

REGISTERED COMPANY NO. SC389483

SCOTTISH CHARITY NO. SCO41938

**THE MISSION TO SEAFARERS SCOTLAND LIMITED
TRUSTEES' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

THE MISSION TO SEAFARERS SCOTLAND LIMITED
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**THE MISSION TO SEAFARERS SCOTLAND LIMITED
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2017**

The Mission to Seafarers Scotland Limited Trustees' Annual Report (incorporating the directors' report) for the financial year ending 31 December 2017

A charity registered in Scotland, no.SC389483

A company limited by Guarantee, registered in Scotland no. SCO41938

Charity Information

PATRON

Her Majesty The Queen

PRESIDENT

Her Royal Highness The Princess Royal

CHAIRMAN OF THE BOARD

The Revd Canon Dr Robert Harley

VICE CHAIRMAN OF THE BOARD

Captain Martyn Clark

TREASURER

Mr David Graham-Service

MEMBERS OF THE BOARD (THE TRUSTEES)

The Revd Canon Dr Robert Harley

Captain Martyn Clark

Mr Ray Myers

Mrs Jennifer Gray

Mr David Graham-Service

Mrs Jennifer Rae (appointed 03 August 2017)

Mr Simon Filsell (appointed 27 August 2017)

Mr Brian Partridge (appointed 16 November 2017)

COMPANY SECRETARY

Mrs Eileen Reilly

REGISTERED OFFICE

109 Avalon Gardens

Linlithgow

EH49 7PL

SOLICITORS

Anderson Strathearn LLP

1 Rutland Court

Edinburgh

EH3 8EY

AUDITORS

Price Bailey

7th Floor Dashwood House

69 Old Broad Street

London

EC2M 1QS

BANKERS

Bank of Scotland

PO Box 1000

BX21LB

THE MISSION TO SEAFARERS SCOTLAND LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2017

The Trustees (who are also directors of the Charity for the purposes of the Companies Act) present their report and accounts for the year ended 31 December 2017. The Trustees' report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006. The combined annual report contains a director's report as required by company law.

The Charity's organisation – Trustees

The Mission to Seafarers Scotland Limited (MtSSL) was incorporated on 25 November 2010 as a company limited by guarantee (Number SC389483) and is registered with the Office of the Scottish Charity Regulator (Number SCO41938). MtSSL is a wholly owned subsidiary of The Mission to Seafarers – an incorporated charity in England & Wales (Company Number 6220240 and Charity Number 1123613).

MtSSL is governed and directed by a Board of Directors (the Trustees) whose names appear on page 3. The Chairman and Vice-Chairman are elected for a period of 4 years at an AGM. Other elected trustees serve for a period of 4 years, apart from those over 70 years of age who are elected annually. All those elected may be re-elected for a second four-year period or a further year up to a maximum of 8 years if over 70.

The parent body may appoint up to three trustees. The Trustees may appoint or reappoint trustees at a meeting of the Trustees

The Board has a minimum of 3 trustees and meets approximately four times a year.

The Board is committed to observing high standards of overall governance by reference to the key principles of the Charity Governance Code for smaller charities published in 2017 and endorsed by the Charity Commission.

The Board maintains and reviews a skills audit of trustees to ensure the skills set of members reflect the requirements of the Charity. A trustee recruitment process has also been agreed for transparency and clarity whereby potential trustees are interviewed by unconnected representatives of the Board.

All trustees are given an induction on first appointment to familiarise themselves not only with the work of MtSSL but also their responsibilities as a trustee. Some may undergo more specific training in the form of short external courses, either as a trustee of the Charity or on behalf of another Charity of which they might also be a trustee.

The Charity's organisation – management team and staff

The Mission to Seafarers has seconded and funds one member of staff to carry out the day to day operations of MtSSL. The accounts include an estimate for the cost of these services as income and expenditure to reflect the true costs of running the Charity.

Although the member of staff is line managed from London, the Board of Directors oversee their work in Scotland.

