

Company Number: SC193204
Charity Number: SC029531

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012
FOR
OCEAN YOUTH TRUST (SCOTLAND)**

Ocean Youth Trust (Scotland)

Charity Information for the year ended 31 October 2012

Directors

M.D. MacArthur (Chairman)
D.C. McKay (Vice Chairman)
M.A.C McNeill (Treasurer)
I.R. Barbour
N.S. Fleming
I.P. Nicholls
I.M. MacLeod
N.J. Pilbeam
R. Crow
E. McNeil

Registered Office

Room 20
Victoria House
5 East Blackhall Street
Greenock
PA15 1HD

Auditors

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

Bankers

Bank of Scotland
235 Sauchiehall Street
Glasgow
G2 3EY

Solicitors

WW & J McClure Solicitors
The Lawshop
35 Nicolson Street
Greenock
PA15 1UL

Ocean Youth Trust (Scotland)

Report of the Directors for the year ended 31 October 2012

Achievements/Performance

The Board is pleased to report a successful season in the last financial year. In particular the Trust took 871 (2011-772) young people sailing using 4788 (2011-4465) berth nights.

84 new volunteers sailed with the Trust in 2012. One new skipper, two first mates, seven second mates, ten third mates, 20 watch leaders and 30 bosuns successfully completed assessments.

Alba Explorer took part in the Tall Ships Race from Corunna to Dublin crewed by a group of visually impaired young people. Our vessels visited ports in Northern Europe including Ireland, Spain and the Faeroes.

Financial Review

The Statement of Financial Activities on page 7 shows a surplus for the year of £313,293. (2011: £18,506.). This increase is largely the result of a large donation and associated gift aid from our Patrons Curly and Barbara Mills totalling £312,500. The directors have decided to designate this donation as a development fund. Our total reserves stand at £1,016,275 (2011: £702,982). £423,459 of this is represented by the value of our boats and other assets. The General Fund balance at the year-end therefore stands at £278,551 (2011: £239,843).

Income from voyage fees was £474,696 (2011: £394,402). This increase from the previous year is partly due to the fact that the programme was expanded to utilise the vessels more fully and partly due to an increase in voyage fees.

Income from donations, grants and fundraising was £697,680 (2011: £376,476) of which £103,925 (2011: £79,943) was to provide assisted berths.

Principal Funding Sources

The principal funding sources for the charity during this period were grants and donations from - our Patrons Curly & Barbara Mills; The Scottish Government's Children, Young People & Families Unified Voluntary Sector Fund, its Cashback for Communities Fund and National Voluntary Youth Organisations Support Fund administered through YouthLink Scotland and its Short Breaks Fund administered by Shared Care Scotland; Community Jobs Scotland, the crews and sponsors of the Biscay Bounce and Cumbrae Caper, the Robert Barr Charitable Trust, Association of Sail Training Organisations, People's Postcode Trust, KPMG, Deutsche Bank, Barclays, Bank of Scotland, The Toby Charitable Trust, Artemis Charitable Foundation, Lindsay Bridges, the Trust's regional Support Groups and support in-kind by Riverside Inverclyde. The Trust is grateful for the tremendous help from these and other friends and supporters.

Reserves

The Trust aims to maintain a level of unrestricted reserves so as to provide for three months operating costs of the charity. For the third year our reserves are at this level. Depreciation will be charged against reserves on assets already capitalised. Restricted reserves are held for the funding of the Trust's Assisted Berths Scheme.

Plans for Future Periods

To ensure that Ocean Youth Trust (Scotland) thrives in 2013 and beyond, it will endeavor to secure longer term funding. We will continue to recruit and train volunteers and to increase the number of young people who sail with us, thus ensuring our vessels are fully utilised to meet our charitable objects.

To do this we will strive to improve our services to young people, and purchase a small boat to support the training of our volunteers and cadets. We will continue staff development and work to strengthen our relationships with key stakeholders.

Ocean Youth Trust (Scotland)

Report of the Independent Auditors to the Directors of Ocean Youth Trust (Scotland) *for the year ended 31 October 2012*

We have audited the financial statements of Ocean Youth Trust (Scotland) for the year ended 31 October 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's 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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the auditing Practices Board's (APB's) Ethical Standards for Auditors.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard – Provisions Available to Small Entities, in the circumstances set out in Note 21 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2012 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Ocean Youth Trust (Scotland)

Income and Expenditure Account and Statement of Financial Activities

for the year ended 31 October 2012

	Notes	Unrestricted Funds		Restr. Funds	2012	2011
		General	Designated		Total	Total
		£	£	£	£	£
Incoming Resources						
<i>From Generated Funds</i>						
Donations	2	114,291	312,500	4,400	431,191	117,597
Grants	3	69,181	-	108,884	178,065	123,009
Other Income		44,404	-	-	44,404	38,546
Fundraising Income		72,453	-	-	72,453	41,530
<i>From Charitable Activities</i>						
Donations		972	-	7,800	8,772	44,340
Grants	3	-	-	7,199	7,199	50,000
Voyage Fees		474,696	-	-	474,696	394,402
<i>From Investment Income</i>						
Bank interest		1,945	-	-	1,945	199
Total Incoming Resources		777,942	312,500	128,283	1,218,725	809,623
Resources Expended						
<i>Charitable Expenditure</i>						
Charitable Activities	4	660,533	-	173,083	833,616	732,316
Governance Costs	8	18,452	-	-	18,452	11,893
Other Resources Expended	9	-	53,364	-	53,364	46,908
Total resources expended		678,985	53,364	173,083	905,432	791,117
Surplus/(deficit) for the year and net incoming/(outgoing) resources before transfers						
		98,957	259,136	(44,800)	313,293	18,506
Transfers	16	(60,249)	17,313	42,936	-	-
Net movement in funds for the year		38,708	276,449	(1,864)	313,293	18,506
Balance brought forward		239,843	459,510	3,629	702,982	684,476
Closing balance at 31 October 2012		278,551	735,959	1,765	1,016,275	702,982
Comprising:-						
<i>Unrestricted Funds</i>						
General	19	278,551	-	-	278,551	239,843
Designated Assets Fund	19	-	423,459	-	423,459	459,510
Development Fund	19	-	312,500	-	312,500	-
<i>Restricted Funds</i>						
ABS Fund	20	-	-	-	-	3,629
Education and Development Fund	20	-	-	1,765	1,765	-
		278,551	735,959	1,765	1,016,275	702,982

