u>98,606</u>	<u>106,807</u>

The loan bears interest at 6% and is repayable on a monthly basis over the ten year term.

The loan is secured by a charge over two of the charity's investment properties.

17 Operating Leases

	2007 £	2006 £
At the year end the company had annual commitments under non-cancellable operating leases as set out below:		
Operating leases which expire:		
within two to five years	<u>13,566</u>	<u>2,184</u>

18 Analysis of the Net Movement in Funds

	2007 £	2006 £
Net movement in funds from Statement of Financial Activities	17,884	34,438
Net resources applied on functional fixed assets	<u>(81,320)</u>	<u>(127,262)</u>
Net movement in funds available for future activities	<u>(63,436)</u>	<u>(92,824)</u>

The net resources applied on functional fixed assets and the net investment in programme related investments represents the cost of additions less proceeds of any disposals.

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

19 Particulars of Individual Funds and analysis of assets and liabilities representing funds
At 31 March 2007

	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	741,838	-	-	741,838
Investments at valuation				
<i>Fixed asset investments</i>	3,558,418	-	19,180	3,577,598
Current Assets	124,219	-	-	124,219
Current Liabilities	(65,547)	-	-	(65,547)
Long Term Liabilities	(89,916)	-	-	(89,916)
	<u>4,269,012</u>	<u>-</u>	<u>19,180</u>	<u>4,288,192</u>

Included in restricted funds is the Henry Radcliffe Fund. This endowment fund was established in 1949. The funds were originally kept separate but subsequently transferred into the general funds of the Society on the maturity of the investments. Under an order issued by the Charity Commissioners dated 11 May 1999 the fund is being re-invested by annual instalments of £2,600 in separate investments. The incoming resources of the fund are unrestricted.

At 1 April 2006	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	688,715	-	-	688,715
Investments at valuation				
<i>Fixed asset investments</i>	3,557,043	-	18,243	3,575,286
Current Assets	163,922	-	-	163,922
Current Liabilities	(61,321)	-	-	(61,321)
Long Term Liabilities	(98,606)	-	-	(98,606)
	<u>4,249,753</u>	<u>-</u>	<u>18,243</u>	<u>4,267,996</u>

The individual funds included above are :-

	Funds at 2006	Movements in Funds as below	Transfers Between funds	Funds at 2007
	£	£	£	£
The Henry Radcliffe Fund	54,479	1,523	(586)	55,416
Sundry other funds	4,213,517	18,673	586	4,232,776
	<u>4,267,996</u>	<u>20,196</u>	<u>-</u>	<u>4,288,192</u>

The Merchant Seamen's War Memorial Society (Incorporated)
Notes to the Accounts
for the year ended 31 March 2007

Analysis of movements in funds as shown in the table above

	Incoming Resources	Outgoing Resources	Gains & Losses	Movement in funds
	£	£	£	£
The Henry Radcliffe Fund	586	-	937	1,523
Sundry other funds	647,005	629,707	1,375	18,673
	<u>647,591</u>	<u>629,707</u>	<u>2,312</u>	<u>20,196</u>

20 Revaluation Reserve

	2007	2006
	£	£
At 1 April	(100,546)	(102,641)
Arising on revaluation during the year	-	-
Transfer to unrestricted revenue funds	2,095	2,095
At 31 March	<u>(98,451)</u>	<u>(100,546)</u>

21 Share Capital

The charity is incorporated under the Companies Act 1985 and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding ten pounds as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter

22 Indemnity Insurance

Trustee liability insurance was purchased during the year at a cost of £881.

The Merchant Seamen's War Memorial Society (Incorporated)
Schedule to the Statement of Financial Activities
for the year ended 31 March 2007

Status of this schedule to the Statement of Financial Activities

The schedules on the following pages are required by the disclosure requirements of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005.

As such, they form a part of the accounts required by the Charities (Accounts and Reports) Regulations 2005.

They do not form a part of the accounts required by the provisions of the Companies Acts, but to some extent they may duplicate information found elsewhere in the accounts.

They are within the report of the auditors under S43 (2)(b) of the Charities Act 1993.

