

ADVENTURES OFFSHORE

Charity Number: 1035015

ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2023



ADVENTURES OFFSHORE

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LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 OCTOBER 2023

Charity number 1035015

Principle Address Tolken
The Lane
West Mersea
Colchester
Essex
CO5 8NT

Chair Andrew Black (resigned 16 August 2023)
Adrian Slim - Trustee (appointed 1 October 2023)

Trustees

Freddie Crane - Trustee
Mark Gowers - Trustee
Mark Rendle - Secretary
Paula- Anne Deighton - Trustee
Stephen Edwards - Treasurer
Steven Roys - Trustee (resigned 4 September 2023)

Independent Examiner Community360
Winsley's House
High Street
Colchester
Essex, CO1 1UG

Bankers Barclays

ADVENTURES OFFSHORE

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2023

The trustees are pleased to present their report and accounts for the year ending 31st October 2023.

Objectives and activities

The purpose of Adventures Offshore is to provide young people an opportunity to obtain and develop transferrable life skills that will contribute to their personal development and enable them to thrive in society.

Use sailing as a medium to enhance young people's sense of purpose and self-esteem, not just to teach them to sail.

Create opportunities for personal development in a safe but physically challenging environment and to encourage initiative and leadership skills.

Provide the basis for a communal experience on board ship in which teamwork and co-operation are at least as important as self-reliance and individual fortitude.

Develop the values of *Integrity*, *Respect*, *Care* and *Cooperation* amongst our beneficiaries and to encourage understanding and tolerance of *Beliefs* and ideas that may not coincide directly with their own.

Adventures Offshore meets the Charity Commission's public benefit criteria under both the advancement of education and the advancement of citizenship or community development headings.

Achievements and performance

"The charity enabled young beneficiaries to spend 937 nights at sea (2021/22: 716). The beneficiaries learned the values of teamwork, tolerance and fortitude in a challenging environment. These are life skills that will help them integrate and make a greater contribution to society as a whole. 17 people successfully undertook expeditions for their DofE Awards (2021/22: 7). Other beneficiaries have joined our Young Sea Staff training scheme, which will enable them to provide similar experiences to future beneficiaries."

Financial review

Summary

In the three years to 2018/19, the organisation achieved consecutive years of growth and improved financial performance, with income more than doubling from £66k to £135k. Then Covid-19 hit, and government restrictions caused sailing to be halted, which led to a deficit of £47k in 2019/20, followed by a surplus of £53k in 2020/21 due to the partial resumption of sailing and generous Covid-19 support grants from ASTO and the Government, but then a deficit of £22k in 2021/22 during which Government Covid-19 restrictions were fully lifted and these support grants stopped.

The result for the latest 2022/23 season was a deficit of £20k. This slight improvement on last year was driven by an increase in cruise fees, which was partially reduced by the effects of high levels of cost inflation and a provision for a potential over-claim of input VAT.

The trustees continued to protect the charity as a going concern by minimising discretionary expenditure, but also ensuring that the boats were well maintained for the subsequent season.

This prudent approach means that the organisation is in a good financial position given the current environment.

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2023

Income

Total income in 2022/23 of £80k was £14k better than last year (2021/22: £66k) but also worse than pre-covid (2018/19: £138k).

Covid-19 restrictions were fully lifted by the start of the previous sailing season and cruise fees continued to slowly improve to £73k (2021/22: £52k).

Grants and donations were broadly static at £12k (2021/22: £13k). Bursaries and grants were received from the Association of Sail Training Organisations, the Stelios Philanthropic Foundation, Thomas Miller and the Worshipful Company of Shipwrights.

Expenditure

Discretionary expenditure continued to be minimised. Equipment, repairs and maintenance were £4k better than last year thanks to favourable rates from suppliers and cost control by the refit-team. Food, fuel and cruise expenses were £4k higher due to high inflation on food and increased volumes of sailing. Training schemes were £2k higher than last year, due to delivery of the Maritime Pathways and Training Scheme (MPaTS). Administration costs were £14k worse than last year due to a provision for the potential repayment to HMRC of input VAT which may have been overclaimed.

Balance Sheet

The balance sheet remains strong. The organisation wholly owns the two boats and the long-term leasehold on the office space, whilst continuing to operate without any loans, mortgages, or other long-term liabilities.

Cash and investment reserves remained unchanged during the year (2021/22: £20k decrease) as income was sufficient to cover costs excluding depreciation. The balance of £136k is considered enough for the organisation to meet its financial commitments over the next twelve months.