The parent body The Mission to Seafarers has a world-wide chaplaincy presence in around 260 ports. Working with staff and volunteers, the Chaplains are the primary means of delivering care to seafarers around the globe. Chaplains are funded either locally or through grants from The Mission to Seafarers or work as honorary Chaplains on a voluntary basis. The Mission to Seafarers provides funding for around 30 Chaplains who are managed by the Secretary General of The Mission to Seafarers and by Regional Directors located around the world including 16 who are directly employed by The Mission to Seafarers. Most Chaplains are ordained Anglican priests who may be based in The Mission to Seafarers' centres or operate through mobile ministries. Working alongside Chaplains are the centre staff who primarily manage the running of UK centres. They may be assisted by volunteers and together they provide numerous valuable services including ship visiting, transportation, centres facilities and the offer of friendship, support and help to seafarers.

The Charity's organisation

Volunteers – provide the essential backbone by which MtSSL is able to operate seven days a week, all the year round. The volunteers work under the direction of The Mission to Seafarers' Scotland chaplain

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who appoints a lead volunteer to coordinate their activities. All volunteers irrespective of their role must complete the Merchant Navy Welfare Board's accredited training to be authorised as an accredited Ship Welfare Visitor. This training must be renewed every five years. In addition, specific training is undertaken for different types of vessels. The volunteers also attend a monthly meeting from February until November. This enables them to share their experiences and identify elements of their work that could be improved. Currently our volunteers cover:

- Grangemouth Docks for Container ships and Cargo vessels
- Braefoot Bay for Gas tankers
- Rosyth Docks for Cruise ships
- Grangemouth Centre, a drop-in centre for all seafarers.
- South Queensferry, a temporary drop in centre when cruise ships anchor.
- Hound Point for large oil tankers

The main role of the volunteers is to:

- Support the seafarers when they are in port through talking with them and listening to them.
- Assisting them in the purchasing of phone cards which in many cases is a lifeline to their family and friends.
- Identifying and spiritual needs and referring those to the Chaplain.
- Signposting them to the shops and local community.
- When possible taking them on day trips in order that they can spend some time off the vessel
- Operating within the Grangemouth centre and South Queensferry drop in centre

The Charity's objectives and activities for the public benefit

The object of MtSSL is to promote the spiritual, moral and physical wellbeing of seafarers and their families worldwide.

What difference does MtSSL make?

MtSSL continues to expand its facility of providing both directly and indirectly emergency assistance, practical support and a friendly welcome to crews visiting circa 86 ports in Scotland. Whether caring for victims of piracy or providing a lifeline to those stranded in foreign ports, we are there for the globe's 1.3 million merchant seafarers of all ranks, nationalities and beliefs. Seafarers face many challenges which the Charity seeks to address in a manner consistent with Christian principles and the received practice of the Anglican Communion. These challenges include:

- Life at sea is often lonely. Crews are much smaller than they used to be which, combined with long tours of duty, can lead to tensions on board and the craving to talk to someone other than another crew member.
- Life at sea is often difficult and dangerous with long anti-social hours and the risk of shipwreck or piracy.
- Seafarers and their families have little or no ability to communicate with each other whilst the seafarer is at sea, heightening tensions and anxiety.
- The increase of pirate attacks adds to the seafarers' psychological burden.
- Ports are often secure facilities in isolated locations, leaving seafarers with little or no access to the facilities ashore. In port turnaround times have been reduced.
- Seafarers' contracts are routinely more than 6 months and may be as long as 18 months.
- Seafarers often do not speak the language of the country in the ports they visit. This can make them feel isolated and vulnerable.
- When seafarers arrive in port their free time may be short and at unsocial hours.
- Quite often, even when at anchor or in port, seafarers are not allowed to leave their ship and go ashore.
- Seafarers are generally hardworking, courteous and proud but they are not always treated with respect by the general public in the countries they visit.

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In satisfying its object, and trying to address the challenges faced by seafarers, the Charity provides the following benefits every day of the year:

Pastoral Care

The Chaplain and volunteers visit seafarers on their ships or ashore and provide a friendly ear, counselling and practical assistance including clothing, money or accommodation in times of crisis or day-to-day need in Scotland. The Charity will seek to help the families of seafarers who are in difficulty due to piracy, accident, arrest, illness or maltreatment. This will involve referring on to specialist services, other charities or direct assistance as resources permit.

Hospitality

Working in conjunction with and using the facilities of like-minded organisations to provide the seafarers with:

A safe environment away from their ships in which to relax and rest.

