

REGISTERED COMPANY NUMBER: SC193204 (Scotland)
REGISTERED CHARITY NUMBER: 029531

Companies House

OCEAN YOUTH TRUST (SCOTLAND)
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

OCEAN YOUTH TRUST (SCOTLAND)

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FOR THE YEAR ENDED 31 MARCH 2021**

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OCEAN YOUTH TRUST (SCOTLAND)
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES

D J Anderson (Chairman)
M A McNeill (Treasurer)
G B Fisher
N S Fleming (resigned 2/10/2020)
B Robertson
O Bennett
S Marshall
D Murray MBE
S Robertson
J Walbaum (resigned 31/3/2021)
J E F Stearn
A B M Stone

REGISTERED OFFICE

Victoria House
5 East Blackhall Street
Greenock
PA15 1HD

REGISTERED COMPANY NUMBER

SC193204 (Scotland)

REGISTERED CHARITY NUMBER 029531

AUDITORS

Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

OCEAN YOUTH TRUST (SCOTLAND) (REGISTERED NUMBER: SC193204)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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 (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Ocean Youth Trust (Scotland) is a floating outdoor education centre, that exists to inspire young people through the challenge of youth work on the waves. Residential voyages aboard its sail training vessels provide a uniquely powerful and effective environment for the personal development for young people of diverse backgrounds and abilities.

Achievements and performance

In March 2020, we held our annual training seminar for staff and volunteers at Stirling Court Hotel. However, the following week the world was hit by the global coronavirus pandemic, the impact of which was particularly devastating for the delivery of our youth work at sea. Two national lockdowns, travel restrictions and strict social distancing measures meant delivering youth work in the close confines of a sail training vessel was neither feasible nor allowed. We should have been embarking on a full season of youth work on the waves, including Phase 5 of the Scottish Government's pioneering CashBack for Communities programme. However, normal operations came to an abrupt halt, and that continued through the whole sailing season.

The Trust furloughed the majority of staff with only a few key personnel working from home. Both Alba Venturer and Alba Explorer had been almost fully booked for the season, and nearly all of these voyages were re booked for the following year. The boats were safely berthed at James Watt Dock, and regular checks were made by willing volunteers.

Once restrictions allowed, we designed and implemented shore-based youth work sessions as part of the CashBack programme. For the first time in the Trust's history, we provided shore-based youth work, successfully adapting our unique and proven model of delivering youth work at sea and applying it to activities on shore.

In February 2021 we again hosted our annual seminar, albeit digitally. The event was a huge success with 121 taking part over two days in a number of workshops aimed at upskilling our volunteers.

OCEAN YOUTH TRUST (SCOTLAND) (REGISTERED NUMBER: SC193204)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

FINANCIAL REVIEW

PRINCIPAL FUNDING SOURCES

Ocean Youth Trust Scotland is enormously grateful for the valuable donations it receives from a wide range of organisations and individuals, particularly those received during a time when our youth work activities were on hold but core costs remained. With this support, the Trust is able to work with an ever-increasing number of young people from diverse communities and backgrounds, while keeping its vessels in excellent condition.

The Trust wishes to thank all those who have generously supported us.

The principal funding sources for the charity during 2020-21 were grants and donations from:

Our Patrons Curly and Barbara Mills
Ocean Youth Trust Scotland Shore Groups
Friends of Ocean Youth Trust Scotland
The Scottish Government: CashBack for Communities Programme
Youthlink Scotland
The Merchants House of Glasgow
The incorporation of Bonnetmakers and Dyers of Glasgow
Association of Sail Training Organisations
Hugh Fraser Foundation
The Beatrice Foundation
The Worshipful Company of Shipwrights
The John Scott Charitable Trust
The Robertson Trust
The Gannochy Trust
Robert Barr's Charitable Trust

RESERVES POLICY

The Trust's policy is to maintain a level of unrestricted reserves equivalent to three months operating costs, excluding depreciation. The general reserve figure of £189,024 remains the same as last year and would meet that target. Depreciation is charged against assets already capitalised, and these Designated Reserves now stand at £173,243. The balance of our Reserves is held in a Vessel Replacement Fund, and this year that has increased to £788,313. There are no restricted fund balances as at 31st March 2021.

FINANCIAL REVIEW

It was a year like no other for the Trust, managing our way through uncharted waters. With the prospect of little or no voyage income and a lot of uncertainty ahead, we endeavoured to cut our expenditure close to what we forecast our income might be. The Governments job retention scheme helped, as did strong support from our many funders and supporters. For this we are hugely grateful.

