



**Annual Report and Accounts  
For the year ended  
31<sup>st</sup> December 2017**

**Address**

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Mariners' Park  
Wallasey  
CH45 7PH**

**Registered Office**

**1&2 The Shrubberies  
George Lane  
South Woodford  
London E18 1 BD**

**Charity number 218742**

Nautilus Welfare Fund

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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REFERENCE AND ADMINISTRATION INFORMATION

**MANAGING TRUSTEE AND CHARITY ADMINISTRATOR**

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**INVESTMENT ADVISER**

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**INVESTMENT CUSTODIAN**

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**SOLICITOR**

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**AUDITORS**

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**PRINCIPAL BANKER**

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Birmingham B1 2HB

The Charity Bank Ltd  
Fosse House  
182 High Street  
Tonbridge  
TN9 1BE

Nautilus Welfare Fund

TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

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REFERENCE AND ADMINISTRATION INFORMATION (continued)

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|---|--|---|
| <b>Members of Nautilus International Council at Balance Sheet date</b>  | U Jurgens<br>W Van Hoboken<br>I MacKenzie  | Chair<br>Vice Chair<br>Deputy Vice Chair  |
|   | J Bowry<br>J Cameron<br>T Cardy<br>R Cleland<br>A Corrie<br>M Dickinson<br>R Downs<br>B Doyle<br>H Eijkenaar<br>G Feikema<br>D Gorshokov<br>G Malcolm<br>N Groen<br>S Gudgeon<br>W Jackson<br>E Layfield | P Lees<br>M Lloyd<br>P Lok<br>P McMillen<br>P Minter<br>S Schravenmade<br>J Tyson<br>J van der Zee<br>J Wainman |
| <b>Secretary to Nautilus International Council</b>                      | AM Dickinson (General Secretary Nautilus International)  |   |
| <b>Members of Nautilus Welfare Fund Committee at Balance Sheet Date</b> | R C Thornton<br>J Lang<br><br>M Dickinson<br>C Hairsine<br>J Hofton<br>W Jackson<br>M Lloyd<br>N Martin<br>P Minter<br>D Morrison  | Chair<br>Trustee Director<br><br>M Reeves<br>J Rickaby<br>A Stewart<br>J Stone<br>M Watts<br>L Whitehead        |
| <b>Secretary to Nautilus Welfare Fund</b>                               | R Cunningham   |   |

## Introduction

The Trustee presents its Annual Report together with the financial statements for the year-ended 31 December 2017. The form and content of the report and financial statements complies with the Charities SORP *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 (FRS 102)*, and with FRS102. The information on the preceding pages also forms part of this report.

## OBJECTIVES AND ACTIVITIES

The charitable object of the Charity as set out its governing document is the relief of beneficiaries who are in need, hardship or distress by any of the following means:

- (1) Providing accommodation, and if required, residential or nursing care.
- (2) Making annual pensions or one off grants of money
- (3) Providing or paying for goods services or facilities
- (4) Making grants of money to other persons or bodies that provide goods, services or facilities to beneficiaries.
- (5) Developing new and enhanced services for beneficiaries by means of research or otherwise, and where appropriate in conjunction with other bodies or persons

During 2017 the Nautilus Welfare Fund continued to meet the challenge of its stated overarching objective: To Provide a High Quality Cost Effective Service to Needy Seafarers and Their Dependants. This has been achieved through all of the means stated above.

The Trustee continue to review the operational objectives for the Nautilus Welfare Fund and the revised objectives are set out below.

- To ensure sufficient supply of good, modern accommodation to the highest standards laid down in relevant regulations and codes of practice.
- To ensure a responsive, comprehensive quality care offering across a whole range of needs.
- To develop an effective advice, information and grant support service to promote independent living to seafarers and their dependents.
- To work in partnership with other maritime charities and the wider statutory and voluntary sector organisations to meet the identified welfare needs of seafarers and their dependents.
- To ensure the Nautilus Welfare Fund remains financially viable.

## STATEMENT ON PUBLIC BENEFIT

The Trustee confirms that it has complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Charity

## ACHIEVEMENTS AND PERFORMANCE

The achievements in each of the objectives are summarised below

### TO ENSURE SUFFICIENT SUPPLY OF GOOD, MODERN ACCOMMODATION

At the heart of the Nautilus Welfare Fund's work is Mariners' Park in Wallasey situated on the banks of the River Mersey. Opened 160 years ago to provide seafarers with good quality housing, care and companionship when they came ashore at the end of their working lives, Mariners' Park provides 111 apartments, bungalows and houses on a 16 acre site overlooking the iconic Liverpool waterfront. The key achievements in 2017 include.

- The completion of the Seafarers UK Centenary Wing, adding a further 22 apartments and a new games room to the Park's extra care housing scheme, Trinity House Hub. It was a very special day on the 23rd of June 2017 when the patron of Seafarers UK, the Earl of Wessex, officially opened the new Seafarers UK Centenary Wing. The Charity is very grateful for the significant financial contribution of Seafarers UK to the cost, as it is celebrated its 100 years of supporting mariners.
- Further modernisation of accommodation commenced with the demolishing of 16 old one bedroom apartments, to be replaced by two new bungalows and 12 new apartments. Work on the new builds started in October, and will be completed in 2018. Two bungalows, and two of the apartments, are being funded by the Aged Veterans' Fund by the Chancellor using LIBOR funds and are to provide new homes for veteran merchant mariners. The Charity is also grateful to the ITF Seafarers' Trust for a £600,000 capital grant to fund 5 of the new apartments. This new scheme will also provide a new visitor ensuite room.
- 2017 saw a major step forward in the development of the Gibson House site. Contracts have been exchanged with the developer, Prospect Capital, for the sale and redevelopment of the site. The developer will refurbish Gibson House, the former home for the widows and orphans of seafarers, for private sale and develop a new apartment block which will be for the exclusive use of beneficiaries of the Charity.
- Further modernisation of existing properties was completed with new kitchens, wet rooms and external insulation
- Improvements were made to the Care Home with the installation of a new nurse call system thanks to a generous grant from the Merchant Navy Welfare Board. (MNWB). There was also the replacement of the old sluice facilities and two modern fully equipped sluice rooms.