Transport to and from centres or their ship to the nearest town or shopping facility.

Communication facilities with access to the internet, SKYPE calls to make contact with family and friends. Recreation facilities, including television, DVDs, karaoke, books, pool tables and table tennis. These facilities aim to be 'a home away from home'.

Spiritual Support and Guidance

The Charity recognises that seafarers have spiritual needs and, if requested, it aims to offer access to spiritual support according to individual seafarer's needs; providing church services, Christian literature and access to other forms of worship as requested.

Advocacy services

The Charity provides information on and referral to services providing advocacy support, justice issues within the shipping industry and services for seafarers' rights.

The Trustees confirm that they have referred to the guidance contained in OSCAR's updated guide to the 2006 regulations (August 2011) on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The Charity's work in Scotland in 2017

The primary objective of the MtSSL remains unchanged: to identify and help seafarers in need of welfare support, regardless of nationality or faith and whilst consolidating progress to date we continue to expand our efforts to respond to the needs of seafarers visiting Scottish ports.

Key Achievements and Features in 2017

1. The Board

The board of trustees has been strengthened with the appointment of three new trustees. The Board recognised that due to the retirement clause within the constitution 2 or 3 trustees are due to retire in 2018/9 and it was felt appropriate to partially address this in 2017. The new trustees all bring with them skills and capabilities that will help to reinforce the skill base of the

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board. The new trustees are Simon Filsell, Jennifer Rae and Brian Partridge. Due to retirement, Bishop Rt Revd Nigel Peyton, remitted his position of Liaison Bishop in June.

2. KPI's:

During the course of the year the Board established a set of Key Performance Indicators (KPI's) to help identify areas that need to be addressed within the Charity

- a. **Donor Growth:** the number of donors has dropped to 36 (excluding on line giving) (2016 51) indicating that there is a considerable amount of work to be undertaken. Various initiatives will be put in place to address this.
- b. **Sea Sunday Growth:** This has grown to 52 services (recorded) (2016 20). There are still further plans to improve on this next year.
- c. **Financial Donation Growth:** This has seen a significant increase of 212% from 2016 but is considered unrealistic to maintain as it included a one-off significant anonymous donation of £9,396 for which we are exceedingly grateful.
- d. **Change in average value of donations:** The average gift in 2017 was £154.97 (this includes the one off large donation mentioned in c. above. We are unable to evaluate figures for 2016 due to how the figures were recorded.
- e. **Online Gift Percentage:** £100.63 (0.7%) has been donated online via the new website. This is another area that the Board needs to address in 2018
- f. The number of ships visited during 2017 was 411 (2016 unrecorded)
- g. Number of talks given (excluding Sea Sundays): 10 (2016 unrecorded)
- h. Number of volunteers (ship visitors only): 7 (2016 7)
- i. Grangemouth Centre attendees: 3681(2016 unrecorded)

3. Conferences

The Chairman attended The Mission to Seafarers' Branch Managers' meetings in London and in September the Branch Managers' Conference, which focussed on the management of centres and the management of volunteers.

4. Website

The development of the website has been completed with a donation link page, and a signup form for our quarterly newsletter. In addition, there are key links to other organisations that support the work of Seafarers throughout the country.

5. Ship visiting

Ship visiting takes place with the chaplain and our volunteers and has continued to be our main activity this year and, at times, somewhere between 70 and 80 vessels are visited a month. Our commitment to cruise ships (May to September) does on the one hand reduce the number of vessels visited but on the other we see many more seafarers.

The cruise ship visits were very successful this year. We were refused access to a few vessels. This was however down to messages not being passed on to the ship. This was not a matter of policy more a matter of the ships' administration. In all we took part in over 40 cruise ship visits and we anticipate many more next year.

6. Hound Point and Braefoot Bay:

Visits continue at Hound Point and Braefoot Bay by both volunteers and our chaplain. An anonymous donation of the cost of the top up for the hot spot has been gifted to MtSSL for Hound Point. This gift is estimated at £240 for which MtSSL is very much appreciative.

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7. Dundee:

Our chaplain also attended visits to the Cruise Ships in Dundee during the year and took part in the planning for those visits.

