

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

LEGAL AND ADMINISTRATIVE INFORMATION

PATRON
THE RIGHT HONOURABLE THE EARL OF DERBY

CHAIRMAN OF THE EXECUTIVE COMMITTEE
P O COPLAND

HONORARY TREASURER
T C HART

TRUSTEES

P O COPLAND
T C HART
J R HULMES
MISS J KEMP
Ms. L. COOK

D G BEAZLEY
I C HIGBY
S E SUTHERLAND
(until February 2008)
(from September 2008)

SECRETARY
MRS L GIDMAN

PRINCIPAL OFFICE
TOWER BUILDINGS, 22 WATER STREET
LIVERPOOL, L3 1BA

BANKERS
BARCLAYS BANK PLC, MERCHANTS COURT, 2-12 LORD ST, LIVERPOOL L2 1TS

SOLICITORS
BRABNERS CHAFFE STREET, HORTON HOUSE, EXCHANGE FLAGS, LIVERPOOL, L2 3YL

AUDITORS
MCLINTOCKS BLEASE LLOYD, 56 HAMILTON STREET, BIRKENHEAD, CH41 5HZ

INVESTMENT MANAGERS
CITI QUILTER, 12 PRINCES PARADE,
PRINCES DOCK, LIVERPOOL, L3 1BG

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2008

Introduction

The Trustees present their 140th report since the formation of the Institution in 1869, along with the financial statements of the Charity for the year ended 31 December 2008. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's trust deed, applicable law and requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

The Institution was founded in 1869 and incorporated under Royal Charter dated 13 December 1921. Its governing instrument is its Royal Charter, as amended subsequently.

Objects and Policies

The object for which the Institution is established and incorporated continues to be to support the sons and daughters of deceased British seafarers, by providing help with education costs and maintenance. Help is provided in the form of grants payable from the Charity's unrestricted funds.

The policies of the Institution, including the grants payable, are determined by the Trustees, who act in an honorary capacity and meet at regular intervals to monitor the affairs of the Institution, but responsibility for the day to day running of the Institution is delegated to the Secretary.

Trustees

The Trustees are set out on page 1. Ms L Cook was appointed as a Trustee in September 2008 following the death of Miss J Kemp earlier in the year. All Trustees served throughout the year ended 31 December 2008. The appointment of Trustees has to be agreed unanimously by the existing Trustees, and any Trustees can nominate a potential new Trustee. No Trustee has any interest in the charity.

New Trustees are invited and encouraged to attend short briefing sessions to familiarize themselves with the Institution and the context within which it operates. The Secretary ensures that the Committee is kept up to date with any changes in legislation, rules and regulation which may affect the Institution.

Financial Review

Incoming resources showed a decrease of 6% compared with the previous year. Much of it attributable to a decrease in investment income. Conversely, resources expended increased by 9% caused in the main to our increased support to needy children. Overall there were net outgoing resources of £156,236 an increase of 47% over 2007.

Due to the current financial problems, our investments decreased in value by 26% and overall our net assets decreased by £738,251. The year end position is shown in the Balance Sheet on page 9, and is regarded as satisfactory.

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

TRUSTEES' ANNUAL REPORT (continued)

YEAR ENDED 31 DECEMBER 2008

Financial Review (continued)

The Trustees' policy to draw on the Institution's funds whenever necessary to help maintain, and where possible, enhance the level of grants we make to the children, continues. The total income of some of our families is still inadequate, and the efforts of the Trustees are constantly directed towards the provision of funds to ensure that the education of the children does not unduly suffer. The resources available for distribution are regularly reviewed by the Committee in an endeavour to maximise our grants to the children.

Review of Activities and Achievements

During the year 18 new beneficiaries received grants, and 20 beneficiaries finished their education, which resulted in a total of 107 young persons being supported through 2008, compared with 109 in 2007.

Once again we are proud to report an impressive list of achievements by those beneficiaries who went forward into further education as shown at the end of this report. Many congratulations to you all.

Annual General Meeting

Our Annual General Meeting is special in that the people who benefit from the Institution actually play a major part in the day's proceedings, which once again, took place in the Liverpool Town Hall.

We give our most sincere thanks to the Lord Mayor, Councillor Steven Rotheram, for permitting us to meet there, and for taking such a personal interest in our affairs.

Reserve Policy

The general unrestricted funds are free reserves of the charity and the Trustees balance the need to maximise those reserves, to ensure sufficient funds are available to cover grants payable and administration costs for the foreseeable future, with a policy of supplementing income from those reserves in order to maintain and enhance the level of grants.

Investments Policy

The Trustees have appointed an independent Investment Manager to carry out all investments on their behalf, as nominees for the Institution. The Investment Manager reports regularly to the Trustees, and in this way, the Trustees ensure all investments are managed in accordance with their available powers and responsibilities.

