

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 2018**

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YEAR ENDED 31 DECEMBER 2018**

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**THE MISSION TO SEAFARERS SCOTLAND LIMITED
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2018**

The Mission to Seafarers Scotland Limited Trustees' Annual Report (incorporating the directors' report) for the financial year ending 31 December 2018

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

Captain Martyn Clark (appointed 1 July 2018)

The Revd Canon Dr Robert Harley (retired 30 June 2018)

VICE CHAIRMAN OF THE BOARD

Captain Martyn Clark (until 30 June 2018)

TREASURER

Mr David Graham-Service

MEMBERS OF THE BOARD (THE TRUSTEES)

Captain Martyn Clark

Mr Simon Filsell (appointed 27 August 2018)

Mr David Graham-Service

Mrs Jennifer Gray

The Revd Canon Dr Robert Harley (retired 30 June 2018)

Mr Alan McPherson (appointed 18 February 2019)

Mr Ray Myers (retired 30 June 2018)

Mr Brian Partridge (appointed 16 November 2018)

The Right Revd Ian Paton (appointed 28 March 2019)

Mrs Jennifer Rae (appointed 03 August 2018, resigned 25 March 2019)

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 2018

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 2018. 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 2018 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 more than 200 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 15 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 OSCR'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 2018

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 2018

1. The Board

At our General meeting held on 30th June 2018 in St Mary's Episcopal Church Grangemouth our Chairman, The Revd Canon Dr Robert Harley, stepped down after serving his 8-year term of office. Likewise, Mr Ray Myers also stepped down. The trustees thank both Bob Harley and Ray Myers for the unstinting work with the Mission to Seafarers Scotland. The Board are actively seeking to find new Trustees with a passion to work with seafarers in Scotland. The

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Trustees are also waiting to hear from the College of Bishops of the Scottish Episcopal church for the appointment of a liaison Bishop who may also be appointed as a Trustee.

2. Retired Chairman of the Mission to Seafarers Scotland.

The Trustees wish to acknowledge the work of The Rt Revd Neville Chamberlain former Bishop of Brechin who died on 8 October 2018.

Bishop Neville Chamberlain was appointed as liaison Bishop and Chairman of the Scottish Council at the AGM in October 2001 holding this position until the AGM in October 2005.

It is recorded in an AGM minute of 2003 that "...since becoming chairman, Bishop Neville has been pushing to get things moving and even with his other duties has given Mission to Seafarers Scotland 100% "

At the end of his tenure it was unanimously agreed that the Scottish Council was in a much stronger position to see the integration of Mission to Seafarers Scotland with the central office of Mission to Seafarers worldwide. His goal of creating a culture of hope and excitement and planning for future developments, especially the appointment of a chaplain would be realised.

3. KPI's:

The results of our Key Performance Indicators (KPIs) are monitored at each Trustee meeting to help identify areas that need to be addressed within the Charity. The results of them are as follows:

- a. **Donor Growth:** the number of donors has increased to 44 (2017: 36). Although the number is still low it is a significant increase over 2017
- b. **Sea Sunday Growth:** the number of services has dropped to 37 services (2017: 52). We are not clear as to why this has dropped but a concentrated effort will be made during 2019 to reverse this.
- c. **Financial Donation Growth:** general donations and gift aid have decreased to £8,434 from £15,423 in 2017 but if adjusted for the one-off significant anonymous donation of £9,396 in 2017 the trending is showing a steady increase.
- d. **Change in average value of donations:** The average gift in 2018 has reduced to £148.41 (2017: £154.97)
- e. **Online Gift Percentage:** £514.30 (6.53%) has been donated online via the website compared to £100.63 (0.7%) in 2017, a substantial increase.
- f. **Ship visits:** the number of ships visited during 2018 was 711 (2017: 411)
- g. **Talks:** the number of talks given (excluding Sea Sundays) was 14 (2017: 10)
- h. **Volunteers:** the number of volunteers (ship visitors only) was 12 (2017: 7)
- i. **Centre visitors:** Grangemouth Centre attendees: 2,140 (2017: 3,681) The fleet of VOS ships left Grangemouth this year which greatly reduced the visitor numbers. However, we are still achieving over 40 visitors a week.