8. Temporary centre (South Queensferry)

Building on the experiences of last year we decided to hire the conference room at the Hawes Inn in South Queensferry to set up a temporary seafarers' centre when a cruise ship was anchored at Hound Point. Any cruise ship that will not go under the bridge anchors off in the Forth river. Crew and passengers are then brought in by tender. The Inn is opposite the pier itself and makes an ideal venue.

We offered all the things one would expect including free Wi-Fi, tea and coffee, literature and access to phone cards and top ups and knitted items. It was very well received. Some of the seafarers could not work out why they were not being charged for the service. We dealt with many seafarers who were lonely and homesick. Many were just plain tired. We also got to know some of them very well as some of the ships came back several times. We had on average about fifty seafarers every time we opened the centre. The only days this was not the case was when the weather was dreadful and wet then numbers reduced.

We found the European seafarers were happy to say "hi" and then get the bus or train to Edinburgh. However, the other nationalities used the centre a lot more. Some stayed for four or five hours. Some seafarers came and went throughout the day. Average price per seafarer per visit is around £3.00. From a volunteering and chaplain point of view it was time consuming but worth the effort. We can mark it up as a great success.

9. Grangemouth centre

The centre continues to be a success we have continued to have an attendance of fifty seafarers a week throughout the year. The centre is the flagship for Scotland and whilst inside the docks and through security we are always happy to show anyone around who is interested. One of the notable things about visiting the ships in Grangemouth is how often the centre is mentioned in a conversation. During the course of the year we have improved the lighting and heating in the games area and we have reinstated the Ladies toilet albeit it still needs decoration.

10. Taxi service

We have started a free-for-seafarers one-way taxi service in the Grangemouth docks. This is either to the Seafarers Centre or to Asda in Grangemouth town. We have a contract with a local taxi firm. It took a little while to get established. It also took some time for the concept of ONE WAY to be understood by the seafarers. However, this has again been a success. The docks are quite spread out and a 24hr taxi service has been very useful for seafarers. We have been running this service since July during which time we have undertaken 122 taxi journeys.

11. Volunteers

Our chaplain and the Board want to take this chance to say a huge thank you to all our volunteers old and new. What we have achieved over the last twelve months could not have been done without them. We know no one wants to be singled out but the task of MtSSL would not be undertaken as thoroughly without all their hard work and effort.

12. Knitters

A very special thanks to all those who knit for MtSSL. We gave away over 4000 knitted items while cruise ship visiting this year. Warm hands, head, feet and toesies would not be possible without them. From MtSSL and the seafarers THANK YOU.

13. Secondment

Our chaplain was seconded to work alongside MOAS this year on a 2-month attachment. MOAS is a Malta-based registered foundation dedicated to mitigating the loss of life at sea. They provide professional search and rescue assistance to refugees and migrants in distress at sea. The chaplain was fundamentally there to assess if there was a need for a chaplain to be attached to the group and will be reporting back to MtSSL and The Mission to Seafarers. In addition, whilst on board the MOAS flagship vessel *MY Phoenix*, he undertook whatever duties he could whilst working with the team.

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This secondment was off the coast of Bangladesh where there was a deadly exodus unfolding on the border of Bangladesh and Myanmar. In the previous months thousands of stateless Rohingya had fled into neighbouring Bangladesh to seek safety. Many died fleeing and the humanitarian need escalated. On 4th September 2017 *MY Phoenix* was redeployed for its second mission in the Bay of Bengal to deliver aid and to help and assist vulnerable people affected by the ongoing violence. Our chaplain was on board providing welfare support to the crew during the rescue operation.

14. Partnerships

We continue to work with our partners the Apostleship of the Sea and the Sailors Society and we thank them for their support.

In conclusion the Board would like to say thank you to our chaplain for what has been a very busy year, The Board also recognise the many organisations that raise funds for the MtSSL. This includes, but is not limited to, individuals and organisations; Sunday school collections, private club donations, Mother's Union. The Guild, churches holding Sea Sundays, and the anonymous who do not wish to be named but have donated funding to us.

Financial review

The Mission to Seafarers seconds a chaplain and provides additional support through the Company Secretary free of charge. Following a £15,000 (2016 nil) contribution by MtSSL to The Mission to Seafarers, this has been treated as a gift in kind of £59,157 (2016 £77,857) in voluntary income.

