

REGISTERED COMPANY NUMBER: SC193204 (Scotland)
REGISTERED CHARITY NUMBER: SC029531

OCEAN YOUTH TRUST (SCOTLAND)
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2019

OCEAN YOUTH TRUST (SCOTLAND)
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 4
Report of the Independent Auditors	5 to 6
Statement of Financial Activities	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Financial Statements	10 to 23
Detailed Statement of Financial Activities	24 to 25

OCEAN YOUTH TRUST (SCOTLAND)
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2019

TRUSTEES

D J Anderson (Chairman)
M A McNeill (Treasurer)
G B Fisher
N S Fleming
S D M McGonigle (resigned 2/11/2018)
D C McKay (resigned 31/5/2018)
B Robertson
S A Young
R H Philips
H M Prince (resigned 18/9/2018)
L J Aitkenhead (resigned 12/6/2018)
O Bennett (appointed 2/11/2018)
S Marshall (appointed 2/11/2018)
D Murray (appointed 2/11/2018)
S Robertson (appointed 2/11/2018)
J Walbaum (appointed 2/11/2018)

REGISTERED OFFICE

Victoria House
5 East Blackhall Street
GREENOCK
PA15 1HD

REGISTERED COMPANY NUMBER SC193204 (Scotland)

REGISTERED CHARITY NUMBER SC029531

AUDITORS

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

OCEAN YOUTH TRUST (SCOTLAND)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

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 2019. 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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.

Achievements and performance

2018 was a highly successful year for Ocean Youth Trust Scotland. The Trust inspired 824 young people aged 12-25 (785 in 2017) who sailed on 71 youth voyages (74 in 2017) and 26 training voyages for young sea staff volunteers (19 in 2017). These young people completed a total of 799 RYA qualifications (759 in 2017).

The On Course with CashBack Programme, now in its second year of Phase 4 funding continued to be a huge success in 2018 with 114 disadvantaged young people (108 in 2017) from 12 groups covering 9 local authorities across Scotland. These young people completed the programme and gained 1,026 SQA Level 3 qualifications (972 in 2017). In addition these young people completed a total of 11,400 hours (10,800 in 2017) towards the Young Scot Saltire Award Scheme.

Our wonderful volunteers contributed over 27,000 hours of voluntary work in a wide range of roles ashore and afloat gaining a total of 188 RYA qualifications.

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. Without this support, the Trust would be unable to keep its boats in such good condition, or indeed support so many young people from diverse communities and backgrounds. The Trust wishes to thank all those who have generously supported us.

The principal funding sources for the charity during 2018-19 were grants and donations from:

Our Patrons Curly and Barbara Mills

The crews and sponsors of our sailing events

Ocean Youth Trust Scotland Shore Groups

The Scottish Government: CashBack for Communities

Youthlink Scotland

The Merchants House of Glasgow

Glasgow Airport FlightPath Fund

Association of Sail Training Organisations

BBC Children in Need

Garfield Weston Foundation

Hugh Fraser Foundation

RYA Foundation

KPMG

The Worshipful Company of Shipwrights

The John Scott Charitable Trust

Joan Braithwaite Charitable Trust

St James' Place Charitable Foundation

The Robertson Trust

Trades House of Glasgow Commonweal Fund

The Gannochy Trust

The Big Lottery Fund

Awards for All

Whirlwind Trust

OCEAN YOUTH TRUST (SCOTLAND)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL REVIEW
RESERVES POLICY

The Trust's policy is to maintain a level of unrestricted reserves equivalent to three months' operating costs, excluding depreciation. At £189,024 our General Reserves meet that objective. Depreciation is charged against assets already capitalised, and these Designated Reserves stand at £216,519. The balance of our Reserves are held in a Vessel Replacement Fund, and this year that has increased to £514,151. There are no restricted fund balances at 31st March 2019.

FINANCIAL REVIEW

The Statement of Financial Activities on page 7 shows a surplus of Income over Expenditure for the year of £30,932 (2018: £12,836).