The Statement of Financial Activities on page 9 shows a surplus of Income over Expenditure for the year of £157,463 (2020: £73,423) This is after accounting for a gain on investments of £102,547 (2020: Loss £ 24,753) The Trust holds a balanced investment portfolio, with an objective of capital growth and income to be reinvested. While our vessels are maintained to the highest standard, we must keep an eye on the future and possible vessel replacement.

Our total reserves stand at £1,150,580 (2019: £993,117) of which £173,243 (2019: £198,194) is represented by the value of our vessels and other assets. The General Fund balance stands at £189,024, the same as last year, and the Vessel Replacement Fund has this year increased to £788,313 (2019: £605,899).

The notes to the Financial Statements from page 15 onwards provide more detailed information on total income and expenditure during the year.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

FUTURE PLANS

The new financial year started on the 1st April 2021 with restrictions due to the continuing Coronavirus pandemic still very much in place. Scottish Government and Outdoor education guidelines have meant that residential voyages have not been possible. The Trust continues to monitor any changes and as soon as restrictions are eased will be back working on the water again. Some voyages with the CashBack for communities programme have taken place, with sailing during the day and accommodation ashore at nights.

Many clients have rebooked their cancelled voyages for next year, 2022, and both Alba Venturer and Alba Explorer have a full season planned. It is hoped that with the roll out of the vaccine and restrictions eased, next year will be close to normal starting in March. Our funders have been extremely supportive, both vessels will receive a comprehensive refit over the winter at Fairlie, and all being well the annual volunteer training seminar will be held in February 2022. The youthwork we provide will be more important than ever, and we look ahead to better times.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

RECRUITMENT AND INDUCTION OF TRUSTEES

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.

ORGANISATIONAL STRUCTURE

The charity is organised so that the directors meet regularly to arrange its affairs. The management of the organisation is delegated to the Senior Management Team. We are immensely grateful to our staff, members, volunteers and supporters for their huge contribution towards the ongoing success of the Trust.

RISK MANAGEMENT

The Trustees actively review on a regular basis the major risks faced by the charity - financial, operational and business. From the review the Trustees continue to update and establish procedures to mitigate any perceived risk. Following the Covid-19 lockdown the Trustees have been taking all possible steps to protect the Trust. The charity has the reserves necessary to cope with the impact this has had, and has every expectation of returning to a full programme once restrictions are lifted.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Ocean Youth Trust (Scotland) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

OCEAN YOUTH TRUST (SCOTLAND) (REGISTERED NUMBER: SC193204)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

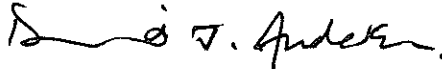
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Milne Craig, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 14 December 2021 and signed on its behalf by:



D J Anderson (Chairman) - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF OCEAN YOUTH TRUST (SCOTLAND)

Opinion

We have audited the financial statements of Ocean Youth Trust (Scotland) (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note 24 to the financial statements, 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
OCEAN YOUTH TRUST (SCOTLAND)**

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 Report of the Trustees.

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

- adequate and proper 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
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF OCEAN YOUTH TRUST (SCOTLAND)

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity, and determined that the most significant are those that relate to the form and content of the financial statements such as the accounting policies and the Charities SORP (FRS102).

We assessed how the charity is complying with these frameworks by observing the oversight of those charged with governance, the culture of honesty and ethical behaviours and a strong emphasis placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.

We assessed the susceptibility of the charity financial statements to material misstatement, including how fraud might occur, by making an assessment of the key fraud risks to charity, and the manner in which such risks may occur in practice, based on our previous knowledge of the charity, as well as an assessment of the current business environment.

Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk, including management override of controls. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error. We evaluated the design and operational effectiveness of controls put in place to address the risks identified, or that otherwise prevent, deter and detect fraud.

