

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

OCEAN YOUTH TRUST (SCOTLAND)
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

OCEAN YOUTH TRUST (SCOTLAND)

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FOR THE YEAR ENDED 31 MARCH 2020**

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OCEAN YOUTH TRUST (SCOTLAND)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2020**

TRUSTEES	D J Anderson (Chairman) M A McNeill (Treasurer) G B Fisher N S Fleming B Robertson S A Young (resigned 22/11/2019) R H Philips (resigned 22/11/2019) O Bennett S Marshall D Murray MBE S Robertson J Walbaum J E F Stearn (appointed 22/11/2019) A B M Stone (appointed 22/11/2019)
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)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

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 2020. 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

2019 was a highly successful year for Ocean Youth Trust Scotland. The Trust inspired 755 young people aged 12-25 (824 in 2018) who sailed on 71 youth voyages (71 in 2018). These young people completed a total of 735 RYA qualifications (799 in 2017). The Trust also delivered 27 training voyages for young sea staff volunteers (26 in 2018).

The On Course with CashBack Programme, now in its third year of Phase 4 funding, continued to be a huge success in 2019. 105 disadvantaged young people (114 in 2018) from 12 groups covering 12 local authorities across Scotland sailed with the Trust. These young people completed the programme and gained 945 SQA Level 3 qualifications (1026 in 2018). In addition, they completed a total of 10,500 hours (11,400 in 2018) towards the Young Scot Saltire Award Scheme.

In total our wonderful volunteers contributed over 47,500 hours of voluntary work in a wide range of roles ashore and afloat gaining a total of 60 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. 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 2019-20 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
Hugh Fraser Foundation
The Beatrice Foundation
Ponton House
KPMG
Wooden Spoon
The Worshipful Company of Shipwrights

OCEAN YOUTH TRUST (SCOTLAND)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

FINANCIAL REVIEW

PRINCIPAL FUNDING SOURCES

The John Scott Charitable Trust
The Robertson Trust
Trades House of Glasgow Commonweal Fund
The Gannochy Trust
Awards for All
The Big Lottery
The Volant Trust
STV Children's Lottery

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 £198,194. The balance of our Reserves is held in a Vessel Replacement Fund, and this year that has increased to £605,899. There are no restricted fund balances as at 31st March 2020.

FINANCIAL REVIEW

The Statement of Financial Activities on page 8 shows a surplus of Income over Expenditure for the year of £73,423 (2019: £30,932). This is after accounting for a loss on investments of £24,753 (2019: gain of £3,900).

Our total reserves stand at £993,117 (2019: £919,694) of which £198,194 (2019: £216,519) 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 £605,899 (2019: £514,151).

The notes to the Financial Statements from page 11 onwards provide more detailed information on total income and expenditure during the year.

FUTURE PLANS

Since the end of our financial year a lot has changed due to the Covid-19 Pandemic. After a hugely successful 2019 we were looking ahead to another great year for the Trust. Bookings were strong and the Trust had been successful in securing funding from Scottish Government for Phase 5 of the CashBack for Communities programme.

While we have not been able to work on the water at all in 2020, we have been making every effort to safeguard the future of the charity. Statistics showed that in lockdown young people were worried about their mental health and wellbeing. When restrictions are lifted the structured youthwork we provide will be more important than ever, and we look forward to kinder times in 2021 when we can return to sea.

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.

OCEAN YOUTH TRUST (SCOTLAND)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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 21 January 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 2020 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 2020 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

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.

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.

Our responsibilities for the audit of the financial statements

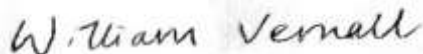
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is 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.

