

HAZEL'S



Company No. SC193204
Charity No. SC029531

Ocean Youth Trust (Scotland)

Financial Statements
Year Ended 31 October 2011

Ocean Youth Trust (Scotland)

Contents of the Financial Statements for the year ended 31 October 2011

	Page
Charity Information	1
Report of the Directors	2 - 4
Report of the Independent Auditors	5 - 6
Income and Expenditure Account and Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 - 14

Ocean Youth Trust (Scotland)

Charity Information for the year ended 31 October 2011

Directors

M.D. MacArthur (Chairman)
M.A.C. McNeill (Vice Chairman)
I.R. Barbour
N.S. Fleming
D.C. McKay
I.P. Nicholls
I.M. MacLeod
N.J. Pilbeam
S. Simpson
R.A. Wishart

Company Secretary

R.A. Wishart

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

Ocean Youth Trust (Scotland)

Report of the Directors for the year ended 31 October 2011

The directors present their report and accounts for the year ended 31 October 2011.

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 organisation is delegated to the Chief Executive and the Operations and Training Manager. We are immensely grateful to our members, volunteers and supporters for their huge contribution towards the ongoing success of the Trust.

Directors and Trustees

The directors and trustees who served during the financial year and to the date of this report are as follows:

M.D. MacArthur - Chairman	I.M. MacLeod
M.A.C. McNeill - Vice Chairman (appointed 4 November 2010)	L.W. Mills (retired February 2011)
J.R. Barbour	N.J. Pilbeam
N.S. Fleming	S. Simpson
D.C. McKay	R.A. Wishart (appointed 26 March 2011)
I.P. Nicholls	

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

Ocean Youth Trust (Scotland) exists to inspire young people through the challenge of adventure under sail. Residential voyages aboard its fleet of sail training vessels provide a uniquely powerful and extremely effective environment for personal development for young people of diverse backgrounds and abilities.

Ocean Youth Trust (Scotland)

Report of the Directors for the year ended 31 October 2011

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its surplus or deficit for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 charity will continue its activities.

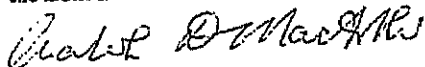
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets 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

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charity'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 aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

On behalf of the Board



Malcolm D MacArthur
Chairman

Dated: 23 January 2012

Ocean Youth Trust (Scotland)

Report of the Independent Auditors to the Directors of Ocean Youth Trust (Scotland) for the year ended 31 October 2011

We have audited the financial statements of Ocean Youth Trust (Scotland) for the year ended 31 October 2011 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 20 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 2011 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)

Report of the Independent Auditors to the Directors of Ocean Youth Trust (Scotland) for the year ended 31 October 2011

Matters on which we are required to report by exception

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:

- the charitable company has not kept proper and adequate accounting records 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Annual Report.



Margaret Logan Senior Statutory Auditor

For and on behalf of Cook & Co. Statutory Auditor

Cook & Co. is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Date: 24 January 2012

50 Wellington Street
Glasgow G2 6HJ

Ocean Youth Trust (Scotland)