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 2012

1. Accounting Policies

Accounting Convention

The financial statements have been prepared under the Financial Reporting Standard for Smaller Entities (effective April 2008), 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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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 (Scotland)

Notes to the Financial Statements for the year ended 31 October 2012

5. Staff Costs

	2012	2011
	£	£
Gross salaries	287,544	250,928
Employer's NIC	24,491	23,634
Pension costs	8,156	5,062
	<u>320,191</u>	<u>279,624</u>

Allocated as follows:

Charitable activities	315,695	275,536
Governance costs	4,496	4,088
	<u>320,191</u>	<u>279,624</u>

The average number of employees was 15 (2011 - 11).
No employee received remuneration of £60,000 or more.

6. Direct Costs

	<i>Unrestricted Funds</i>			<i>Restricted Funds</i>	2012 Total	2011 Total
	General	Designated				
	£	£	£	£	£	
Grant Assisted Berths	-	-	103,925	103,925	79,943	
Volunteer Training	786	-	13,952	14,738	10,204	
Vessels Maintenance and Operational Costs	246,198	-	25,735	271,933	260,106	
Bad Debts	-	-	-	-	1,590	
	<u>246,984</u>	<u>-</u>	<u>143,612</u>	<u>390,596</u>	<u>351,843</u>	

7. Support Costs

	<i>Unrestricted Funds</i>			<i>Restricted Funds</i>	2012 Total	2011 Total
	General	Designated				
	£	£	£	£	£	
Travel and Telephone Costs	18,116	-	3,785	21,901	29,587	
Printing Postage and Stationery	1,384	-	623	2,007	2,257	
Office Expenses	45,461	-	8,370	53,831	34,424	
General Expenses	4,057	-	2,000	6,057	6,410	
Fundraising Expenses	12,558	-	-	12,558	7,094	
Marketing and Clothing	6,370	-	966	7,336	10,975	
Website Development	-	-	313	313	8,370	
Development	4,424	-	-	4,424	1,800	
Cadets expenses	18,898	-	-	18,898	4,020	
	<u>111,268</u>	<u>-</u>	<u>16,057</u>	<u>127,325</u>	<u>104,937</u>	

8. Governance Costs

	<i>Unrestricted Funds</i>			<i>Restricted Funds</i>	2012 Total	2011 Total
	General	Designated				
	£	£	£	£	£	
Salaries (Note 5)	4,496	-	-	4,496	4,088	
Legal and Professional Costs	687	-	-	687	15	
Auditors' Remuneration	2,550	-	-	2,550	2,700	
Auditors' Remuneration for non audit work	8,500	-	-	8,500	3,200	
Bank Charges	2,219	-	-	2,219	1,890	
	<u>18,452</u>	<u>-</u>	<u>-</u>	<u>18,452</u>	<u>11,893</u>	

Ocean Youth Trust (Scotland)

Notes to the Financial Statements for the year ended 31 October 2012

13. Creditors: Amounts falling due within one year

	2012	2011
	£	£
Trade Creditors	17,473	12,604
Accruals	12,311	5,502
VISA	7,388	4,728
PAYE/NIC	6,290	5,990
Voyage Fee Creditor	40,387	75,543
Deferred Income	23,036	39,708
Pension contributions payable	1,454	-
	<u>108,339</u>	<u>144,075</u>

14. Liability of Members

The company is limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. At 31 October 2012, there were 283 members (2011 - 267 members).

15. Analysis of Net Assets by Funds

	Unrestricted		Restricted	Total
	General	Designated		
	£	£	£	£
Fixed Assets	-	423,459	-	423,459
Current Assets				
Debtors	61,966	-	-	61,966
Stock	2,364	-	-	2,364
Cash at bank and in hand	307,480	312,500	16,845	636,825
Creditors < 1 year				
Trade Creditors	(17,473)	-	-	(17,473)
Accruals	(12,311)	-	-	(12,311)
VISA	(7,388)	-	-	(7,388)
PAYE/NIC	(6,290)	-	-	(6,290)
Voyage Fee Creditor	(40,387)	-	-	(40,387)
Deferred Income	(7,956)	-	(15,080)	(23,036)
Pension Liability	(1,454)	-	-	(1,454)
Net Assets	<u>278,551</u>	<u>735,959</u>	<u>1,765</u>	<u>1,016,275</u>

16. Fund Transfers

	Unrestricted		Restricted
	General	Designated	
	£	£	£
Volunteer Development Fund met by General Fund income	(27,540)		27,540
ABS Fund met by General Fund income	(15,396)		15,396
Transfer of equipment additions	(17,313)	17,313	
	<u>(60,249)</u>	<u>17,313</u>	<u>42,936</u>

17. Directors' /Trustees' Remuneration and Expenses

During the year Malcolm MacArthur was reimbursed with £118 of expenses (2011 - £61), Nick Pilbeam was reimbursed with £332 of expenses (2011 - £517) and Robbie Wishart was reimbursed with £nil of expenses (2011 - £85).

18. Taxation

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