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COST

*Company No. SC193204*  
*Charity No. SC029531*

## **Ocean Youth Trust (Scotland)**

**Financial Statements**  
*Year Ended 31 October 2008*

## **Ocean Youth Trust (Scotland)**

### **Contents of the Financial Statements** *for the year ended 31 October 2008*

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## **Ocean Youth Trust (Scotland)**

**Charity Information** *for the year ended 31 October 2008*

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### ***Directors***

S.J. Fraser (Chairman)  
S. Simpson (Vice Chairman)  
G.B. Fisher  
K.A. Forbes  
J. Parfitt  
S. McColl  
P. Collins  
N. Campbell  
I. Bruce  
J.I. Laidlaw

### ***Company Secretary***

S.M. Wilson

### ***Registered Office***

191 West George Street  
Glasgow  
G2 2LJ

### ***Auditors***

Cook & Co.  
Chartered Accountants  
Registered Auditors  
Suite 525  
Baltic Chambers  
50 Wellington Street  
Glasgow  
G2 6HJ

### ***Bankers***

Bank of Scotland  
235 Sauchiehall Street  
Glasgow  
G2 3EY

## **Ocean Youth Trust (Scotland)**

### **Report of the Directors for the year ended 31 October 2008**

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The directors present their report and accounts for the year ended 31 October 2008.

#### **Structure, Governance and Management**

##### **Governing Document**

The charity is constituted as a company limited by guarantee (No. SC193204), and is therefore governed by a memorandum and articles of association and is a recognised Scottish Charity (No. SC029531).

##### **Organisational Structure**

The charity is organised so that the directors meet regularly to arrange its affairs. The management of the vessels is administered by the Chief Executive and skippers employed by Ocean Youth Trust (Scotland). We are immensely grateful to our members, volunteers and supporters for their huge contribution towards the ongoing success of the Trust.

##### **Directors and Trustees**

During the financial year the directors and trustees who served are as follows:

S.J. Fraser	Chairman	Appointed 05/12/07
S. Simpson	Vice Chairman	
G.B. Fisher		Re-appointed 09/03/08
K.A. Forbes		Re-appointed 09/03/08
J. Parfitt		Appointed 24/02/07
S. McColl		Appointed 24/02/07
P. Collins		Appointed 29/07/08
N.I. Campbell		Appointed 29/07/08
I.M. Bruce		Appointed 07/10/08
J.I. Laidlaw		Re-appointed 18/02/09
B. Stoney		Retired 05/12/07

S. Simpson, J. Parfitt, and S. McColl will retire at the next Annual General Meeting and may offer themselves for re-election.

##### **Recruitment and Induction of Directors**

Ocean Youth Trust (Scotland) actively seeks to recruit new Trustees who will have certain skills and abilities that will enable the organisation to work towards the achievement of its aims. Potential new Trustees are primarily sourced through contacts given and recommendations made by existing Trustees.

All new Trustees receive a thorough induction including a tour of the Trust's Vessels and the opportunity to meet with all of the staff. They are given previous copies of the Trust meeting minutes and other associated information with which they can familiarise themselves.

##### **Risk Management**

The directors actively review the major risks faced by the Charity on a regular basis – financial, operational and business. From the review the directors continue to update and establish procedures to mitigate the risks identified as a result of this review.

##### **Objectives and Activities**

The charity's objects are the advancement of education of the youth of the United Kingdom and Northern Ireland irrespective of race, colour or creed in the art of seamanship and navigation generally as a recreation or leisure time occupation in the interests of social welfare and to improve the conditions of life of such youth.

## **Ocean Youth Trust (Scotland)**

### **Report of the Directors** *for the year ended 31 October 2008*

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#### **Achievements/Performance**

2007/08 was a very constructive year for the Ocean Youth Trust Scotland. A major donation to purchase a new vessel has provided many more opportunities for young people to benefit from Adventure Under Sail. A total of 1142 young people from a diverse range of backgrounds from all over Scotland sailed with the Trust in 2008, 856 gaining nationally accredited qualifications. 217 young people received financial assistance towards their voyage fees from the Trust's assisted berths scheme. In addition the Trust's regional shore groups provided financial assistance for a further 48 young people.