Our total reserves stand at £919,694 (2018: £888,762) of which £216,519 (2018: £222,180) is represented by the value of our boats and other assets. The General Fund balance stands at £189,024 (2018: £178,307), and the Vessel Replacement Fund has increased to £514,151.

FUTURE PLANS

In 2019 the Trust will continue to offer a range of structured, themed and accredited voyages delivering targeted outcomes for our various client groups. Our programme will deliver 75 voyages, taking around 800 young people to sea from a diverse range of backgrounds and abilities. The safety and wellbeing of young people and crew will remain our top priority.

Our volunteers are absolutely key to the continuing success of the organisation, and we will continue to support and train them with the hard and soft skills that are required. This will be done by dedicating weekends on our large boats, command experience and RYA courses on Alba Volunteer, and at our annual seminar in Stirling next March.

Alba Explorer had a major refit over the winter of 2018/19, and Alba Venturer will receive the same attention and exhaustive refit after the end of the coming season. We will continue to invest in our fleet of vessels, ensuring they remain seaworthy, fit for purpose, and fully compliant with all relevant legislation.

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 Chief Executive. 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 the major risks faced by the Charity on a regular basis - financial, operational and business. From the review the trustees continue to update and establish procedures to mitigate the risks identified as a result of this review.

OCEAN YOUTH TRUST (SCOTLAND)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

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.

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:

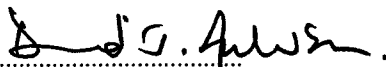
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 18 September 2019 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 2019 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 2019 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 23 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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.

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

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 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 (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, 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.

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.

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.

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

William Vernal

William Vernal BA 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

Date: 18 September 2019

OCEAN YOUTH TRUST (SCOTLAND)

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2019**

				2019	2018	
	Notes	Designated £	Unrestricted £	Restricted £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	-	45,387	388,407	433,794	410,910
Charitable activities	5					
Education and personal development of young people		-	359,043	39,310	398,353	389,137
Other trading activities	3	-	59,113	4,414	63,527	70,845
Investment income	4	-	9,918	-	9,918	2,397
Total		-	473,461	432,131	905,592	873,289
EXPENDITURE ON						
Raising funds	6	-	2,300	-	2,300	-
Charitable activities	7					
Education and personal development of young people		-	437,729	432,131	869,860	850,305
Other	10	6,400	-	-	6,400	10,148
Total		6,400	440,029	432,131	878,560	860,453
Net gains/(losses) on investments		-	3,900	-	3,900	-
NET INCOME/(EXPENDITURE)		(6,400)	37,332	-	30,932	12,836
Transfers between funds	21	26,615	(26,615)	-	-	-
Net movement in funds		20,215	10,717	-	30,932	12,836
RECONCILIATION OF FUNDS						
Total funds brought forward		710,455	178,307	-	888,762	875,926
TOTAL FUNDS CARRIED FORWARD		<u>730,670</u>	<u>189,024</u>	<u>-</u>	<u>919,694</u>	<u>888,762</u>

The notes form part of these financial statements

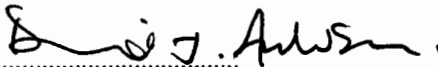
OCEAN YOUTH TRUST (SCOTLAND)

**BALANCE SHEET
AT 31 MARCH 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	15	216,519	222,180
Investments	16	<u>380,368</u>	<u>-</u>
		596,887	222,180
 CURRENT ASSETS			
Debtors	17	79,034	80,244
Cash at bank	18	<u>516,848</u>	<u>879,433</u>
		595,882	959,677
 CREDITORS			
Amounts falling due within one year	19	<u>(273,075)</u>	<u>(293,095)</u>
 NET CURRENT ASSETS		<u>322,807</u>	<u>666,582</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		919,694	888,762
 NET ASSETS		<u>919,694</u>	<u>888,762</u>
 FUNDS	21		
Unrestricted funds:			
General fund		189,024	178,307
Designated Assets Fund		216,519	222,180
Vessel Replacement Fund		<u>514,151</u>	<u>488,275</u>
		919,694	888,762
Restricted funds:		<u>-</u>	<u>-</u>
 TOTAL FUNDS		<u>919,694</u>	<u>888,762</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 on 18 September 2019 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 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	25	<u>4,704</u>	<u>39,839</u>
Net cash provided by (used in) operating activities		<u>4,704</u>	<u>39,839</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(739)	(549)
Purchase of fixed asset investments		(415,274)	-
Sale of fixed asset investments		38,806	-
Interest received		2,419	2,397
Dividends received		<u>7,499</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(367,289)</u>	<u>1,848</u>
 Change in cash and cash equivalents in the reporting period		<u>(362,585)</u>	<u>41,687</u>
Cash and cash equivalents at the beginning of the reporting period		<u>879,433</u>	<u>837,746</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>516,848</u></u>	<u><u>879,433</u></u>

