

378965

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2004**



THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

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For the year ended 31 December 2004**

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THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Legal and Administrative Information

Trustees/Directors	Rev J S Pyper BA M Jeffers C H Simms D Thornton T Dunn D V Knox D Barrett A E Coomes
Secretary	Pickerings
Registered Office	48 South Street Alderley Edge Cheshire SK9 7ES
Registered Numbers	Company number 378765 (England and Wales) Charity number 209133
Auditors	Clarke Nicklin LLP 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 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 2004

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 Officer 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, St Lucia and Australia. 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 representation in the Netherlands is in association with the two organisations Lumen Maris and Het Havenlicht. The SCFS also operates the Merchant Navy Christian Fellowship and has close ties with the King George V Memorial Fund for Sailors and the Tyrian Trust although there is no legal connection with them.

New trustees are selected and appointed by the existing trustees based on a candidate's Christian belief and experience; sympathy for the objectives of the Society; and his or her proficiency in assisting the Society in its prosecution of those objectives.

The Society's investment policy

There are no restrictions on the charity's power of investment and strategy is reviewed annually.

Reserves policy

The trustees have established a policy whereby the income of the charity should be expended for its objects at the earliest possible time. Notwithstanding this, it is considered prudent that the unrestricted funds not committed or invested in tangible assets held by the charity should be approximately two months of the resources expended in the year which equates to £45,000 in general funds. The trustees are aware that the free reserves have not reached this target level during the year but are encouraged by the knowledge of future legacies some of which are to be received during 2006.

Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to ensure the necessary steps can be taken to lessen these risks.

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Report of the Trustees in relation to the financial statements For the year ended 31 December 2004

Review of the year

The Trustees continue to recognise 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.

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. Increasingly, this work is being augmented through the use of Bible correspondence courses. Through the Society's branch in Hamburg, there are now two correspondence courses available for worldwide distribution that relate specifically to seafarers and their difficult way of life. These courses are now available in a wide range of languages.

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 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 CEO continues to hold regular meetings with leaders from the Mission to Seafarers, the Apostleship of the Sea and the British & International Sailors' Society. These meetings are convened to discuss, inter alia, the continuing effect on access to ships brought about by the introduction of the IMO International Ship and Port Facility Security (ISPS) Code implemented on 1 July 2004. As a result, the Merchant Navy Welfare Board funds a training and accreditation scheme designed to vouch for the credibility of those ship visitors who are appointed by known and trusted nautical charities. This scheme is doing much to ensure that the Society's UK and Irish missionaries continue to have satisfactory access to ships and their crew. The Society records its appreciation of all that the Merchant Navy Welfare Board is planning to do on this project and is pleased to report that full access to ships is being maintained despite the introduction of the ISPS code.

During the year, the Society has continued its support of associated operations in Ghana and the Philippines. The provision of funds for the work in Rotterdam has also continued.

Auditors

Clarke Nicklin LLP will be proposed for 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

D. Barrett, Ann E. O'Connor Trustee

Dated: 27/1/ 2006

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 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 for the year ended 31 December 2004 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.

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 consider 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.

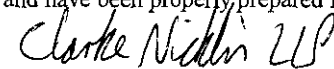
Basis of audit opinion

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 2004 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 LLP

Chartered Accountants and Registered Auditors

Grove House

227/233 London Road

Hazel Grove

Stockport

Cheshire

SK7 4HS

Dated: 30/1/2006

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 December 2004

	Note	Unrestricted Funds £	Total 2004 £	Total 2003 £
Incoming Resources				
Subscriptions, donations and collections		190,761	190,761	198,732
King George V Merchant Seamen's Memorial Fund		2,752	2,752	2,690
Legacies		46,586	46,586	153,179
Investment income		1,245	1,245	895
Bank and other interest received		980	980	652
Total incoming resources		242,324	242,324	356,148
Less: Cost of generating funds				
Fundraising and publicity		5,325	5,325	9,579
Net incoming resources available for charitable application		236,999	236,999	346,569
Charitable expenditure				
Costs of activities in furtherance of the charity's objects	2	281,178	281,178	223,621
Management and administration	3	61,593	61,593	48,934
Total resources expended		342,771	342,771	272,555
Net incoming resources before revaluations and investment asset disposals		(105,772)	(105,772)	74,014
(Losses)/Gains on revaluation of fixed assets for the charity's own use		-	-	(4,448)
(Losses)/Gains on revaluation and disposal of investment assets:				
Realised		-	-	(3,224)
Unrealised		1,236	1,236	4,854
Net movement in funds		(104,536)	(104,536)	71,196
Fund balances brought forward		405,313	405,313	334,117
Fund balances carried forward		300,777	300,777	405,313

