SAILORS' SOCIETY SCOTLAND

Scottish charity number: SC041887
Company limited by guarantee, registered in Scotland number: SC387850

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Sailors' Society Scotland

Trustees' Report and Financial Statements for the year ended 31 December 2025

Charity registered in Scotland – SC041887
Limited company registered in Scotland – SC387850
Registered office – 5 South Charlotte Street, Edinburgh, Scotland, EH2 4AN
Principal Address – Seafarer House, 74 St Annes Road, Southampton, Hampshire SO19 9FF

The Trustees are pleased to present their report together with the financial statements for Sailors' Society Scotland ("the Charity") for the year ending 31 December 2025. These statements have been prepared in line with the accounting policies described in note 1, and in accordance with the Charity's governing documents, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, and the Statement of Recommended Practice for charities applying FRS 102 in the UK and Republic of Ireland.

Reference and Administrative Information

Trustees
The following Directors served as Trustees of the Charity during 2025 and up to the date of approval of this report:

- Joshua Hutchinson (Chairman)
- Peter Swift
- Michele White

All trustees also serve as trustees of Sailors' Society ("the Society"), our parent charity.

Company Secretary

- Andrew Pitcher

Professional advisers

- Auditors: Azets Audit Services, Gateway House, Tollgate, Chandler's Ford, Eastleigh, SO53 3TG
- Bankers: National Westminster Bank Plc, 68 Above Bar Street, Southampton, SO14 7DS
- Solicitors: Anderson Strathern WS, 58 Morrison Street, Edinburgh, EH3 8BP

Objectives and Activities

Our mission is to serve and support British and international seafarers, former seafarers, cadets, their families, and the communities where they live and work in Scotland.
We do this by:

- Advancing education
- Relieving poverty and distress
- Promoting the Christian faith

These aims are brought to life through a wide range of services:

Wellness education: Through our *Wellness at Sea* programmes, we equip seafarers with practical tools, knowledge and resources to protect their physical, emotional and social wellbeing, build resilience and thrive throughout their careers at sea.

Cadet engagement and education: Supporting the next generation of seafarers is an important part of our work. We engage directly with cadets studying at maritime colleges and training institutions across Scotland, helping them prepare for the opportunities and challenges of a career at sea. Through our engagement, we introduce cadets to the importance of wellbeing and resilience, raise awareness of the support available to them throughout their careers, and provide opportunities to discuss the realities of life at sea in a supportive environment.

Our annual **UK & Europe Cadet Conference** extends this work by providing a dedicated forum for cadets to learn, discuss key sector issues and connect with the wider maritime community. This early engagement helps establish a relationship with the Society and raises awareness of the support available as cadets move from training into professional life at sea.

Pastoral care and spiritual support: Our 24/7 helplines and Crisis Response Network provide seafarers with compassionate pastoral care, guidance, prayer and spiritual support, regardless of faith or belief. We also engage with seafarers through online peer-support groups. These groups provide valuable insight into the challenges affecting different seafaring communities and enable us to better understand emerging needs and provide more focused and effective support.

Practical financial help: Through funds including *Sea Change* and the *Leith Mariners' Fund*, we provide practical financial assistance to seafarers, former seafarers and others within our beneficiary community who are experiencing hardship or distress.

Increasingly, our services are delivered through digital and virtual channels, reflecting the changing nature of seafaring. With crews often spending less time in port and relying more heavily on digital communication, these channels enable us to provide accessible and timely support wherever seafarers may be.

Structure, Governance and Management

Constitution
Sailors' Society Scotland was incorporated on 28 October 2010 as a company limited by guarantee and granted charitable status by OSCR on 10 November 2010. It is governed by Articles of Association.
The Charity was established to oversee the Society's work in Scotland. The Society itself is a registered charity and company limited by guarantee in England and Wales.

Associated charities
The Sailors' Society Group consists of:

- Sailors' Society (England and Wales)
- Sailors' Society Scotland
- Sir Gabriel Wood's Mariners' Home (ceased trading in 2022)
- Sailors' Society Philippines Inc
- Sailors' Society USA (dormant)

Trustees
All trustees receive a tailored induction programme on joining, including introductions to key people and projects & training in charity governance. Ongoing training ensures trustees remain well-informed about sector developments and best practice.