Reserve Policy

The trustees aim to ensure that the charity works within its means and maintains a prudent level of reserves, sufficient to allow it to withstand unforeseen operational issues or cash flow disruption.

An updated cash reserves policy was agreed by the trustees during 2018/19.

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2023

Restricted cash reserves exist to allow the organisation to offer funding assistance to beneficiaries without having to guarantee that a donation or grant has been secured in advance. As most of the organisation's funding arrangements are single year deals, the trustees consider it prudent to hold between 60% and 80% of a typical season's donation income in reserves. This ensures that commitments can be reduced in an orderly manner if donations materially reduce.

Free cash reserves exist to allow the organisation to meet short-term and emergency funding needs. Free cash reserves are calculated as the total of cash and liquid investments, less restricted cash reserves. The charity owns two high value fixed assets (the boats) and reserves are required to pay for unforeseen repairs. Single equipment items can cost over £20k to replace. Free reserves are also required to mitigate the risk of a significant period of booking cancellations and lost income. This is most likely to be due to major unforeseen repairs which take time to carry out, but could also be due to extreme weather, government travel advice or an epidemic disease. Noting the significant risk of simultaneously having to repair the boats and cancel bookings, the trustees consider it is appropriate to hold the full cost of winding up the charity (estimated at £30,000) plus 75% to 100% of annual cruise fee income in reserve. The actual reserves of £136,565 at 31 October 2023 are higher than the upper limit and exceed the full cost of winding up the charity. The trustees actively monitor the reserves to ensure the organisation continues as a going concern.

The table below compares Offshore's actual reserves at 31 October 2023 to the range set out in the reserves policy.

	Free cash reserves	Restricted cash reserves
	£	£
Upper Limit	104,628	38,258
Lower Limit	85,971	28,694
Actual Reserves	136,565 (2021/22: 116,226)	29,697 (2021/22: 50,090)

Overall, the trustees consider that the charity has sufficient available financial resources to support operations for the coming financial year. As such, the trustees believe that the charity is a going concern and have prepared the accounts on that basis.

Investment policy

Free Reserves

The free reserves are held as cash in accounts with minimal notice periods for withdrawal. Although the returns available in such accounts are poor, the trustees have assessed the risks we face and believe that it is necessary to be able to make immediate calls on the whole reserve fund.

Bursary Fund

Circa 50% of the bursary fund is invested in the COIF Charities Ethical Investment fund, managed by CCLA Investment Management. This is a diversified fund, investing circa 50% in overseas equities, 50% in U.K. equities, and the remainder distributed equally across other asset classes. The Trustees do not anticipate calls on this fund in the near term. The remaining bursary funds are held as cash in an immediate access current account.

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2023

Principal Risks

The trustees have identified the major risks to which they believe the organisation is exposed; these have been reviewed and systems have been established to mitigate against them. The main areas of concern that have been identified are:

Accident at sea: Sea staff are fully qualified, there are regular training days and a comprehensive set of manuals and processes that are continuously reviewed and monitored to manage safety at sea. The organisation has a marine accident insurance policy with Navigators & General.

Significant vessel breakdown: There is an ongoing regime of continuous maintenance refit inspections and planned replacements and stock of common parts.

Crew shortage: The charity is dependent upon the goodwill of unpaid volunteers. There is an ongoing programme of training young people (Young Sea Staff Scheme). Older volunteers are continually recruited by word of mouth.

Interruption to voyage income: Example causes include vessel breakdown, crew shortage, statutory suspension due to pandemic, etc. Active financial management and the reserves policy mitigate this risk for a substantial period.

Reduction in grant and bursary income: The reserves policy enables temporary respite to a short-term dip. The organisation works closely with existing and potential supporters to try to align our activities with their specific and targeted aims, where they fit with our own charitable objectives.

Principle sources of funds

Principal sources of income in a normal year are voyage fees and grants and bursaries from external bodies. See the financial review above for the specific 2022/23 year.

Structure, governance and management

The governing document is the Scout Association Royal charter of 1914 as amended in 1953, 1984 and 1999.

Adventures Offshore is an unincorporated association registered as an educational charity (No. 1035015).

The Trustees are appointed in accordance with the Policy, Organisation and Rules of The Scout Association.

Trustees complete 'Essential Information for Executive Committee' training within the first 5 months of being appointed.

The organisational structure consists of a board of trustees, primarily responsible for governance, that has delegated limited powers necessary for the day-to-day activity to subject matter experts via Operations, Finance and TSE (Training, Safety & Ethics) committees.