All the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The income for the year for Companies Act purposes comprises the net income for the year plus realised losses on investments and was £(105,772) (2003 - £70,790).

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Balance Sheet at 31 December 2004

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	6	461,547	474,420
Investments	7	21,711	20,475
		<u>483,258</u>	<u>494,895</u>
Current assets			
Debtors	8	34,452	36,886
Cash at bank and in hand		6,754	77,482
		<u>41,206</u>	<u>114,368</u>
Creditors: amounts due within one year	9	<u>60,668</u>	<u>51,325</u>
Net current assets/(liabilities)		<u>(19,462)</u>	<u>63,043</u>
Total assets less current liabilities		<u>463,796</u>	<u>557,938</u>
Creditors: amounts due after one year	10	163,019	152,625
Net assets		<u>300,777</u>	<u>405,313</u>
Funds:			
Unrestricted funds	13	248,825	404,527
Revaluation fund		51,952	786
General fund		<u>300,777</u>	<u>405,313</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Board of Trustees on 27/1/2006 and signed on its behalf by

A E Coomes. *Anne E Coomes* Trustee

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Notes to the financial statements for the year ended 31 December 2004

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 June 2002), 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 gift aid 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) Computer equipment is stated at cost. Depreciation is provided at 33.3% per annum on the straight line basis, in order to write off each asset over its useful life.

(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 2004

2. Costs of activities in furtherance of the charity's objects

	2004 £	2003 £
Salaries and national insurance	135,362	117,526
Pension costs	6,673	2,676
Home costs	701	748
Motor expenses	14,685	14,990
Travelling expenses	19,375	9,392
Postage, printing and stationery	4,935	6,472
Telephone	5,582	5,599
Literature	12,606	10,918
Other operating costs	4,836	1,422
Contribution overseas	59,052	40,368
Depreciation of motor vehicles:		
Owned	5,999	8,607
Held under hire purchase contracts	5,299	937
Depreciation of computer equipment - Owned	5,291	3,966
Loss on disposal of tangible fixed assets	782	-
	<u>281,178</u>	<u>223,621</u>

3. Management and Administration costs

	2004 £	2003 £
Administration fees	21,783	21,174
Postage, printing and stationery	9,809	8,186
Travelling expenses	2,356	3,863
Sundry expenses	12,895	4,355
Auditors remuneration:		
Audit services	4,164	3,455
Non-audit services	1,245	1,245
Professional fees	4,151	422
Rent	4,183	4,500
Depreciation of computer equipment - Owned	-	661
Hire purchase interest	1,007	9
Bank charges and interest	-	907
Loss/(Profit) on exchange	-	4,070
	-	(3,913)
	<u>61,593</u>	<u>48,934</u>

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Notes to the financial statements for the year ended 31 December 2004

4. Trustees' remuneration

One trustee received emoluments of £nil during the year (2003:£1,008).

Out of pocket expenses were reimbursed to trustees as follows:

	2004 Number	2003 Number	2004 £	2003 £
Travel	4	4	1,163	1,386

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 £20,619 (2003 - £19,171)

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.