To further assist in the costs of the chaplain, any income generated from a Scottish postcode but gifted to The Mission to Seafarers in London, remained in London.

Sea Sunday revenue increased over 2016 to £6,260 (2016 £5,484) however the number of Sea Sunday services is believed to have remained static.

Supporting seafarers by the sale of phone top up and "sim" cards continues to demonstrate the real need to enable seafarers to contact family and friends. This part of the MtSSL's activity is not seen as a fundraising activity but a means of improving seafarers' welfare. The cost of this service was £28,675 (2016 £29,729) with an income of £28,756 (2016 £29,756)

Charitable expenditure accounts for 100% (2016 100%) of total expenditure. The Trustees are content with this result as events in 2017 and beyond will build on the foundations laid since incorporation.

The overall result is a surplus of £4,019 (2016 surplus £20,310). The Board is satisfied with this result and will make a contribution of £15,000 to The Mission to Seafarers in 2018.

Reserves

The reserves currently stand at £105,482 (2016: £101,463) which comprise of £105,482 unrestricted funds (2016 £95,629) and nil restricted funds (2016 £5,834)

The underpinning view of the Board is to maintain reserves approximately equal to one year's total running costs of MtSSL. By maintaining this level of reserves the work of MtSSL in Scotland will be protected even during adverse times. The reserves are set aside to meet a potential need, such as an unexpected drop in income but are not set aside for a specific purpose.

The Board review the amount of reserves held annually and are satisfied with the sums held.

Risks

The major risks to which MtSSL is exposed, as identified by the Charity, have been reviewed and systems and procedures established to manage them. A Risk Register has been compiled citing major risks, the controls already in place to mitigate and manage those risks, and the future actions planned to further reduce the net risk to which the Charity remains exposed. In accordance with board policy the Register was reviewed and approved by trustees It will be kept under regular review.

The most significant risk is the developing dependency on volunteers to support the chaplain in providing services to seafarers in the ports. The risk is mitigated by careful selection and appropriate training and certification by the Merchant Navy Welfare Board.

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Future plans

As the commitments of the chaplain to Scottish Ports increase so does the dependence on competent trained volunteers. The increase in volunteer numbers, geographical development and activities also demands a more focussed degree of managing and co-ordination across the team. In this regard the Trustees will continue to undertake reviews of its strategic plan including a re-assessment of the mechanisms and resources through which the skills and contributions of both Honorary Chaplains and volunteer teams can be optimised. Supporters make our work possible.

Fundraising activities must continue. The management and operation of the Grangemouth Port Centre for Seafarers and its usage will continuously be tracked and monitored to ensure the centre is servicing the welfare needs of its users and its existence justified. Following the initial investment in the building and its facilities, further enhancement and expansion plans within the building will continue throughout 2018.

A taxi service within the Port of Grangemouth was successfully started in summer 2017. The service enables seafarers to travel from the vessel to Grangemouth town centre or the Port Seafarers Centre within the docks. The free service was a success for seafarers visiting the Grangemouth Docks and will continue in 2018.

The Board has agreed to contribute to the funding of the role of MtSSL chaplain by contributing £15,000 to The Mission to Seafarers for the financial years 2017 and 2018; thereafter it will be reviewed.

Statement of Trustees' Responsibilities

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, and to provide reasonable assurance that:

- the Charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Charity or for publication is reliable;
- the Charity complies with relevant laws and regulations.

So far as each of the Trustees at the date of this report is aware, there is no relevant audit information of which the company's auditors are unaware. Each Trustee has taken all the steps that he/she ought

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to have taken as a Trustee in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved and authorised for issue by the Board on 27 April 2018 and signed on its behalf by:



Chairman and trustee
The Revd Canon Dr R Harley



Honorary Treasurer and trustee
Mr D Graham-Service

THE MISSION TO SEAFARERS SCOTLAND LIMITED
AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Independent Auditor's Report to the Trustees and Members of The Mission to Seafarers Scotland Limited

Opinion

We have audited the financial statements of The Mission to Seafarers Scotland Limited (the 'charitable company') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Helena Wilkinson

15 May 2018

Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
7th Floor
Dashwood House
69 Old Broad Street
London
United Kingdom
EC2M 1QS