220 committed volunteers contributed over 50,000 hours of voluntary work to delivering these outcomes throughout the year.

#### **Financial Review**

The Statement of Financial Activities shows net surplus for the year of £51,094 (2007 - £448,320). Our total reserves stand at £855,569 (2007 - £804,475). £223,663 of this is represented by the value of our boats and a fund for their replacement and £708,185 has been restricted by donors for special purposes. Our General Fund is in fact in deficit by £76,279. The deficit arose because of significant expenditure on maintaining the vessels, and the Trustees have plans in hand to eliminate this deficit from future surpluses.

#### **Principal Funding Sources**

The principal funding sources for the charity during this period were grants and donations from Artemis Charitable Foundation, The Scottish Government, Mark Tyndall, KPMG, The Moffat Charitable Trust, YouthLink Scotland, Association of Sea Training Organisations, The Big Lottery Fund, The Robertson Trust, Tall Ships Youth Trust International Fund and our generous Patrons, Barbara and Curly Mills. OYT Scotland is grateful for their tremendous support.

#### **Reserves**

The Trust aims to maintain a level of unrestricted reserves so as to provide for six months operating costs of the charity. Depreciation will be charged against reserves on assets already capitalized. Restricted reserves are held for the funding of the Trust's assisted berths scheme and Staff Skipper employment costs.

#### **Plans for Futures Periods**

Ocean Youth Trust Scotland will be working towards the consolidation of the organization following a period of growth while continuing to focus on meeting its objectives.

## **Ocean Youth Trust (Scotland)**

### **Report of the Directors for the year ended 31 October 2008**

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#### **Statement of Directors' Responsibilities**

The directors are required by company law to prepare financial statements for each financial year, which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing these financial statements the directors are required to:

- a) select suitable accounting policies and apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether the policies adopted are in accordance with the Companies Act 1985 and the Charities and Trustee Investment (Scotland) Act 2005, and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The directors are responsible for keeping proper accounting records which 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 Companies Act 1985, and the Charities and Trustee Investment (Scotland) Act 2005. 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.

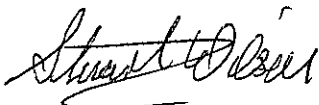
#### **Statement as to Disclosure of Information to Auditors**

In the case of each of the persons who are directors at the time when the directors report is approved:

- So far as the directors are aware there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware; and
- Each director has taken all the steps that he ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of The Companies Act 1985 relating to small companies.

This report was approved by the board of directors and trustees on 25 February 2009.



**S M Wilson**  
**Secretary**

## **Ocean Youth Trust (Scotland)**

### **Report of the Independent Auditors to the Directors of Ocean Youth Trust (Scotland)**

*for the year ended 31 October 2008*

We have audited the financial statements of Ocean Youth Trust (Scotland) for the year ended 31 October 2008 on pages 7 to 14 which comprise the Statement of Financial Activities, the income and expenditure account, the Balance Sheet, and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the Directors as a body in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Directors 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 Directors as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of the Directors and Auditors**

As described on page 4, the Directors are responsible for the preparation of the financial statements in accordance with applicable law and 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 Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **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 Directors 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.

## **Ocean Youth Trust (Scotland)**

### **Report of the Independent Auditors to the Trustees of Ocean Youth Trust (Scotland)**

*for the year ended 31 October 2008*

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, of the state of the charity's affairs as at 31 October 2008 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.



Cook & Co.  
Chartered Accountants & Registered Auditors  
(Eligible to act as auditors in terms of Section 25 of the Companies Act 1989)