The notes form part of these financial statements

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 2015)', 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 2019 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 the cost less estimated residual value of each asset over its estimated useful life.

Vessels	- 15% on cost and 5% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Vessel values have been reviewed, and the residual value of the two large vessels is considered to be greater than stated in the balance sheet. As a result there is a £nil depreciation charge in the year to 31st March 2019 for these two vessels. This will be kept under review on an annual basis.

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES - continued

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 2019

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 2019**

2. DONATIONS AND LEGACIES

	2019	2018
	£	£
Donations	28,529	59,554
Gift aid	7,526	9,709
Scottish Government NVOS Fund administered by Youthlink	30,000	27,450
ASTO	16,865	18,068
Other Grants	125,526	83,473
ABS and Delivery Costs Fund	147,348	135,656
Scottish Government Cashback for Communities	<u>78,000</u>	<u>77,000</u>
	<u>433,794</u>	<u>410,910</u>

3. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Fundraising events	14,769	26,441
Other income	<u>48,758</u>	<u>44,404</u>
	<u>63,527</u>	<u>70,845</u>

4. INVESTMENT INCOME

	2019	2018
	£	£
Investment income	7,499	-
Deposit account interest	<u>2,419</u>	<u>2,397</u>
	<u>9,918</u>	<u>2,397</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		2019	2018
	Activity	£	£
Donations	Education and personal development of young people	40,360	37,415
Voyage Fees	Education and personal development of young people	<u>357,993</u>	<u>351,722</u>
		<u>398,353</u>	<u>389,137</u>

6. RAISING FUNDS

Investment management costs

	2019	2018
	£	£
Portfolio management	<u>2,300</u>	<u>-</u>

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8) £	Support costs (See note 9) £	Totals £
Education and personal development of young people	<u>774,715</u>	<u>95,145</u>	<u>869,860</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019 £	2018 £
Staff costs	396,153	415,651
Grant Assisted Berths	68,100	66,890
Volunteer Training	23,357	17,561
Vessels Maintenance and Operational Costs	216,850	186,940
Assisted Berth Scheme funded by Cashback for Communities	<u>70,255</u>	<u>68,452</u>
	<u>774,715</u>	<u>755,494</u>

9. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Education and personal development of young people	<u>81,020</u>	<u>14,125</u>	<u>95,145</u>

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

Other

	2019 Education and personal development of young people £	2018 Total activities £
Travel and Telephone Costs	13,667	10,632
Print, Postage and Stationery	3,371	2,043
Office Expenses	37,890	36,898
General Expenses	7,392	8,387
Fundraising Expenses	5,501	6,249
Marketing	3,149	3,122
Website Development	456	456
Development	<u>9,594</u>	<u>9,711</u>
	<u>81,020</u>	<u>77,498</u>

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

9. SUPPORT COSTS - continued

Governance costs

	2019	2018
	Education and personal development of young people	Total activities
	£	£
Wages	8,268	8,378
Auditors' remuneration	3,200	3,200
Auditors' remuneration for non audit work	350	950
Bank charges	2,307	1,857
Legal and professional fees	<u>-</u>	<u>2,928</u>
	<u>14,125</u>	<u>17,313</u>

10. OTHER

	2019	2018
	£	£
Depreciation	<u>6,400</u>	<u>10,148</u>

11. NET INCOME/(EXPENDITURE)

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

	2019	2018
	£	£
Auditors' remuneration	3,200	3,200
Auditors' remuneration for non audit work	350	950
Depreciation - owned assets	6,400	10,148
Trustees' remuneration	<u>67,779</u>	<u>67,749</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

During the year, two Trustees received remuneration under contracts of employment with the company (2018: two). No Trustee received remuneration in respect of their duties as Trustees.