Administration
Day-to-day operations are managed by Sailors' Society staff under the leadership of the Society's Chief Executive Officer.

Review of Achievements and Performance

Ship visiting and virtual services
Virtual support is now fully embedded in the way we deliver welfare services to Scottish seafarers and their families. As patterns of life and work at sea continue to change, with smaller crews, shorter periods in port and greater reliance on digital communication, our services have evolved to ensure support remains accessible wherever seafarers are.

The Society has been at the forefront of developing virtual welfare support for the maritime community. Through our global digital network, seafarers can access pastoral and practical support 24 hours a day, providing continuity of care that is no longer dependent on a ship being in port or a welfare worker being physically present.

This virtual approach enables us to reach Scottish seafarers wherever they are in the world and to respond quickly when support is needed. Alongside this digital provision, our team of seven dedicated volunteers continues to provide face-to-face support through ship visits in Scotland, ensuring that personal contact remains an important and valued part of our welfare provision.

Together, our virtual and in-person services enable us to provide responsive, accessible and flexible welfare support that reflects the changing realities of modern seafaring.

Working alongside seafarers
Our approach is centred on being there for seafarers throughout their careers, providing support early and helping prevent everyday challenges from developing into crisis. Through our helplines and chat services, *Wellness at Sea* training and peer-support networks, seafarers can access practical and emotional support for issues including isolation, financial pressures, stress, wellbeing and relationship difficulties.

In 2025, we strengthened this approach with the launch of **SeaMate**, which brings wellbeing support directly on board. SeaMate equips designated crew members with the skills and confidence to support the wellbeing of their colleagues, recognise when someone may be struggling and help connect them with further support when needed. By developing trusted sources of support within the crew itself, SeaMate extends our reach and helps create a stronger culture of care at sea.

Our **Peer-to-Peer Support Groups** continue to play an important role in this wider network of care. They provide trusted spaces where seafarers can connect with others who understand the realities of life at sea, talk openly about shared challenges and experiences, and support one another. These conversations also give us valuable insight into the issues affecting seafarers, helping us shape our services around their changing needs.

Together, these services form part of our holistic **Circle of Care**, supporting seafarers at different stages of their lives and careers and providing pathways to additional help when it is needed.

Listening to and sharing the experiences of seafarers is also central to our work. Their stories help bring the realities of modern seafaring to a wider audience, highlighting both the contribution seafarers make and the challenges faced by them and their families. By giving these experiences a voice, we build greater understanding of the maritime community and encourage support for the services that seafarers rely upon.

Supporting Education
Engaging with the next generation of seafarers remains an important part of our work in Scotland. During the year, we continued our chaplaincy presence at **City of Glasgow College**, building relationships with cadets as they prepare for careers at sea and providing a familiar and accessible point of contact within their training environment.

We also continued to strengthen our relationships with maritime colleges and training institutions across Scotland, giving us opportunities to engage with cadets at an important stage in their professional development and to introduce them to the wider maritime welfare community.

A key focus in 2025 was our **UK & Europe Cadet Conference**, which brought together cadets from maritime education and training institutions across the UK and Europe. The conference created an opportunity for cadets to step beyond their formal studies, hear from others across the maritime sector, exchange experiences and explore some of the issues that will shape their future working lives at sea.

Bringing cadets together in this way helps build connections across nationalities, colleges and maritime disciplines at the very beginning of their careers. It also gives the Society an important opportunity to listen directly to the next generation of seafarers and ensure their experiences and perspectives continue to inform our work.

Through our college engagement, chaplaincy presence and annual cadet conference, we are building relationships with future seafarers early in their careers and contributing to a more connected, informed and resilient maritime community.

Our volunteers
Our seven dedicated volunteers continue to play an important role in Scotland, supporting seafarers through ship visits and at the Invergordon Seafarers' Centre.

Our Aberdeen charity shop closed at the end of 2025, marking the end of an important chapter. We extend our heartfelt thanks to Lynne, our shop manager for 22 years, for her exceptional dedication and service, and to all the volunteers who worked alongside her over the years. Their commitment, generosity and hard work made the shop a valued part of the local community and an important supporter of our work.