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

THE MISSION TO SEAFARERS SCOTLAND LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
INCOME FROM:							
Donations and legacies	3	97,275	-	97,275	109,746	10,000	119,746
Charitable activities							
Provision of services to seafarers		28,756	-	28,756	29,756	-	29,756
TOTAL		126,031	-	126,031	139,502	10,000	149,502
EXPENDITURE ON:							
Charitable activities	4						
Provision of services to seafarers		116,178	5,834	122,012	125,026	4,166	129,192
TOTAL		116,178	5,834	122,012	125,026	4,166	129,192
NET INCOME FOR THE YEAR BEING							
NET MOVEMENT IN FUNDS		9,853	(5,834)	4,019	14,476	5,834	20,310
RECONCILIATION OF FUNDS							
Total funds brought forward		95,629	5,834	101,463	81,153	-	81,153
TOTAL FUNDS CARRIED FORWARD		105,482	-	105,482	95,629	5,834	101,463

All the above results are derived from continuing activities. All gains and losses in the year are included above.

Notes 1 to 14 form part of these financial statements.

THE MISSION TO SEAFARERS SCOTLAND LIMITED
COMPANY NUMBER SC389483
BALANCE SHEET
AS AT 31 DECEMBER 2017

	Notes	Total 2017 £ Total	Total 2016 £ Total
CURRENT ASSETS			
Debtors	7	435	512
Cash at bank and in hand		<u>105,047</u>	<u>100,951</u>
		105,482	101,463
LIABILITIES			
Creditors falling due within one year		-	-
TOTAL NET ASSETS		<u>105,482</u>	<u>101,463</u>
CHARITY FUNDS			
Unrestricted	8	105,482	95,629
Restricted	9	-	<u>5,834</u>
TOTAL CHARITY FUNDS		<u>105,482</u>	<u>101,463</u>

These accounts have been prepared in accordance with the provisions of the small companies' regime.

Approved and authorised for issue by the trustees on 27 April 2018

Signed on its behalf by:



Chairman/trustee
The Revd Canon Dr R Harley



Honorary Treasurer/trustee
Mr D Graham-Service

Notes 1 to 14 form part of these financial statements.

STATEMENT OF CASHFLOWS

AS AT 31 DECEMBER 2017

The Mission to Seafarers Scotland Limited Company No SC389483

STATEMENT OF CASH FLOWS AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	12	4,096	19,001
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		100,951	81,950
Cash and cash equivalents at the end of the reporting period		105,047	100,951

Notes 1 to 14 form part of these Financial Statements.

THE MISSION TO SEAFARERS SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

The Mission to Seafarers Scotland Limited (the MtSSL) is a company limited by guarantee (Number SC389483) and a charity registered with the Office of the Scottish Charity Regulator (Number SCO41938) both registered in Scotland. The address of the registered office is 109 Avalon Gardens, Linlithgow, EH49 7PL.

The Mission to Seafarers Scotland Limited meets the definition of a public benefit entity under FRS102.

The MtSSL is a wholly owned subsidiary of The Mission to Seafarers, an incorporated charity registered in England & Wales (Company Number 6220240 and Charity Number 1123613).

2. ACCOUNTING POLICIES

a) Basis of preparation

Statement of Compliance

The Financial Statements have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the special provisions of the Companies Act 2006 relating to small companies.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are shown below.

b) Going concern

The trustees consider that there are no material uncertainties about the MtSSL's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with estimating the cost of the donated services from The Mission to Seafarers. With regard to 2017, the most significant area of uncertainty for the MtSSL is the level of donation income which needs to be raised each and every year. This is covered in more detail in the Financial review section of the Trustees' Annual Report.

c) Fund accounting

Unrestricted funds are available to spend on activities that further the objectives of the MtSSL.

Restricted Funds represent donations for specific purposes. Restricted funds may only be used to fulfil the donor's restriction which must also further the charitable activities of the MtSSL. Details of restricted funds are set out in note 9. Transfers to unrestricted funds represent the release for the year of these donations.

d) Income

The value of all income accruing to the charity is recorded in the Statement of Financial Activities (SoFA) as soon as it is legally entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. Where income has related expenditure, the income and expenditure are reported gross in the SoFA.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the MtSSL is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period.