Incoming Resources

	Unrestricted Funds	Restricted Funds	Total Funds	Prior Period Total Funds
	2007	2007	2007	2006
	£	£	£	£
Incoming Resources from generated funds				
Voluntary Income				
Grants, legacies and donations				
Non government and non public bodies				
Incoming resources of a revenue nature				
Holiday grant	25,000	-	25,000	25,000
Donations	16,895	-	16,895	44,154
Estate maintenance grant	40,000	-	40,000	-
Total	81,895	-	81,895	69,154
Total Grants,Legacies & Donations Received	81,895	-	81,895	69,154
Total Voluntary Income	81,895	-	81,895	69,154
Investment Income				
Rent received from investment properties	138,697	-	138,697	138,216
Income from listed fixed asset investments	85	586	671	585
Other bank deposit interest received	2,785	-	2,785	1,148
Total Investment Income	141,567	586	142,153	139,949

The Merchant Seamen's War Memorial Society (Incorporated)
Schedule to the Statement of Financial Activities
for the year ended 31 March 2007

Incoming resources from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds	Prior Period Total Funds
	2007	2007	2007	2006
	£	£	£	£
Rent and support charges for beneficiaries	338,571	-	338,571	309,222
Social club bar sales	59,754	-	59,754	54,969
Camping, clay shoot and fishing	8,141	-	8,141	8,498
Other fund raising events	17,077	-	17,077	8,409

Total Incoming resources from charitable activities

423,543	-	423,543	381,098
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Other Incoming Resources

Losses on disposals of fixed assets used by Charity	-	-	-	(1,754)
Losses on disposals of heritage assets	-	-	-	-

-	-	-	(1,754)
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Total Incoming Resources

647,005	586	647,591	588,447
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Gains on investment assets

Unrealised Gains on investments	1,375	937	2,312	4,210
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Costs of generating funds

Fundraising Trading

Fundraising Trading: Cost of goods sold and other costs

Social club bar - cost of sales	39,781	-	39,781	37,334
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Fundraising Trading: Support costs

Total Fundraising Trading costs	39,781	-	39,781	37,334
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The Merchant Seamen's War Memorial Society (Incorporated)
Schedule to the Statement of Financial Activities
for the year ended 31 March 2007

Charitable expenditure

	Unrestricted Funds	Restricted Funds	Total Funds	Prior Period Total Funds
	2007	2007	2007	2006
	£	£	£	£
<i>Costs of activities in furtherance of the charity's objectives</i>				
Cost of goods for primary purpose trading	55,063	-	55,063	49,283
<i>Support costs of charitable activities</i>				
Gross wages and salaries - charitable activities	224,908	-	224,908	207,001
Employers' NI - Charitable activities	19,493	-	19,493	17,901
Equipment leasing	2,488	-	2,488	2,299
Household and office maintenance	9,968	-	9,968	15,298
Rates water and service charges	25,917	-	25,917	26,229
Light and heat	33,966	-	33,966	36,878
Cleaning and consumables	7,553	-	7,553	7,063
Insurance	21,845	-	21,845	19,089
Repairs and maintenance	70,397	-	70,397	37,394
Travel and Subsistence - Charitable Activities	9,420	-	9,420	9,748
Vehicle leasing	11,451	-	11,451	2,816
Depreciation of assets used for charitable purposes	28,197	-	28,197	27,725
Welfare	7,059	-	7,059	6,612
Sundry expenses	3,288	-	3,288	3,887
	475,950	-	475,950	419,940

The Merchant Seamen's War Memorial Society (Incorporated)
Schedule to the Statement of Financial Activities
for the year ended 31 March 2007

Governance costs that are not direct management functions inherent in generating funds, service delivery and programme or project work (including management and administration costs)

	Unrestricted Funds	Restricted Funds	Total Funds	Prior Period Total Funds
	2007	2007	2007	2006
	£	£	£	£
<i>Specific governance costs</i>				
Trustees' expenses	1,519	-	1,519	1,509
Auditors' remuneration	6,048	-	6,048	4,750
Other fees paid to the auditors	5,318	-	5,318	1,843
Other accountancy fees	5,529	-	5,529	4,679
Consultancy fees	11,609	-	11,609	13,153
Legal fees	-	-	-	3,438
Alarm maintenance	4,002	-	4,002	-
General administrative expenses:				
Telephone and fax	2,477	-	2,477	1,969
Postage and stationery	4,624	-	4,624	3,989
Subscriptions	982	-	982	446
Hire of equipment	1,638	-	1,638	2,026
Software	1,668	-	1,668	-
Office equipment maintenance	1,170	-	1,170	809
Advertising and PR	3,779	-	3,779	3,276
Bank charges	2,148	-	2,148	3,880
Sundry expenses	214	-	214	364
Total governance costs after reallocation	52,725	-	52,725	46,131
<i>Other resources expended</i>				
Interest payable	6,188	-	6,188	3,075
Total Other Resources Expended	6,188	-	6,188	3,075
<i>Analysis of transfers between funds</i>				
Transfer to/(from) unrestricted	2,681	-	2,681	2,607
Transfer to/(from) unrestricted revaluation reserve	(2,095)	-	(2,095)	(2,095)
Transfer to/(from) endowment fund	-	(586)	(586)	(512)
	586	(586)	-	-