**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.



William Vernall 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: 21 January 2021

OCEAN YOUTH TRUST (SCOTLAND)

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Designated £	Unrestricted £	Restricted £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	-	114,581	401,629	516,210	433,794
Charitable activities						
Education and personal development of young people	5	-	375,936	1,467	377,403	398,353
Other trading activities	3	-	70,503	-	70,503	63,527
Investment income	4	-	<u>12,762</u>	-	<u>12,762</u>	<u>9,918</u>
Total		-	573,782	403,096	976,878	905,592
EXPENDITURE ON						
Raising funds	6	-	2,914	-	2,914	2,300
Charitable activities						
Education and personal development of young people	7	-	445,515	403,096	848,611	869,860
Other	10	<u>27,177</u>	-	-	<u>27,177</u>	<u>6,400</u>
Total		27,177	448,429	403,096	878,702	878,560
Net gains/(losses) on investments		-	<u>(24,753)</u>	-	<u>(24,753)</u>	<u>3,900</u>
NET INCOME/(EXPENDITURE)		(27,177)	100,600	-	73,423	30,932
Transfers between funds	22	<u>100,600</u>	<u>(100,600)</u>	-	-	-
Net movement in funds		73,423	-	-	73,423	30,932
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>730,670</u>	<u>189,024</u>	-	<u>919,694</u>	<u>888,762</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>804,093</u></u>	<u><u>189,024</u></u>	<u><u>-</u></u>	<u><u>993,117</u></u>	<u><u>919,694</u></u>

The notes form part of these financial statements

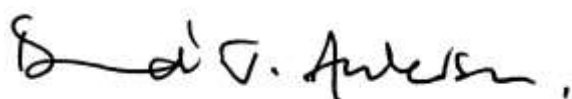
OCEAN YOUTH TRUST (SCOTLAND)

**BALANCE SHEET
31 MARCH 2020**

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	15	198,194	216,519
Investments	16	<u>339,692</u>	<u>380,368</u>
		537,886	596,887
CURRENT ASSETS			
Stocks	17	9,000	-
Debtors	18	52,607	79,034
Cash at bank	19	<u>692,983</u>	<u>516,848</u>
		754,590	595,882
CREDITORS			
Amounts falling due within one year	20	(299,359)	(273,075)
		<u>455,231</u>	<u>322,807</u>
NET CURRENT ASSETS			
		993,117	919,694
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>993,117</u>	<u>919,694</u>
NET ASSETS			
		<u>993,117</u>	<u>919,694</u>
FUNDS			
Unrestricted funds:			
General fund		189,024	189,024
Designated Assets Fund		198,194	216,519
Vessel Replacement Fund		<u>605,899</u>	<u>514,151</u>
		993,117	919,694
TOTAL FUNDS			
		<u>993,117</u>	<u>919,694</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 21 January 2021 and were signed on its behalf by:



.....
D J Anderson (Chairman) - Trustee

OCEAN YOUTH TRUST (SCOTLAND)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	25	<u>156,302</u>	<u>4,704</u>
Net cash provided by operating activities		<u>156,302</u>	<u>4,704</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(23,858)	(739)
Purchase of fixed asset investments		(112,929)	(415,274)
Sale of tangible fixed assets		15,006	-
Sale of fixed asset investments		128,852	38,806
Interest received		3,050	2,419
Dividends received		<u>9,712</u>	<u>7,499</u>
Net cash provided by/(used in) investing activities		<u>19,833</u>	<u>(367,289)</u>
Change in cash and cash equivalents in the reporting period		<u>176,135</u>	<u>(362,585)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>516,848</u>	<u>879,433</u>
Cash and cash equivalents at the end of the reporting period		<u><u>692,983</u></u>	<u><u>516,848</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 2020