THE MISSION TO SEAFARERS SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

Legacies of property and investments are included initially at the market value ruling on the date of transfer. Legacies are recognised in the SoFA at the earlier of actual receipt or on receipt of Estate accounts which confirm entitlement to receive the legacy, probability of receipt and an accurate measure of the amount.

Event income received in advance for a future fundraising event or a grant received relating to the following year are deferred until the criteria for income recognition are met.

Interest on deposit funds is recognised when the amounts can be measured reliably which is normally upon notification of the amount paid or payable by the bank.

Sponsorship from events, fundraising and events registration fees is recognised in income when the event takes place.

Trading income is recognised at the point of sale.

e) Expenditure

Expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Operating lease costs are charged on a straight-line basis over the lease term.

Support costs including irrecoverable VAT and Governance costs (which comprise amounts related to constitutional and statutory requirements and include audit fees, professional fees and trustees' expenses) are charged to the headings on the SoFA based on the proportion those categories have in relation to total expenditure before Support costs.

See Note 4 for a further analysis of expenditure.

f) Donated Services

Donated services or facilities are recognised when the MtSSL has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

Donated services relating to services provided by the parent charity are included as the cost to the parent charity and allocated to expenditure headings accordingly.

g) Volunteers

Volunteers make a valuable contribution to the charitable activities of the charity. The value of their services is not included in these accounts as it is impossible to measure. However, further details of their valuable contribution to the MtSSL is provided in the Trustees' Annual Report.

h) Debtors

Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

i) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE MISSION TO SEAFARERS SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

j) Creditors

Creditors are recognised where the MtSSL has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

k) Financial instrument

The MtSSL only has financial assets and financial liabilities of the kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value (note 14).

l) Foreign currency translation

There are no foreign currency transactions and therefore no gains or losses are recognised in the SoFA.

m) Taxation

The MtSSL is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the MtSSL is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

3. DONATIONS AND LEGACIES

	Unrestricted	Restricted	2017 total	Unrestricted	Restricted	2016 total
	£	£	£	£	£	£
General donations and gift aid	15,423	-	15,423	5,605	-	5,605
Sea Sunday donations	6,260	-	6,260	5,484	-	5,484
Trusts and grant donations:						
Inverclyde Bequest Fund	3,000	-	3,000	1,500	-	1,500
Dr Olva and Mrs Kerr Trust	7,500	-	7,500	7,500	-	7,500
Mrs Jane Allan Award	500	-	500	500	-	500
Scottish Episcopal Church	1,000	-	1,000			
Theodore Salvesson	3,000	-	3,000	-	-	-
Memorial Trust						
The Peter Dixon Charitable Trust	-	-	-	-	10,000	10,000
The Merchant Navy Welfare Board	-	-	-	1,300	-	1,300
Legacies	1,435	-	1,435	10,000	-	10,000
Gift in Kind	59,157	-	59,157	77,857	-	77,857
	97,275	-	97,275	109,746	10,000	119,746

Restricted income in 2017 was nil (2016 £10,000) relating to the Peter Dixon Charitable Trust.

THE MISSION TO SEAFARERS SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

4. ANALYSIS OF EXPENDITURE

	Direct costs £	Support costs £	Total 2017 £	<i>Direct costs £</i>	<i>Support costs £</i>	<i>Total 2016 £</i>
<u>Charitable activities</u>						
Ship visiting, ministry and services to seafarers	70,857	4,550	75,407	74,330	4,424	78,754
Purchase of phone cards	28,675	1,841	30,516	29,729	1,770	31,499
Running costs of the Grangemouth and Queensferry centre	7,657	492	8,149	5,400	321	5,721
Grants given	-	-	-	6,075	362	6,437
Volunteer, general and marketing costs	7,461	479	7,940	6,400	381	6,781
Total Charitable activities	114,650	7,362	122,012	121,934	7,258	129,192
Total expenditure	114,650	7,362	122,012	121,934	7,258	129,192

Support costs

	Charitable activities £	2017 Total £	<i>Charitable activities £</i>	<i>2016 Total £</i>
Donated services from The Mission to Seafarers; admin and accountancy support	3,000	3000	2,976	2,976
Governance, irrecoverable VAT and other general admin	4,362	4,362	4,282	4,282
Total	7,362	7,362	7,258	7,258

All activities were deemed charitable and no support costs have been charged to Fundraising as no Fundraising costs were incurred in 2017 (2016 nil). All support costs in 2017 and 2016 were unrestricted.