### TO ENSURE A RESPONSIVE, COMPREHENSIVE QUALITY CARE OFFERING.

At Mariners' Park the Fund operates a residential and nursing home, and a domiciliary care service. The Care Home provides both long-term and respite care and includes a specialist dementia service. The Domiciliary Care service provides a 24/7 service in our extra care housing facility, as well as providing a Home Care service to residents on the wider Estate. Achievements in 2017 include

- An Admiral Nurse, a specialist dementia nurse, was appointed on an 18 month pilot project to support residents and staff in the specialist dementia facility at the Care Home, as well as supporting those mariners and their families living on the Park. This important initiative, generously funded by the Seafarers' Hospital Society, is part of the Charity's wider strategy to enhance support to mariners experiencing the challenges of dementia. The initiative is being evaluated by the University of Chester in 2018.
- The Care Home participates in a new Telecare Triage Service to provide expert advice to staff 'out of hours'.
- The Care Home Activities Co-ordinator has increased her hours from 4 to 5 days a week to enhance the level of activities and events for Care Home residents. Activities to promote health and well-being for residents living on the Estate were maintained by the Park Activities Co-ordinator and the continuation

### ACHIEVEMENTS AND PERFORMANCE (continued)

of the 'Men in Sheds' activity post, delivered in partnership with Age UK Wirral.

- The on-site Nautilus Domiciliary Care service was expanded with the opening of the extra 22 apartments in Trinity House Hub.

- Funding was again successfully secured from Seafarers UK to provide a part time physiotherapy post, which provides support to both Care Home and Park residents.

### TO DEVELOP AN EFFECTIVE ADVICE, INFORMATION AND GRANT SUPPORT SERVICE.

The Fund operates a 'Caseworker' Service. Three caseworkers are employed in Merseyside, Hull and Southampton, visiting mariners in their own home and assisting with financial and other matters. The Fund also operates a one-off grant service for essential items needy mariners cannot afford. A regular grant of £624 per annum is also available for existing beneficiaries with on-going financial hardship. Achievements in 2017 included

- The Charity was able to expand its Caseworker Service with the appointment on the fourth caseworker post. This new post is based in Glasgow.

- Thanks to further funding from the Aged Veterans Fund, monies have been made available to increase the four caseworker posts to work full time for a three-year period. The aim is to create additional capacity to help identify, and provide support, to veteran merchant mariners born before 1950. The role of merchant mariners supporting the Armed Forces has been unrecognised and undervalued and many such merchant Mariners do not realise they are now considered as veterans and can benefit from the veterans covenant. This initiative aims to ensure all merchant mariner veterans, and former RFA staff, secure the assistance they need.

- 2017 proved to be a record-breaking year for the Caseworker Service. Some 424 individuals were assisted up from 350 in 2016 and £955,000, up from £610,000, in grants and benefits were secured for needy mariners and their dependants.

- The one-off grant service spent over £20,000 supporting 75 individuals with funds for essential items, including white goods, furniture and household repairs.

- 2017 saw the continuation of the partnership with the Shipwrecked Mariners' Society (SMS) as the Nautilus Welfare Fund transferred a number of regular grant beneficiaries to SMS, releasing funds to appoint the Glasgow caseworker post. The number of regular grant beneficiaries fell from 136 to 81 in 2017.

### TO WORK IN PARTNERSHIP WITH OTHER MARITIME CHARITIES AND THE WIDER STATUTORY AND VOLUNTARY SECTOR.

The Nautilus Welfare Fund continues to work closely with the other maritime charities particularly Seafarers UK, Seafarers Hospital Society, Shipwrecked Mariners' Society, Trinity House and the Merchant Navy Welfare Board and those charities who attend the Older Peoples Families Working Group, led by the Merchant Navy Welfare Board. The Charity is also represented on the Maritime Charities Group. Achievements in 2017 include.

- The Charity has been an active member of the Maritime Charities Group, and has been involved in the commissioning and dissemination of the 'Navigating Change' Report which analyses the state of the maritime charity sector and sets out the demographic, housing, health, social and financial needs of mariners and their dependants up to 2050. This major piece of research will help individual charities shape their strategic thinking over the next decade and beyond.

### ACHIEVEMENTS AND PERFORMANCE (continued)

- The Charity has also been involved in the work to review the role of the Maritime Charities group (MCG) and fully supports its new focus on promoting greater 'collaboration' both with the maritime sector and with outside agencies and like-minded charities.
- The Charity has worked in partnership with Seafarers UK and the Institute of Public Care (IPC) to formulate a successful bid to the Aged Veterans' Fund. The funding of the 4 new units of accommodation and the increased focus for the caseworker service has already been noted, but the partnership also includes in-depth research into the needs of veteran merchant mariners and an evaluation of the impact of the caseworker service with veterans by the IPC.
- The partnership with Trinity House has continued in 2017 with the provision of a significant grant to support the operational costs of Trinity House Hub, and the Charity is very grateful for the continued support. Similarly, Seafarers UK continue to provide generous financial support for 2 of the 4 caseworker posts and to help subsidise care home residents reliant on local authority funding.
- Outside of the maritime world the Charity continues to be a member of the COBSEO Housing Cluster, and has been significantly involved in the campaign to have charities excluded from the costs of Selective Licensing.
- 2017 also saw a new partnership development with the Chapel House Dementia Community who provide oversight for the Admiral Nurse project, and with Chester University who will also evaluate the initiative.

### ENSURE THE NAUTILUS WELFARE FUND REMAINS FINANCIALLY VIABLE.

Ensuring the fund is financially viable centres on maximising income from the Charity's investments, ensuring high occupancy of the Mariners Park properties and the Care Home, plus maximising income from maritime charities and other charitable sources. In 2017 the following achievements are salient.

- Securing new sources of grant funding remains an important element of the Charity's work, and two new significant grants were secured in 2017, £664,000 from the Aged Veterans' Fund, and £600,000 from the ITF Seafarers' Trust with significant drawdown expected in 2018 and 2019
- Continued grant support from other maritime charities to support new and going services remained important. During 2017 the charity secures funding of £295,000 from Seafarers UK, £70,000 from Trinity House, £27,000 from MNWB, £13,000 from the Merchant Navy Fund and £10,000 from Seafarers Hospital Society
- 2017 was the first year of the new Statement of Investment Policy (SIP) and, as such, representing a transitional year to a more medium risk strategy.
- Ensuring good occupancy of both the Care Home and Estate properties is key to sound financial health and both proved buoyant in 2017.
- A review of charges was completed, and modest increases agreed, including a new community charge for the park residents.
- To comply with Charity Law, a full audit of the accounts was completed.
- The Charity did, however, face inflationary costs in 2017, and also responded in full to the Living Wage increase.

Overall some 780 Mariners and their dependants were supported by the Nautilus Welfare Fund in 2017 up from 724 in 2016. The main reason being the increase in caseworker numbers. The Fund continues to be open to all former seafarers and their dependants who meet the Nautilus Welfare Fund criteria, which include having a significant career at sea.