Trustees' expenses

During the year, expenses totalling £198 were reimbursed to one trustee (2018: expenses totalling £440 were reimbursed to two trustees).

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

13. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	360,378	378,277
Social security costs	29,767	30,587
Other pension costs	<u>14,276</u>	<u>15,165</u>
	<u>404,421</u>	<u>424,029</u>

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

The average monthly number of employees during the year was 13.5 (2018: 14.1).

Remuneration and benefits received by key management personnel totalled £120,225 (2018: £115,009).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Designated £	Unrestricted £	Restricted £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	-	100,334	310,576	410,910
Charitable activities				
Education and personal development of young people	-	352,872	36,265	389,137
Other trading activities	-	70,845	-	70,845
Investment income	<u>-</u>	<u>2,397</u>	<u>-</u>	<u>2,397</u>
Total	-	526,448	346,841	873,289
 EXPENDITURE ON				
Charitable activities				
Education and personal development of young people	-	452,482	397,823	850,305
Other	<u>10,148</u>	<u>-</u>	<u>-</u>	<u>10,148</u>
Total	<u>10,148</u>	<u>452,482</u>	<u>397,823</u>	<u>860,453</u>
 NET INCOME/(EXPENDITURE)	(10,148)	73,966	(50,982)	12,836
 Transfers between funds	<u>21,824</u>	<u>(72,806)</u>	<u>50,982</u>	<u>-</u>
 Net movement in funds	11,676	1,160	-	12,836

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Designated £	Unrestricted £	Restricted £	Total funds £
RECONCILIATION OF FUNDS				
Total funds brought forward	698,779	177,147	-	875,926
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u><u>710,455</u></u>	<u><u>178,307</u></u>	<u><u>-</u></u>	<u><u>888,762</u></u>

15. TANGIBLE FIXED ASSETS

	Vessels £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2018	436,134	10,840	15,489	61,155	523,618
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>739</u>	<u>739</u>
At 31 March 2019	<u>436,134</u>	<u>10,840</u>	<u>15,489</u>	<u>61,894</u>	<u>524,357</u>
DEPRECIATION					
At 1 April 2018	217,803	10,429	13,357	59,849	301,438
Charge for year	<u>4,867</u>	<u>259</u>	<u>534</u>	<u>740</u>	<u>6,400</u>
At 31 March 2019	<u>222,670</u>	<u>10,688</u>	<u>13,891</u>	<u>60,589</u>	<u>307,838</u>
NET BOOK VALUE					
At 31 March 2019	<u>213,464</u>	<u>152</u>	<u>1,598</u>	<u>1,305</u>	<u>216,519</u>
At 31 March 2018	<u>218,331</u>	<u>411</u>	<u>2,132</u>	<u>1,306</u>	<u>222,180</u>

16. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
Additions	415,274
Disposals	(39,848)
Revaluations	<u>4,942</u>
At 31 March 2019	<u>380,368</u>
NET BOOK VALUE	
At 31 March 2019	<u>380,368</u>
At 31 March 2018	<u>-</u>

The historic cost of investments held at 31 March 2019 is £375,426.

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	652	625
Amounts held by support groups	10,447	7,025
VAT	11,916	12,320
Prepayments and accrued income	<u>56,019</u>	<u>60,274</u>
	<u>79,034</u>	<u>80,244</u>

18. CASH AT BANK

		2019	2018
	General fund	Vessel Replacement Fund	Total funds
	£	£	£
Cash held at bank and in hand	363,934	133,783	497,717
Cash held by investment managers	<u>19,131</u>	<u>-</u>	<u>19,131</u>
Total	<u>383,065</u>	<u>133,783</u>	<u>516,848</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	17,038	30,905
Social security and other taxes	8,557	8,483
VISA	5,872	5,426
Pension Contributions Payable	2,474	1,965
Accrued expenses	6,732	9,392
Deferred income	146,791	124,081
Voyage Fee Creditor	<u>85,611</u>	<u>112,843</u>
	<u>273,075</u>	<u>293,095</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