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2023

Although it has only adult members, the organisation is recognised as a “district” as part of “Essex County” within The Scout Association.

By order of the board of trustees.

A Slim - Scout District Commissioner
Chairman
Board of Trustees

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INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 OCTOBER 2023

I report on the accounts of Adventures Offshore for the year ended 31 October 2023 which are set out on pages 8 to 15.

Respective responsibilities of trustees and examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year (under section 144 (2) of the Charities Act 2011 (The Act) but that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under section 145 of the Charities Act,
- To follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 145(5)(b) of the Charities Act, and
- To state whether particular matters have come to my attention.

Basis of independent examiner's Statement

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes considerations of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair' view which is not a matter considered as part of an independent examination.

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

David Courtier FMAAT AATQB for and on behalf of:
Community360

Winsley's House, High Street, Colchester, Essex



Date

31/01/2025

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 OCTOBER 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total £	2022 Total £
Incoming resources					
Donations and legacies	2	2,950	9,516	12,466	12,889
Investment income	3	1,204	-	1,204	183
Incoming resources from charitable activities	4	73,980	-	73,980	52,841
Total incoming resources		78,135	9,516	87,651	65,912
Resources expended					
Charitable activities					
Sail training scheme expenditure	5	77,628	30,370	107,998	86,125
Total resources expended		77,628	30,370	107,998	86,125
Net (outgoing)/incoming resources		507	(20,854)	(20,347)	(20,214)
Gain on investments	7	-	461	461	(1,841)
Net movement in funds		507	(20,394)	(19,887)	(22,055)
Fund balances at 1 November 2022		217,427	50,090	267,517	289,571
Fund balances at 31 October 2023		217,934	29,696	247,630	267,516

The notes on pages 11-14 form an integral part of these financial statements.

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DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2023

	2023		2022	
	£	£	£	£
Income				
Donations and gifts		12,466		12,889
Cruise fees		72,642		51,741
Sundry sales and courses		360		225
Annual scheme dinner receipts		978		875
CJRS scheme		-		-
Covid grants		-		-
Interest receivable		1,204		183
		87,651		65,912
Expenditure				
Salaries	25,048		22,128	
Equipment, sails, repairs and maintenance	16,464		20,692	
Food, fuel and cruise expenses	18,502		13,997	
Training courses	3,273			
Travel expenses	477		124	
Insurance - boat and travel net	6,519		6,294	
Insurance - general	-		41	
Rates, light and heat	588		428	
Administration	19,061		4,758	
Annual scheme dinner expenditure	1,068		700	
Donations paid	105		-	
Bank charges	-		70	
	91,104		69,232	
		(91,104)		(69,232)
Net operational (deficit)/surplus before depreciation		(3,453)		(3,321)
Depreciation		(16,893)		(16,893)
Gain/(loss) on investments		461		(1,841)
Surplus/(deficit) for the year after depreciation		(19,887)		(22,054)

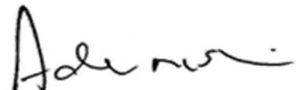

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BALANCE SHEET AS AT 31 OCTOBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	11		91,415		108,308
Current assets					
Debtors	12	2,905		6,748	
Investments		30,298		29,837	
Cash at bank and in hand		135,963		136,479	
		<u>169,165</u>		<u>173,063</u>	
Creditors: amounts falling due within one year	13	<u>(12,951)</u>		<u>(13,854)</u>	
Net current assets			<u>156,215</u>		<u>159,209</u>
Total assets less current liabilities			247,630		267,517
Net assets			<u>247,630</u>		<u>267,517</u>
Funds					
Restricted funds	14		29,696		50,090
Unrestricted funds			217,934		217,427
			<u>247,630</u>		<u>267,517</u>

The accounts were approved by the trustees on 24th January 2025

Signed		Date	<u>29/01/2025</u>
	A Slim - Scout District Commissioner		
Signed		Date	<u>29/01/2025</u>
	S Edwards - Treasurer		

The notes on pages 11 - 14 form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting policies

1.1 Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement on 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)- (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement. Voluntary income also includes income tax recoverable.

The charity receives the benefit of work carried out by volunteers, and receives the use of facilities and equipment without charge. No value is placed on these items.

Revenue grants are credited to the income and expenditure account as received unless related to a specific purpose, when they are placed in restricted funds until used.

1.3 Resources expended

Expenditure is included in the accounts on an accruals basis. VAT is recoverable by the charity and is included with the expenditure to which it relates.