## FINANCE REVIEW

### FINANCIAL MANAGEMENT

Nautilus Welfare Fund operates under a scheme of authority delegation. Disbursement of the Charity assets must be properly authorised in accordance with agreed procedures.

The Nautilus Welfare Fund Committee receives regular Management reports and ensures that this is representative of the activities within the Charity. The Committee approved the year 2017 budget and Major Capital Expenditure subject to the approved tender process. The Committee approves and monitors the delivery of the Strategic Plan.

### FINANCIAL PERFORMANCE

The income and expenditure were £3,236,623 and £3,081,472 respectively. The Nautilus Welfare Fund Investments as at 31 December 2017 stood at a Market Value of £8,306,065 against a Book Cost of £6,745,576.

In 2017 the net income before investment movements was £155,151 compared to net Income of £639,178 in 2016. The net investment gain in 2017 amounted to £502,159 comprising a realised gain of £1,022,489 and an unrealised loss of £520,330.

Nautilus Welfare Fund receives income from the Investment portfolio, provision of services to both individuals and Local Authorities and support from Trinity House, Seafarers UK, Seamen's Hospital Society, the Merchant Navy Welfare Board, the ITF Seafarers Trust and others.

### INVESTMENT POLICY AND PERFORMANCE

The Trustee Act 2000 governs the investments held by the Charity.

The Trustee has delegated the management of the investment portfolio to Tilney BESTINVEST with the objective to maximise long total returns commensurate with a moderate degree of risk. Tilney BESTINVEST provides quarterly updates regarding the portfolio value, purchases and sales. Performance of the portfolio is monitored and its total returned measured quarterly against the CAPS median benchmark. The performance of the portfolio over the year was 7.74% against the benchmark 6.93%. The Investment Director at Tilney BESTINVEST is required to attend the NWF Committee meeting at least annually to discuss the performance of the investment portfolio. The investments are divided between UK and Overseas equities, gilts and investment trusts. The investment portfolio market value at the end of the year grew, broadly mirroring the increase in the stock market during the year.

### RISK MANAGEMENT

Risk assessment is an integral part of the management process. The Nautilus Welfare Fund strategic objectives and the risks of failing to achieve them, drive the risk management process. The Trustee has in place a formal risk management process, which identifies the role for the Trustee as:

- Ensuring that the identification, assessment and mitigation of risk are linked to the achievement of the Charity's operational objectives.
- Ensuring the process covers all areas of risk e.g. financial, governance, operational and reputation and is focused primarily on major risks.
- Ensuring that the process seeks to produce a risk exposure profile that reflects the trustees' views as to levels of acceptable risk.
- Reviewing and considering the principal results of risk identification, evaluation and management.

To ensure that risk management is a continuous process and embedded in all management and operational procedure, a revision of the risk profile was completed in 2009 and includes positive confirmation that controls are in place to mitigate material risks. The risk profile is reviewed annually by the Nautilus Welfare Fund Committee and by the Council of Nautilus International. This was undertaken in November 2017 by the NWF Committee and the Council.

#### PRINCIPAL RISKS AND UNCERTAINTIES

A key business risk is a poor Care Quality Commission Inspection of the Care Home or Domiciliary Care Service. This could lead to a temporary suspension of placements or, at worse, being closed down. A poor report also brings reputational damage.

The Charity relies heavily on Local Authority funding and inadequate financial settlements, particularly in the light of the new Living Wage requirements, could impact significantly on income levels

Rental returns from the properties may be limited in the light of Government policy regarding the level of Housing Benefit payable. A review of the level of financial support for Supported Housing is currently underway, with the outcome expected by the end of the year

Mitigating these risks, and other risks, is including the Annual Risk Management Plan

#### Business Continuity Plan

The risk management process identified the need for a business continuity plan. During 2009 plans were developed which would enable the operation of the Welfare Fund to continue in a number of identified situations, for example in the event of a pandemic flu outbreak or major fire. These are reviewed annually by the Nautilus Welfare Fund Committee and by the Council. This was undertaken in March 2016.

#### RESERVES POLICY

The Trustee has built up the level of funds for three main purposes - all long term.

- The repair and maintenance of the 111 properties in Mariners' Park Estate.
- The building of new facilities such as in 2002 a new Care Home and 14 new flats in Gibson Terrace, in 2007-09 ten new bungalows were built, in 2014 the Trinity House Hub Extra Care scheme opened, 2 new bungalows were completed in 2015 and in 2016/7 the building of the Trinity House Seafarers UK wing
- To ensure adequate resources are available for the long term funding of the payments made each year to needy seafarers and their dependants. The reserves also allow for the smoothing out of investment movements.

At 31 December 2017, the charity held total funds of £24,258,613. Of this total £26,204 relates to restricted funds as specified by the donors of the funds and hence this amount is not available for the general purposes of the charity. In addition, a notional value of £5,000 is assigned to endowed funds. This relates to a parcel of land which the charity must either hold in perpetuity or replace on disposal with a similar asset.

The balance of the charity's funds of £24,227,409 are therefore unrestricted and may be expended by the charity at the Trustee's discretions within the charitable objects. However, the Trustee has elected to designate funds to the value of the following:

- Tangible fixed assets. These assets are integral to the operation of the charity hence are not readily realisable.
- Long-term investments. The investments provide dividend and interest income to support the expenditure on charitable activities as well as providing for the long-term purposes referred to above

In 2017 the Nautilus Welfare Fund Committee reviewed the Fund reserves policy and the short term working capital reserves.

## Nautilus Welfare Fund

### TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### FINANCE REVIEW (continued)

#### RELATED PARTY

The Nautilus Welfare Fund pays the Nautilus International General Fund for support and administration services provided by the staff employed by both the Nautilus International and the Welfare Fund. During 2017 this amounted to £75,500 (2016 - £81,000).

#### PLANS FOR FUTURE PERIODS

2018 promises to be another significant year for the Nautilus Welfare Fund to continue to provide a comprehensive range of services to support needy mariners and their dependants. The headline plans for 2018 are set out on a service by service basis below.

##### Mariners Park Estate.

- Two new two bedroom bungalows will be completed in May for use by Merchant Mariner veterans.
- 12 new apartments, all two bedroomed, and a guest en-suite facility, will be completed by December.
- Securing planning permission for the Gibson House site will trigger the completion of the sale, and the start of refurbishing and redeveloping of the site.
- A full programme of modernising existing properties will be implemented.

##### The Care Home.

- A new glass balcony will be added to the decking area
- New automatic opening front doors will be installed.
- Three communal bathrooms will be upgraded.
- New electronic care plans will be implemented.
- CCTV will be installed to increase security.
- A more personalised medication management regime will be introduced
- A new heating system will be implemented for the Care Home.