Leith Aged Mariners' Fund
This fund, formerly a separate charity, continues to provide small weekly and Christmas welfare grants to retired seafarers and dependants in need. At the end of 2025, there were three beneficiaries. The annual cost per person was £689, and our year-end liability was £14,600, reflecting reduced future obligations compared to the prior year. Grants are awarded in line with the original founding spirit: to assist those in genuine financial hardship connected to the port of Leith. From 1 January 2026 the trustees increased the weekly payment and Christmas bonus to £15 resulting in an annual cost of £795 per person.

Fundraising
The financial performance of our Aberdeen Charity Shop had been in decline and the decision was made during 2025 to close the shop in December ahead of expiry of the lease in March 2026. The shop had been trading at this location since 2006 and was valued in the local community. However competition from other charity shops and a reduction in quantity and quality of donated goods unfortunately meant that income continued to reduce and the shop became unsustainable.

Financial Review

- Net position: We recorded a surplus of £ £9,571 (2024: surplus £6,602).
- Grants: The Society contributed £ £74,450 (2024: £54,350) towards our work.
- Income: Excluding Society grants, income fell to £59,363 (2024: £63,967) due mainly to a reduction in charity shop income
- Expenditure: Costs increased to £134,340 (2024: £123,740), with shop costs rising £20,727, predominately due to a provision for dilapidations costs under the lease. The dilapidations costs were financed by an additional grant from the Society.
- Balance sheet: At year end, net assets stood at £169,125, primarily held in investments.

Investment Policy and review
The Charity's investment policy is closely aligned to the policy of the Society which was last reviewed in July 2024. Ethical and environmental, social and governance (ESG) factors are considered in all investment decisions.

Our Cazenove Charity Multi-Asset Fund performed strongly in 2025, producing a total return of +10.9% (2024: +13.3%), well ahead of peer benchmarks such as the ARC Peer Group Sterling Steady Growth Index (+9.3%). At year end, investments stood at £156,310, up from £146,212, with income of £5,818 generated during the year.

Risk management
Our main risk remains reduced face-to-face engagement following the transition to virtual services. We are mitigating this by strengthening digital contact points across the Sailors' Society group, ensuring seafarers have multiple avenues for support.

Reserves Policy and going concern
At 31 December 2025, free reserves were £130,228, equivalent to around 12 months of 2025 operating costs, in line with trustee policy. While we can draw upon Society support or investments if required, trustees are confident the Charity remains a going concern.

Plans for the Future

Looking ahead, our work will continue to align with the Society's five-year strategy, building on our existing services while developing new ways to reach and support seafarers and cadets. Key areas of focus include:

- **Micro-learning for Scottish seafarers:** We will develop new, accessible micro-learning resources focused on seafarer wellbeing, providing practical information and tools that can be easily accessed wherever seafarers are working.
- **Growing our cadet engagement:** We will strengthen our relationships with maritime colleges and cadets across Scotland, grow our **UK & Europe Cadet Conference**, and expand the resources available to cadets as they prepare for life and work at sea.

Alongside these developments, we will undertake a strategic review of our operations to consider whether maintaining a separate Scottish charity remains the most effective structure for delivering our mission and supporting seafarers in Scotland.

Other matters

Statement of trustees' financial duties and responsibilities
The trustees (who are also directors of Sailors' Society Scotland for the purposes of company law) are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the net incoming resources or resources expended, including net income and expenditure for the year. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charity and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Companies Act 2006 and the terms of the Charity's governing document. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

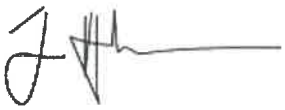
Auditors
Azets Audit Services have expressed their willingness to continue as auditors.

Statement as to disclosure of information to the auditors
In so far as each of the trustees is aware:

- There is no relevant audit information about which the Charity's auditors are unaware, and

- Each trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Report was approved by the Board of Directors on 23 September 2026 and signed on their behalf by:



Joshua Hutchinson
Director and Trustee

Opinion

We have audited the financial statements of Sailors' Society Scotland (the 'charitable company') for the year ended 31 December 2025 which comprise the statement of financial activities and the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit ; or

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of non-compliance with laws including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of bias and override of controls, including testing of journal entries and other adjustments for evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud

rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at https://www.frc.org.uk/Our- Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for- audit/Description-of-auditors-responsibilities-for-audit.aspx.