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 2020

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 2020

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 2020**

2. DONATIONS AND LEGACIES		2020	2019
		£	£
Donations		46,214	28,529
Gift aid		5,359	7,526
Scottish Government NVOS Fund administered by Youthlink		26,988	30,000
ASTO		16,249	16,865
Other Grants		167,321	125,526
ABS and Delivery Costs Fund		175,079	147,348
Scottish Government Cashback for Communities		<u>79,000</u>	<u>78,000</u>
		<u>516,210</u>	<u>433,794</u>
 3. OTHER TRADING ACTIVITIES		 2020	 2019
		£	£
Fundraising events		33,237	14,769
Other income		<u>37,266</u>	<u>48,758</u>
		<u>70,503</u>	<u>63,527</u>
 4. INVESTMENT INCOME		 2020	 2019
		£	£
Investment income		9,712	7,499
Deposit account interest		<u>3,050</u>	<u>2,419</u>
		<u>12,762</u>	<u>9,918</u>
 5. INCOME FROM CHARITABLE ACTIVITIES		 2020	 2019
	Activity	£	£
Donations	Education and personal development of young people	22,998	40,360
Voyage Fees	Education and personal development of young people	<u>354,405</u>	<u>357,993</u>
		<u>377,403</u>	<u>398,353</u>

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

6. RAISING FUNDS

Investment management costs

	2020 £	2019 £
Portfolio management	<u>2,914</u>	<u>2,300</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Education and personal development of young people	<u>718,049</u>	<u>130,562</u>	<u>848,611</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	393,973	396,153
Grant Assisted Berths	64,865	68,100
Volunteer Training	7,237	23,357
Vessels Maintenance and Operational Costs	180,514	216,850
Assisted Berth Scheme funded by Cashback for Communities	<u>71,460</u>	<u>70,255</u>
	<u>718,049</u>	<u>774,715</u>

9. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Education and personal development of young people	<u>114,831</u>	<u>15,731</u>	<u>130,562</u>

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

Governance costs

	2020 Education and personal development of young people £	2019 Total activities £
Wages	8,102	8,268
Auditors' remuneration	3,225	3,200
Auditors' remuneration for non audit work	400	350
Bank charges	2,889	2,307
Legal and professional fees	<u>1,115</u>	<u>-</u>
	<u>15,731</u>	<u>14,125</u>

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

10. OTHER

	2020	2019
	£	£
Depreciation	<u>27,177</u>	<u>6,400</u>

11. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Auditors' remuneration	3,225	3,200
Auditors' remuneration for non audit work	400	350
Depreciation - owned assets	27,177	6,400
Trustees' remuneration	<u>63,909</u>	<u>67,779</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

During the year, two Trustees received remuneration under contracts of employment with the company (2019: two). No Trustee received remuneration in respect of their duties as Trustees.

Trustees' expenses

During the year, expenses totalling £622 were reimbursed to one trustee (2019: expenses totalling £198 were reimbursed to one trustee).

13. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	361,868	360,378
Social security costs	27,433	29,767
Other pension costs	<u>12,774</u>	<u>14,276</u>
	<u>402,075</u>	<u>404,421</u>

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

The average monthly number of employees during the year was 14.6 (2019: 13.5).

Remuneration and benefits received by key management personnel totalled £128,871 (2019: £120,225).

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

15. TANGIBLE FIXED ASSETS

	Vessels £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2019	436,134	10,840	15,489	61,894	524,357
Additions	-	-	-	23,858	23,858
Disposals	<u>(36,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,500)</u>
At 31 March 2020	<u>399,634</u>	<u>10,840</u>	<u>15,489</u>	<u>85,752</u>	<u>511,715</u>
DEPRECIATION					
At 1 April 2019	222,670	10,688	13,891	60,589	307,838
Charge for year	19,336	152	391	7,298	27,177
Eliminated on disposal	<u>(21,494)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,494)</u>
At 31 March 2020	<u>220,512</u>	<u>10,840</u>	<u>14,282</u>	<u>67,887</u>	<u>313,521</u>
NET BOOK VALUE					
At 31 March 2020	<u>179,122</u>	<u>-</u>	<u>1,207</u>	<u>17,865</u>	<u>198,194</u>
At 31 March 2019	<u>213,464</u>	<u>152</u>	<u>1,598</u>	<u>1,305</u>	<u>216,519</u>

16. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2019	380,368
Additions	112,929
Disposals	(128,852)
Revaluations	<u>(24,753)</u>
At 31 March 2020	<u>339,692</u>
NET BOOK VALUE	
At 31 March 2020	<u>339,692</u>
At 31 March 2019	<u>380,368</u>

The historic cost of investments held at 31 March 2020 is £365,409 (2019: £375,426).