Income and Expenditure Account and Statement of Financial Activities

for the year ended 31 October 2011

	Notes	Unrestricted Funds		Restr. Funds	2011	Restated
		General	Designated		Total	2010
		£	£	£	£	Total
						£
Incoming Resources						
<i>From Generated Funds</i>						
Donations		95,347	-	22,250	117,597	98,446
Grants	2	48,367	-	74,642	123,009	116,773
Other Income		38,546	-	-	38,546	32,307
Fundraising Income		41,530	-	-	41,530	79,373
<i>From Charitable Activities</i>						
Donations		-	-	44,340	44,340	-
Grants	2	-	-	50,000	50,000	1,995
Voyage Fees		394,402	-	-	394,402	297,758
<i>From Investment Income</i>						
Bank interest		199	-	-	199	122
Total Incoming Resources		618,391	-	191,232	809,623	626,774
Resources Expended						
<i>Charitable Expenditure</i>						
Charitable Activities	3	454,553	81,962	195,801	732,316	628,972
Governance Costs	7	11,893	-	-	11,893	9,005
Other Resources Expended	8	-	46,908	-	46,908	45,896
Total resources expended		466,446	128,870	195,801	791,117	683,873
Surplus/(deficit) for the year and net incoming/(outgoing) resources before transfers						
	14	151,945	(128,870)	(4,569)	18,506	(57,099)
Transfers	15	(21,413)	49,508	(28,095)	-	-
Net movement in funds for the year		130,532	(79,362)	(32,664)	18,506	(57,099)
Balance brought forward		109,311	538,872	36,293	684,476	741,575
Closing balance at 31 October 2011		239,843	459,510	3,629	702,982	684,476
Comprising:-						
<i>Unrestricted Funds</i>						
General	18	239,843	-	-	239,843	109,311
Vessel Maintenance Fund	18	-	-	-	-	38,742
Designated Assets Fund	18	-	459,510	-	459,510	500,130
<i>Restricted Funds</i>						
ABS Fund	19	-	-	3,629	3,629	23,827
Education and Development Fund	19	-	-	-	-	8,386
Refit Fund	19	-	-	-	-	4,080
		239,843	459,510	3,629	702,982	684,476

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


Ocean Youth Trust (Scotland)

Balance Sheet at 31 October 2011

	Notes	£	2011 £	£	2010 £
Fixed Assets	10		459,510		500,130
Current Assets					
Debtors	11	71,951		84,283	
Stock		3,387		-	
Cash at bank and in hand		312,209		244,124	
		<u>387,547</u>		<u>328,407</u>	
Creditors: Amounts falling due within one year	12	<u>144,075</u>		<u>144,061</u>	
Net Current Assets			243,472		184,346
Net Assets			<u>702,982</u>		<u>684,476</u>
Represented by:					
Unrestricted Funds					
General	18		239,843		109,311
Designated	18		459,510		538,872
Restricted	19		3,629		36,293
			<u>702,982</u>		<u>684,476</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2008).

On behalf of the Board


M.D. MacArthur, Chairman


M.A.C. McNeill, Vice Chairman

Approved by the Board on 23 January 2012

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 2011

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 6, 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 2011

2. Grants Received

	<i>Unrestricted Funds</i>		<i>Restricted Funds</i>	2011	2010
	General	Designated		£	£
Income from Generated Funds					
Scottish Government UVS Fund	35,840	-	-	35,840	35,840
Awards for All	-	-	10,000	10,000	-
Scottish Government NVOS Fund	-	-	31,528	31,528	49,933
ASTO	-	-	13,114	13,114	24,800
41 Club	3,527	-	-	3,527	-
The Foundation of Prince William and Prince Harry	9,000	-	-	9,000	-
Other Grants	-	-	20,000	20,000	6,200
	<u>48,367</u>	<u>-</u>	<u>74,642</u>	<u>123,009</u>	<u>116,773</u>
Income from Charitable Activities					
Big Lottery Fund Grant	-	-	50,000	50,000	1,995
	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>1,995</u>

3. Charitable Activities

	Staff Costs	Direct Costs	Support Costs	2011 Total	2010 Total
	£	£	£	£	£
<i>Activity</i>					
The advancement of the education of the youth of the United Kingdom and Northern Ireland in the art of seamanship and navigation.	275,536	351,843	104,937	732,316	628,972
	<u>275,536</u>	<u>351,843</u>	<u>104,937</u>	<u>732,316</u>	<u>628,972</u>
	<i>(Note 4)</i>	<i>(Note 5)</i>	<i>(Note 6)</i>		
<i>Of which</i>					
Relating to unrestricted funds	<u>234,962</u>	<u>133,634</u>	<u>85,937</u>	<u>454,533</u>	<u>434,105</u>
Relating to designated funds	<u>-</u>	<u>81,962</u>	<u>-</u>	<u>81,962</u>	<u>51,291</u>
Relating to restricted funds	<u>40,574</u>	<u>136,227</u>	<u>19,000</u>	<u>195,801</u>	<u>143,576</u>

4. Staff Costs

	2011	2010
	£	£
Gross salaries	250,928	284,379
Employer's NIC	23,634	30,893
Pension costs	5,062	12,567
	<u>279,624</u>	<u>327,839</u>
Allocated as follows:		
Charitable activities	275,536	324,541
Governance costs	4,088	3,298
	<u>279,624</u>	<u>327,839</u>

The average number of employees was 11 (2010 - 13).
No employee received remuneration of £60,000 or more.

