

**Charity Registration No. 1079959**

**Company Registration No. 3898084 (England and Wales)**

**OCEAN YOUTH TRUST SOUTH**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2020**

# OCEAN YOUTH TRUST SOUTH

## LEGAL AND ADMINISTRATIVE INFORMATION

---

<b>Chairman</b>	Eamonn Feeney
<b>Cheif Executive Officer</b>	Mark Todd
<b>Trustees</b>	Brian Eyres Steve Lacey Frederick Cole Ben Martin Richard Griffiths Eamonn Feeney Lesley Robinson Edward Bishop Lauren Mackenzie Lee Mosscrop (Appointed 9 November 2019) Martyn Powe (Appointed 21 May 2020) John Hicks (Appointed 21 January 2021) Roger Bolton (Appointed 21 January 2021)
<b>Other officers</b>	Caroline White, Business manager
<b>Charity number</b>	1079959
<b>Company number</b>	3898084
<b>Registered office</b>	8 North Meadow Weevil Lane Gosport Hampshire United Kingdom PO12 1BP
<b>Independent examiner</b>	Azets Audit Services Carnac Place Cams Hall Estate Fareham Hampshire United Kingdom PO16 8UY
<b>Bankers</b>	Lloyds Bank PLC 57 High Street Christchurch Dorset United Kingdom BH23 1BB

---

# OCEAN YOUTH TRUST SOUTH

## CONTENTS

---

	<b>Page</b>
Trustees' report	1 - 6
Independent examiner's report	7
Statement of financial activities	8 - 9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 21

---

# OCEAN YOUTH TRUST SOUTH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 OCTOBER 2020

---

The Trustees, who are directors for the purposes of company law, present their report and financial statements for the year ended 31 October 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

#### Chair's report

In common with other charities and businesses, this was a challenging year for the Trust. We completed a successful vessel refit at the start of the financial year and in March 2020 we were ready for the sailing season with strong bookings and bright prospects. However, the onset of the Coronavirus pandemic initially forced a postponement to the season start, and then as the year went on and the pandemic continued, with government guidance ruling out any residential activities for young people, it eventually became clear that no sailing would be possible for the entire season.

The focus of the Trust during the year was therefore on protecting our finances and securing our future, while supporting our staff, continuing to engage our volunteers and liaising with our clients.

We aimed to do everything possible to reduce expenditure and – with staffing normally our biggest cost – this included making extensive use of the Coronavirus Job Retention Scheme, with all but one of our staff furloughed for at least part of the year and two staff furloughed continuously from April 2020 beyond the end of the financial year. The specialist knowledge and skills possessed by our staff meant that it was a priority to avoid making anyone redundant: the full team would have been needed had it been possible to resume sailing at any point in 2020 and are needed for a return to operations in 2021.

At the same time we focussed on bringing in new funds to replace lost voyage income. The charity's income from charitable activities fell by over £180,000 compared with the previous year; but thanks to some very generous donors, income from donations and legacies was up by more than £140,000 in the same period. Ocean Youth Trust South is very grateful to all those who gave financial support during the year. This included very significant sums from the Association of Sail Training Organisations and a number of specific Coronavirus-related grant schemes, particularly the Coronavirus Job Retention Scheme (CJRS), as well as continuing support from virtually all our regular donors, many of whom kindly lifted restrictions on donations originally intended to cover voyage fees for disadvantaged and vulnerable young people, in order to allow us to spend the funds on core costs while we were unable to operate. We also received outstanding support from our own members and were particularly touched by the lengths to which some young people went to raise money for us even though their voyages had been cancelled.

At the end of the year our very talented Staff Skipper Peta Koczy decided it was time for her to move on, having worked full-time at sea for nine years. We were very fortunate to be able to appoint Holly Vint as her successor. Holly is the first person to complete the journey from teenage crew member to Staff Skipper with Ocean Youth Trust South, having first sailed with us in 2012 before joining our volunteers and also spending a season on the staff, in 2018, when she worked as our Sailing Support Officer to support our second season with our new boat, *Prolific*.