4. Fund Raising

In addition to our normal fund-raising activities (Sea Sundays, talks to various groups etc.) we held our first concert in St Columba's Episcopal Church, Bathgate where we hosted the Jordanhill Handbell ringers.

We launched our Campaign of "R U 1 in a 1000" which should become our main drive in 2019 to grow the awareness of the work of the Mission to Seafarers Scotland and to continue our drive to be fully self-funding in Scotland.

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5. Website

We continue to maintain the website with current information.

6. Ship visiting

Ship visiting takes place with the chaplain and our volunteers and has continued to be our main activity this year and approximately 60 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 not refused access to any vessels. In all we took part in over 75 cruise ship visits and we anticipate many more next year.

7. Hound Point and Braefoot Bay

Visits continue at Hound Point and Braefoot Bay by both volunteers and our chaplain. A free Wi-Fi hot spot is made available for all the ships that berth at Hound Point and during the year this has been activated 11 times. In addition, we operate a Rota service with the other societies to arrange transport facilities to the train station, the Post Office and Tesco. This year the service by our volunteer has transported 31 crew members over 9 ship visits.

8. Dundee

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

9. Temporary centre (South Queensferry)

Building on the experiences of previous years we continued 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 visiting every time we opened the centre.

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. The average cost per seafarer per visit is around £1.00. From a volunteering and chaplain point of view it was time consuming but worth the effort.

In addition to this we managed to visit on board one of the ships which was a great achievement and success. We plan to develop this next year and both run the centre in the Hawes Inn and manage an on-board facility as well.

10. Grangemouth centre

The centre continues to be a success. We have an attendance of forty 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 year we have installed a vending machine that supplies crisps, soft drinks, chocolate bars and even phone Top Ups.

11. Taxi service

Our free one-way taxi service in the Grangemouth docks continued throughout the year. This is either to the Seafarers Centre or to Asda in Grangemouth town. We have a contract with a local

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taxi firm to we are very appreciative off for their support. The docks are quite spread out and a 24hr taxi service has been very useful for seafarers. This year we supplied 788 taxi journeys.

12. 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.

13. Knitters

We all rely upon the seafarer for at least 90% of our daily needs, giving little thought to the difficult occupation that seafaring undoubtedly is. He, or she, may face many challenges far beyond the natural storms on the water. Pirates still travel the seas and seafaring is not only physically one of the hardest jobs but involves also much psychological stress. Isolation, home sickness, and now, when in many ports around the world seafarers are no longer allowed to leave their ships, the feeling of being imprisoned becomes an extra burden to bear. One small way we can repay them is to provide a warm knitted item for their comfort. When our Chaplains and volunteers visit seafarers on their ships one of the things they always take with them is just such an item made with love by supporters around Scotland and beyond. Receiving such a gift could often be the first kindness a seafarer will have been shown in many months; each item shows not only that we are thinking of them but demonstrates also how much they mean to us, that they are not forgotten. These gifts mean so much to the seafarer and they are always so pleased to receive them. We always welcome new knitters to get the needles clicking on our behalf and have patterns available for Balaclavas; Fingerless mittens; Hats; Neck warmers; Scarves and Thick Socks.

A very special thanks to all those who knit for MtSSL. We gave away over 8,000 knitted items during this year. This represents in the order of 30,000 hours and £8,000 of materials. Thank you.

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, the 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 Statement of Financial Activities on page 15 shows a net operating loss of £1,895 (2017: surplus £4,019). Voluntary income reduced in total to £120,930 (2017: £126,031) although it is encouraging that Sea Sunday revenue increased to £6,337 (2017: £6,260) and that the underlying trend shows that general donations are increasing. There was also a new income stream of £567 in 2018 from a fundraising concert.