In addition, our audit procedures included enquiring of management concerning actual and potential litigation and claims, and performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. We addressed the fraud risk in relation to revenue recognition by testing completeness and cut off of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

As with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance, and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
OCEAN YOUTH TRUST (SCOTLAND)**

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 the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kirsty Mackie BAcc CA (Senior Statutory Auditor)

for and on behalf of Milne Craig

Chartered accountants

Statutory auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Abercorn House

79 Renfrew Road

Paisley

Renfrewshire

PA3 4DA

14 December 2021

OCEAN YOUTH TRUST (SCOTLAND)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Designated £	Unrestricted £	Restricted £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	-	267,063	74,408	341,471	516,210
Charitable activities						
Education and personal development of young people	5	-	68,654	15,000	83,654	377,403
Other trading activities	3	-	135,286	-	135,286	70,503
Investment income	4	-	9,944	-	9,944	12,762
Total		-	480,947	89,408	570,355	976,878
EXPENDITURE ON						
Raising funds	6	-	3,025	-	3,025	2,914
Charitable activities						
Education and personal development of young people	7	-	414,947	71,777	486,724	848,611
Depreciation	10	25,690	-	-	25,690	27,177
Total		25,690	417,972	71,777	515,439	878,702
Net gains/(losses) on investments		-	102,547	-	102,547	(24,753)
NET INCOME/(EXPENDITURE)		(25,690)	165,522	17,631	157,463	73,423
Transfers between funds	22	183,153	(165,522)	(17,631)	-	-
Net movement in funds		157,463	-	-	157,463	73,423
RECONCILIATION OF FUNDS						
Total funds brought forward		804,093	189,024	-	993,117	919,694
TOTAL FUNDS CARRIED FORWARD		961,556	189,024	-	1,150,580	993,117

The notes form part of these financial statements

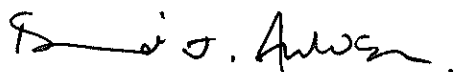
OCEAN YOUTH TRUST (SCOTLAND) (REGISTERED NUMBER: SC193204)

BALANCE SHEET
31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	15	173,572	198,194
Investments	16	447,074	339,692
		<u>620,646</u>	<u>537,886</u>
CURRENT ASSETS			
Stocks	17	-	9,000
Debtors	18	62,218	52,607
Cash at bank	19	832,273	692,983
		<u>894,491</u>	<u>754,590</u>
CREDITORS			
Amounts falling due within one year	20	(364,557)	(299,359)
		<u>529,934</u>	<u>455,231</u>
NET CURRENT ASSETS			
		<u>529,934</u>	<u>455,231</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>1,150,580</u>	<u>993,117</u>
NET ASSETS			
		<u>1,150,580</u>	<u>993,117</u>
FUNDS			
Unrestricted funds:			
General fund	22	189,024	189,024
Designated Assets Fund		173,243	198,194
Vessel Replacement Fund		788,313	605,899
		<u>1,150,580</u>	<u>993,117</u>
TOTAL FUNDS			
		<u>1,150,580</u>	<u>993,117</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 14 December 2021 and were signed on its behalf by:



D J Anderson (Chairman) - Trustee

The notes form part of these financial statements

OCEAN YOUTH TRUST (SCOTLAND)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	25	135,249	156,302
		<hr/>	<hr/>
Net cash provided by operating activities		135,249	156,302
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,068)	(23,858)
Purchase of fixed asset investments		(100,252)	(112,929)
Sale of tangible fixed assets		-	15,006
Sale of fixed asset investments		95,417	128,852
Interest received		1,254	3,050
Dividends received		8,690	9,712
		<hr/>	<hr/>
Net cash provided by investing activities		4,041	19,833
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		139,290	176,135
Cash and cash equivalents at the beginning of the reporting period		692,983	516,848
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		832,273	692,983
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements are presented in pounds sterling as that is the currency in which the charity's transactions are denominated.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The balance sheet at 31 March 2020 shows a strong net assets and cash flow position. As a result, the financial statements have been prepared on the going concern basis.

Significant judgements and estimates

The preparation of these financial statements requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Vessel values are reviewed on an ongoing basis, and an appropriate depreciation charge is agreed by the trustees each year after taking into account any changes in the residual value or useful life of each vessel in the year.

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Stocks

Stock represents a vessel donated to the charity, which is stated at the lower of the value of the donation and the net realisable value of the vessel.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Financial instruments

The Company 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. Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transactions costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

Creditors

Creditors are recognised 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 are normally recognised at the settlement amount after allowing for discounts due.