Use of our report

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

Azets Audit Services

Jon Noble (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

Chartered Accountants
Statutory Auditor

25 September 2026

Gateway House
Tollgate
Chandlers Ford
Hampshire
SO53 3TG

SAILORS' SOCIETY SCOTLAND

Statement of Financial Activities
(incorporating an Income and Expenditure account)
for the year ended 31 December 2025

	Notes	Unrestricted £	Restricted £	2025 £	2024 £
Income					
Donations and legacies		1,105		1,105	541
Grants from Sailors' Society		74,450	-	74,450	54,350
Investments					
Investment income		5,818	-	5,818	5,852
Income from other trading activities					
Charity shop income		52,440	-	52,440	57,574
Total income		**133,813**	**-**	**133,813**	**118,317**
Expenditure					
Raising Funds					
Charity shop costs		90,471	-	90,471	69,744
Investment manager's costs		223	-	223	211
Expenditure on charitable activities					
Port chaplaincy and online welfare services		47,290		47,290	48,576
Montrose Seafarers' Centre		-	-	-	5,301
Leith Aged Mariners welfare funding costs		(3,644)	-	(3,644)	(92)
Total expenditure	**3**	**134,340**	**-**	**134,340**	**123,740**
Net expenditure before investment gains	**5**	**(527)**	**-**	**(527)**	**(5,423)**
Gains on investments		10,098	-	10,098	12,025
Net income and net movement in funds for the year		**9,571**	**-**	**9,571**	**6,602**
Reconciliation of funds					
Funds brought forward at 1 January		121,324	38,230	159,554	152,952
Funds carried forward at 31 December	**13**	**130,895**	**38,230**	**169,125**	**159,554**

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The accompanying notes are an integral part of the financial statements.

SAILORS' SOCIETY SCOTLAND

Balance sheet
at 31 December 2025

	Note	Unrestricted £	Restricted £	2025 £	2024 £
Fixed assets					
Tangible assets	8	667	-	667	1,135
Investments	9	156,310	-	156,310	146,212
		156,977	-	156,977	147,347
Current assets					
Debtors & prepayments	10	8,586	38,230	46,816	33,296
Cash at bank and in hand		3,647		3,647	5,181
		12,233	38,230	50,463	38,477
Liabilities falling due in one year					
Creditors and accruals	11	(23,715)	-	(23,715)	(5,270)
Net current (liabilities)/assets		(11,482)	38,230	26,748	33,207
Liabilities due after one year					
Provisions for liabilities and charges	12	(14,600)	-	(14,600)	(21,000)
Net assets		**130,895**	**38,230**	**169,125**	**159,554**
The funds of the Charity					
Balances at 31 December	13	**130,895**	**38,230**	**169,125**	**159,554**

The accompanying notes are an integral part of the financial statements.

The accounts were approved by the Board of Directors on 23 September 2026 and signed on its behalf by :-



Joshua Hutchinson
Chairman

Company Number SC387850

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation and going concern

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 (FRS102), effective 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity and Trustee Investment (Scotland) Act 2005,the Companies Act 2006 and the Charity's Articles of Association.

The Charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern due to the ongoing support of its parent charity, Sailors' Society and the Charity's own level of liquifiable investment reserves. Accordingly, the Trustees consider that the charity has sufficient funds to continue in operational existence for the foreseeable future, being a minimum of twelve months from the date of approval of these financial statements and therefore the going concern basis of preparation has been adopted in the preparation of the financial statements.

b) Preparation of cash flow statement

The Charity has taken the exemption provided in Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) allowing small charities not to prepare a cash flow statement.

c) Income

Income is recognised once the Charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be measured reliably. Donations are accounted for upon receipt. For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made, that a distribution will be made, or when a distribution is received from the estate. Legacies restricted for use in Scotland, where not left directly to Sailors' Society Scotland, are routed through the Sailors' Society grant. Investment income is included when receivable.

d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Restricted funds are donations which the donor has specified to be used for particular areas of the Charity's work or within a geographical area.

