



Nautilus Welfare Fund

(Previously NUMAST Welfare Funds)

Annual Report and Accounts
For the year ended
31st December 2012

Address

Nautilus House
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 2012

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Nautilus Welfare Fund

REFERENCE AND ADMINISTRATION INFORMATION

MANAGING TRUSTEE AND CHARITY ADMINISTRATOR

Nautilus International Council

Head Office

1&2 The Shrubberies
George Lane
South Woodford
London E18 1BD
Tel: 020 8989 6677
Fax: 020 8530 1015
E-mail accounts@nautilusint.org

Northern Office

Nautilus House
Mariners' Park
Wallasey
CH45 7PH
Tel: 0151 639 8454
Fax: 0151 346 8801
E-mail welfare@nautilusuk.org

CUSTODIAN TRUSTEE

Nautilus Trustees Ltd
1&2 The Shrubberies
George Lane
South Woodford
London E18 1BD

INVESTMENT ADVISER

Deutsche Bank Private Wealth Management Ltd
Royal Liver Building
Pier Head
Liverpool L3 1NY

INVESTMENT CUSTODIAN

Pershing Securities Ltd
Royal Liver Building
Liverpool
L3 1NY

SOLICITOR

Hill Dickinson
1 St. Paul's Square
Liverpool
L3 9SJ

AUDITORS

haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AL

PRINCIPAL BANKER

Unity Trust Bank Plc
Ninebrindley Place
Birmingham B1 2HB

Nautilus Welfare Fund

REFERENCE AND ADMINISTRATION INFORMATION

Members of Nautilus International Council at Balance Sheet date	U Jurgens	Chair
	W Van Hoboken	Vice Chair
	Micky Smyth	Deputy Vice Chair
	D Bland	L McDowell
	C Bowie	P Minter
	G Davies	D Morrison
	H Eijkenaar	I Nicholson
	G Feikema	G Pearson
	M Graves	M Quinn
	J Hofton	K Sloodstra
	W Jackson	J Stone
	P Lok	A Till
	A MacDonald	M Troman
	I MacKenzie	J van der Zee
	N Martin	A M Dickinson
	L McDowell	
Secretary to Nautilus International Council	AM Dickinson (General Secretary Nautilus International)	
Members of Nautilus Welfare Fund Committee at Balance Sheet Date	R C Thornton	Chair
	J Lang	Trustee Director
	A M Dickinson	J C Roberts
	C Hairsine	R Simpson
	J Hofton	A J Stewart
	N Martin	J Stone
	L McDowell	W van Hoboken
	D Morrison	M Watts
	M M Reeves	L Whitehead
	J Rickaby	
Secretary to Nautilus Welfare Fund	Mike Jess	

Nautilus Welfare Fund

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

Trustee Statement

The Nautilus Welfare Fund 2012 Financial Statement complies with the Statement of Recommended Practice for Charities (SORP 2005) issued in March 2005.

During 2012 the Nautilus Welfare Fund continued to meet the challenge of its stated objective: To Provide a High Quality Cost Effective Service to Needy Seafarers and Their Dependants. This has been achieved by:

1. The provision of accommodation for those able to live independently.
2. Providing residential and nursing care.
3. Supporting independent living.
4. Developing new services that respond to fully researched identified needs.

Achievements 2012

In the report for 2011 in the section onward into 2012, the Trustee set out Objectives for the Charity to achieve and these are listed below.

Objective

Continue to develop its detailed objectives and introduce a performance management framework which reflects these objectives at every level of the charity and within the role of every member of the staff team.

Achievement

The Welfare Committee receive a quarterly report detailing progress against the key tasks for each overarching objective. Each line is rated red, amber or green. These objectives are cascaded to individual staff key tasks as agreed in their annual Personal Development Plan. Regular staff supervision ensures progress is closely monitored. By working in this way there is a 'clear line of sight' between the overarching objectives and individual staff contribution.

Objective

Teams will develop approaches to work that are person centred and which take account of the changing nature of service funding

Achievement

Development events for staff have been undertaken and care plans have been reviewed and updated to ensure that they reflect the person centred approach. New documentation for care plans has been introduced to embed the approach.

Objective

Continue to play a central role in taking forward the work of the Maritime Charities Funding Group (MCFG) and will work alongside other maritime charities to maximise opportunities to raise public awareness of particular needs of ex seafarers.