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

17. STOCKS

	2020	2019
	£	£
Vessel held for resale	<u>9,000</u>	<u>-</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	747	652
Amounts held by support groups	5,454	10,447
VAT	15,078	11,916
Prepayments and accrued income	<u>31,328</u>	<u>56,019</u>
	<u>52,607</u>	<u>79,034</u>

19. CASH AT BANK

			2020	2019
	General fund	Vessel Replacement Fund	Total funds	Total funds
	£	£	£	£
Cash held at bank and in hand	54,832	605,899	660,731	497,717
Cash held by investment managers	<u>32,252</u>	<u>-</u>	<u>32,252</u>	<u>19,131</u>
Total	<u>87,084</u>	<u>605,899</u>	<u>692,983</u>	<u>516,848</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	29,894	17,038
Social security and other taxes	7,175	8,557
VISA	3,507	5,872
Pension Contributions Payable	2,348	2,474
Accrued expenses	3,200	6,732
Deferred income	149,194	146,791
Voyage Fee Creditor	<u>104,041</u>	<u>85,611</u>
	<u>299,359</u>	<u>273,075</u>

OCEAN YOUTH TRUST (SCOTLAND)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Designated £	Unrestricted £	Restricted £	2020 Total funds £	2019 Total funds £
Fixed assets	198,194	-	-	198,194	216,519
Investments	-	339,692	-	339,692	380,368
Current assets	605,899	148,691	-	754,590	595,882
Current liabilities	-	(299,359)	-	(299,359)	(273,075)
	<u>804,093</u>	<u>189,024</u>	<u>-</u>	<u>993,117</u>	<u>919,694</u>

22. 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	<u>514,151</u>	<u>-</u>	<u>91,748</u>	<u>605,899</u>
	<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>

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	<u>-</u>	<u>(27,177)</u>	<u>-</u>	<u>(27,177)</u>
	573,782	(475,606)	(24,753)	73,423
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	<u>79,000</u>	<u>(79,000)</u>	<u>-</u>	<u>-</u>
	<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 2020

22. MOVEMENT IN FUNDS - continued

Comparatives for 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	488,275	-	25,876	514,151
	<u>888,762</u>	<u>30,932</u>	<u>-</u>	<u>919,694</u>
TOTAL FUNDS	<u>888,762</u>	<u>30,932</u>	<u>-</u>	<u>919,694</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	473,461	(440,029)	3,900	37,332
Designated Assets Fund	-	(6,400)	-	(6,400)
	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	78,000	(78,000)	-	-
	<u>432,131</u>	<u>(432,131)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>905,592</u>	<u>(878,560)</u>	<u>3,900</u>	<u>30,932</u>

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

	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	178,307	137,932	(127,215)	189,024
Designated Assets Fund	222,180	(33,577)	9,591	198,194
Vessel Replacement Fund	488,275	-	117,624	605,899
	<u>888,762</u>	<u>104,355</u>	<u>-</u>	<u>993,117</u>
TOTAL FUNDS	<u>888,762</u>	<u>104,355</u>	<u>-</u>	<u>993,117</u>

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

22. MOVEMENT IN FUNDS - continued

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	1,047,243	(888,458)	(20,853)	137,932
Designated Assets Fund	<u>-</u>	<u>(33,577)</u>	<u>-</u>	<u>(33,577)</u>
	1,047,243	(922,035)	(20,853)	104,355
Restricted funds				
ABS and Delivery Costs Fund	363,204	(363,204)	-	-
Volunteer Development Fund	69,717	(69,717)	-	-
ASTO	46,008	(46,008)	-	-
Salaries Fund	78,148	(78,148)	-	-
Refit Fund	121,150	(121,150)	-	-
Cashback for Communities Fund	<u>157,000</u>	<u>(157,000)</u>	<u>-</u>	<u>-</u>
	<u>835,227</u>	<u>(835,227)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>1,882,470</u>	<u>(1,757,262)</u>	<u>(20,853)</u>	<u>104,355</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.