1. Accounting policies

e) Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged against the expenditure heading for which it was incurred. Expenditure is classified under the following activity headings:

- Cost of raising funds comprise the running costs of the charity shop and its associated support costs.
- Expenditure on charitable activities includes the costs of online services, chaplaincy, ship visiting, centres, grants and work promoting the charitable purpose of the Charity together with associated support costs.

f) Allocation of support costs

Support costs are those costs that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities and which are predominately provided by the parent charity, Sailors' Society. These costs have been allocated between the cost of raising funds and expenditure on charitable activities.

g) Pensions

Sailors' Society operates a defined contribution group personal pension scheme with Aegon for the benefit of its UK based employees. Based upon gross salary, employees contribute at the rate of 4% net (5% including tax credit) and the Society up to 10.75%. Contributions are charged to the SOFA when they fall due. Contributions are charged by Sailors' Society to the Charity in relation to the Charity's own employees. Pension contributions unpaid at the balance sheet date are shown in the Sailors' Society financial statements.

h) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £250 are capitalised.

Depreciation is calculated to write off the cost or valuation of tangible fixed assets over their estimated useful economic lives as follows:

Motor vehicles	33% of the reducing balance
Furniture, fittings and equipment	25% of the reducing balance
Short leasehold properties	period of lease

1. Accounting policies

i) Fixed asset investments & investment management fees
Listed investments have been stated at market value at the balance sheet date. Realised gains/(losses) are calculated as the difference between market value at the date of disposal and market value at the previous balance sheet date. Unrealised gains/(losses) are calculated as the difference between the market value at the balance sheet date and the market value at the previous balance sheet date (or date of acquisition if later).

Management fees of the fund itself are calculated on a percentage of the portfolio value deducted from the market value of the fund on a daily basis and therefore effectively deducted from realised or unrealised gains or losses on investments. The fee element relating to client management services is a percentage of the portfolio value on a quarterly basis shown under costs of generating funds in the SOFA.

j) Debtors and creditors
Trade and other debtors are recognised at the settlement amount net of any discounts. Prepayments are valued at the cost prepaid. Creditors and provisions are valued where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

k) Financial instruments
The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except in the case of investments which are subsequently measured at fair value.

l) Operating leases
The Charity rents property under an operating lease. Rents are charged on a straight line basis over the term of each lease.

m) Leith Aged Mariners welfare payments
Regular welfare payments to beneficiaries are charged to the SOFA when paid. The commitment to make future payments is assessed annually based on the estimated life expectancy of beneficiaries and the resulting provision is reduced to net present value using a suitable discounting factor. The annual movement on the provision is adjusted against the payments made in the year. The liability is shown in Provisions in Note 12.

n) Critical accounting estimates and judgements

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical other factors which are considered to be relevant. Actual results may differ from these estimates.

The financial statements include an estimate in respect of the liability related to the individuals who are beneficiaries of the former Leith Aged Mariners' Fund which was taken over by the Charity in 2019. Estimates relate to the discount factor used and the estimated life expectancy of the individuals - see note 1(m).

There are no other critical accounting estimates or judgements relating to these financial statements.

2. Company status

The Charity is a company limited by guarantee. The members of the Charity are the directors named on page 1 and the Sailors' Society. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member. The registered office is 5 South Charlotte Street, Edinburgh, EH2 4AN.

3. Analysis of expenditure

	Staff costs	Direct costs	Support & governance costs	Total 2025	Total 2024
	£	£	£	£	£
Charity shop costs	31,688	43,067	15,716	90,471	69,744
Investment manager costs	-	223	-	223	211
Port chaplaincy and welfare	27,644	638	19,008	47,290	48,576
Montrose Seafarers' Centre	-	-	-	-	5,301
Leith Aged Mariners welfare funding costs	-	(3,644)	-	(3,644)	(92)
	59,332	40,284	34,724	134,340	123,740

4. Support and governance costs

	Basis of apportionment	Support	Governance	Total
Audit fee	*Governance cost*	-	4,825	4,825
Legal & professional	*Governance cost*	-	34	34
Accounting	*Time spent*	11,735	-	11,735
Administration & management	*Time spent*	10,434	3,404	13,838
Premises	*Space occupied*	937	-	937
Office facilities	*Head count*	3,355	-	3,355
		26,461	8,263	34,724

Notes forming part of the financial statements for the year ended 31 December 2025

5. Net expenditure	2025	2024
	£	£
Net expenditure is stated after charging:		
Auditors' remuneration - statutory audit	4,825	4,725
Depreciation and impairment	442	413
Deficit on disposal of fixed assets	26	3,574
Operating lease rentals	13,500	13,500

6. Staff costs and numbers	2025	2024
	£	£
Salaries and wages	48,455	46,592
Social security costs	5,376	3,919
Pension costs	5,209	5,008
Life assurance	292	229
	59,332	55,748

The average number of employees, calculated on a full time equivalent basis, including casual and part-time staff, analysed by function was:

	2025 Number	2025 Number
Port chaplains	0.8	0.8
Charity shop staff	1.0	1.0
	1.8	1.8

The average monthly number of staff during the year was 2 (2024: 2)

No remuneration was paid to Trustees during the year. No employee had employee benefits in excess of £60,000.