Achievement

The Nautilus Welfare Fund continues to be represented at a senior level on the MCFG. 2012 has seen the completion of two pilot projects hosted on behalf of the MCFG. The Better Health for Ex Seafarers Project and the Merseyside Casework Project both commenced in 2010 and concluded in December 2012. The outcomes of both projects have been disseminated widely across other maritime charities. The positive benefits from the Casework Project has led to an extension of the work for a further year in Merseyside (now funded entirely by the Nautilus Welfare Fund) and resulted in a successful bid to Seafarers UK to establish similar posts in Hull and Southampton. The new funding commences in 2013.

Nautilus Welfare Fund

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The Nautilus Welfare Fund has made a successful bid for project monies from the MCFG to establish more activities for the men living at Mariners' Park. This 12 month pilot, in partnership with Age UK Wirral aims to promote improved health and wellbeing via social activities. The funding for the 'Men's Wellbeing Project' based on the 'Men in Sheds' concept commences in 2013.

Objective

Finalise proposals to develop new extra care accommodation on Mariners' Park.

Achievement

The planned development of an extra care housing 'Hub', providing 18 apartments and a wide range of communal facilities at Mariners' Park, has progressed in 2012. The 'Design and Build' contract has been tendered and awarded to Pochins. Work started on site at the end of October and completion is expected in February 2014.

Objective

Prioritise opportunities to grow existing services and develop new services for ex seafarers.

Achievement

The geographical expansion of the Casework Project and the new 'Mens Wellbeing Project' represent significant service developments, as does the extra care 'Hub', and this has already been noted. 2012 saw an increase in activity in the Care Home with average occupancy up to 28 beds. There was also an increase in the level of respite care provided. The Nautilus Welfare web pages have all been updated to provide a more comprehensive range of information, and a series of new information leaflets have been prepared ready for publication in 2013.

Objective

To continue to strengthen the administrative framework that supports the major services provided by the Charity

Achievement

2012 has seen the introduction of two important management systems 'OmniLedger' is an ordering, invoicing and financial management system, as well as a capital planning tool holding data about the repairs and maintenance history of all the properties at Mariners' Park. 'Home Care Roster' plans the visits for the Domiciliary Care Team and automatically produces resident invoices. Both systems strengthen the administrative framework.

Objective

Work to commence to review the long term financial strategy of the Charity

Achievement

The Director of Finance in conjunction with the Secretary of the Charity has produced a five year financial forecast, which is updated and reviewed by the Trustees on an annual basis.

Nautilus Welfare Fund

TRUSTEE'S REPORT - continued

FOR THE YEAR ENDED 31 DECEMBER 2012

The Trustee also approved and monitored the following ongoing objectives which form part of the Nautilus International UK Branch Strategic Plan 2011-2013. These have successfully achieved.

Objective

To work in partnership with other Maritime Charities and the wider statutory and voluntary sectors to meet the identified 'welfare' needs of seafarers and their dependents.

Objective

Ensure the Union's welfare facilities are managed to the highest standards laid down in relevant Regulations and Codes of Practices

Objective

Provide advice and information to seafarers and their dependents on a range of welfare services, financial assistance and support, to enable them to live independent lives

Objective

Ensure that all applicants and recipients of welfare services receive a service, which ensures that they are treated with respect and sensitivity with the objective of enhancing their independence and maintaining dignity.

Objective

Ensure budgeting and financial control systems maximise the cost effectiveness of the welfare services.

ORGANISATION GOVERNANCE AND DECISION MAKING

Recruitment and Selection of Trustees

The Nautilus International Council is the Managing Trustee and consists of up to 32 full members of Nautilus International 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 Council and of the Nautilus Welfare Fund Committee are provided with relevant background information and training is made available.

Nautilus Welfare Fund

TRUSTEE'S REPORT - continued

FOR THE YEAR ENDED 31 DECEMBER 2012

Organisation

The Nautilus Welfare Fund Committee is appointed by 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 Nautilus Council reviewed the Scheme of Delegation in December 2009.

Governing Documents

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

The Welfare Fund

The object of the Charity 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

Nautilus Welfare Fund

TRUSTEE'S REPORT - continued

FOR THE YEAR ENDED 31 DECEMBER 2012

Risk Management

The risk assessment process 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 Council. This was undertaken in November 2012

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 Council. This was undertaken in March 2012.