			2019	2018
	Designated	Unrestricted	Restricted	Total funds
	£	£	£	£
Fixed assets	216,519	-	-	216,519
Investments	380,368	-	-	380,368
Current assets	133,783	462,099	-	595,882
Current liabilities	<u>-</u>	<u>(273,075)</u>	<u>-</u>	<u>(273,075)</u>
	<u>730,670</u>	<u>189,024</u>	<u>-</u>	<u>919,694</u>
				<u>888,762</u>

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

21. MOVEMENT IN FUNDS

	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted funds				
General fund	178,307	37,332	(26,615)	189,024
Designated Assets Fund	222,180	(6,400)	739	216,519
Vessel Replacement Fund	<u>488,275</u>	<u>-</u>	<u>25,876</u>	<u>514,151</u>
	888,762	30,932	-	919,694
	<u>888,762</u>	<u>30,932</u>	<u>-</u>	<u>919,694</u>
TOTAL FUNDS				

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	473,461	(440,029)	3,900	37,332
Designated Assets Fund	<u>-</u>	<u>(6,400)</u>	<u>-</u>	<u>(6,400)</u>
	473,461	(446,429)	3,900	30,932
Restricted funds				
ABS and Delivery Costs Fund	186,658	(186,658)	-	-
Volunteer Development Fund	34,414	(34,414)	-	-
ASTO	16,865	(16,865)	-	-
Salaries Fund	41,574	(41,574)	-	-
Refit Fund	74,620	(74,620)	-	-
Cashback for Communities Fund	<u>78,000</u>	<u>(78,000)</u>	<u>-</u>	<u>-</u>
	432,131	(432,131)	-	-
	<u>905,592</u>	<u>(878,560)</u>	<u>3,900</u>	<u>30,932</u>
TOTAL FUNDS				

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/18 £
Unrestricted Funds				
General fund	177,147	73,966	(72,806)	178,307
Designated Assets Fund	231,779	(10,148)	549	222,180
Vessel Replacement Fund	<u>467,000</u>	<u>-</u>	<u>21,275</u>	<u>488,275</u>
	875,926	63,818	(50,982)	888,762
Restricted Funds				
Refit Fund	-	(49,048)	49,048	-
Cashback for Communities Fund	<u>-</u>	<u>(1,934)</u>	<u>1,934</u>	<u>-</u>
	-	(50,982)	50,982	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>875,926</u>	<u>12,836</u>	<u>-</u>	<u>888,762</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	526,448	(452,482)	73,966
Designated Assets Fund	<u>-</u>	<u>(10,148)</u>	<u>(10,148)</u>
	526,448	(462,630)	63,818
Restricted funds			
ABS and Delivery Costs Fund	171,921	(171,921)	-
Volunteer Development Fund	27,450	(27,450)	-
ASTO	18,068	(18,068)	-
Salaries Fund	30,502	(30,502)	-
Refit Fund	21,900	(70,948)	(49,048)
Cashback for Communities Fund	<u>77,000</u>	<u>(78,934)</u>	<u>(1,934)</u>
	346,841	(397,823)	(50,982)
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>873,289</u>	<u>(860,453)</u>	<u>12,836</u>

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019

21. MOVEMENT IN FUNDS - continued

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

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted funds				
General fund	177,147	111,298	(99,421)	189,024
Designated Assets Fund	231,779	(16,548)	1,288	216,519
Vessel Replacement Fund	467,000	-	47,151	514,151
Restricted funds				
Refit Fund	-	(49,048)	49,048	-
Cashback for Communities Fund	-	(1,934)	1,934	-
	-	(50,982)	50,982	-
TOTAL FUNDS	<u>875,926</u>	<u>43,768</u>	<u>-</u>	<u>919,694</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	999,909	(892,511)	3,900	111,298
Designated Assets Fund	-	(16,548)	-	(16,548)
	999,909	(909,059)	3,900	94,750
Restricted funds				
ABS and Delivery Costs Fund	358,579	(358,579)	-	-
Volunteer Development Fund	61,864	(61,864)	-	-
ASTO	34,933	(34,933)	-	-
Salaries Fund	72,076	(72,076)	-	-
Refit Fund	96,520	(145,568)	-	(49,048)
Cashback for Communities Fund	155,000	(156,934)	-	(1,934)
	778,972	(829,954)	-	(50,982)
TOTAL FUNDS	<u>1,778,881</u>	<u>(1,739,013)</u>	<u>3,900</u>	<u>43,768</u>