7. Corporate taxation

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

8. Tangible fixed assets

	Leasehold property	Furniture fittings & equipment	Total
Cost	**£**	**£**	**£**
At 1 January 2025	10,999	7,113	18,112
Disposals	-	(569)	(569)
At 31 December 2025	10,999	6,544	17,543
Depreciation			
At 1 January 2025	10,775	6,202	16,977
Charge for the year	111	219	330
Impairment	112	-	112
Disposals	-	(543)	(543)
At 31 December 2025	10,998	5,878	16,876
Net book value			
At 31 December 2025	**1**	**666**	**667**
At 31 December 2024	224	911	1,135

9. Investments

Market value	**£**
At 1 January 2025	146,212
Unrealised gains on revaluation	10,098
Market value at 31 December 2025	**156,310**
Historical cost at 31 December 2025	129,624
Listed investments	
UK fixed interest securities	5,940
Overseas fixed interest securities	7,190
UK equity shares	6,096
Overseas equity shares	110,200
Property funds	6,721
Alternative investments	13,286
Cash	6,877
Market value at 31 December 2025	156,310

The entire investment is held within the Cazenove Charity Multi-Asset Fund.

10. Debtors	2025	2024
	£	£
Due from parent charity	42,957	29,521
Other debtors and prepayments	3,859	3,775
	46,816	33,296

11. Creditors and accruals due within one year	2025	2024
	£	£
Trade creditors	474	481
Accrued expenses	23,241	4,789
	23,715	5,270

12. Provisions for liabilities and charges	2025	2024
	£	£
Leith Aged Mariners' Fund		
At 1 January 2025	21,000	25,100
Movement in year	(6,400)	(4,100)
At 31 December 2025	14,600	21,000

The Fund was formerly a separately registered Scottish charity and was closed down and merged into Sailors' Society Scotland in early 2019.

Monthly charitable welfare payments are made to beneficiaries with a merchant marine background and to their dependants at the rate of £13 per week. Recipients are also given an additional £13 as a Christmas bonus in December. The annual cost for 2025 is £689 per person. The number of paid beneficiaries reduced from 5 to 3 by the year end.

The estimated future payments for beneficiaries of the Leith Aged Mariners' Fund were calculated on an actuarial basis to be approximately £14,600 at 31 December 2025, using 2022-2024 life tables for Scotland supplied by the Office of National Statistics with a weekly rate of £15 with effect from 1 January 2026 and an annual cost of £795 per person.

The movement in the provision represents adjustments to the liability relating to changes in actuarial assumptions and discount rates.

13. Analysis of charitable funds

	Balance at 1 January 2025	Movement in funds: Incoming Resources	Movement in funds: Expenditure, gains, losses and transfers	Balance at 31 December 2025
Unrestricted funds	£	£	£	£
General	121,324	133,813	(124,242)	130,895
Restricted funds				
Use in Arbroath area	38,230	-	-	38,230

	Balance at 1 January 2024	*Movement in funds: Incoming Resources*	*Movement in funds: Expenditure, gains, losses and transfers*	*Balance at 31 December 2024*
Unrestricted funds	*£*	*£*	*£*	*£*
General	*112,212*	*118,317*	*(109,205)*	*121,324*
Restricted funds				
Capital grants and donations	*1,810*	-	*(1,810)*	-
Restricted donations allocated to: -				
Montrose Centre	*700*	-	*(700)*	-
Use in Arbroath area	*38,230*	-	-	*38,230*
Total restricted funds	*40,740*	-	*(2,510)*	*38,230*

14. Financial commitments - operating leases

At 31 December the Charity had total commitments under non-cancellable operating leases payable as follows:

	2025	2024
Land and buildings	£	£
Within one year	2,250	13,500
Between two and five years	-	2,250
After five years	-	-
	2,250	15,750

15. Related party transactions

During the year the Charity was charged £29,600 (2024: £26,600) for management and support services by its parent charity, Sailors' Society. It also received funding grants of £74,450 (2024: £54,350). At 31 December the Society owed the Charity £42,957 (2024: £29,521).