Overall expenditure in 2018 rose slightly to £122,825 (2017: £122,012). The MtSSL continued to support seafarers with the sale of phone top up and "sim" cards, as this demonstrated the real need to enable seafarers to contact family and friends. This part of the MtSSL's activity, together with the provision of goods via a vending machine, is not seen as a fundraising activity but as a means of improving seafarers' welfare. The cost of these services was £27,976 (2017: £28,675) with an income of £28,564 (2017: £28,756).

The Mission to Seafarers seconds a chaplain and provides additional support through the Company Secretary free of charge. Following a £15,000 (2017: £15,000) contribution by MtSSL to The Mission to Seafarers, this has been treated as a gift in kind of £65,028 (2017: £59,157) 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 and totalled £21,600 in 2018.

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Charitable expenditure accounts for 100% (2017: 100%) of total expenditure. The Trustees are content with this result as events in 2019 and beyond will build on the foundations laid since incorporation.

Reserves

Total reserves, which are all unrestricted, currently stand at £103,587 (2017: £105,482 unrestricted).

The trustees have established a general reserves policy that is regularly reviewed with reference to achieving MtSSL's long term objectives. The trustees believe that it is appropriate to hold reserves to mitigate risks such as an unexpected drop in income. Reserves for this purpose are defined as approximately one year's total running costs of MtSSL, which are £123,000. By maintaining this level of reserves the work of MtSSL in Scotland will be protected even during adverse times. Currently, total reserves are £19,413 below (2017 £17,518 below) the required level but the trustees are satisfied with the sums held and consider that it is appropriate for the financial statements to be prepared on a going concern basis (see note 2b). The Board will continue to review the level of reserves annually.

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.

Future plans

Growth of Volunteers

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. And we aim to increase our "active" number of volunteers.

Visiting Cruise ships at anchor.

As we managed to visit on board one of the ships anchored in the Forth, we plan to develop this next year and both run the centre in the Hawes Inn and manage an on-board facility as well.

Fundraising activities

During 2018 we launched our campaign to recruit 1000 volunteers donating £10 a month under the Banner of "R U 1 in a 1000". We aim to develop this over 2019.

We plan to develop a Karaoke night once a week in the Grangemouth centre. This will require both the purchase of equipment and additional volunteers to resource it.

We plan a "Big Sing" event in Grangemouth in early March.

Taxi Service

We will continue the Taxi service from the ship docking point to either the Seafarers centre or Asda in Grangemouth.

Contribution to International Head Office

The Board has agreed to contribute to the funding of the role of MtSSL chaplain by contributing a minimum of £15,000 to The Mission to Seafarers for the financial years 2019, 2020 and 2021; thereafter it will be reviewed.

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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 (2015 FRS102);
- 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 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 2 May 2019 and signed on its behalf by:



Chairman and trustee
Captain Martyn Clark



Honorary Treasurer and trustee
Mr David Graham-Service

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AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018 which comprise of Statement of Financial Activities, 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).

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 2018, 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 have 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' exemptions 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 11, 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.

THE MISSION TO SEAFARERS SCOTLAND LIMITED
AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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

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

Use of our report

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.

Helena Wilkinson

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.