##### Care and Support Services.

- The Admiral Nurse pilot will be evaluated.
- A review of the '10 Challenges' in the Navigating Change Report will be undertaken to assess the strategic implications for the Charity.

##### Caseworker Service

- A fifth caseworker post will be introduced, located in Belfast.
- One-off grants will continue to be administered

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

The Nautilus Welfare Fund is registered as charity number 218742 and operates in accordance with a Charity Commissioners Scheme dated October 2009.

### **Recruitment, selection and induction of Trustees**

The Nautilus International Council is the Managing Trustee and consists of up to 32 full members of Nautilus International plus the General Secretary all elected by all full members of the Union. The Nautilus International Council has delegated certain functions, some executive, to the Nautilus Welfare Fund Committee.

A number of members of the Nautilus Welfare Fund Committee are also elected members of the Nautilus International Council. Additional members of the Nautilus Welfare Fund Committee are recruited from the general membership of Nautilus International on the basis of their seafaring knowledge and other relevant skills.

New members of the Council and of the Nautilus Welfare Fund Committee are provided with relevant background information and training is made available.

### **Organisation**

The Nautilus Welfare Fund Committee is appointed by the Nautilus International Council, (as Managing Trustee) and reports to the Council. The General Secretary of Nautilus International is responsible for appointing a Secretary to the Committee. The Secretary of the Committee is responsible for the operational management of the Nautilus Welfare Fund.

The Secretary operates within the authority levels delegated by the Nautilus International Council. The Scheme of Delegation is designed to set financial and operational parameters for the management of the Nautilus Welfare Fund. The Council reviewed the Scheme of Delegation in December 2017.

### **Managing Organisational Performance**

During 2017, four meetings of the Nautilus Welfare Fund Committee were held at which the Strategic Plan and the Operational and Capital Budgets were approved and monitored. Investment Performance was reviewed at each meeting, with an in depth review of investments carried out in June 2017. The Committee also received regular operational reports from service managers and the outcome of inspections by the Care Quality Commission. The Committee approved new levels of fees for the provision of accommodation, nursing and residential care services and approved applications for accommodation. The Committee also continued the ongoing review of the MCFG Report, Supporting Seafarers and their Families: Challenges for the Future and how the relevant recommendations can be implemented.

### **Key management personnel and their pay and remuneration**

The day to day operation of the charity is delegated to employed staff. Staffs include key management working at the Wallasey site together with the key management of Nautilus International who provide more strategic input. The pay and remuneration of the key management is determined by market rates and regular pay increase negotiations with the staff Union representative.

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Training and Staff Development**

The organisation's Training and Development Plan is produced in line with the Strategic Plan and reflects job functions and Personal Development Plans.

During 2017 a range of training was delivered. Training has helped supervisors to develop into managerial roles. Training has also helped to develop and improve the quality of the support services.

In 2017 a particular focus was increasing staff awareness and skills relating to supporting those with dementia in particular, understanding the Mental Capacity Act and issues relating to Deprivation of Liberty. Essential training activities such as First Aid, Moving and Handling and Health and Safety are supplemented by developmental learning.

The Nautilus Welfare Fund alongside Nautilus International was reassessed in 2017 for the Investors in People award which sets national standards in training, development and staff support. The Fund, and the wider Nautilus International organisation, was successfully re-accredited.

## STATEMENT OF THE NAUTILUS INTERNATIONAL COUNCIL AND GENERAL SECRETARY'S RESPONSIBILITY

Rule 12 of the Nautilus International Rules provides that the Council is responsible for the absolute control and administration of the affairs and property of the Union and thus for safeguarding the assets of the Union and of the NAUTILUS Welfare Fund. Rule 22.5 provides that the General Secretary shall provide Council with such financial statements as it may require.

The General Secretary is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Union and hence reasonable steps for the prevention and detection of fraud and other irregularities.

The Nautilus Welfare Fund is accounted for separately under the same Rules as of the Union, set out above. The General Secretary is thus responsible in ensuring that the financial statements comply with the Charities Act 2011.

## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The assets of the Union and the Welfare Fund are held on Trust by Nautilus Trustees Limited, the Custodian Trustee of the Charity and the Managing Trustee is the Nautilus International Council, appointed in accordance with the Charity Commission's Schemes.

The Directors of the Trustee Company are J. Lang, H. Lafèbre, L Mercer and J McAuslan. The current members of the Nautilus International Council can be seen on page 2 of this report.

Law applicable to charities in England and Wales requires the trustee to prepare financial statement for each financial year that give a true and fair view of the charity's activities during the year and its financial position at the end of the year. In preparing those financial statements, the trustee is required to,

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statement on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

## AUDITORS

The auditors, haysmacintyre are willing to continue to act as auditors to the Nautilus Welfare Fund.

Approved by and on behalf of the Nautilus International Council on 19 April 2018

U Jurgens (Chair)

A M Dickinson (General Secretary)

### Opinion

We have audited the financial statements of Nautilus Welfare Fund for the year ended 31 December 2017 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's 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 charity'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 charity's affairs as at 31 December 2017 and of the charity's net movement in funds 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 Charities Act 2011.

### Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 charity 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.

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 1 - 12, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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 charity'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' Report. 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.

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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**haysmacintyre**  
**Statutory Auditors**