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 2020, the trustees transferred a further £91,748 (2019: £25,876) from unrestricted funds to the Vessel Replacement Fund.

OCEAN YOUTH TRUST (SCOTLAND)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.

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.

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

	2020	2019
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	73,423	30,932
Adjustments for:		
Depreciation charges	27,177	6,400
Losses/(gain) on investments	24,753	(3,900)
Interest received	(3,050)	(2,419)
Dividends received	(9,712)	(7,499)
Increase in stocks	(9,000)	-
Decrease in debtors	26,427	1,210
Increase/(decrease) in creditors	<u>26,284</u>	<u>(20,020)</u>
Net cash provided by operations	<u>156,302</u>	<u>4,704</u>

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/19	Cash flow	At 31/3/20
	£	£	£
Net cash			
Cash at bank	<u>516,848</u>	<u>176,135</u>	<u>692,983</u>
	<u>516,848</u>	<u>176,135</u>	<u>692,983</u>
Total	<u>516,848</u>	<u>176,135</u>	<u>692,983</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 2020 there were 298 members (2019: 302 members).

OCEAN YOUTH TRUST (SCOTLAND)

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	46,214	28,529
Gift aid	5,359	7,526
Scottish Government NVOS Fund administered by Youthlink	26,988	30,000
ASTO	16,249	16,865
Other Grants	167,321	125,526
ABS and Delivery Costs Fund	175,079	147,348
Scottish Government Cashback for Communities	<u>79,000</u>	<u>78,000</u>
	516,210	433,794
Other trading activities		
Fundraising events	33,237	14,769
Other income	<u>37,266</u>	<u>48,758</u>
	70,503	63,527
Investment income		
Investment income	9,712	7,499
Deposit account interest	<u>3,050</u>	<u>2,419</u>
	12,762	9,918
Charitable activities		
Donations	22,998	40,360
Voyage Fees	<u>354,405</u>	<u>357,993</u>
	<u>377,403</u>	<u>398,353</u>
Total incoming resources	976,878	905,592
EXPENDITURE		
Investment management costs		
Portfolio management	2,914	2,300
Charitable activities		
Wages	353,766	352,110
Social security	27,433	29,767
Pensions	12,774	14,276
Grant Assisted Berths	64,865	68,100
Volunteer Training	7,237	23,357
Vessels Maintenance and Operational Costs	180,514	216,850
Assisted Berth Scheme funded by Cashback for Communities	<u>71,460</u>	<u>70,255</u>
	718,049	774,715

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 2020**

	2020	2019
	£	£
Charitable activities		
Depreciation		
Plant and machinery	19,336	4,866
Fixtures and fittings	152	259
Motor vehicles	391	535
Computer equipment	<u>7,298</u>	<u>740</u>
	27,177	6,400
Support costs		
Other		
Travel and Telephone Costs	19,410	13,667
Print, Postage and Stationery	2,351	3,371
Office Expenses	50,873	37,890
General Expenses	8,652	7,392
Fundraising Expenses	18,722	5,501
Marketing	2,813	3,149
Website Development	456	456
Development	<u>11,554</u>	<u>9,594</u>
	114,831	81,020
Governance costs		
Wages	8,102	8,268
Auditors' remuneration	3,225	3,200
Auditors' remuneration for non audit work	400	350
Bank charges	2,889	2,307
Legal and professional fees	<u>1,115</u>	<u>-</u>
	<u>15,731</u>	<u>14,125</u>
Total resources expended	<u>878,702</u>	<u>878,560</u>
Net income	<u><u>98,176</u></u>	<u><u>27,032</u></u>