15 May 2019

THE MISSION TO SEAFARERS SCOTLAND LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
INCOME FROM:							
Donations and legacies	3	91,799	-	91,799	97,275	-	97,275
Charitable activities							
<i>Provision of services to seafarers</i>		28,564	-	28,564	28,756	-	28,756
Other trading activities		567	-	567	-	-	-
<i>Fundraising events</i>							
TOTAL		120,930	-	120,930	126,031	-	126,031
EXPENDITURE ON:							
Charitable activities	4						
<i>Provision of services to seafarers</i>		122,825	-	122,825	116,178	5,834	122,012
TOTAL		122,825	-	122,825	116,178	5,834	122,012
NET EXPENDITURE/INCOME FOR THE YEAR BEING NET MOVEMENT IN FUNDS							
		(1,895)	-	(1,895)	9,853	(5,834)	4,019
RECONCILIATION OF FUNDS							
Total funds brought forward		105,482	-	105,482	95,629	5,834	101,463
TOTAL FUNDS CARRIED FORWARD		103,587	-	103,587	105,482	-	105,482

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

Notes 1 to 15 form part of these financial statements.

THE MISSION TO SEAFARERS SCOTLAND LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Total 2018 £ Total	Total 2017 £ Total
FIXED ASSETS			
Tangible assets	7	1,833	-
CURRENT ASSETS			
Stocks		795	-
Debtors	8	915	435
Cash at bank and in hand		<u>100,044</u>	<u>105,047</u>
		101,754	105,482
LIABILITIES			
Creditors falling due within one year		-	-
NET CURRENT ASSETS		101,754	105,482
TOTAL NET ASSETS		<u>103,587</u>	<u>105,482</u>
CHARITY FUNDS			
Unrestricted	9	103,587	105,482
Restricted	10	-	-
TOTAL CHARITY FUNDS		<u>103,587</u>	<u>105,482</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 2 May 2019

Signed on its behalf by:


Chairman/trustee
Captain Martyn Clark


Honorary Treasurer/trustee
Mr David Graham-Service

Notes 1 to 15 form part of these financial statements.

STATEMENT OF CASHFLOWS

AS AT 31 DECEMBER 2018

The Mission to Seafarers Scotland Limited Company No SC389483

STATEMENT OF CASH FLOWS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	13	(2,253)	4,096
Cash flows from investing activities:			
<i>Purchase of equipment</i>		(2,750)	-
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		105,047	100,951
Cash and cash equivalents at the end of the reporting period		100,044	105,047

Notes 1 to 15 form part of these Financial Statements.

THE MISSION TO SEAFARERS SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

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 (2015 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 2018, 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 10. 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 2018

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.

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.

THE MISSION TO SEAFARERS SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

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 15).

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.

n) Fixed assets

Fixed assets are depreciated on a straight line basis at the following rates calculated to write off the cost of the assets over their estimated useful lives.

Fixtures & Equipment - 33.33%

o) Judgements and key sources of estimation uncertainty

No judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies.

The trustees make estimates and assumptions concerning the future income, such as legacies receivable, and expenditure based on their knowledge of the MtSSL and the environment in which it operates.

3. DONATIONS AND LEGACIES			2018			2017
	Unrestricted	Restricted	total	Unrestricted	Restricted	total
	£	£	£	£	£	£
General donations and gift aid	8,434	-	8,434	15,423	-	15,423
Sea Sunday donations	6,337	-	6,337	6,260	-	6,260
Trusts and grant donations:						
Inverclyde Bequest Fund	3,000	-	3,000	3,000	-	3,000
Dr Olva and Mrs Kerr Trust	5,000	-	5,000	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	3,000	-	3,000
Memorial Trust						
The Paristamen CIO	500	-	500	-	-	-
Legacies	-	-	-	1,435	-	1,435
Gift in Kind	65,028	-	65,028	59,157	-	59,157
	91,799	-	91,799	97,275	-	97,275

There was no restricted income in 2018 or 2017.