**10 Queen Street Place**  
**London**  
**EC4R 1AG**

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



Nautilus Welfare Fund

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2017

|  | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|--|-------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| <b>INCOME:</b>   |       |                            |                          |                         |                    |                    |
| <i>Donations and legacies</i>                                  |       |                            |                          |                         |                    |                    |
| Legacies   |       | 27,986                     | -                        | -                       | 27,986             | 77,993             |
| Grants   | 5     | 70,900                     | 741,094                  | -                       | 811,994            | 1,201,211          |
| Gifts and donations  |       | 181,964                    | 25,000                   | -                       | 206,964            | 192,124            |
| <i>Income from charitable activities:</i>                      |       |                            |                          |                         |                    |                    |
| Care Home  |       | 1,203,953                  | -                        | -                       | 1,203,953          | 1,117,708          |
| Mariners' Park Estate  |       | 790,527                    | -                        | -                       | 790,527            | 742,392            |
| Investment income  |       | 195,199                    | -                        | -                       | 195,199            | 287,078            |
| <b>Total Income</b>  |       | <b>2,470,529</b>           | <b>766,094</b>           | <b>-</b>                | <b>3,236,623</b>   | <b>3,618,506</b>   |
| <b>EXPENDITURE</b>   |       |                            |                          |                         |                    |                    |
| <i>Investment management costs</i>                             |       | 53,311                     | -                        | -                       | 53,311             | 65,003             |
| <b>Charitable Expenditure</b>                                  |       |                            |                          |                         |                    |                    |
| Accommodation for people living independently                  |       | 908,820                    | -                        | -                       | 908,820            | 832,982            |
| Accommodation for people requiring residential or nursing care |       | 1,367,985                  | 113,230                  | -                       | 1,481,215          | 1,416,769          |
| Enabling retired merchant mariners and their dependants        |       | 531,448                    | -                        | -                       | 531,448            | 577,682            |
| Developing services for older people and their dependants      |       | 50,512                     | 56,166                   | -                       | 106,678            | 86,892             |
| <i>Total charitable expenditure</i>                            |       | <i>2,858,765</i>           | <i>169,396</i>           | <i>-</i>                | <i>3,028,161</i>   | <i>2,914,325</i>   |
| <b>Total Expenditure</b>                                       | 3     | <b>2,912,076</b>           | <b>169,396</b>           | <b>-</b>                | <b>3,081,472</b>   | <b>2,979,328</b>   |
| <b>Net expenditure before gains and losses on investments</b>  |       | <b>(441,547)</b>           | <b>596,698</b>           | <b>-</b>                | <b>155,151</b>     | <b>639,178</b>     |
| Gains on investments   |       | 502,159                    | -                        | -                       | 502,159            | 617,155            |
| <b>Net INCOME</b>  |       | <b>60,612</b>              | <b>596,698</b>           | <b>-</b>                | <b>657,310</b>     | <b>1,256,333</b>   |
| Transfers between funds  |       | 596,698                    | (596,698)                | -                       | -                  | -                  |
| <b>Net Movement in Funds</b>                                   |       | <b>657,310</b>             | <b>-</b>                 | <b>-</b>                | <b>657,310</b>     | <b>1,256,333</b>   |
| <b>Reconciliation of funds</b>                                 |       |                            |                          |                         |                    |                    |
| Fund balances brought forward                                  | 10    | 23,570,099                 | 26,204                   | 5,000                   | 23,601,303         | 22,344,970         |
| <b>Fund balances carried forward</b>                           | 10    | <b>£24,227,409</b>         | <b>£26,204</b>           | <b>£5,000</b>           | <b>£24,258,613</b> | <b>£23,601,303</b> |

The Charity had no recognised gains and losses other than those included above. All the above results are derived from continuing activities. The notes numbered 1 to 10 form part of these accounts.

Nautilus Welfare Fund

BALANCE SHEET

AS AT 31 DECEMBER 2017

|   | Notes | 2017             |                    | 2016             |                    |
|---|-------|------------------|--------------------|------------------|--------------------|
|   |       | £                | £                  | £                | £                  |
| <b>FIXED ASSETS</b>                                   |       |                  |                    |                  |                    |
| Tangible assets                                       | 6     |                  | 14,063,020         |                  | 12,481,581         |
| Investments   | 7     |                  | 8,306,065          |                  | 10,632,273         |
|   |       |                  | <u>22,369,085</u>  |                  | <u>23,113,854</u>  |
| <b>CURRENT ASSETS</b>                                 |       |                  |                    |                  |                    |
| Debtors   | 8     | 397,514          |                    | 471,421          |                    |
| Cash at bank and in hand                              |       | 1,785,871        |                    | 328,046          |                    |
|   |       | <u>2,183,385</u> |                    | <u>799,467</u>   |                    |
| <b>CREDITORS: amounts falling due within one year</b> | 9     | <u>(293,857)</u> |                    | <u>(312,018)</u> |                    |
| <b>NET CURRENT ASSETS</b>                             |       |                  | <u>1,889,528</u>   |                  | <u>487,449</u>     |
| <b>NET ASSETS</b>                                     |       |                  | <u>£24,258,613</u> |                  | <u>£23,601,303</u> |
| <b>Represented by:</b>                                |       |                  |                    |                  |                    |
| Unrestricted funds                                    | 10    |                  | 24,227,409         |                  | 23,570,099         |
| Restricted funds                                      | 10    |                  | 26,204             |                  | 26,204             |
| Endowment   | 10    |                  | 5,000              |                  | 5,000              |
|   |       |                  | <u>£24,258,613</u> |                  | <u>£23,601,303</u> |

Approved by and authorised for issue by the Nautilus International Council on

U Jurgens (Chair)

AM Dickinson (General Secretary)

The notes numbered 1 to 12 form part of these accounts.

Nautilus Welfare Fund

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

|   | 2017        |                    | 2016              |                    |
|---|-------------|--------------------|-------------------|--------------------|
|   | £           | £                  | £                 | £                  |
| Net cash provided by operating activities   |             | 322,577            |                   | 504,609            |
| <b>Cash flows from investing activities</b>                                       |             |                    |                   |                    |
| Investment income   | 195,199     |                    | 287,078           |                    |
| Payment to acquire tangible fixed assets  | (1,888,318) |                    | (1,849,704)       |                    |
| Payments to acquire investments   | (1,947,345) |                    | (3,272,398)       |                    |
| Proceeds from sales of investments  | 4,250,615   |                    | 4,324,211         |                    |
| Decrease/increase) in investment cash balances                                    | 525,097     |                    | (189,647)         |                    |
|   |             | <u>1,135,248</u>   |                   | <u>700,461</u>     |
| Increase/(Decrease) in cash for the year  |             | <u>£1,457,825</u>  |                   | <u>£(195,852)</u>  |
| <b>RECONCILIATION OF NET EXPENDITURE TO NET CASH USED IN OPERATING ACTIVITIES</b> |             |                    | <b>2017</b>       | <b>2016</b>        |
|   |             |                    | £                 | £                  |
| Net income  |             |                    | 657,310           | 1,256,333          |
| Depreciation  |             |                    | 306,879           | 230,216            |
| Investment income   |             |                    | (195,199)         | (287,078)          |
| Deduct: Net investment (gains)  |             |                    | (502,159)         | (617,155)          |
| Decrease in debtors   |             |                    | 73,907            | 68,280             |
| (Decrease) in creditors   |             |                    | (18,161)          | (145,987)          |
| Net cash used in operating activities   |             |                    | <u>£322,577</u>   | <u>£504,609</u>    |
| <b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                                      |             |                    |                   |                    |
|   |             | <b>At</b>          |                   | <b>At</b>          |
|   |             | <b>31 December</b> | <b>Cash flow</b>  | <b>31 December</b> |
|   |             | <b>2016</b>        | <b>£</b>          | <b>2017</b>        |
|   |             | £                  |                   | £                  |
| Cash at bank and in hand  |             | <u>£328,046</u>    | <u>£1,457,825</u> | <u>£1,785,871</u>  |

1. **FORMAT OF THE ACCOUNTS**

The accounts comprise three principal statements supported by notes. These statements are:

**Statement of Financial Activities**

This analyses all capital and income resources and expenditure and shows all movements in the Funds for the year.