Ocean Youth Trust (Scotland)

Notes to the Financial Statements for the year ended 31 October 2011

5. Direct Costs

	<i>Unrestricted Funds</i>		<i>Restricted</i>	2011	2010
	General	Designated	<i>Funds</i>	£	£
Grant Assisted Berths	-	-	79,943	79,943	41,573
Volunteer Training	-	-	10,204	10,204	21,854
Vessels Maintenance and Operational Costs	132,064	81,962	46,080	260,106	146,575
Bad Debts	1,590	-	-	1,590	1,215
	133,654	81,962	136,227	351,843	211,227

6. Support Costs

	<i>Unrestricted Funds</i>		<i>Restricted</i>	2011	2010
	General	Designated	<i>Funds</i>	Total	Total
	£	£	£	£	£
Travel and Telephone Costs	31,612	-	1,995	33,607	13,404
Printing Postage and Stationery	2,257	-	-	2,257	4,513
Office Expenses	23,810	-	10,614	34,424	30,491
General Expenses	6,410	-	-	6,410	4,600
Fundraising Expenses	7,094	-	-	7,094	30,624
Marketing and Clothing	10,975	-	-	10,975	8,274
Website Development	1,979	-	6,391	8,370	-
Development	1,800	-	-	1,800	1,298
	85,937	-	19,000	104,937	93,204

7. Governance Costs

	<i>Unrestricted Funds</i>		<i>Restricted</i>	2011	2010
	General	Designated	<i>Funds</i>	Total	Total
	£	£	£	£	£
Salaries (Note 4)	4,088	-	-	4,088	3,298
Legal and Professional Costs	15	-	-	15	1,500
Auditors' Remuneration	2,700	-	-	2,700	2,800
Auditors' Remuneration for non audit work	3,200	-	-	3,200	325
Bank Charges	1,890	-	-	1,890	1,082
	11,893	-	-	11,893	9,005

8. Other Resources Expended

	<i>Unrestricted Funds</i>		<i>Restricted</i>	2011	2010
	General	Designated	<i>Funds</i>	Total	Total
	£	£	£	£	£
Depreciation (Note 10)	-	46,908	-	46,908	45,896

Ocean Youth Trust (Scotland)

Notes to the Financial Statements for the year ended 31 October 2011

9. Surplus/(deficit)

	2011	2010
	£	£
The surplus/(deficit) is stated after charging:-		
Depreciation of fixed assets	46,908	45,896
Auditors' remuneration		
Audit Work	2,700	2,800
Non Audit Work	3,200	325
Directors' remuneration (salary, employer's nic and pension contributions)	42,719	-
	<u>46,908</u>	<u>45,896</u>

10. Fixed Assets

	Motor Vehicles	Vessels	Other Equipment	Office Equipment	Total
	£	£	£	£	£
<i>Cost</i>					
As at 1 November 2010	7,167	649,634	11,805	12,719	681,325
Additions	-	-	678	5,610	6,288
At 31 October 2011	<u>7,167</u>	<u>649,634</u>	<u>12,483</u>	<u>18,329</u>	<u>687,613</u>
<i>Depreciation</i>					
As at 1 November 2010	4,144	157,888	10,342	8,821	181,195
Charge for year	756	43,189	585	2,378	46,908
At 31 October 2011	<u>4,900</u>	<u>201,077</u>	<u>10,927</u>	<u>11,199</u>	<u>228,103</u>
<i>Net Book Value</i>					
At 31 October 2011	<u>2,267</u>	<u>448,557</u>	<u>1,556</u>	<u>7,130</u>	<u>459,510</u>
At 31 October 2010	<u>3,023</u>	<u>491,746</u>	<u>1,463</u>	<u>3,898</u>	<u>500,130</u>

11. Debtors: Amounts falling due within one year

	2011	2010
	£	£
Trade Debtors - voyage fees in advance	28,470	64,266
Amounts Held By Support Groups	5,137	7,655
Prepayments and Accrued Income	30,013	4,195
PAYE Refund	-	2,117
VAT	8,331	6,050
	<u>71,951</u>	<u>84,283</u>