# OCEAN YOUTH TRUST SOUTH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

---

A full sailing season in 2021 has proved impossible but we closely monitored Government guidance and reviewed all our operations in the light of available COVID advice in order to be able to resume sailing as soon as we could operate safely. However, another disrupted season is inevitable, leading to a second year of greatly-reduced voyage income – without all the savings which were made possible in 2020 with the boat laid up and several staff furloughed all year.

The Trust has reserves which mean the Trustees can be confident that we can survive the year, and this would have been true even in a worst-case scenario of no operations at all in 2021 combined with an earlier end to the Coronavirus Job Retention Scheme. As things stand, we were able to make good use of the CJRS into 2021 while planning a return to operations during the year, mitigating the impact on our reserves.

However, those reserves have largely been designated for expected future expenditure, in anticipation of requirements such as a new mainmast and a new engine. It will be extremely difficult to replace reserves which have to be spent in 2021, and therefore bringing in new funds will continue to be a priority.

Ocean Youth Trust South's charitable purpose has always been about supporting young people and it is clear that both the pandemic and lockdowns have had a lasting impact on the wellbeing of young people. Activities such as sail training, helping young people to develop confidence, team-working, resilience, communication and more, will be needed more than ever to support the national recovery from the pandemic. The Trustees are determined to do everything possible to ensure that Ocean Youth Trust South is in a strong position to play our part.

I would like to thank all our volunteers, donors and staff for their hard work and continued support.

### **Objectives and activities**

#### ***Objects and aims***

Ocean Youth Trust South exists to offer personal development through adventure under sail to young people aged 11 to 25.

The aim of our work is to help young people develop the skills they need to succeed in life.

#### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### ***Use of volunteers***

The Trust relies on voluntary help. Volunteers gave 318 days of labour to the refit of *Prolific* between November 2019 and March 2020, and 78 volunteers had committed to voyage dates in 2020 which then had to be cancelled. In the absence of any sailing, a number of volunteers turned to raising funds, campaigning for support for the industry, and other activities including supporting us and each other via social media.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

# OCEAN YOUTH TRUST SOUTH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

---

### Achievements and performance

#### Financial review

This is clearly a highly unusual year as the Coronavirus pandemic halted all normal operations completely from March to October. Trustees would like to draw attention to a number of areas:

- i. The increase in donations and legacies to £306,730 (2019: £166,407) went a long way towards making up for the fall in income from charitable activities to £14,078 (2019: £195,485).
- ii. Total expenditure fell to £341,715 (2019: £410,735). This included substantial reductions in vessel maintenance, victuals, freelance fees, fuel, harbour fees and charts due to running no voyages. There were fewer savings on the support side: we saved money on rent, rates and power, but spent more on computer equipment for remote working. Additionally, travel and subsistence costs are this year included under Support Costs rather than Charitable Activities as they were last year.
- iii. The net expenditure figure for the year was £18,941. Whilst the Trust would prefer not to make a loss, under the unique circumstances of the pandemic and the complete cessation of income-generating activities, we regard this as a satisfactory outcome and a tribute to all those who helped to reduce expenditure or increase income. The position is much better than Trustees feared when we first considered the likely financial implications of the pandemic.
- iv. Our previous vessel *John Laing* was fully depreciated down to her residual value, whereas the current vessel *Prolific* is being depreciated over periods of between 5-20 years, dependent on asset type on the vessel, and this gives rise to a depreciation charge in year of £41,724 (2019: £42,115), which will be ongoing. This is included in the net expenditure figure for the year of £18,941.

#### Staffing

The charity furloughed staff for 66% of their normal working time between April and October. The Trustees made the decision from the beginning to continue paying staff their full salary when furloughed. We were able to claim 68% of staff's furlough pay under the Coronavirus Job Retention Scheme (CJRS). This is less than the 80% headline rate due to changes in the Government's scheme from August to October 2020 and to the scheme's wage cap. The Trust saved 41% of its total wage bill from April to October by furloughing staff and making claims under the CJRS.