The operation of the Charity is managed as part of the business of the parent charity. Directors' expenses claims are paid by Sailors' Society and disclosed in its financial statements.

16. Contingent liabilities

Sailors' Society Scotland is part of a group VAT registration and is jointly and severally liable for the VAT liability of the VAT group included in the Sailors' Society financial statements. At 31 December 2025 this liability was £701 (2024: £4,474).

17. Ultimate holding company

The trustees of the Charity are trustees of the Sailors' Society and act on behalf of this organisation in their office as trustees of Sailors' Society Scotland.

Sailors' Society is the parent charity of Sailors' Society Scotland. Copies of the group financial statements can be obtained on request from Sailors' Society, Seafarer House, 74 St Annes Road, Southampton, SO19 9FF.

17. Comparative data

(a) 2024 Statement of Financial Activities	Unrestricted £	Restricted £	2024 £	2023 £
Income				
Donations and legacies	541	-	541	39,893
Grants from Sailors' Society	54,350	-	54,350	31,500
Investments				
Investment income	5,852	-	5,852	8,102
Income from other trading activities				
Charity shop income	57,574	-	57,574	61,994
Total income	**118,317**	**-**	**118,317**	**141,489**
Expenditure				
Raising Funds				
Charity shop costs	69,744	-	69,744	54,873
Investment manager's costs	211	-	211	266
Expenditure on charitable activities				
Port chaplaincy and welfare	48,576	-	48,576	117,769
Montrose Seafarers' Centre	2,791	2,510	5,301	894
Leith Aged Mariners welfare funding costs	(92)	-	(92)	(862)
Total expenditure	**121,230**	**2,510**	**123,740**	**172,940**
Net expenditure before investment gains	**(2,913)**	**(2,510)**	**(5,423)**	**(31,451)**
Gains on investments	12,025	-	12,025	1,050
Net income/(expenditure) and net movement in funds for the year	**9,112**	**(2,510)**	**6,602**	**(30,401)**
Reconciliation of funds				
Funds brought forward at 1 January	112,212	40,740	152,952	183,353
Funds carried forward at 31 December	**121,324**	**38,230**	**159,554**	**152,952**

17. Comparative data

(b) 2024 Balance Sheet	Unrestricted £	Restricted £	2024 £	2023 £
Fixed assets				
Tangible assets	1,135	-	1,135	5,122
Investments	113,163	33,049	146,212	134,187
	114,298	33,049	147,347	139,309
Current assets				
Debtors & prepayments	33,296	-	33,296	35,269
Cash at bank and in hand	-	5,181	5,181	8,709
	33,296	5,181	38,477	43,978
Liabilities falling due in one year				
Creditors and accruals	(5,270)	-	(5,270)	(5,235)
Net current (liabilities)/assets	28,026	5,181	33,207	38,743
Liabilities due after one year				
Provisions for liabilities and charges	(21,000)	-	(21,000)	(25,100)
Net assets	**121,324**	**38,230**	**159,554**	**152,952**
The funds of the Charity				
Balances at 31 December	**121,324**	**38,230**	**159,554**	**152,952**

17. Comparative data

(c) Analysis of expenditure

	Staff costs	Direct costs	Support & governance costs	Total 2024	Total 2023
	£	£	£	£	£
Charity shop costs	29,832	27,942	11,970	69,744	54,873
Investment manager costs	-	211	-	211	266
Port chaplaincy and welfare	25,916	981	21,679	48,576	117,769
Montrose Seafarers' Centre	-	4,301	1,000	5,301	894
Leith Aged Mariners welfare funding costs	-	(92)	-	(92)	(862)
	55,748	33,343	34,649	123,740	172,940

d) Support and governance costs

	Basis of apportionment	Support	Governance	Total
Audit fee	*Governance cost*	-	4,725	4,725
Legal & professional	*Governance cost*	-	34	34
Accounting	*Time spent*	9,587	-	9,587
Administration & management	*Time spent*	12,575	3,241	15,816
Premises	*Space occupied*	1,108	-	1,108
Office facilities	*Head count*	3,379	-	3,379
		26,649	8,000	34,649