Managing Organisational Performance

During 2012, 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 2012. The Committee also received regular operational reports from service managers and 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.

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 2012 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. Essential training activities such as First Aid, Moving and Handling and Health and Safety are supplemented by developmental learning.

Nautilus Welfare Fund continues to be accredited with the Investors in People which sets national standards in training and development and represents the highest award for training in the country.

Nautilus Welfare Fund

TRUSTEE'S REPORT - continued

FOR THE YEAR ENDED 31 DECEMBER 2012

CHARITABLE OBJECTIVE, ACTIVITIES AND ACHIEVEMENTS 2012

STRATEGIC OBJECTIVE - TO PROVIDE A HIGH QUALITY COST EFFECTIVE SERVICE TO NEEDY SEAFARERS AND THEIR DEPENDANTS

Eligibility Criteria

All former seafarers or their dependents, which meet the Nautilus Welfare Fund criteria and have had a significant career at sea, are eligible to make an application for accommodation, an annual grant or a one off grant. A level of welfare, social or financial need must be demonstrated.

Application process

Nautilus Welfare Fund strives to make the application process as smooth as possible and in most instances a response to an application is given within two weeks. Forms are completed by the individuals concerned or another charity (e.g. SSAFA - Soldiers, Sailors, Airmen and Families Association) on their behalf. Applications from local people are visited by a member of staff; the Caseworker, the Care Officer or the Development Manager depending upon the reason for application. Every assistance is given to provide additional information to the applicant in order to ensure that they have maximised all benefits and eligible statutory and voluntary services. All applications are considered by the Secretary, under delegated powers for "One off" grant, or by the Nautilus Welfare Fund Committee.

The strategic objective of the Nautilus Welfare Fund has been achieved by the provision of the following activities:

THE PROVISION OF ACCOMMODATION FOR THOSE PEOPLE LIVING INDEPENDENTLY

The Accommodation

At the heart of the Nautilus Welfare Fund's work is the Mariners Park Estate in Wallasey, on the banks of the River Mersey.

Developed over 150 years ago to provide seafarers with good quality housing, care and companionship when they came ashore, Mariners Park currently provides 95 flats, bungalows and houses set amongst 16 acres of park land overlooking the River Mersey and the iconic Liverpool waterfront.

Achievements 2012

A key achievement in 2012 was the relocation of 14 residents whose homes were to be demolished to create space for the new extra care housing Hub. This was a major piece of work, handled with sensitivity. All residents were able to relocate within Mariners' Park.

Improvements to the accommodation continued in 2012. Two bungalows in King George Drive were completely refurbished and improvements including new kitchens, new wet rooms and new central heating systems were also completed. 2012 also saw agreement to an enhanced specification for all improvements. Investment totalling £130,934 was made for the above modernisation.

Nautilus Welfare Fund

TRUSTEE'S REPORT - continued

FOR THE YEAR ENDED 31 DECEMBER 2012

THE PROVISION OF ACCOMMODATION FOR PEOPLE REQUIRING RESIDENTIAL OR NURSING CARE

The Accommodation

Mariners' Park Care Home opened in 2002 and provides both nursing residential care and short stay / respite facilities. This modern purpose built home has 32 single bedrooms with en suite bathrooms and extensive communal facilities.

Achievements and Activities 2012

Increased demand in 2012 saw occupancy increase to an average of 28 over the year, including a record level of respite care.

The Care Home had a successful Care Quality Commission Inspection being compliant in all areas. With the Care Home being over 10 years old, fixtures and fittings inevitably are starting to show their age despite a high standard of regular maintenance. A bid for funding towards the cost of refurbishing the Home was successfully made to the MNWB, and this extensive work will be carried out in 2013.

A wide variety of social activities continued to be provided with the highlight being a 'Street Party' to celebrate the Queen's Diamond Jubilee.

Nautilus Welfare Fund

TRUSTEE'S REPORT - continued

FOR THE YEAR ENDED 31 DECEMBER 2012

ENABLING OLDER SEAFARERS AND THEIR DEPENDANTS

Regular and One off grants

In order to enable older seafarers and their dependants to continue to live independently in their own homes (anywhere in the UK) the Nautilus Welfare Fund provides regular and one off grants. Applications may be made for either or both types.