5. Employee emoluments

	2004 £	2003 £
Salaries	122,089	110,335
Social security costs	7,696	7,191
Pension costs	6,673	2,676
Total emoluments	136,458	120,202
No employee earned more than £50,000 per annum (2003 - nil)		
Average number of employees	7	7

6. Tangible Fixed Assets

	Freehold property £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation:				
At 1 January 2004	440,205	81,948	13,892	536,045
Additions	151,646	21,195	3,122	175,963
Disposals	(166,455)	(12,447)	(1,151)	(180,053)
Revaluations	-	-	-	-
At 31 December 2004	425,396	90,696	15,863	531,955
Accumulated depreciation:				
At 1 January 2004	-	53,315	8,310	61,625
Charge for the year	-	11,298	5,291	16,589
Eliminated on disposal	-	(7,806)	-	(7,806)
At 31 December 2004	-	56,807	13,601	70,408

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Notes to the financial statements for the year ended 31 December 2004

6. Tangible Fixed Assets - continued

	Freehold property £	Motor vehicles £	Computer equipment £	Total £
Net book value:				
At 31 December 2004	425,396	33,889	2,262	461,547
At 31 December 2003	440,205	28,633	5,582	474,420

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 as at 31 December 2004 was £15,896 (2003 - £2,811).

Cost or valuation at 31 December 2004 is represented by:

	Freehold property £	Motor vehicles £	Computer equipment £	Total £
Valuation in 2003	440,205	-	-	440,205
Cost	-	90,696	15,863	106,559
	440,205	90,696	15,863	546,764

The historical cost of the freehold property is £44,728 (2003 - £38,825).

The freehold property was professionally revalued by BBG Surveyors of Southampton and Lisney Limited of Dublin, Ireland, professional valuers.

Capital expenditure contracted for but not provided in the financial statements was £nil (2003 - £nil).

7. Investments

	2004 £	2003 £
Market value as at 1 January 2003	20,475	18,845
Disposals	-	(3,224)
Net investment gains/(losses)	1,236	4,854
Market value as at 31 December 2003	21,711	20,475
Historical cost	11,425	11,425

Investments in individual entities held at 31 December 2004 which are over 5% of the portfolio by value are:

	£
Royal Bank of Scotland PLC	3,377
Co-operative Bank PLC	8,497
British Aerospace PLC	9,837

All investments held are listed UK Securities.

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Notes to the financial statements for the year ended 31 December 2004

8. Debtors

	2004 £	2003 £
Due within one year		
Debtors	29,930	33,264
Prepayments	4,522	3,622
	<u>34,452</u>	<u>36,886</u>

9. Creditors: amounts falling due within one year

	2004 £	2003 £
Bank overdraft	-	-
Social security and other taxes	6,579	3,060
Other creditors	35,500	35,500
Hire purchase contracts	3,973	1,036
Accruals	14,616	11,729
	<u>60,668</u>	<u>51,325</u>

10. Creditors: amounts falling due after one year

	2004 £	2003 £
Hire purchase contracts	10,394	-
Loans (unsecured)	152,625	152,625
	<u>163,019</u>	<u>152,625</u>

The Loans (unsecured) fall due after five years.

11. Secured debts

The following secured debts are included within creditors:

	2004 £	2003 £
Hire purchase contracts	14,367	1,036
Bank overdraft	-	-
	<u>14,367</u>	<u>1,036</u>

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

THE SEAMEN'S CHRISTIAN FRIEND SOCIETY

Notes to the financial statements for the year ended 31 December 2004

12. Analysis of Net Assets between funds

	Unrestricted Funds £	Total Funds £
Fund Balances at 31 December 2004 are represented by		
Tangible fixed assets	461,547	474,420
Investments	21,711	20,475
Current assets	41,206	114,368
Current liabilities	(60,668)	(51,325)
Long term liabilities	(163,019)	(152,625)
Total Net Assets	300,777	405,313
Unrealised gains included above		
On tangible fixed assets	239,775	395,477
On investment assets	9,050	9,050
	248,825	404,527

Reconciliation of Movements in Unrealised Gains on Property and Investments

	Property	Investments	Total
Unrealised gains at 1 January 2004	395,477	9,050	404,527
Gains realised on disposals during the year	(155,702)	-	(155,702)
Net gains arising on revaluations in year	-	-	-
Unrealised gains at 31 December 2004	239,775	9,050	248,825

13. Statement of Funds

	At 1 January 2004	Income	Expenditure	Transfers	At 31 December 2004
Revaluation Fund	404,527	-	-	(155,702)	248,825
General fund	786	243,560	(348,096)	155,702	51,952
Total Unrestricted Funds	405,313	243,560	(348,096)	-	300,777

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 (2002 - £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.