The CEO was furloughed for 62% of that period; the boat staff for 88% and other shorebased staff, dealing with the ongoing requirement to pay bills, raise funds and liaise with clients, for 45% of the time. Only the Business Manager has not been furloughed at all. The Staff Cadet and the Admin Assistant were fully furloughed from 26th March and 6th April respectively and did not work at all for the remainder of the year. Everyone else worked part-time and was furloughed part-time as needed.

#### Clients

Many clients had paid, in part or in full, for 2020 voyages which were cancelled, but chose to ask us to hold those funds on account for voyages in 2021 rather than asking for a refund. This is evidence of the continuing commitment of our clients and their belief in the value of the work we can do with young people. At the end of the financial year we held £60,127 on account for future voyages (2019: £26,838).

#### Donors

The intention in the longer term is to achieve a position in which the Trust receives approximately 50% of its funds from voyage fees paid by young people and their families or the organisations which arrange for them to sail with us, and fundraises to meet the remaining funding requirement. The trustees are enormously grateful to the many very generous donors who support the charity.

# OCEAN YOUTH TRUST SOUTH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

---

### Year end position

- At the end of the year the charity was in a satisfactory financial position, with total reserves of some £1.17m dominated by *Prolific* and her future needs, as follows:

Type of reserve	£
Restricted	484,098
Designated	458,349
General	230,021
Total	1,172,468

At the year end the restricted funds balance comprised the vessel herself and cash specifically donated for the remaining refit work in future years.

The trustees have designated funds to cover those future likely repair and refurbishment costs too material to be funded from a normal year's operating cash flow. It will be the trustees' intention to top up this Designated Fund from time to time, where possible, so that the charity maintains the ability to cope with expected future material repair needs.

As usual, the charity maintained a general reserve of some six months normal operating costs.

- Cash and cash equivalents were up by £76,785 in 2020 to £714,739 (2019: £637,954).
- The figure for cash generated from operations was £74,739 (2019: £37,996). This is due to a combination of additional funds held on account for future voyages, from clients who chose not to ask for refunds for cancelled voyages, plus donations made towards the end of the financial year for use in the following year.

### Policy on reserves

The Trust's policy is to hold free reserves of between three and six months' operating expenses. The trustees aim towards the upper end of that range. Free reserves at this level permit the trust to continue operating without income for a sufficient period to either source additional funding donations or wind up activities in an orderly manner.

### Investment policy and objectives

The Trust maintains a high interest account to maximise interest on reserves whilst retaining reasonable access to the funds.

### Going concern

The Trustees considered a range of scenarios for the 2021 season including a worst-case scenario of losing the entire sailing season. Such a situation would have used up much of our designated reserves but left us with sufficient funds to continue operating. However, as things stand, with the continued support of our donors, the extension of the CJRS and the likelihood of conducting voyages from the summer onwards, albeit at reduced occupancy, we are unlikely to make such large inroads into our reserves. Therefore, the Trustees are satisfied that, with our continuing success in bringing in new funds and the enthusiasm of our established clients to resume sailing with us, the charity has adequate reserves to see us through the 2021 season and the winter 2021/22 refit and maintain itself as a going concern into the future.

# OCEAN YOUTH TRUST SOUTH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

---

### Structure, governance and management

#### *Nature of governing document*

Ocean Youth Trust South is a company limited by guarantee, constituted by the Memorandum and Articles of Association. It is a registered charity governed by a management committee drawn from individuals elected at an annual general meeting (the trustees).

#### *Trustees serving during the year*

Brian Eyres	
Yvonne Taylor	(resigned 7 November 2020)
Steve Lacey	
Frederick Cole	
Fiona Pankhurst	(resigned 9 November 2019)
Ben Martin	
Richard Griffiths	
Michael Bowles	(resigned 9 November 2019)
Eamonn Feeney	
Lesley Robinson	
Edward Bishop	
Lauren Mackenzie	
Shaun Ormrod	(resigned 16 January 2021)
Lee Moss crop	(appointed 9 November 2019)
Martyn Powe	(appointed 21 May 2020)

#### *Recruitment and appointment of trustees*

The Trustees may co-opt additional trustees subject to confirmation by the membership at an AGM.