**Balance Sheet**

This summarises the working assets used by the Charity to achieve its objective of providing welfare support and accommodation to needy seafarers and their dependants.

As set out in a Charity Commission scheme issued in 2009 the fund structure of the charity is as follows:

**Endowment Fund** - this represents a capital fund arising from a cash gift associated with Andrew Gibson House

**Restricted Funds** - these are funds donated for specific purposes specified by donors. The funds are extinguished when spent on those purposes Details are given in note 10.

**Unrestricted funds** - these funds are expendable at the discretion of the Trustee in line with the general objects of the charity. It should be noted that the majority of these funds are tied up in fixed assets and investments.

**Cashflow**

This provides an analysis of the movement in cash over the year reconciling the movements in the Statement of Financial Activities and Balance Sheet.

2. **ACCOUNTING POLICIES**

**Entity Status**

The charity is registered with the Charity Commission and is an unincorporated body. See further details on page 1. The charity meets the definition of a public benefit entity under FRS 102.

**Basis of accounting**

The financial statements have been prepared 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 (FRS 102) (effective 1 January 2016) - (Charities SORP (FRS 102)), and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). All financial instruments are considered to be basic financial instruments.

**Income**

All income from voluntary donations, legacies and grants is accounted for as and when criteria of entitlement, probability and measurability are met. Investment income and maintenance charges receivable from residents is accounted for on a receivable basis.

2. ACCOUNTING POLICIES (continued)

**Fund accounting**

Income and expenditure have been classified in line with fund structure described above. Transfers from restricted to unrestricted arise where capital grants included in restricted income are duly spent on fixed assets.

**Tangible Fixed Assets and Depreciation**

The book value of the freehold buildings comprises the original gifted value plus the cost of subsequent building developments.

Items of furniture, apparatus, and equipment costing less than £1,000 are charged against income in the year of purchase.

Depreciation is provided on the straight line basis at twenty five per cent on short life equipment and ten percent on long life equipment to reduce by annual instalments the cost less estimated residual value, over the estimated useful life. Depreciation is not provided on the historic cost of freehold buildings which are maintained to such a standard that their residual value is considered to be not less than their book value. However, the Care Home and flats have been depreciated at two per cent per annum.

**Investments**

Listed investments are shown at market value. The unrealised gains or losses are accounted for in the Statement of Financial Activities as are any realised gains and losses.

**Expenditure**

Expenditure is included on an accruals basis inclusive of irrecoverable VAT.

Enabling retired merchant mariners and their dependents consists of grants which are accounted for when paid together with an allocation for support costs.

Provision of accommodation for those people living independently and provision of accommodation for people requiring residential or nursing care represent the direct costs incurred on each activity together with an allocation of support costs.

**Support costs**

Support costs, which include governance costs, comprise all services supplied centrally, identifiable as wholly or mainly in support of direct charitable purposes and include an appropriate proportion of general overheads.

General overheads are allocated to operational functions on the basis of their use of central support services with the aim of ensuring that those costs remaining within administration relate to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Governance costs comprise direct costs for the statutory and governance of the charity together with an allocation of support costs.

Nautilus Welfare Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2017

3a. CHARITABLE ACTIVITIES

|   | Provision of<br>accommodation<br>for those people<br>living<br>independently<br>£ | Provision of<br>accommodation<br>for people<br>requiring<br>residential or<br>nursing care<br>£ | Enabling retired<br>merchant<br>mariners and their<br>dependants<br>£ | Developing<br>services for<br>older people and<br>their dependants<br>£ | 2017<br>TOTAL<br>£ | 2016<br>TOTAL<br>£ |
|---|---|---|---|---|--------------------|--------------------|
| Direct costs of charitable activities   | 394,906   | 1,283,573   | 221,327   | 92,303  | 1,992,109          | 1,820,739          |
| Charitable grants                       | -   | -   | 230,110   | -   | 230,110            | 303,187            |
| Other costs of charitable activities:   |   |   |   |   |                    |                    |
| Support and governance costs            | 171,902   | 100,512   | 80,011  | 14,375  | 366,800            | 393,597            |
| Major repairs and renewals              | 117,243   | 15,021  | -   | -   | 132,264            | 166,586            |
| Depreciation of buildings and equipment | 224,769   | 82,109  | -   | -   | 306,878            | 230,216            |
|   | <u>908,820</u>  | <u>1,481,215</u>  | <u>531,448</u>  | <u>106,678</u>  | <u>3,028,161</u>   | <u>2,914,325</u>   |

Support costs and governance costs are allocated in accordance with the accounting policy stated in note 2.

All grants awarded were to individuals.

Expenditure borne by restricted fund was: provision of accommodation for those people living independently £nil (2016: £38,655); provision of accommodation for people requiring residential or nursing care £113,230 (2016: £130,000); enabling retired merchant mariners and their dependants £nil (2016: £ nil); and developing services for older people and their dependants £56,166 (2016: £70,846).

3b. GOVERNANCE COSTS

|  |  |  |  |  |               |               |
|--|--|--|--|--|---------------|---------------|
| External auditors remuneration                                   |  |  |  |  | 24,120        | 23,940        |
| - current year provision (excluding VAT £20,100 ; 2016: £19,950) |  |  |  |  | 8,491         | 6,800         |
| Membership and committee   |  |  |  |  | <u>32,611</u> | <u>30,740</u> |

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2017

## 4. INFORMATION REGARDING EMPLOYEES AND TRUSTEE

|                       | 2017<br>£        | 2016<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,358,373        | 1,249,590        |
| Social security costs | 109,287          | 95,923           |
| Pension costs         | 87,617           | 72,870           |
| Agency staff costs    | 92,304           | 101,518          |
|                       | <u>1,647,581</u> | <u>1,519,903</u> |

No employees earned £60,000 p.a. or more (2016: £Nil). The Trustee was not paid during the year (2016 £Nil) and was not reimbursed any expenses (2016 £Nil).

The Key Management Personnel relates to 5 staff whose total remuneration was £175,134 (2016: £175,963).