The Institution has prepared a written policy statement covering its investments with the Investment Manager, who follows a socially responsible investment policy giving due consideration towards social, environmental and ethical matters within stocks and shares in which the Institution's funds are invested. The funds are invested in a wide range of UK securities with the main objective of achieving a satisfactory total return through the realisation of shares to supplement income as and when required. The Trustees consider the return on investments to be satisfactory.

Risk Management

The trustees regularly consider the operational and business risks which the charity faces and confirm that they have established systems to mitigate the significant risks.

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

TRUSTEES' ANNUAL REPORT (continued)

YEAR ENDED 31 DECEMBER 2008

Related Party

The Institution is related to the Liverpool Sailors Home Trust by virtue of common trustees. There is a cross-charging arrangement in place in respect of work it carries out on behalf of the Trust, details of which are given in note 3 to the accounts.

Statement of the Trustees' Responsibilities

Law applicable to charities in England and Wales requires the Trustees of a charity to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources for that period.

The second schedule to the Constitution dated 15 October 1977 requires the Treasurer to exhibit a general statement of the pecuniary affairs of the Institution with detailed accounts of the receipts and expenditure at the annual general meeting.

In preparing these accounts the Trustees are required to follow best practice and to:-

- select suitable accounting policies and then apply them consistently;
- 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 departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume the Institution will continue.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity, and to ensure that the accounts comply with current requirements. They are also responsible for safeguarding the assets of the Institution and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware. The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Donations

We again extend our grateful thanks to the many organisations and individuals who assist us so generously by way of donations and grants.

Approved by the trustees on 18 May 2009
and signed on their behalf by

P O Copland
Chairman

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ROYAL LIVERPOOL SEAMEN'S
ORPHAN INSTITUTION**

YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements on pages 7 to 17 which have been prepared under the accounting policies set out on pages 9 to 10.

This report is made solely to the charity's Trustees, as a body, in accordance with Sections 43 and 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Trustees and the Auditors

As described in the Statement of Trustees' Responsibilities on page 4, the trustees are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the Trustees' Annual Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read the Trustees' Annual Report and consider the implication for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ROYAL LIVERPOOL SEAMEN'S
ORPHAN INSTITUTION (continued)**

YEAR ENDED 31 DECEMBER 2008

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2008 and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 2003.
- the information given in the Trustees' Report is consistent with the financial statements.

McLintocks Blease Lloyd
Chartered Accountants and Registered Auditors
Birkenhead
19 May 2009

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2008

	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2008 £	Total Funds 2007 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Donations and legacies	2	7,148	-	7,148	18,036
Grants receivable	3	100,883	-	100,883	92,925
Investment income	4	147,188	-	147,188	159,830
Interest receivable	5	366	-	366	520
TOTAL INCOMING RESOURCES		255,585	-	255,585	271,311
RESOURCES EXPENDED					
Costs of generating funds	6	3,571	2,170	5,741	6,399
Charitable activities	7	398,365	-	398,365	364,045
Governance costs	8	7,715	-	7,715	6,907
TOTAL RESOURCES EXPENDED	9	409,651	2,170	411,821	377,351
NET OUTGOING RESOURCES FOR THE YEAR		(154,066)	(2,170)	(156,236)	(106,040)
OTHER RECOGNISED GAINS AND LOSSES					
Net gains/(losses) on disposal of investments		(13,871)	(14,873)	(28,744)	64,107
Unrealised gains/(losses) on investments		(276,091)	(277,180)	(553,271)	(53,973)
NET MOVEMENT IN FUNDS RELATING TO THE YEAR		(444,028)	(294,223)	(738,251)	(95,906)
Balances brought forward		2,213,454	1,272,530	3,485,984	3,581,890
Balances carried forward		1,769,426	978,307	2,747,733	3,485,984

The notes on pages 9 to 17 form part of these financial statements.

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

BALANCE SHEET

31 December 2008

	Note	£	<u>2008</u>	£	£	<u>2007</u>	£
FIXED ASSETS							
Tangible assets	10			936			3,033
Investments	11			2,698,372			3,413,543
				<u>2,699,308</u>			<u>3,416,576</u>
CURRENT ASSETS							
Debtors	12	73,911				89,347	
Cash at bank and in hand		11,024				20,871	
				<u>84,935</u>		<u>110,218</u>	
CREDITORS: Amounts falling due within one year	13			<u>36,510</u>		<u>40,810</u>	
NET CURRENT ASSETS				<u>48,425</u>		<u>69,408</u>	
NET ASSETS				<u><u>2,747,733</u></u>		<u><u>3,485,984</u></u>	
FUNDS							
Endowment	14			978,307			1,272,530
Unrestricted:							
Designated funds	15			146,000			157,000
Other charitable funds				1,623,426			2,056,454
				<u>2,747,733</u>			<u>3,485,984</u>

These financial statements were approved by the members of the committee on the 18 May 2009 and are signed on their behalf by:

P O Copland
Chairman

T C Hart
Hon. Treasurer

The notes on pages 9 to 17 form part of these financial statements.