#### *Induction and training of trustees*

A Trustee Induction Pack has been prepared summarising a trustee's duties along with the history, operating methods, staffing structure and finances of the trust. All new trustees are invited to meet with the Chairman and Chief Executive to discuss the role and the organisation.

#### *Organisational structure*

The Trust is managed by the Chief Executive and Business Manager in accordance with the policies set out by the Trustees. In matters of seamanship and vessel safety the skipper in command of the vessel has the ultimate decision-making authority having due regard to the standard operating procedures laid down by the charity. The charity is a member of the Association of Sail Training Organisations and is a Royal Yachting Association Sea School.

#### *Major risks and management of those risks*

- Total loss of a vessel
- Reputational risk from death or serious injury to a person participating in a voyage
- Major disruption in fundraising income
- Slow resumption of normal activity post Covid-19 lockdown

The operational risks are addressed by rigorous operating standards addressing all aspects of safety on board, and the financial risks by both maintaining adequate reserves and by a continuing effort with a wide range of supporters and donors to do everything possible to maintain income. As noted above, following the Covid-19 lockdown, the charity had the reserves necessary to cope with no resumption of activity at all during 2021.



# OCEAN YOUTH TRUST SOUTH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

---

The trustees' report was approved by the Board of Trustees.



Eamonn Feeney

Chairman

Dated: ..... 2/7/21 .....

# OCEAN YOUTH TRUST SOUTH

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF OCEAN YOUTH TRUST SOUTH

---

I report to the trustees on my examination of the financial statements of Ocean Youth Trust South (the charity) for the year ended 31 October 2020.

#### **Responsibilities and basis of report**

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and 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 financial statements to be reached.

*Azets Audit Services*

Zara Hogg FCA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Statutory Auditors

the Institute of Chartered Accountants in England and Wales

Carnac Place

Cams Hall Estate

Fareham

Hampshire

PO16 8UY

United Kingdom

Dated: 20 July 2021

# OCEAN YOUTH TRUST SOUTH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Total 2019 £
<b><u>Income and endowments from:</u></b>									
Donations and legacies	3	183,284	-	123,446	306,730	44,482	-	121,925	166,407
Charitable activities	4	14,078	-	-	14,078	195,485	-	-	195,485
Investments	5	1,346	-	-	1,346	1,268	-	-	1,268
Other income	6	620	-	-	620	2,922	-	-	2,922
<b>Total income</b>		199,328	-	123,446	322,774	244,157	-	121,925	366,082
<b><u>Expenditure on:</u></b>									
Raising funds	7	23,953	-	3,049	27,002	26,219	-	-	26,219
Charitable activities	8	192,993	-	121,720	314,713	218,889	-	164,041	382,930
Other expenditure	12	-	-	-	-	1,586	-	-	1,586
<b>Total resources expended</b>		216,946	-	124,769	341,715	246,694	-	164,041	410,735
<b>Net outgoing resources before transfers</b>		(17,618)	-	(1,323)	(18,941)	(2,537)	-	(42,116)	(44,653)

# OCEAN YOUTH TRUST SOUTH

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2020

<b>Net outgoing resources before transfers</b>	(17,618)	-	(1,323)	(18,941)	(2,537)	-	(42,116)	(44,653)
Gross transfers between funds	40,401	-	(40,401)	-	-	-	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>	22,783	-	(41,724)	(18,941)	(2,537)	-	(42,116)	(44,653)
Fund balances at 1 November 2019	207,238	458,349	525,822	1,191,409	209,775	458,349	567,938	1,236,062
<b>Fund balances at 31 October 2020</b>	230,021	458,349	484,098	1,172,468	207,238	458,349	525,822	1,191,409

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# OCEAN YOUTH TRUST SOUTH

## BALANCE SHEET

AS AT 31 OCTOBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	14		578,159		621,455
<b>Current assets</b>					
Debtors	15	26,916		100,410	
Cash at bank and in hand		714,739		637,954	
		<u>741,655</u>		<u>738,364</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(147,346)</u>		<u>(168,410)</u>	
Net current assets			594,309		569,954
<b>Total assets less current liabilities</b>			<u>1,172,468</u>		<u>1,191,409</u>
<b>Income funds</b>					
Restricted funds	18		484,098		525,822
Unrestricted funds - designated	19		458,349		458,349
Unrestricted funds - general			230,021		207,238
			<u>1,172,468</u>		<u>1,191,409</u>

The charity is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 October 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 2/7/21.....