Date .....<sup>10</sup>March 2009

50 Wellington Street  
Glasgow G2 6HJ



# Ocean Youth Trust

## Income and Expenditure Account and Statement of Financial Activities

for the year ended 31 October 2008

	Notes	Unrestricted Funds		Restr. Funds	2008	2007
		General	Designated		Total	Total
		£	£	£	£	£
<b>Incoming Resources</b>						
<b>From Generated Funds</b>						
Donations		62,029	3,590	-	65,619	642,875
Other Income		36,875	-	279,366	316,241	29,499
<b>From Charitable Activities</b>						
Grants	2	19,900	-	151,584	171,484	85,468
Voyage Fees		248,202	-	-	248,202	220,555
<b>From Investment Income</b>						
Bank interest		12,461	-	-	12,461	10,172
<b>Total Incoming Resources</b>		<b>379,467</b>	<b>3,590</b>	<b>430,950</b>	<b>814,007</b>	<b>988,569</b>
<b>Resources Expended</b>						
<b>Charitable Expenditure</b>						
Charitable Activities	3	426,265	57,828	219,834	703,927	470,856
Governance Costs	7	11,459	-	-	11,459	7,910
Other Resources Expended	8	-	4,338	43,189	47,527	61,483
<b>Total resources expended</b>		<b>437,724</b>	<b>62,166</b>	<b>263,023</b>	<b>762,913</b>	<b>540,249</b>
<b>Surplus/(deficit) for the year and net incoming/(outgoing) resources before transfers</b>		<b>(58,257)</b>	<b>(58,576)</b>	<b>167,927</b>	<b>51,094</b>	<b>448,320</b>
Transfers		-	-	-	-	-
<b>Net movement in funds for the year</b>		<b>(58,257)</b>	<b>(58,576)</b>	<b>167,927</b>	<b>51,094</b>	<b>448,320</b>
Balance brought forward		(18,022)	282,239	540,258	804,475	356,155
<b>Closing balance at 31 October 2008</b>		<b>(76,279)</b>	<b>223,663</b>	<b>708,185</b>	<b>855,569</b>	<b>804,475</b>
Comprising:-						
<b>Unrestricted Funds</b>						
General	15	(76,279)	-	-	(76,279)	(18,022)
Vessel Replacement Fund	15	-	144,100	-	144,100	198,338
Designated Assets	15	-	79,563	-	79,563	83,901
<b>Restricted Funds</b>						
New Boat Fund	16	-	-	625,677	625,677	444,104
Development Fund	16	-	-	18,405	18,405	-
Skippers Fund	16	-	-	64,103	64,103	96,154
		<b>(76,279)</b>	<b>223,663</b>	<b>708,185</b>	<b>855,569</b>	<b>804,475</b>

The notes on pages 9 to 14 form part of these financial statements.

# Ocean Youth Trust

## Balance Sheet at 31 October 2008

	Notes	2008	2007
		£	£
<b>Fixed Assets</b>	<b>9</b>	591,138	455,213
<b>Current Assets</b>			
Debtors	<b>10</b>	169,488	44,001
Cash at bank and in hand		259,032	324,372
		<u>428,520</u>	<u>368,373</u>
<b>Creditors: Amounts falling due within one year</b>	<b>11</b>	<u>164,089</u>	<u>19,111</u>
<b>Net Current Assets</b>		<b>264,431</b>	<b>349,262</b>
<b>Net Assets</b>		<u><b>855,569</b></u>	<u><b>804,475</b></u>
<b>Represented by:</b>			
<b>Unrestricted Funds</b>			
General	<b>15</b>	(76,279)	(18,022)
Designated	<b>15</b>	223,663	282,239
Restricted	<b>16</b>	708,185	540,258
		<u><b>855,569</b></u>	<u><b>804,475</b></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

### On behalf of the Board

  
P Collins, Hon Treasurer

  
Simon J Fraser, Chairman

Approved by the Board on 25 February 2009

The notes on pages 9 to 14 form part of these financial statements.

# Ocean Youth Trust (Scotland)

## Notes To The Financial Statements for the year ended 31 October 2008

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### 1. Accounting Policies

#### *Accounting Convention*

The financial statements have been prepared under the Financial Reporting Standard for Smaller Entities (effective January 2007), the historical cost convention and under the guidelines laid down in the Statement of Recommended Practice - Accounting and Reporting by Charities (2005).

#### *Income*

Grant income, donations and bank interest are accounted for when received. Voyage fees are accounted for on an accruals basis.

#### *Grants*

Revenue grants are recognised in the Statement of Financial Activities so as to match them with the expenditure toward which they are intended to contribute.

#### *Capital grants*

Capital grants received to fund the purchase of fixed assets are retained in a restricted fund and once the asset is purchased or completed depreciation is charged against that fund.

#### *Expenditure*

Expenditure is accounted for on an accruals basis.