Achievements and Activities 2012

The Nautilus Welfare Fund offers both one off and regular grants to retired seafarers and their dependants. The grants are means tested and are available to people living across the UK. In 2012 regular grants and one off payments totalling £197,765 were made.

One off grants - are given to help people cope around the home and typically will cover things like home repairs, adaptations, household goods such as a washing machine or cooker, and mobility aids. In 2012 beneficiaries received one off grants totalling £37,634.

Regular grants - are given to supplement any state and/or employment pension. The level of grant is limited to £12.00/week, paid in quarterly instalments. The reason for this limit is so that the income will not be taken into account by statutory bodies when they assess grant and benefit applications, meaning you won't lose out if you are a regular beneficiary. During 2012 £160,131 was spent on regular grants supporting some 250 merchant mariners.

Applicants will usually receive a visit from a Caseworker from the Soldiers, Sailors, Airmen and Families Association (SAFFA), who work in partnership with Nautilus Welfare Fund or from the Nautilus Caseworker for those living on Merseyside. Some applications are dealt with by phone or by letter.

All regular grant recipients received information quarterly, which included benefits information, security and consumer advice.

All new beneficiaries were visited during the first year of benefit.

All beneficiaries under 60 years of age are visited every year.

All other regular beneficiaries are visited every three years.

Support Services

Residents living in the Mariners' Park Estate are able to access a Domiciliary Care Service, providing support and personal care. This service is registered with the Care Quality Commission (CQC) and aims to ensure that former seafarers and their dependants can continue to live in their own homes if their health deteriorates.

Residents are also able to access a housing support service, delivered under the framework of the Supporting People Programme. The support service helps ensure that residents access statutory services. A Safe and Well scheme provides support to vulnerable residents.

Achievements 2012

The Domiciliary Care Service delivered in excess of 4,000 hours of service to residents of Mariners' Park Estate in 2012. This service too underwent a Care Quality Commission Inspection and was found to be compliant in all areas. As already noted the Service moved to a new rostering service. Home Care Roster' was successfully introduced in the Autumn and offers a more efficient rostering and invoicing tool.

Nautilus Welfare Fund

TRUSTEE'S REPORT - continued

FOR THE YEAR ENDED 31 DECEMBER 2012

The Care Support Officer, who also acts as the Domiciliary Care Agency Manager, has continued to provide support, advice and information to all residents living on the Mariners' Park Estate. This has ensured access to statutory services and benefits and is delivered as part of the Supporting People Programme.

DEVELOPING SERVICES FOR OLDER PEOPLE AND THEIR DEPENDANTS

Nautilus Welfare Fund is a founder member, and active participant in the Maritime Charities Funding Group. The MCFG has commissioned a number of projects and services which respond to the MCFG research report '*Supporting Seafarers and their families: challenges for the Future.*'

Two of the projects are managed by Nautilus Welfare Fund on behalf of the MCFG.

Professional Caseworker - a two year project aimed at providing wider advice and support to ex seafarers;

Health Advisor - a 20 month project helping older ex seafarers to maintain and improve their health and well being

By working at national level and in partnership with other Maritime charities and the wider charitable and voluntary sector, Nautilus Welfare Fund has been able to play a leading role in the development of services for former seafarers and their dependants. Both Projects ended in 2012 and as previously noted the Caseworker Project is to be continued on Merseyside, and now extended to Hull and Southampton through funding by alternative sources

Support from Maritime Charities

During 2012 Nautilus Welfare Fund received generous support from Seafarers UK, the Corporation of Trinity House, Seaman's Hospital Society and others, which have contributed to capital projects or supported services to beneficiaries.

FORWARD INTO 2013

During 2013, the Charity will continue to deliver its stated objective: To Provide a High Quality Cost Effective Service to Needy Seafarers and Their Dependants.

In order to achieve this strategic objective during 2013, Nautilus Welfare Fund will continue to develop its detailed objectives and introduce a performance management framework which reflects these objectives at every level of the charity and within the role of every member of the staff team.

The Nautilus Welfare Fund Committee has agreed 5 key strategic goals for 2013.

To ensure sufficient supply of good, modern accommodation.

Ensure a responsive, comprehensive quality care offer across whole range of needs

Develop effective advice, information and grant support service to promote independent living.

Ensure the Nautilus Welfare Fund is financially viable.