  
Eamonn Feeney  
Chairman

Company Registration No. 3898084

# OCEAN YOUTH TRUST SOUTH

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24		74,739		37,996
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(25,148)	
Proceeds on disposal of tangible fixed assets		700		-	
Investment income received		1,346		1,268	
<b>Net cash generated from/(used in) investing activities</b>			2,046		(23,880)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			76,785		14,116
Cash and cash equivalents at beginning of year			637,954		623,838
<b>Cash and cash equivalents at end of year</b>			714,739		637,954

# OCEAN YOUTH TRUST SOUTH

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 OCTOBER 2020

---

#### 1 Accounting policies

##### Charity information

Ocean Youth Trust South is a private company limited by guarantee incorporated in England and Wales. The registered office is 8 North Meadow, Weevil Lane, Gosport, Hampshire, PO12 1BP, United Kingdom.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements and after having modelled and considered various possible levels of impact of Covid-19, the trustees have a firm expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Government grants for the CJRS are recognised in the period to which they relate.

Deferred income relates to sailing fees for the following year only, which is invoiced in advance and the amounts deferred are released in full in that following year when the event booked has taken place.

# OCEAN YOUTH TRUST SOUTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by time spent and other costs by their usage.

Governance costs include costs of the preparation and examination of the statutory accounts, the cost of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	Written down to residual value
Computers	15-33% straight line
Sailing vessels	5-20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Financial instruments

The charity 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 charity's balance sheet when the charity 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 transaction 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.



# OCEAN YOUTH TRUST SOUTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gifts	173,284	74,101	247,385	44,482	121,925	166,407
Covid-19 related government grants	10,000	49,345	59,345	-	-	-
	<u>183,284</u>	<u>123,446</u>	<u>306,730</u>	<u>44,482</u>	<u>121,925</u>	<u>166,407</u>

# OCEAN YOUTH TRUST SOUTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 4 Charitable activities

	<b>Boat 2020 £</b>	<b>Boat 2019 £</b>
Sales within charitable activities	14,078	195,485

### 5 Investments

	<b>Unrestricted funds general 2020 £</b>	<b>Unrestricted funds general 2019 £</b>
Interest receivable	1,346	1,268

### 6 Other income

	<b>Unrestricted funds general 2020 £</b>	<b>Unrestricted funds general 2019 £</b>
Net gain on disposal of tangible fixed assets	700	-
Other income	(80)	2,922
	620	2,922

### 7 Raising funds

	<b>Unrestricted funds general 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total 2020 £</b>	<b>Unrestricted funds general 2019 £</b>
<u>Fundraising and publicity</u>				
Staff costs	23,953	3,049	27,002	26,219
	23,953	3,049	27,002	26,219

# OCEAN YOUTH TRUST SOUTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 8 Charitable activities

	Boat 2020 £	Boat 2019 £
Staff costs	96,644	92,236
Depreciation and impairment	43,296	43,687
Publicity costs	-	1,132
Freelance boat fees	810	7,813
Vessel maintenance	37,659	67,812
Training	4,278	2,243
Victuals	1,062	16,765
Fuel, harbour fees and charts	3,271	16,226
Travel and subsistence	-	2,698
Licenses and insurance	14,856	17,306
	<u>201,876</u>	<u>267,918</u>
Share of support costs (see note 9)	106,922	110,182
Share of governance costs (see note 9)	5,915	4,830
	<u>314,713</u>	<u>382,930</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	192,993	218,889
Restricted funds	121,720	164,041
	<u>314,713</u>	<u>382,930</u>