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), applicable accounting standards and the Charities Act 1993.

Incoming Resources

All income is recognised in the statement of financial activities when the conditions for entitlement have been met and there is reasonable assurance of amount and receipt. Where a claim for repayment of income tax has or will be made, such income is grossed up by the tax recoverable.

Donations and Legacies

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in other expenditure. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Investment Income

Investment income is accounted for when receivable. Tax recoverable on investment income is accounted for in the same period as the related income.

Resources Expended

Costs of generating funds comprise those directly attributable to managing the investment portfolio and raising investment income.

Grants payable are accounted for when the Trustees have accepted a legal or moral obligation to make the grant.

Support costs comprise costs for processing grants and applications, including support to actual and potential applicants. Governance costs comprise costs for the running of the charity itself as an organisation.

Investments

Realised and unrealised gains and losses are calculated by reference to book values and have been included in the statement of financial activities. Investments are stated at market value at the balance sheet date.

Fixed Assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Computers	20%
Fixtures and fittings	20%
Motor vehicles	33%

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES (cont.)

Fund Accounting

The charity maintains various types of funds as follows:

Endowment funds

Endowment funds represent grants, donations and legacies where the donor stipulated that the capital must be retained.

Unrestricted funds

Designated funds are amounts which have been put aside out of unrestricted funds at the discretion of the Trustees, and comprise a future grants fund representing funds set aside to meet grant commitments made by the Trustees.

General unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Pension Costs

The charity contributes to individual Personal Pension Plans in respect of its current employees. The charity also pays salaried pensions to two former employees. The charge in the statement of financial activities represents contributions payable during the year.

2 DONATIONS AND LEGACIES	2008	2007
	£	£
Donations	7,148	18,036
	<u> </u>	<u> </u>

The Institution has been informed that they are entitled to a legacy being the proceeds of the sale of a house. However due to the present uncertain economic climate, it is not possible to quantify with any accuracy the likely final entitlement.

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

3 GRANTS RECEIVABLE	2008	2007
	£	£
The Royal Merchant Navy School Foundation*	24,125	17,500
Inverclyde Bequest Fund	4,250	3,250
Seafarers UK	30,000	60,000
Trinity House	30,000	-
Liverpool Shipwreck & Humane Society*	8,508	7,925
Liverpool Sailors' Home Trust*	4,000	4,250
	100,883	92,925

*We make an extra monthly payment to students attending university and the Royal Merchant Navy School Foundation repays this back to the institution.

* The Liverpool Sailors' Home Trust shares offices with the Institution and has common Trustees. The above income has been received as a contribution towards salaries, pension contributions and payments and office expenses. Liverpool Shipwreck & Humane Society, which does not have common Trustees, also shares offices with the Institution, and similarly makes a contribution, as above, towards those expenses.

We make an extra monthly payment to students attending university and the The Royal Merchant Navy School Foundation repays this back to the Institution.

4 INVESTMENT INCOME	2008	2007
	£	£
UK government stocks	34,397	38,690
UK quoted investments	73,691	81,551
UK investment and unit trusts	23,681	22,729
UK portfolio cash	15,419	16,860
	147,188	159,830

5 INTEREST RECEIVABLE	2008	2007
	£	£
Bank interest receivable	366	520

6 COST OF GENERATING FUNDS	Unrestricted Funds	Endowment Funds	Total Funds	Total Funds
	£	£	£	£
Investment management fees	3,571	2,170	5,741	6,399

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

7 CHARITABLE ACTIVITIES

	Unrestricted Funds	Endowment Funds	Total Funds 2008	Total Funds 2007
	£	£	£	£
Grants:				
Maintenance	294,015	-	294,015	261,347
Clothing	10,400	-	10,400	13,238
	304,415	-	304,415	274,585
Support Costs:				
Staff costs	79,268	-	79,268	74,307
Office costs	9,405	-	9,405	9,779
Travel expenses	2,480	-	2,480	1,263
Depreciation	2,797	-	2,797	4,111
	398,365	-	398,365	364,045

Grant assistance has been paid to 107 children during the year (2007 : 109 children). A full list of the individual grant recipients that are funded is available from our office.