Support costs which could not be attributed directly to activities are apportioned equally between activities.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold land is not depreciated	
Freehold buildings	2% straight line
Yachts	3% straight line
Office equipment/Other equipment	20% straight line

1.5 Taxation

The organisation is a registered charity and, as such is exempt from corporation tax.

1.6 Investments

Realised gains and losses are taken to the Income and Expenditure Account. Investment income has been taken in to account on the basis of the due date of payment.

Short term investments shown within current assets are invested in COIF Funds Accumulation Units and are included at market value at the year end. The difference from the value at the start of the period is reflected in unrealised profit and loss during the year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

1.7 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

1.8 Fund structure

Unrestricted income funds are general funds that are available for use at the Trustee's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

2 Donations and legacies				Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
				£	£	£	£
Donations and gifts				2,950	9,516	12,466	12,889
				<u>2,950</u>	<u>9,516</u>	<u>12,466</u>	<u>12,890</u>
3 Investment income				Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
				£	£	£	£
Interest receivable				1,204	-	1,204	183
				<u>1,204</u>	<u>-</u>	<u>1,204</u>	<u>183</u>
4 Incoming resources from charitable activities				Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
				£	£	£	£
Cruise fees				72,642	-	72,642	51,741
Sundry sales and courses				360	-	360	225
Annual scheme dinner receipts				978	-	978	875
				<u>73,980</u>	<u>-</u>	<u>73,980</u>	<u>52,841</u>
5 Total resources expended	Staff costs	Depreciation		Other costs	Grant Funding	2023 Total	2022 Total
	£	£		£	£	£	£
Support costs							
Sail training scheme - expenditure							
Activities undertaken directly	25,048	16,893		35,687	-	77,628	74,537
Grant funding of activities	-	-		-	30,370	30,370	11,588
	<u>25,048</u>	<u>16,893</u>		<u>35,687</u>	<u>30,370</u>	<u>107,998</u>	<u>86,125</u>
6 Grants payable						2023	2022
						£	£
MPaTS						20,420	-
Sail training scheme expenditure						9,950	11,438
						<u>30,370</u>	<u>11,438</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

7 Gain on investments	2023	2022
	£	£
COIF Investment fund - bursary	461	(1,841)
	461	(1,841)

8 Trustees

None of the trustees received any remuneration during the year, but some of the trustees were reimbursed a total of £897 for travelling, office and cruise expenses (2022 £812).

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Full time employees	-	-
Part time employees	2	2
Total	2	2

Employment costs

	2023	2022
	£	£
Wages and salaries	25,048	22,128

There were no employees whose annual remuneration was £60,000 or more.

10 Key management personnel

During the year, no remuneration was paid to key management personnel (2022: £6,126), as the only person in a key management role left during 2022. The remuneration of key management personnel is decided upon and authorised by the trustees.

11 Tangible fixed assets	Land and buildings	Yachts	Office equipment	Other equipment	Total
	£	£	£	£	£
Cost					
At 1 November 2022	50,000	478,624	1,078	7,117	536,819
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
At 31 October 2023	50,000	478,624	1,078	7,117	536,819
Depreciation					
At 1 November 2022	26,833	395,351	635	5,692	428,511
Charge for the year	1,000	14,359	443	1,091	16,893
Disposal	-	-	-	-	-
At 31 October 2023	27,833	409,710	1,078	6,783	445,404
Net book value					
At 31 October 2023	22,167	68,914	-	334	91,415
At 31 October 2022	23,167	83,273	443	1,425	108,308

The building 'Tolken' was last valued by the trustees as at 1 January 1996 at £50,000.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023

12 Debtors	2023	2022
	£	£
Other debtors	1,324	5,595
Prepayments and accrued income	1,581	1,153
	2,905	6,748
13 Creditors: amounts falling due within one year	2023	2022
	£	£
Other creditors	6,280	61
Deferred income	3,324	12,368
Accruals	3,347	1,425
	12,951	13,854

14 Restricted Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes.

	Balance at 1 November 2022	Movements in funds			Balance at 31 October 2023
	£	Income £	Expenditure £	Gains/losses on investments £	£
Bursary fund	31,020	4,016	(8,774)	461	26,722
Maritime pathways & training	16,420	4,000	(20,420)	-	-
Bursary fund total	47,440	8,016	(29,194)	461	26,722
Young vol. training	2,650	-	(1,176)	-	1,474
Engine replacement fund	-	1,500	-	-	1,500
	50,089	9,516	(30,370)	461	29,696

15 Related parties

During the year, there were no related parties.

16 Going concern

The charity is operating on a going concern basis.