The average number of employees, full time and part time together, was  
Charitable activities

|    |    |
|----|----|
| 84 | 81 |
|----|----|

## 5. GRANTS FROM EXTERNAL CHARITIES

|  |                 |                   |
|--|-----------------|-------------------|
| Merchant Navy Welfare Board                    | 26,700          | 19,500            |
| Seafarers UK - Hub, Centenary Wing             | 294,982         | 901,258           |
| Seafarers UK - Quarterly grants                | 292,182         | 180,000           |
| Seafarers UK - Merchant Navy Fund              | 13,000          | 31,653            |
| Seafarers UK - Hospital Society                | 10,230          | -                 |
| Seafarers UK - Caseworking service & Care home | 104,000         | -                 |
| Trinity House                                  | 70,400          | 68,800            |
| Other  | 500             | -                 |
|  | <u>£811,994</u> | <u>£1,201,211</u> |

Of the above total £766,094 was restricted (2016: £1,132,413)

## 6. TANGIBLE FIXED ASSETS

|   | Freehold Land<br>and Buildings<br>£ | Equipment<br>£ | Motor<br>Vehicles<br>£ | Total<br>£        |
|---|-------------------------------------|----------------|------------------------|-------------------|
| <b>Cost</b>                                 |                                     |                |                        |                   |
| At 1st January 2017                         | 13,076,559                          | 342,888        | 14,312                 | 13,433,759        |
| Additions                                   | 1,840,917                           | 47,401         | -                      | 1,888,318         |
|   | <u>14,917,476</u>                   | <u>390,289</u> | <u>14,312</u>          | <u>15,322,077</u> |
| <b>Depreciation</b>                         |                                     |                |                        |                   |
| At 1st January 2017                         | 786,990                             | 150,876        | 14,312                 | 952,178           |
| Charge for the year                         | 269,986                             | 36,893         | -                      | 306,879           |
|   | <u>1,056,976</u>                    | <u>187,769</u> | <u>14,312</u>          | <u>1,259,057</u>  |
| Net book value                              |                                     |                |                        |                   |
| At 31st December 2017                       | <u>13,860,500</u>                   | <u>202,520</u> | <u>-</u>               | <u>14,063,020</u> |
| At 31st December 2016                       | <u>12,289,569</u>                   | <u>192,012</u> | <u>-</u>               | <u>12,481,581</u> |
| Capital commitments                         |                                     |                |                        |                   |
| Authorised but not contracted for           |                                     |                |                        | £nil              |
| Contracted but not provided in the accounts |                                     |                |                        | <u>£1,886,093</u> |

The net book value at 31 December represents Fixed Assets used for direct charitable purposes. The analysis between the Funds is as shown in note 10.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2017

## 7. FIXED ASSET INVESTMENTS

- a) Tilney Bestinvest is responsible for the day-to-day management of the Charity's investments. A nominee company, Pershing Securities Limited, is responsible for the custody of the related documents of title.
- b) The cost of fund raising (i.e. investment management charges) was £53,311. (2016: £65,003)
- c) The following is a summary of the investments for all the Funds and the income therefrom.

|   | CAPITAL                             |                                     | INCOME            |                    |
|---|-------------------------------------|-------------------------------------|-------------------|--------------------|
|   | Market value<br>as at 31 12 17<br>£ | Market value<br>as at 31 12 16<br>£ | 2017<br>£         | 2016<br>£          |
| Investments listed on recognised UK Stock Exchanges | 8,265,094                           | 10,066,206                          | 213,810           | 287,078            |
| Investment cash                                     | 40,971                              | 566,067                             | -                 | -                  |
|   | <u>£8,306,065</u>                   | <u>£10,632,273</u>                  | <u>£213,810</u>   | <u>£287,078</u>    |
| d) Movement in market value of investments          |                                     |                                     |                   |                    |
| Market value at 1st January                         |                                     |                                     | 10,632,273        | 10,877,284         |
| Less: Proceeds of disposals                         |                                     |                                     | (4,250,615)       | (4,324,211)        |
| Add: Acquisitions                                   |                                     |                                     | 1,947,345         | 3,272,398          |
| (Decrease)/ increase in the investment cash balance |                                     |                                     | (525,097)         | 189,647            |
| Net (losses)/gains on revaluation at 31 December    |                                     |                                     | 502,159           | 617,155            |
| Market value at 31st December                       |                                     |                                     | <u>£8,306,065</u> | <u>£10,632,273</u> |
|   |                                     |                                     | 2017<br>£         | 2016<br>£          |
| Realised/unrealised (losses)/gains on investments:  |                                     |                                     |                   |                    |
| Realised  |                                     |                                     | 1,022,489         | 92,222             |
| Unrealised  |                                     |                                     | (520,330)         | 524,933            |
|   |                                     |                                     | <u>£502,159</u>   | <u>£617,155</u>    |
| Historical cost as at 31 December                   |                                     |                                     | <u>£6,745,576</u> | <u>£8,550,551</u>  |
| 8. DEBTORS  |                                     |                                     | 2017<br>£         | 2016<br>£          |
| Prepayments and accrued income                      |                                     |                                     | 310,655           | 392,529            |
| Other debtors                                       |                                     |                                     | 86,858            | 78,892             |
|   |                                     |                                     | <u>£397,513</u>   | <u>£471,421</u>    |
| 9. CREDITORS: amounts falling due within one year   |                                     |                                     | 2017<br>£         | 2016<br>£          |
| Expense creditors                                   |                                     |                                     | 72,451            | 81,608             |
| Accruals and deferred income                        |                                     |                                     | 221,406           | 230,410            |
|   |                                     |                                     | <u>£293,857</u>   | <u>£312,018</u>    |