#### *Tangible Fixed Assets*

Fixed assets are stated at cost. Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life:-

Vessels	15 years straight line
Other equipment	25% reducing balance
Office equipment	25% reducing balance

#### *Statement of Financial Activities*

For the purpose of the Statement of Financial Activities as shown on page 7, funds are defined as follows:

**Unrestricted** funds comprise grants and other income received for the objects of the charity without further specified purpose and are available as general funds.

**Designated** funds represent unrestricted funds that have been earmarked by the directors for particular purposes.

**Restricted** funds comprise grants, donations and other income received for spending on specified purposes as laid down by the donors.

# Ocean Youth Trust

## Notes to the Financial Statements for the year ended 31 October 2008

### 2. Grants Received

	<i>Unrestricted Funds</i>		<i>Restricted</i>	2008	2007
	General	Designated Funds	Funds	£	£
SE HQ	-	-	35,840	35,840	34,918
ASTO	-	-	23,513	23,513	12,350
Education Officer	-	-	-	-	8,000
National Lottery	-	-	-	-	12,000
Awards For All	19,900	-	-	19,900	5,000
YouthLink	-	-	74,231	74,231	13,200
Big Lottery	-	-	12,000	12,000	-
Robertson Trust	-	-	6,000	6,000	-
	<b>19,900</b>	<b>-</b>	<b>151,584</b>	<b>171,484</b>	<b>85,468</b>

### 3. Charitable Activities

<i>Activity</i>	Staff	Direct	Support	2008	2007
	Costs	Costs	Costs	Total	Total
	£	£	£	£	£
The advancement of the education of the youth of the United Kingdom and Northern Ireland in the art of seamanship and navigation.	258,194	339,017	106,716	703,927	470,856
	<b>258,194</b>	<b>339,017</b>	<b>106,716</b>	<b>703,927</b>	<b>470,856</b>
	<i>(Note 4)</i>	<i>(Note 5)</i>	<i>(Note 6)</i>		
<i>Of which</i>					
Relating to unrestricted funds	184,299	198,570	43,396	426,265	285,381
Relating to designated funds	-	57,828	-	57,828	18,080
Relating to restricted funds	73,895	82,619	63,320	219,834	167,395

### 4. Staff Costs

	2008	2007
	£	£
Gross salaries	236,130	119,690
Employer's NIC	19,695	11,197
Pension costs	5,667	5,621
	<b>261,492</b>	<b>136,508</b>
Allocated as follows:		
Charitable activities	258,194	134,403
Governance costs	3,298	2,105
	<b>261,492</b>	<b>136,508</b>

The average number of employees was 12 (2007 - 6).

No employee received remuneration of £60,000 or more.

# Ocean Youth Trust

## Notes to the Financial Statements for the year ended 31 October 2008

### 5. Direct Costs

	<i>Unrestricted Funds</i>		<i>Restricted</i>	2008	2007
	General	Designated	Funds	£	£
Grant Assisted Berths	17,275	-	23,513	40,788	75,360
Training and Events	32,950	-	4,502	37,452	30,111
Vessels Maintenance and Operational Costs	144,642	57,828	54,604	257,074	165,871
Bad Debts	3,703	-	-	3,703	4,539
	<b>198,570</b>	<b>57,828</b>	<b>82,619</b>	<b>339,017</b>	<b>275,881</b>

### 6. Support Costs

	<i>Unrestricted Funds</i>		<i>Restricted</i>	2008	2007
	General	Designated	Funds	Total	Total
	£	£	£	£	£
Travel and Telephone Costs	-	-	17,705	17,705	7,975
Printing Postage and Stationery	3,304	-	-	3,304	3,838
Office Expenses	20,469	-	-	20,469	27,383
General Expenses	1,958	-	-	1,958	3,228
Marketing and Clothing	17,665	-	3,000	20,665	18,148
Database Development	-	-	37,665	37,665	-
Website Development	-	-	4,950	4,950	-
	<b>43,396</b>	<b>-</b>	<b>63,320</b>	<b>106,716</b>	<b>60,572</b>