8 GOVERNANCE COSTS

	Unrestricted Funds	Endowment Funds	Total Funds 2008	Total Funds 2007
	£	£	£	£
Audit fees	3,565	-	3,565	3,525
AGM expenses	3,661	-	3,661	3,382
Bank charges	489	-	489	-
	7,715	-	7,715	6,907

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

9 TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Grants Paid and other costs £	Total Funds 2008 £	Total Funds 2007 £
Cost of generating funds	-	-	5,741	5,741	6,399
Charitable expenditure	79,268	2,797	316,300	398,365	364,045
Governance	-	-	7,715	7,715	6,907
	79,268	2,797	329,756	411,821	377,351

The aggregate payroll costs were:

	2008 £	2007 £
Wages and salaries	47,704	43,988
Social security costs	4,839	4,684
Other pension costs	6,500	5,988
Pension to former employees	20,225	19,647
	79,268	74,307

Particulars of employees:

	No.	No.
The average number of staff employed by the charity during the year amounted to:-	2	2

No employee received more than £60,000 in either year.

Trustees received no remuneration and were not reimbursed for any expenses during the year (2007:nil).

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

10 TANGIBLE FIXED ASSETS

	Computers £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1 January 2008	1,913	2,252	11,000	15,165
Additions	700	-	-	700
Disposals	(1,005)	-	-	(1,005)
At 31 December 2008	1,608	2,252	11,000	14,860
DEPRECIATION				
At 1 January 2008	1,546	2,108	8,478	12,132
Additions	213	63	2,521	2,797
Disposals	(1,005)	-	-	(1,005)
At 31 December 2008	754	2,171	10,999	13,924
NET BOOK VALUE				
At 31 December 2008	854	81	1	936
At 31 December 2007	367	144	2,522	3,033

11 INVESTMENTS

Movements in market value

	2008 £	2007 £
Market value at 1 January 2008	3,413,543	3,526,178
Acquisitions at cost	573,678	321,488
Disposals at opening book value	(735,578)	(380,150)
Net (losses) on revaluation in the year ended 31 December 2008	(553,271)	(53,973)
Market value at 31 December 2008	2,698,372	3,413,543
Historical cost at 31 December 2008	2,855,036	3,118,713

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

11 INVESTMENTS (cont.)

Analysis of investments at 31 December 2008 between funds

	Unrestricted Funds £	Endowment Funds £	Total Funds £	Total Funds £
Listed investments				
UK quoted government stocks	575,860	166,517	742,377	854,595
UK quoted shares	732,830	561,697	1,294,527	1,678,730
	1,308,690	728,214	2,036,904	2,533,325
UK investment and Unit Trusts	258,436	234,880	493,316	620,672
UK cash held as part of portfolio	152,939	15,213	168,152	259,546
	1,720,065	978,307	2,698,372	3,413,543

Investments held at 31 December 2008, which were over 5% of the portfolio by value were:

	Market Value	
	2008	2007
	£	£
Treasury 5% stock 2008	-	304,739
Treasury 6_% stock 2010	227,193	217,439
Charities Property Fund	166,605	211,598

Market values have been provided by Citi Quilter, a trading name of Quilter & Co Limited, who are an authorised investment institution, and the investments are held by their nominee company.

12 DEBTORS

	2008	2007
	£	£
Other debtors	70,693	85,452
Prepayments	3,218	3,895
	73,911	89,347

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

13 CREDITORS : Amounts falling due within one year	2008	2007
	£	£
Grants due	30,100	33,460
Accruals	6,410	7,350
	36,510	40,810

14 ENDOWMENT FUNDS	Movement in Resources			
	Balance at	Incoming	Outgoing	Balance at
	31-Dec-07	£	£	31-Dec-08
	£	£	£	£
Permanent endowments				
Endowment Funds	1,272,530	-	(294,223)	978,307

The original endowment fund has been established since the start of the Charity. The fund is a permanent endowment and is represented mainly by fixed asset investments. The fund was established as a capital base for the Institution, but the income is available for general purposes.

15 DESIGNATED FUNDS	Balance at	New	Utilised	Balance at
	31-Dec-07	Designated	£	31-Dec-08
	£	£	£	£
Grants payable within one year	157,000	146,000	(157,000)	146,000

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Tangible		Other	
	Fixed	Investments	Net	Total
	Assets		Assets	£
	£	£	£	
Endowment Funds	-	978,307	-	978,307
Unrestricted Funds	936	1,720,065	48,425	1,769,426
	936	2,698,372	48,425	2,747,733

**THE ROYAL LIVERPOOL SEAMEN'S ORPHAN INSTITUTION
INCORPORATED BY ROYAL CHARTER 1921**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

17 COMMITMENTS

At 31 December 2008, the Institution had annual commitments under non-cancellable operating leases as set out below:

	2008	2007
	£	£
Operating leases which expire within 1 year	-	447
Operating leases which expire within 2 to 5 years	<u>2,158</u>	<u>2,130</u>