Nautilus Welfare Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2017

10a. ANALYSIS OF FUND MOVEMENTS 2017

|                                 | Brought Forward<br>2017<br>£ | Income/<br>Gains<br>£ | Expenditure\<br>Loss<br>£ | Transfers<br>£   | Carried Forward<br>2017<br>£ |
|---------------------------------|------------------------------|-----------------------|---------------------------|------------------|------------------------------|
| <b>Unrestricted funds</b>       |                              |                       |                           |                  |                              |
| <i>Designated funds:</i>        |                              |                       |                           |                  |                              |
| Andrew Gibson Memorial Home     | 388,795                      | -                     | -                         | -                | 388,795                      |
| Other long term funds           | 22,720,059                   | -                     | -                         | (739,769)        | 21,980,290                   |
|                                 | <u>23,108,854</u>            | <u>-</u>              | <u>-</u>                  | <u>(739,769)</u> | <u>22,369,085</u>            |
| <b>Free funds</b>               |                              |                       |                           |                  |                              |
| Free Funds                      | 461,245                      | 2,972,688             | (2,912,076)               | 1,336,467        | 1,858,324                    |
| <b>Total Unrestricted Funds</b> | <u>23,570,099</u>            | <u>2,972,688</u>      | <u>(2,912,076)</u>        | <u>596,698</u>   | <u>24,227,409</u>            |
| <b>Restricted funds</b>         |                              |                       |                           |                  |                              |
| Seafarers Hub Development       | -                            | 294,982               | -                         | (294,982)        | -                            |
| Care Home                       | -                            | 90,000                | (90,000)                  | -                | -                            |
| Case working                    | -                            | 56,166                | (56,166)                  | -                | -                            |
| Physiotherapy role costs        | -                            | 13,000                | (13,000)                  | -                | -                            |
| Gulf                            | 1,204                        | -                     | -                         | -                | 1,204                        |
| MNWB Nurse Call System          | -                            | 26,700                | -                         | (26,700)         | -                            |
| Admiral Nurse                   | -                            | 10,230                | (10,230)                  | -                | -                            |
| Seafarers Aged Veterans Fund    | -                            | 275,016               | -                         | (275,016)        | -                            |
| Other specified projects        | 25,000                       | -                     | -                         | -                | 25,000                       |
|                                 | <u>26,204</u>                | <u>766,094</u>        | <u>(169,396)</u>          | <u>(596,698)</u> | <u>26,204</u>                |
| <b>Endowment funds</b>          |                              |                       |                           |                  |                              |
| Andrew Gibson endowment         | 5,000                        | -                     | -                         | -                | 5,000                        |
|                                 | <u>23,601,303</u>            | <u>3,738,782</u>      | <u>(3,081,472)</u>        | <u>-</u>         | <u>24,258,613</u>            |

The designated funds of the charity reflect those funds which, although unrestricted, are not readily realisable in the short term and/or are generating income upon which the charity depends.

Restricted funds represent grants for purposes specified by the donors. The Gulf Fund is for the purpose of making grants to eligible seafarers where the unspent balance is carried forward to be expended in future periods.

Other specified projects originally related to lighting in the Dementia Wing of the Care Home but discussions are being held with the grantor in order to authorise the use of the funds for alternative purposes.

## 10b ANALYSIS OF FUND MOVEMENTS (Comparative for 2016)

|                             | Brought Forward<br>2016<br>£ | Income/<br>Gains<br>£ | Expenditure\<br>Loss<br>£ | Transfers<br>£     | Carried Forward<br>2016<br>£ |
|-----------------------------|------------------------------|-----------------------|---------------------------|--------------------|------------------------------|
| <b>Unrestricted funds</b>   |                              |                       |                           |                    |                              |
| <i>Designated funds:</i>    |                              |                       |                           |                    |                              |
| Andrew Gibson Memorial Home | 388,795                      | -                     | -                         | -                  | 388,795                      |
| Other long term funds       | 21,345,581                   | -                     | -                         | 1,374,478          | 22,720,059                   |
|                             | <u>21,734,376</u>            | <u>-</u>              | <u>-</u>                  | <u>1,374,478</u>   | <u>23,108,854</u>            |
| <b>Free funds</b>           |                              |                       |                           |                    |                              |
| Free Funds                  | 352,320                      | 3,078,248             | (2,739,827)               | (229,496)          | 461,245                      |
| <b>Restricted funds</b>     |                              |                       |                           |                    |                              |
| Hub Development             | -                            | 901,258               | -                         | (901,258)          | -                            |
| Care Home                   | -                            | 130,000               | (130,000)                 | -                  | -                            |
| Case working                | 2,070                        | 50,000                | (52,070)                  | -                  | -                            |
| Physiotherapy role costs    | -                            | 12,500                | (12,500)                  | -                  | -                            |
| Gulf                        | 1,204                        | -                     | -                         | -                  | 1,204                        |
| Tunstall legacy             | 250,000                      | -                     | (6,276)                   | (243,724)          | -                            |
| Other specified projects    | -                            | 63,655                | (38,655)                  | -                  | 25,000                       |
|                             | <u>253,274</u>               | <u>1,157,413</u>      | <u>(239,501)</u>          | <u>(1,144,982)</u> | <u>26,204</u>                |
| <b>Endowment funds</b>      |                              |                       |                           |                    |                              |
| Andrew Gibson endowment     | 5,000                        | -                     | -                         | -                  | 5,000                        |
|                             | <u>22,344,970</u>            | <u>4,235,661</u>      | <u>(2,979,328)</u>        | <u>-</u>           | <u>23,601,303</u>            |

The designated funds of the charity reflect those funds which, although unrestricted, are not readily realisable in the short term and/or are generating income upon which the charity depends.

Restricted funds represent grants for purposes specified by the donors. The Gulf Fund is for the purpose of making grants to eligible seafarers where the unspent balance is carried forward to be expended in future periods. The Tunstall legacy is restricted for specified capital works at the Mariners' Park Estate and care home.

## 11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

|                           | Tangible<br>fixed assets<br>£ | Investments<br>£ | Net current<br>Assets<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|---------------------------|-------------------------------|------------------|----------------------------|--------------------|--------------------|
| <b>Unrestricted funds</b> |                               |                  |                            |                    |                    |
| <i>Designated</i>         | 14,063,020                    | 8,306,065        | -                          | 22,369,085         | 23,108,854         |
| <i>Free</i>               | -                             | -                | 1,858,324                  | 1,858,324          | 461,245            |
| <b>Restricted funds</b>   | -                             | -                | 26,204                     | 26,204             | 26,204             |
| <b>Endowed funds</b>      | -                             | -                | 5,000                      | 5,000              | 5,000              |
|                           | <u>14,063,020</u>             | <u>8,306,065</u> | <u>1,889,528</u>           | <u>24,258,613</u>  | <u>£23,601,303</u> |

Included within tangible fixed assets is an element of land which must be retained for housing accommodation under the terms of the Scheme. This is not considered to be a material restriction given that the provision of housing accommodation is one of the core objects of the charity.

**12. RELATED PARTY TRANSACTIONS**

At 31 December 2017 £4,844 (2016: £5,273) was owed by Nautilus International, the trade union under common control by Nautilus International Council. Nautilus International provided support and administration services to Nautilus Welfare Fund amounting to £75,500 (2016 - £81,000).

A donation of £162,000 was received from Oceanair Services Limited (2016: £156,000) a company under the control of Nautilus International. Oceanair Services Limited provided building services for the construction of the Hub building and other building projects at Mariners Park totalling and invoiced £1,755,775 in the year (2016: £1,803,895).