Ensure a good, strong team

2013 promises to be a busy and productive year as the service offered to merchant mariners is further improved. The headline plans for 2013 are set out below.

Nautilus Welfare Fund

TRUSTEE'S REPORT - continued

FOR THE YEAR ENDED 31 DECEMBER 2012

The Estate

- The completion of the Extra Care Hub
- Additional £55,000 funding for the modernisation programme

Care Home

- Refurbished interior design
- Possible development of a dementia service
- Additional Physiotherapy support
- Embedding of Personal Support Plans

Grants

- Continued funding of Regular and one off grants

Support Services

- Personal Support Plans for all Supporting People Programme users
- Improved dementia awareness training

Service Developments

- Expansion of Casework Service to the Hull and Southampton areas
- Commissioning of 'Mens Wellbeing Project' in partnership with Age UK Wirral at Mariners' Park
- Launch of new information leaflets

Nautilus Welfare Fund

TRUSTEE'S REPORT - continued

FOR THE YEAR ENDED 31 DECEMBER 2012

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 2012 budget and Major Capital Expenditure subject to the approved tender process. The Committee approves and monitors the delivery of the Strategic Plan.

THE CHARITY'S ASSETS

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

The freehold properties are held by the charity to provide accommodation to seafarers.

A review by the Trustee confirms that the assets are properly held and are adequate to fulfil the current objectives.

GENERAL

FINANCIAL POSITION 2012

The income and expenditure were £2,700,021 and £2,300,416 respectively. The Nautilus Welfare Fund Investments as at 31 December 2012 stood at a Market Value of £10,725,303 against a Book Cost of £9,438,099.

In 2012 the operational surplus was £399,605 compared to £116,516 in 2011. This was due mainly in the increase in grants especially the grant received from Trinity House for the building of the NWF community HUB and increase in the dividend received in 2012. The net investment gain in 2012 amounted to £803,520 with realised gain of £1,462,582, the unrealised loss was £659,062.

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 has delegated the management of the investment portfolio to Deutsche Bank Private Wealth Management Ltd (previously named Tilney Fund Management Ltd) with the objective to maximise long total returns commensurate with a moderate degree of risk. Deutsche 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 +.02% against the benchmark that shrank by -5.30%. The Investment Director at Deutsche Bank PWM 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.

RESERVES POLICY

The NAUTILUS Welfare Fund are all restricted and thus excluded from the definition of Reserves in the Charity Commissioners' booklet Charities' Reserves. However, the Trustee has built up the level of funds for three main purposes - all long term.

- The repair and maintenance of the 95 properties in Mariners' Park Estate.

Nautilus Welfare Fund

TRUSTEE'S REPORT - continued

FOR THE YEAR ENDED 31 DECEMBER 2012

- The building of new facilities such as in 2002 a new Care Home and 14 new flats in Gibson Terrace and in 2007-09 ten new Bungalows.
- 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 the year-end the total funds were £19,766,439 of which £6,594,116 represented fixed assets (mainly buildings) needed for the work of the charity. The investments of £10,725,303 plus cash holdings provided dividend and interest income of £393,608 (2011 £355,598) to support expenditure on charitable activities as well as providing for the long-term purposes referred to above.

STATEMENT ON PUBLIC BENEFIT

The objectives and activities, and achievement and performance sections of this report clearly set out the activities which the charity undertakes for the 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

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 2012 this amounted to £87,700 (2011 - £83,000).

Nautilus Welfare Fund

TRUSTEE'S REPORT - continued

FOR THE YEAR ENDED 31 DECEMBER 2012

AUDITORS

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

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 22.3 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, R. Macdonald and G. Thompson. 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

Approved by and on behalf of the Nautilus International Council on 11 April 2013



(Chair)



A M Dickinson (General Secretary)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF NAUTILUS WELFARE FUND

FOR THE YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of Nautilus Welfare Fund for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustee, 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 trustee 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 and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustee's Responsibilities Statement on page 14, the Trustee is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustee's Annual Report to identify material inconsistencies with the audited financial statements. If become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2012 and of its incoming resources and application of resources in the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF NAUTILUS WELFARE FUND
FOR THE YEAR ENDED 31 DECEMBER 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the 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
Chartered Accountants
Registered Auditors