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

2. DONATIONS AND LEGACIES		2021	2020
		£	£
Donations		37,760	46,214
Gift aid		14,951	5,359
Scottish Government NVOS Fund administered by Youthlink		29,583	26,988
ASTO		123,118	16,249
Other Grants		81,151	167,321
ABS and Delivery Costs Fund		-	175,079
Scottish Government Cashback for Communities		54,908	79,000
		<u>341,471</u>	<u>516,210</u>
3. OTHER TRADING ACTIVITIES		2021	2020
		£	£
Fundraising events		-	33,237
Other income		135,286	37,266
		<u>135,286</u>	<u>70,503</u>
4. INVESTMENT INCOME		2021	2020
		£	£
Investment income		8,690	9,712
Deposit account interest		1,254	3,050
		<u>9,944</u>	<u>12,762</u>
5. INCOME FROM CHARITABLE ACTIVITIES		2021	2020
		£	£
	Activity		
Donations	Education and personal development of young people	83,654	22,998
Voyage Fees	Education and personal development of young people	-	354,405
		<u>83,654</u>	<u>377,403</u>

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

6. RAISING FUNDS

Investment management costs

	2021	2020
	£	£
Portfolio management	3,025	2,914
	<u>3,025</u>	<u>2,914</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)	Support costs (see note 9)	Totals
	£	£	£
Education and personal development of young people	407,247	79,477	486,724
	<u>407,247</u>	<u>79,477</u>	<u>486,724</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	335,255	393,973
Grant Assisted Berths	-	64,865
Volunteer Training	1,496	7,237
Vessels Maintenance and Operational Costs	70,496	180,514
Assisted Berth Scheme funded by Cashback for Communities	-	71,460
	<u>407,247</u>	<u>718,049</u>

9. SUPPORT COSTS

	Other	Governance costs	Totals
	£	£	£
Education and personal development of young people	64,620	14,857	79,477
	<u>64,620</u>	<u>14,857</u>	<u>79,477</u>

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

9. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Governance costs

	2021	2020
	Education and personal development of young people £	Total activities £
Wages	6,842	8,102
Auditors' remuneration	3,200	3,225
Auditors' remuneration for non audit work	1,450	400
Bank charges	1,470	2,889
Legal and professional fees	1,895	1,115
	<u>14,857</u>	<u>15,731</u>

10. DEPRECIATION

	2021	2020
	£	£
Depreciation	<u>25,690</u>	<u>27,177</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	3,200	3,225
Auditors' remuneration for non audit work	1,450	400
Depreciation - owned assets	25,690	27,177
Trustees' remuneration	<u>37,728</u>	<u>63,909</u>

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

12. TRUSTEES' REMUNERATION AND BENEFITS

During the year, two Trustees received remuneration under contracts of employment with the company (2020: two). No Trustee received remuneration in respect of their duties as Trustees.

Trustees' expenses

During the year, no expenses were reimbursed to trustees (2020: expenses totalling £622 were reimbursed to one trustee).

13. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	308,459	361,868
Social security costs	23,433	27,433
Other pension costs	10,205	12,774
	<u>342,097</u>	<u>402,075</u>

The average monthly number of employees during the year was as follows:

	2021	2020
	<u>13.2</u>	<u>14.6</u>

No employees received emoluments in excess of £60,000.

The average monthly number of employees during the year was 13.2 (2020: 14.6).

Remuneration and benefits received by key management personnel totalled £127,662 (2020: £128,871).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Designated £	Unrestricted £	Restricted £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	-	114,581	401,629	516,210
Charitable activities				
Education and personal development of young people	-	375,936	1,467	377,403
Other trading activities	-	70,503	-	70,503
Investment income	-	12,762	-	12,762
	<u>-</u>	<u>573,782</u>	<u>403,096</u>	<u>976,878</u>
Total	-	573,782	403,096	976,878
EXPENDITURE ON				
Raising funds	-	2,914	-	2,914
Charitable activities				
Education and personal development of young people	-	445,515	403,096	848,611

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Designated £	Unrestricted £	Restricted £	Total funds £
Depreciation	27,177	-	-	27,177
Total	27,177	448,429	403,096	878,702
Net gains/(losses) on investments	-	(24,753)	-	(24,753)
NET INCOME/(EXPENDITURE)	(27,177)	100,600	-	73,423
Transfers between funds	100,600	(100,600)	-	-
Net movement in funds	73,423	-	-	73,423
RECONCILIATION OF FUNDS				
Total funds brought forward	730,670	189,024	-	919,694
TOTAL FUNDS CARRIED FORWARD	804,093	189,024	-	993,117