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

21. MOVEMENT IN FUNDS - continued

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 Replacement Fund represents the amount held in preparation for the replacement of a vessel in the early to 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 2019, the trustees transferred a further £25,876 (2018: £21,275) from unrestricted funds to the Vessel Replacement Fund.

Transfers from general funds to the Refit Fund and the Cashback for Communities Fund were made in the year ended 31 March 2018 in order to remove deficits that had arisen on these funds due to the level of expenditure in that year.

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2019.

23. APB 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.

24. 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 2019 there were 302 members (2018: 297 members).

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019

25. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	30,932	12,836
Adjustments for:		
Depreciation charges	6,400	10,148
Interest received	(2,419)	(2,397)
Dividends received	(7,499)	-
Gain on investments	(3,900)	-
Decrease in stocks	-	16,200
Decrease in debtors	1,210	14,737
Decrease in creditors	<u>(20,020)</u>	<u>(11,685)</u>
Net cash provided by (used in) operating activities	<u>4,704</u>	<u>39,839</u>

OCEAN YOUTH TRUST (SCOTLAND)

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	£	£
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	28,529	59,554
Gift aid	7,526	9,709
Scottish Government NVOS Fund administered by Youthlink	30,000	27,450
ASTO	16,865	18,068
Other Grants	125,526	83,473
ABS and Delivery Costs Fund	147,348	135,656
Scottish Government Cashback for Communities	<u>78,000</u>	<u>77,000</u>
	433,794	410,910
Other trading activities		
Fundraising events	14,769	26,441
Other income	<u>48,758</u>	<u>44,404</u>
	63,527	70,845
Investment income		
Investment income	7,499	-
Deposit account interest	<u>2,419</u>	<u>2,397</u>
	9,918	2,397
Charitable activities		
Donations	40,360	37,415
Voyage Fees	<u>357,993</u>	<u>351,722</u>
	<u>398,353</u>	<u>389,137</u>
Total incoming resources	905,592	873,289
EXPENDITURE		
Investment management costs		
Portfolio management	2,300	-
Charitable activities		
Wages	352,110	369,899
Social security	29,767	30,587
Pensions	14,276	15,165
Grant Assisted Berths	68,100	66,890
Volunteer Training	23,357	17,561
Vessels Maintenance and Operational Costs	216,850	186,940
Assisted Berth Scheme funded by Cashback for Communities	<u>70,255</u>	<u>68,452</u>
	774,715	755,494

This page does not form part of the statutory financial statements

OCEAN YOUTH TRUST (SCOTLAND)

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	£	£
Other		
Plant and machinery	4,866	3,049
Fixtures and fittings	259	259
Motor vehicles	535	713
Computer equipment	<u>740</u>	<u>6,127</u>
	6,400	10,148
Support costs		
Other		
Travel and Telephone Costs	13,667	10,632
Print, Postage and Stationery	3,371	2,043
Office Expenses	37,890	36,898
General Expenses	7,392	8,387
Fundraising Expenses	5,501	6,249
Marketing	3,149	3,122
Website Development	456	456
Development	<u>9,594</u>	<u>9,711</u>
	81,020	77,498
Governance costs		
Wages	8,268	8,378
Auditors' remuneration	3,200	3,200
Auditors' remuneration for non audit work	350	950
Bank charges	2,307	1,857
Legal and professional fees	<u>-</u>	<u>2,928</u>
	<u>14,125</u>	<u>17,313</u>
Total resources expended	878,560	860,453
	<u>27,032</u>	<u>12,836</u>
Net income		

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