11 April 2013.

Fairfax House
15 Fulwood Place
London WC1V 6AY

haysmacintyre is eligible to act as an auditor in terms of section 2012 of the Companies Act 2006

Nautilus Welfare Fund

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2012 £	Total 2011 £
INCOMING RESOURCES						
<i>Incoming resources from generated funds:</i>						
Legacies		1,585	199,855	-	201,440	48,105
Grants	5	67,987	496,336	-	564,323	408,161
Gifts and donations		56,628	-	-	56,628	10,651
<i>Activities for generating funds</i>						
Investment income		383,334	-	-	383,334	355,598
Bank deposit interest		10,274	-	-	10,274	-
<i>Incoming resources from charitable activities:</i>						
Income from residential care home facilities		1,484,022	-	-	1,484,022	1,481,658
Total Incoming Resources		2,003,830	696,191	-	2,700,021	2,304,173
RESOURCES EXPENDED						
Charitable Expenditure						
Accommodation for people living independently		598,960	-	-	598,960	536,462
Accommodation for people requiring residential or nursing care		925,616	199,855	-	1,125,471	1,129,314
Enabling retired merchant mariners and their dependants		385,939	-	-	385,939	347,030
Developing services for older people and their dependants		76,116	53,342	-	129,458	137,002
<i>Total charitable expenditure</i>		1,986,631	253,197	-	2,239,828	2,149,808
Governance Costs		60,588	-	-	60,588	37,849
Total Resources Expended	3	2,047,219	253,197	-	2,300,416	2,187,657
Net incoming resources before transfers		(43,389)	442,994	-	399,605	116,516
Transfers between funds		310,105	(310,105)	-	-	-
		266,716	132,889	-	399,605	116,516
Gains/(losses) on investment assets						
Realised		1,462,582	-	-	1,462,582	(120,966)
Unrealised	7	(659,062)	-	-	(659,062)	(257,559)
Net Movement in Funds		1,070,236	132,889	-	1,203,125	(262,009)
Fund balances brought forward	10	18,529,147	29,167	5,000	18,563,314	18,825,323
Fund balances carried forward	10	£19,599,383	£162,056	£5,000	£19,766,439	£18,563,314

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 2012

	Notes	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		6,594,116		6,406,635
Investments	7		10,725,303		11,921,083
			<u>17,319,419</u>		<u>18,327,718</u>
CURRENT ASSETS					
Debtors	8	410,470		224,868	
Cash at bank and in hand		<u>2,172,946</u>		<u>208,476</u>	
		2,583,416		433,344	
CREDITORS: amounts falling due within one year	9	<u>(136,396)</u>		<u>(197,748)</u>	
NET CURRENT ASSETS			<u>2,447,020</u>		<u>235,596</u>
NET ASSETS			<u>£19,766,439</u>		<u>£18,563,314</u>
Represented by:					
Unrestricted funds	10		19,599,383		18,529,147
Restricted funds	10		162,056		29,167
Endowment	10		5,000		5,000
			<u>£19,766,439</u>		<u>£18,563,314</u>

Approved by and authorised for issue by the Nautilus International Council on 11 April 2013

(Chairman)

AM Dickinson (General Secretary)

The notes numbered 1 to 10 form part of these accounts.

Nautilus Welfare Fund

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

	2012		2011	
	£	£	£	£
Net cash (outflow) from operating activities		(53,261)		(376,456)
Returns on capital investments and servicing of finance		393,608		355,598
Capital expenditure and financial investments				
Payment to acquire tangible fixed assets	(376,376)		(129,048)	
Proceeds from disposal of fixed assets	1,200		-	
Payments to acquire investments	(4,076,587)		(1,585,636)	
Proceeds from sales of investments	6,001,658		1,554,019	
Decrease in investment cash balances	74,228		127,397	
		<u>1,624,123</u>		<u>(33,268)</u>
Net increase/(decrease) in cash for the year		<u><u>£1,964,470</u></u>		<u><u>£(54,126)</u></u>
RECONCILIATION OF CHANGES IN RESOURCES TO NET INFLOW FROM OPERATING ACTIVITIES			2012	2011
			£	£
Net incoming resources			399,605	116,516
Depreciation			124,490	107,962
Loss on disposal of fixed assets			63,205	-
Investment income			(393,608)	(355,598)
(Increase) in debtors			(185,602)	(168,028)
(Decrease) in creditors			(61,351)	(77,308)
Net cash (outflow) from operating activities			<u>£(53,261)</u>	<u>£(376,456)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			2012	2011
			£	£
Increase / (decrease) in cash in the period			1,964,470	(54,126)
Net funds brought forward			208,476	262,602
Net funds at 31 December			<u>£2,172,946</u>	<u>£208,476</u>
ANALYSIS OF NET FUNDS				
		At		At
		31 December	Cashflow	31 December
		2011	£	2012
		£		£
Cash at bank and in hand		<u>£208,476</u>	<u>£1,964,470</u>	<u>£2,172,946</u>