Restricted expenditure in 2017 was £5,834 (2016 £4,166) relating to the Peter Dixon Charitable Trust donation. The expenditure is included within volunteer, general and marketing costs above.

Total auditor's remuneration included in governance costs amounted to £1,500 (2016 £1,500)

THE MISSION TO SEAFARERS SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

5. AVERAGE NUMBER OF EMPLOYEES

There are no directly employed staff (2016 none) but there is one (2016 one) full-time seconded member of staff (chaplain) who forms part of the gift in kind. The trustees are the senior management team as they are directly responsible for day to day management.

6. TRANSACTIONS WITH TRUSTEES

One trustee (2016: none) received remuneration during the current year under the authority of a written agreement with trustees. Jennifer Rae received £188 for providing secretarial services to MtSSL. There were no other payments to trustees outstanding at the year end.

During the year £2,412 (2016 £1,709) of expenses were reimbursed to two trustees (2016: two) for travel to attend meetings and to reimburse them for operational expenditure incurred on behalf of MtSSL.

7. DEBTORS

	2017 £	2016 £
The Mission to Seafarers	435	512
	<u>435</u>	<u>512</u>

8.1 UNRESTRICTED FUNDS 2017

	Opening balance £	Income £	Expenditure £	Closing balance £
General funds	95,629	126,031	116,178	105,482
	<u>95,629</u>	<u>126,031</u>	<u>116,178</u>	<u>105,482</u>

8.2 UNRESTRICTED FUNDS 2016

	Opening balance £	Income £	Expenditure £	Closing balance £
General funds	81,153	139,502	125,026	95,629
	<u>81,153</u>	<u>139,502</u>	<u>125,026</u>	<u>95,629</u>

9.1 RESTRICTED FUNDS 2017

	Opening balance £	Income £	Expenditure £	Closing balance £
Peter Dixon Charitable Trust	5,834	-	5,834	-
	<u>5,834</u>	<u>-</u>	<u>5,834</u>	<u>-</u>

9.2 RESTRICTED FUNDS 2016

	Opening balance £	Income £	Expenditure £	Closing balance £
Peter Dixon Charitable Trust	-	10,000	4,166	5,834
	<u>-</u>	<u>10,000</u>	<u>4,166</u>	<u>5,834</u>

THE MISSION TO SEAFARERS SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

10. RELATED PARTY TRANSACTIONS

The Mission to Seafarers is a related party and the ultimate controlling party whose objectives are to promote the spiritual, moral and physical wellbeing of seafarers and their families worldwide. Their principal activities include providing ship visiting, welfare services and friendship to seafarers worldwide through chaplains, volunteers and centres. The Mission to Seafarers is the sole member of the MtSSL and the MtSSL's Company Secretary is also an employee of The Mission to Seafarers.

The MtSSL is part of The Mission to Seafarers' VAT group and reports financial information quarterly to The Mission to Seafarers. The MtSSL is consolidated into the group financial statements of The Mission to Seafarers, which are available from the Registered Office address on page 3. Transactions with other entities within the group are not disclosed as the company has taken advantage of the exemption available under FRS102 1A.

11. ULTIMATE CONTROLLING PARTY

The ultimate parent is The Mission to Seafarers, registered Company Number 6220240 and Registered Charity number 1123613 in England and Wales.

**12. RECONCILIATION OF NET MOVEMENT IN FUNDS TO
NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net income for the reporting period (as per the Statement of Financial Activities)	4,019	20,310
Adjustments for:		
(Increase)/Decrease in debtors	77	(512)
(Decrease)/Increase in creditors	-	(797)
Net cash provided by operating activities	4,096	19,001

13. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	105,047	100,951
Total cash and cash equivalents	105,047	100,951

14. FINANCIAL INSTRUMENTS

The carrying amounts of the charity's financial instruments are as follows:

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	435	512
	435	512
Financial liabilities		
Financial liabilities measured at amortised cost	-	-
	-	-

Financial assets that are debt instruments, measured at amortised cost, comprise of other debtors.

Financial liabilities measured at amortised cost, comprise other creditors.