THE MISSION TO SEAFARERS SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

4. ANALYSIS OF EXPENDITURE

	Direct costs £	Support costs £	Total 2018 £	Direct costs £	Support costs £	Total 2017 £
<u>Charitable activities</u>						
Ship visiting, ministry and services to seafarers	77,375	4,462	81,837	70,857	4,550	75,407
Phonecards and goods for seafarers	27,976	1,613	29,589	28,675	1,841	30,516
Running costs of the Grangemouth and Queensferry centre	7,658	442	8,100	7,657	492	8,149
Volunteer, general and marketing costs	3,119	180	3,299	7,461	479	7,940
Total Charitable activities	116,128	6,697	122,825	114,650	7,362	122,012
Total expenditure	116,128	6,697	122,825	114,650	7,362	122,012

Support costs

	Charitable activities £	2018 Total £	Charitable activities £	2017 Total £
Donated services from The Mission to Seafarers; admin and accountancy support	3,000	3,000	3,000	3,000
Governance, irrecoverable VAT and other general admin	3,697	3,697	4,362	4,362
Total	6,697	6,697	7,362	7,362

All activities were deemed charitable and no support costs have been charged to Fundraising as no Fundraising costs were incurred in 2018 (2017: nil). All support costs in 2018 and 2017 were unrestricted.

There was no Restricted expenditure in 2018 (2017: £5,834 relating to the Peter Dixon Charitable Trust donation. The expenditure is included within volunteer, general and marketing costs)

Total auditor's remuneration included in governance costs amounted to £1,500 (2017: £1,500). Depreciation costs total £917 (2017: none).

5. AVERAGE NUMBER OF EMPLOYEES

There are no directly employed staff (2017: none) but there is one (2017: 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.

THE MISSION TO SEAFARERS SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

6. TRANSACTIONS WITH TRUSTEES

One trustee (2017: one) received remuneration during the current year under the authority of a written agreement with trustees. Jennifer Rae received £344 (2017: £188) for providing secretarial services to MtSSL. There were no other payments to trustees outstanding at the year end.

During the year £1,393 (2017: £2,412) of expenses were reimbursed to four trustees (2017: two) for travel to attend meetings and to reimburse them for operational expenditure incurred on behalf of MtSSL.

7. TANGIBLE FIXED ASSETS

	Fixtures & Equipment £	2018 Total £
Cost:		
At 1 January 2018	-	-
Additions	2,750	2,750
At 31 December 2018	2,750	2,750
Depreciation:		
At 1 January 2018	-	-
Provided during the year	917	917
At 31 December 2018	917	917
Net book value:		
At 31 December 2018	1,833	1,833
<i>At 31 December 2017</i>	-	-

8. DEBTORS

	2018 £	2017 £
The Mission to Seafarers	915	435
	915	435

9.1 UNRESTRICTED FUNDS 2018

	<i>Opening balance £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Closing balance £</i>
General funds	105,482	120,930	122,825	103,587
	105,482	126,031	116,178	103,587

9.2 UNRESTRICTED FUNDS 2017

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

THE MISSION TO SEAFARERS SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

10.1 RESTRICTED FUNDS 2018	Opening balance £	Income £	Expenditure £	Closing balance £
	-	-	-	-
	-	-	-	-
10.2 RESTRICTED FUNDS 2017	Opening balance £	Income £	Expenditure £	Closing balance £
<i>Peter Dixon Charitable Trust</i>	5,834	-	5,834	-
	5,834	-	5,834	-

11. 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.

12. ULTIMATE CONTROLLING PARTY

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

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

	2018 £	2017 £
Net income for the reporting period (as per the Statement of Financial Activities)	(1,895)	4,019
Adjustments for:		
Depreciation charge	917	-
(Increase)/Decrease in stocks	(795)	-
(Increase)/Decrease in debtors	(480)	77
Net cash provided by operating activities	(2,253)	4,096

14. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	100,044	105,047
Total cash and cash equivalents	100,044	105,047

THE MISSION TO SEAFARERS SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

15. FINANCIAL INSTRUMENTS

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

	2018	2017
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	915	435
	<u>915</u>	<u>435</u>
Financial liabilities		
Financial liabilities measured at amortised cost	-	-
	<u>-</u>	<u>-</u>

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

Financial liabilities measured at amortised cost, comprise other creditors.