15. TANGIBLE FIXED ASSETS

	Vessels £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2020	399,634	10,840	15,489	85,752	511,715
Additions	-	-	-	1,068	1,068
At 31 March 2021	399,634	10,840	15,489	86,820	512,783
DEPRECIATION					
At 1 April 2020	220,512	10,840	14,282	67,887	313,521
Charge for year	16,500	-	293	8,897	25,690
At 31 March 2021	237,012	10,840	14,575	76,784	339,211
NET BOOK VALUE					
At 31 March 2021	162,622	-	914	10,036	173,572
At 31 March 2020	179,122	-	1,207	17,865	198,194

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

16. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2020	339,692
Additions	100,252
Disposals	(82,297)
Revaluations	89,427
	447,074
At 31 March 2021	447,074
NET BOOK VALUE	
At 31 March 2021	447,074
At 31 March 2020	339,692

The historic cost of investments held at 31 March 2021 is £369,157 (2020: £365,409).

Cost or valuation at 31 March 2021 is represented by:

	Listed investments £
Valuation in 2021	77,917
Cost	369,157
	447,074

17. STOCKS

	2021 £	2020 £
Vessel held for resale	-	9,000

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	5,344	747
Amounts held by support groups	7,504	5,454
VAT	8,456	15,078
Prepayments and accrued income	40,914	31,328
	62,218	52,607

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

19. CASH AT BANK

		Vessel Replacement Fund	2021 Total funds £	2020 Total funds £
Cash held at bank and in hand	201,692	605,899	807,591	660,731
Cash held by investment managers	24,682	-	24,682	32,252
Total	<u>226,374</u>	<u>605,899</u>	<u>832,273</u>	<u>692,983</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	6,388	29,894
Social security and other taxes	5,073	7,175
VISA	4,236	3,507
Pension Contributions Payable	2,083	2,348
Accrued expenses	3,700	3,200
Deferred income	220,232	149,194
Voyage Fee Creditor	122,845	104,041
	<u>364,557</u>	<u>299,359</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Designated £	Unrestricted £	Restricted £	2021 Total funds £	2020 Total funds £
Fixed assets	173,572	-	-	173,572	198,194
Investments	-	447,074	-	447,074	339,692
Current assets	605,899	288,592	-	894,491	754,590
Current liabilities	182,085	(546,642)	-	(364,557)	(299,359)
	<u>961,556</u>	<u>189,024</u>	<u>-</u>	<u>1,150,580</u>	<u>993,117</u>

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

22. MOVEMENT IN FUNDS

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	189,024	165,522	(165,522)	189,024
Designated Assets Fund	198,194	(25,690)	739	173,243
Vessel Replacement Fund	605,899	-	182,414	788,313
	<u>993,117</u>	<u>139,832</u>	<u>17,631</u>	<u>1,150,580</u>
Restricted funds				
ABS and Delivery Costs Fund	-	(36,723)	36,723	-
Volunteer Development Fund	-	10,447	(10,447)	-
Salaries Fund	-	12,000	(12,000)	-
Refit Fund	-	(20,081)	20,081	-
Cashback for Communities Fund	-	51,988	(51,988)	-
	<u>-</u>	<u>17,631</u>	<u>(17,631)</u>	<u>-</u>
TOTAL FUNDS	<u>993,117</u>	<u>157,463</u>	<u>-</u>	<u>1,150,580</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	480,947	(417,972)	102,547	165,522
Designated Assets Fund	-	(25,690)	-	(25,690)
	<u>480,947</u>	<u>(443,662)</u>	<u>102,547</u>	<u>139,832</u>
Restricted funds				
ABS and Delivery Costs Fund	-	(36,723)	-	(36,723)
Volunteer Development Fund	15,000	(4,553)	-	10,447
Salaries Fund	12,000	-	-	12,000
Refit Fund	7,500	(27,581)	-	(20,081)
Cashback for Communities Fund	54,908	(2,920)	-	51,988
	<u>89,408</u>	<u>(71,777)</u>	<u>-</u>	<u>17,631</u>
TOTAL FUNDS	<u>570,355</u>	<u>(515,439)</u>	<u>102,547</u>	<u>157,463</u>