1. **FORMAT OF THE ACCOUNTS**

The accounts comprise two 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.

2. **ACCOUNTING POLICIES**

Basis of accounting

The Financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments to market value, in accordance with the provisions of the Statement of Recommended Practice for Charities issued by the Charity Commissioners in March 2005 and in accordance with applicable Accounting Standards.

Income

All income from voluntary donations, legacies and grants is accounted for as and when the income is received. Investment income and maintenance charges receivable from residents is accounted for on a receivable basis.

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.

2. ACCOUNTING POLICIES (continued)

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 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.

Resources expended

Expenditure is included on an accruals basis inclusive of VAT that cannot be recovered, except where otherwise stated.

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.

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

Support costs

Support 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.

Nautius Welfare Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2012

3a. CHARITABLE ACTIVITIES

	Provision of accommodation for those people living independently £	Provision of accommodation for people requiring residential or nursing care £	Enabling retired mariners and their dependants £	Developing services for older people and their £	TOTAL £	2011 £
Direct costs of charitable activities	202,345	958,819	46,740	103,371	1,311,275	1,524,136
Charitable grants	-	-	314,858	-	314,858	281,591
Other costs of charitable activities:						
Support costs	204,722	92,799	24,341	20,954	342,816	109,910
Major repairs and renewals	137,293	9,090	-	-	146,383	126,209
Depreciation of buildings and equipment	54,600	64,763	-	5,133	124,496	107,962
	<u>£598,960</u>	<u>£1,125,471</u>	<u>£385,939</u>	<u>£129,458</u>	<u>£2,239,828</u>	<u>£2,149,808</u>

Support costs are allocated in accordance with the accounting policy stated in note 2. All grants awarded were to individuals.

3b. GOVERNANCE COSTS

External auditors remuneration	19,528	20,560
- current year provision (including VAT)	34,412	13,417
Support costs	6,648	3,872
Membership and committee	<u>£60,588</u>	<u>£37,849</u>

Nautilus Welfare Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2012

4. INFORMATION REGARDING EMPLOYEES AND TRUSTEE

	2012 £	2011 £
Staff	1,031,850	1,055,236
Wages and salaries	76,392	77,799
Social security costs	7,582	10,347
Pension costs	52,136	48,673
Agency staff costs	<u>£1,167,960</u>	<u>£1,192,085</u>

No employees earned £60,000 p.a. or more (2011: £Nil). The Trustee was not paid during the year (2011 £Nil) and was not reimbursed any expenses (2011 £Nil)

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

74

68

5. GRANTS FROM EXTERNAL CHARITIES

Merchant Navy Welfare Board	-	25,000
Seafarers UK	10,955	95,000
ITF Seafarers Trust	150,000	66,000
Seamen's Hospital Society		32,500
Trinity House	375,682	189,131
MCFG	13,259	-
Other	14,427	530
	<u>£564,323</u>	<u>£408,161</u>

6. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Equipment £	Motor Vehicles £	Total £
Cost				
At 1st January 2012	7,212,297	398,432	-	7,610,729
Additions	311,682	50,382	14,312	376,376
Disposal		(64,405)	-	(64,405)
At 31st December 2012	<u>7,523,979</u>	<u>384,409</u>	<u>14,312</u>	<u>7,922,700</u>
Depreciation				
At 1st January 2012	887,780	316,314	-	1,204,094
Charge for the year	101,493	19,419	3,578	124,490
At 31st December 2012	<u>989,273</u>	<u>335,733</u>	<u>3,578</u>	<u>1,328,584</u>
Net book value				
At 31st December 2012	<u>£6,534,706</u>	<u>£48,676</u>	<u>£10,734</u>	<u>£6,594,116</u>
At 31st December 2011	<u>£6,324,517</u>	<u>£82,118</u>	<u>£-</u>	<u>£6,406,635</u>
Capital commitments				£751,560
Authorised but not contracted for				£3,322,564
Contracted but not provided in the accounts				<u>£3,322,564</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.