Ocean Youth Trust (Scotland)

Notes to the Financial Statements for the year ended 31 October 2011

12. Creditors: Amounts falling due within one year

	2011	2010
	£	£
Trade Creditors	12,604	17,252
Accruals	5,502	8,124
VISA	4,728	5,274
PAYE/NIC	5,990	6,366
Voyage Fee Creditor	75,543	83,832
Deferred Income	39,708	23,313
Pension Liability	-	(100)
	<u>144,075</u>	<u>144,061</u>

13. 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 2011, there were 267 members (2010 - 150 members).

14. Analysis of Net Assets by Funds

	Unrestricted		Restricted	Total
	General	Designated		
	£	£	£	£
Fixed Assets	-	459,510	-	459,510
Current Assets				
Debtors	71,001	-	950	71,951
Cash at bank and in hand	268,793	-	43,416	312,209
Creditors < 1 year				
Trade Creditors	(11,405)	-	(1,199)	(12,604)
Accruals	(5,502)	-	-	(5,502)
VISA	(4,728)	-	-	(4,728)
PAYE/NIC	(5,990)	-	-	(5,990)
Voyage Fee Creditor	(75,713)	-	170	(75,543)
Deferred Income	-	-	(39,708)	(39,708)
Pension Liability	-	-	-	-
Net Assets	<u>239,843</u>	<u>459,510</u>	<u>3,629</u>	<u>702,982</u>

15. Fund Transfers

	Unrestricted		Restricted
	General	Designated	
	£	£	£
Transfer of equipment additions	(6,288)	6,288	-
Vessel maintenance and operational expenditure funded by general fund	(43,220)	43,220	-
General Fund expenditure met by ABS Fund	18,845	-	(18,845)
General Fund expenditure met by Big Lottery Fund Grant	9,250	-	(9,250)
	<u>(21,413)</u>	<u>49,508</u>	<u>(28,095)</u>

16. Directors' / Trustees' Remuneration and Expenses

During the year Malcolm MacArthur was reimbursed with £61 of expenses (2010 - nil), Nick Pilbeam was reimbursed with £517 of expenses (2010 - nil), Robbie Wishart was reimbursed with £85 of expenses (2010 - nil) and Simon Fraser was not reimbursed with any expenses (2010 - £142).

17. Taxation

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

Ocean Youth Trust (Scotland)

Notes to the Financial Statements for the year ended 31 October 2011

18. Unrestricted Funds

	Balance at 01.11.10 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31.10.11 £
General Fund	109,311	618,391	(466,446)	(21,413)	239,843
<i>Designated Funds</i>					
Vessel Maintenance Fund	38,742	-	(81,962)	43,220	-
Designated Assets Fund	500,130	-	(46,908)	6,288	459,510
Total Unrestricted Funds	648,183	618,391	(595,316)	28,095	699,353

Explanation of funds

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.

The Vessel Maintenance 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.

19. Restricted Funds

	Balance at 01.11.10 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31.10.11 £
ABS Fund	23,827	35,340	(36,693)	(18,845)	3,629
Big Lottery Fund Grant Fund	-	50,000	(40,750)	(9,250)	-
Education and Development Fund	8,386	13,000	(21,386)	-	-
Volunteer Development Fund	-	50,778	(50,778)	-	-
ASTO	-	13,114	(13,114)	-	-
Refit Fund	4,080	29,000	(33,080)	-	-
	36,293	191,232	(195,801)	(28,095)	3,629

Explanation of funds

ABS Fund comprises funds given for purpose of providing financial assistance for places on voyages.

Big Lottery Fund Grant Fund comprises funds received to enable young people with additional support needs the opportunity to participate in the 'Sea Change in Young People' youth development programme.

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

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

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

Refit Fund comprises funds received specifically for the maintenance of the fleet.

20. APB Ethical Standard - Provisions Available for Smaller 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.

21. 2010 Restated Figures

After the 2010 accounts were finalised it was discovered that 6 voyages which happened in November 2010 were incorrectly included as income in the 2009 accounts. The figures have been restated to account for this error.