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	189,024	100,600	(100,600)	189,024
Designated Assets Fund	216,519	(27,177)	8,852	198,194
Vessel Replacement Fund	514,151	-	91,748	605,899
	<u>919,694</u>	<u>73,423</u>	<u>-</u>	<u>993,117</u>
TOTAL FUNDS	<u>919,694</u>	<u>73,423</u>	<u>-</u>	<u>993,117</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	573,782	(448,429)	(24,753)	100,600
Designated Assets Fund	-	(27,177)	-	(27,177)
	<u>573,782</u>	<u>(475,606)</u>	<u>(24,753)</u>	<u>73,423</u>
Restricted funds				
ABS and Delivery Costs Fund	176,546	(176,546)	-	-
Volunteer Development Fund	35,303	(35,303)	-	-
ASTO	29,143	(29,143)	-	-
Salaries Fund	36,574	(36,574)	-	-
Refit Fund	46,530	(46,530)	-	-
Cashback for Communities Fund	79,000	(79,000)	-	-
	<u>403,096</u>	<u>(403,096)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>976,878</u>	<u>(878,702)</u>	<u>(24,753)</u>	<u>73,423</u>

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

22. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	189,024	266,122	(266,122)	189,024
Designated Assets Fund	216,519	(52,867)	9,591	173,243
Vessel Replacement Fund	514,151	-	274,162	788,313
	<u>919,694</u>	<u>213,255</u>	<u>17,631</u>	<u>1,150,580</u>
Restricted funds				
ABS and Delivery Costs Fund	-	(36,723)	36,723	-
Volunteer Development Fund	-	10,447	(10,447)	-
Salaries Fund	-	12,000	(12,000)	-
Refit Fund	-	(20,081)	20,081	-
Cashback for Communities Fund	-	51,988	(51,988)	-
	<u>-</u>	<u>17,631</u>	<u>(17,631)</u>	<u>-</u>
TOTAL FUNDS	<u><u>919,694</u></u>	<u><u>230,886</u></u>	<u><u>-</u></u>	<u><u>1,150,580</u></u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,054,729	(866,401)	77,794	266,122
Designated Assets Fund	-	(52,867)	-	(52,867)
	<u>1,054,729</u>	<u>(919,268)</u>	<u>77,794</u>	<u>213,255</u>
Restricted funds				
ABS and Delivery Costs Fund	176,546	(213,269)	-	(36,723)
Volunteer Development Fund	50,303	(39,856)	-	10,447
ASTO	29,143	(29,143)	-	-
Salaries Fund	48,574	(36,574)	-	12,000
Refit Fund	54,030	(74,111)	-	(20,081)
Cashback for Communities Fund	133,908	(81,920)	-	51,988
	<u>492,504</u>	<u>(474,873)</u>	<u>-</u>	<u>17,631</u>
TOTAL FUNDS	<u><u>1,547,233</u></u>	<u><u>(1,394,141)</u></u>	<u><u>77,794</u></u>	<u><u>230,886</u></u>

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

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

22. MOVEMENT IN FUNDS - continued

The Vessel Replacement Fund represents the amount held in preparation for the replacement of a vessel in the mid 2020's.

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

ABS and Delivery Costs Fund comprises funds given for the purpose of providing financial assistance for places on voyages.

ASTO represents funds given for assisted berths, training and development of staff.

Salaries Fund comprises funds received specifically towards salaries.

Volunteer Development Fund comprises funds received to develop the use of volunteers.

Refit Fund comprises funds received to repair and maintain the trust's vessels.

Cashback for Communities Fund comprises funds received for the purpose of training and developing young people from deprived backgrounds.

Transfers between funds

Transfers between the designated assets fund and unrestricted funds represent the net of fixed asset disposal proceeds and addition costs in each year.

In addition, in the year ended 31 March 2021, the trustees transferred £182,414 (2020: £91,748) from unrestricted funds to Vessel Replacement Fund.

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.

24. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

25. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	157,463	73,423
Adjustments for:		
Depreciation charges	25,690	27,177
(Gain)/losses on investments	(102,547)	24,753
Interest received	(1,254)	(3,050)
Dividends received	(8,690)	(9,712)
Decrease/(increase) in stocks	9,000	(9,000)
(Increase)/decrease in debtors	(9,611)	26,427
Increase in creditors	65,198	26,284
	<u>135,249</u>	<u>156,302</u>
Net cash provided by operations	<u>135,249</u>	<u>156,302</u>

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/20	Cash flow	At 31/3/21
	£	£	£
Net cash			
Cash at bank	692,983	139,290	832,273
	<u>692,983</u>	<u>139,290</u>	<u>832,273</u>
Total	<u>692,983</u>	<u>139,290</u>	<u>832,273</u>

27. 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 March 2021 there were 230 members (2020: 298 members).