Nautilus Welfare Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2012

7. FIXED ASSET INVESTMENTS

- a) Deutsche Bank Private Wealth Management Ltd (previously named Tilney Fund Management Ltd) 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 £49,045 (2011: £15,240)
- c) The following is a summary of the investments for all the Funds and the income therefrom.

	CAPITAL		INCOME	
	Market value as at 31 12 12 £	Market value as at 31 12 11 £	2012 £	2011 £
Investments listed on recognised UK Stock Exchanges	10,700,500	11,822,052	383,334	355,592
Investment cash	24,803	99,031	-	6
	<u>£10,725,303</u>	<u>£11,921,083</u>	<u>£383,334</u>	<u>£355,598</u>
d) Movement in marketing value of investments				
Market value at 1st January			11,921,083	12,395,388
Less: Proceeds of disposals			(6,001,658)	(1,554,019)
Add: Acquisitions			4,076,587	1,585,636
(Decrease)/increase in the investment cash balance			(74,229)	(127,397)
Net gains on revaluation at 31 December			803,520	(378,525)
Market value at 31st December			<u>£10,725,303</u>	<u>£11,921,083</u>
			2012 £	2011 £
Realised/unrealised (losses)/gains on investments:				
Realised			1,462,582	(120,966)
Unrealised			(659,062)	(257,559)
			<u>£803,520</u>	<u>(£378,525)</u>
Historical cost as at 31 December			<u>£9,438,099</u>	<u>£9,974,817</u>
8. DEBTORS			2012 £	2011 £
Prepayments and accrued income			370,162	192,567
Other debtors			40,308	32,301
			<u>410,470</u>	<u>£224,868</u>
9. CREDITORS: amounts falling due within one year			2012 £	2011 £
Expense creditors			54,929	72,686
Accruals and deferred income			81,467	125,062
			<u>136,396</u>	<u>£197,748</u>

Nautilus Welfare Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2012

10. ANALYSIS OF FUND MOVEMENTS

	Brought Forward £	Income/ Gains £	Expenditure\ Loss £	Transfers £	Carried Forward £
Unrestricted funds					
<i>Designated funds:</i>					
Andrew Gibson Memorial Home	388,795	-	-	-	388,795
Other long term funds	17,938,923	1,462,582	(659,062)	(1,811,819)	16,930,624
<i>Free funds</i>	201,429	2,003,830	(2,047,219)	2,121,924	2,279,964
	<u>18,529,147</u>	<u>3,466,412</u>	<u>(2,706,281)</u>	<u>310,105</u>	<u>19,599,383</u>
Restricted funds					
Affleck legacy for Care Home	-	199,855	(199,855)	-	-
Hub Development	-	461,682	-	(311,682)	150,000
Case working	5,268	29,654	(26,853)	-	8,069
Better Health	14,056	5,000	(20,633)	1,577	-
Gulf	4,650	-	(774)	-	3,876
South Atlantic	5,193	-	(5,082)	-	111
	<u>29,167</u>	<u>696,191</u>	<u>253,197</u>	<u>310,105</u>	<u>162,056</u>
Endowment funds					
Andrew Gibson endowment	5,000	-	-	-	5,000
	<u>£18,563,314</u>	<u>£4,162,603</u>	<u>£(2,959,478)</u>	<u>£-</u>	<u>£19,766,439</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 and Atlantic Fund are for the purpose of making grants to eligible seafarers where the unspent balances are carried forward to be expended in future periods. The Better Health fund related to a grant from the TK Foundation which has now been fully expended.

ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current Assets £	Total 2012 £	Total 2011 £
Unrestricted funds					
<i>Designated</i>	6,594,116	10,725,303	-	17,319,419	18,327,718
<i>Free</i>	-	-	2,279,964	2,279,964	201,429
Restricted funds	-	-	162,056	162,056	29,167
Endowed funds	-	-	5,000	5,000	5,000
	<u>£6,594,116</u>	<u>£10,725,303</u>	<u>2,447,020</u>	<u>£19,766,439</u>	<u>£18,563,314</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.