### 7. Governance Costs

	<i>Unrestricted Funds</i>		<i>Restricted</i>	2008	2007
	General	Designated	Funds	Total	Total
	£	£	£	£	£
Salaries	3,298	-	-	3,298	2,105
Legal and Professional Costs	1,050	-	-	1,050	2,742
Auditors Remuneration	2,513	-	-	2,513	2,710
Auditors Remuneration for non audit work	4,337	-	-	4,337	-
Bank Charges	261	-	-	261	353
	<b>11,459</b>	<b>-</b>	<b>-</b>	<b>11,459</b>	<b>7,910</b>

### 8. Other Resources Expended

	<i>Unrestricted Funds</i>		<i>Restricted</i>	2008	2007
	General	Designat.	Funds	Total	Total
	£	£	£	£	£
Depreciation (Note 9)	-	4,338	43,189	47,527	27,822
Impairment losses	-	-	-	-	33,661
	<b>-</b>	<b>4,338</b>	<b>43,189</b>	<b>47,527</b>	<b>61,483</b>

# Ocean Youth Trust

## Notes to the Financial Statements for the year ended 31 October 2008

### 12. Analysis of Net Assets by Funds

	<i>Unrestricted</i>		<i>Restricted</i>	<b>Total</b>
	<b>General</b>	<b>Designated</b>		
	£	£	£	£
<b>Fixed Assets</b>	-	56,203	534,935	<b>591,138</b>
<b>Current Assets</b>				
Debtors	169,488	-	-	<b>169,488</b>
Cash at bank and in hand	(114,641)	200,423	173,250	<b>259,032</b>
<b>Creditors &lt; 1 year</b>				
Trade Creditors	(33,120)	-	-	<b>(33,120)</b>
Accruals	(18,100)	-	-	<b>(18,100)</b>
VISA	(8,101)	-	-	<b>(8,101)</b>
PAYE/NIC	(28)	-	-	<b>(28)</b>
Deferred Income	-	(32,963)	-	<b>(32,963)</b>
Voyage Fee Creditor	(71,777)	-	-	<b>(71,777)</b>
<b>Net Assets</b>	<b>(76,279)</b>	<b>223,663</b>	<b>708,185</b>	<b>855,569</b>

### 13. Trustees' Remuneration and Expenses

No directors received reimbursement for any expenses during the year.

### 14. Taxation

No liability to UK Corporation Tax arises in light of the company's charitable status.

# Ocean Youth Trust

## Notes to the Financial Statements for the year ended 31 October 2008

### 15. Unrestricted Funds

	Balance at 01.11.07 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31.10.2008 £
General Fund	(18,022)	379,467	(437,724)	-	(76,279)
<b>Designated Funds</b>					
Vessel Replacement Fund	198,338	3,590	(57,828)	-	144,100
Designated Assets Fund	83,901	-	(4,338)	-	79,563
<b>Total Unrestricted Funds</b>	<b>264,217</b>	<b>383,057</b>	<b>(499,890)</b>	<b>-</b>	<b>147,384</b>

#### Explanation of funds

**The General Fund** encompasses all income and expenditure relating to the primary focus activities & administration of the Charity, other than those for which funding is restricted.

**The Vessel Replacement Fund** relates to all funds set aside by the Trust to cover any expenditure related to either the purchase of any additions to the fleet or the costs involved in maintaining the fleet.

**The Designated Assets Fund** represents the net book value of the Trust's assets, other than those whose use is restricted.

### 16. Restricted Funds

	Balance at 01.11.07 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31.10.08 £
New Boat Fund	444,104	279,366	(97,793)	-	625,677
Development Fund	-	128,071	(109,666)	-	18,405
Headquarters Fund	-	23,513	(23,513)	-	-
Skippers Fund	96,154	-	(32,051)	-	64,103
	<b>540,258</b>	<b>430,950</b>	<b>(263,023)</b>	<b>-</b>	<b>708,185</b>

#### Explanation of funds

**New Boat Fund** comprises donations received during the year together with income tax recovered on those donations to fund the purchase of new vessels.

**Development Fund** comprises funds to help develop the trust's activities with young people.

**Headquarters Fund** represents funds given specifically to fund the overheads and expenses involved in the running of the main office.

**Skippers Fund** comprises funds given specifically to fund Skippers salaries and expenses.