### 9 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	79,640	-	79,640	83,172	-	83,172
Operating lease charges	6,557	-	6,557	7,403	-	7,403
Finance costs	1,190	-	1,190	2,471	-	2,471
Administration costs	19,535	-	19,535	17,136	-	17,136
Audit fees	-	5,915	5,915	-	4,080	4,080
Accountancy	-	-	-	-	750	750
	<u>106,922</u>	<u>5,915</u>	<u>112,837</u>	<u>110,182</u>	<u>4,830</u>	<u>115,012</u>
Analysed between Charitable activities	<u>106,922</u>	<u>5,915</u>	<u>112,837</u>	<u>110,182</u>	<u>4,830</u>	<u>115,012</u>

# OCEAN YOUTH TRUST SOUTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Shore based	5	4
Sailing	3	3
	<u>8</u>	<u>7</u>

#### Employment costs

	2020 £	2019 £
Wages and salaries	186,826	182,001
Social security costs	12,547	16,238
Other pension costs	3,913	3,388
	<u>203,286</u>	<u>201,627</u>

The total employee benefits of the key management personnel, that being the CEO & Business Manager, of the charity were £79,464 (2019 - £77,526).

The five shore-based employees are a mixture of full and part time staff representing the four full time equivalent staff positions in 2019.

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

### 12 Other expenditure

	Total £ 2020	Unrestricted funds general 2019
Net loss on disposal of tangible fixed assets	-	1,586
	<u>-</u>	<u>1,586</u>

### 13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

# OCEAN YOUTH TRUST SOUTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 14 Tangible fixed assets

	Plant and equipment £	Computers £	Sailing vessels £	Total £
<b>Cost</b>				
At 1 November 2019	25,397	16,401	726,611	768,409
Disposals	(700)	-	-	(700)
At 31 October 2020	24,697	16,401	726,611	767,709
<b>Depreciation and impairment</b>				
At 1 November 2019	24,897	13,782	108,275	146,954
Depreciation charged in the year	-	1,572	41,724	43,296
Eliminated in respect of disposals	(700)	-	-	(700)
At 31 October 2020	24,197	15,354	149,999	189,550
<b>Carrying amount</b>				
At 31 October 2020	500	1,047	576,612	578,159
At 31 October 2019	500	2,619	618,336	621,455

### 15 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	7,394	92,471
Other debtors	4,497	5,952
Prepayments and accrued income	15,025	1,987
	26,916	100,410

### 16 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	19,144	19,242
Deferred income	59,963	138,063
Trade creditors	60,822	5,157
Other creditors	740	-
Accruals and deferred income	6,677	5,948
	147,346	168,410

Deferred income relates to sailing fees for 2019/20, deferred until 2020/21 due to loss of sailing season in current year because of Covid-19.

# OCEAN YOUTH TRUST SOUTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 17 Retirement benefit schemes

#### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £3,913 (2019 - £3,388).

Contributions totalling £1,202 (2019 - £1,137) which were payable to the scheme at the end of the year are included in creditors.

### 18 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:

	Movement in funds				
	Balance at 1 November 2019	Incoming resources	Resources expended	Transfers	Balance at 31 October 2020
	£	£	£	£	£
Prolific fund	525,822	-	(41,724)	-	484,098
Sailing fees fund	-	40,401	-	(40,401)	-
Refit and maintenance fund	-	5,900	(5,900)	-	-
Salary fund	-	70,411	(70,411)	-	-
Other funds	-	6,734	(6,734)	-	-
	<u>525,822</u>	<u>123,446</u>	<u>(124,769)</u>	<u>(40,401)</u>	<u>484,098</u>

The Prolific fund represents funds received to enable the charity to have purchased Prolific as a replacement for John Laing. This includes the additional work required to continue to enhance Prolific's operating capacity based on lessons learned once the charity had started using her for voyages for young people.

The Sailing fees fund represents funds received to pay for sailing fees associated with future voyages.

The Refit and maintenance fund represents funds received to maintain Prolific in a seaworthy state.

The Salary fund represents funds received to pay for employment costs.

The amount of £40,401 (2019 - £nil) has been transferred from Restricted funds to Unrestricted funds - general as agreed with donors to aid the charitable company in surviving through the Covid-19 outbreak.

# OCEAN YOUTH TRUST SOUTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 19 Unrestricted funds - designated

These are unrestricted funds which are material to the charity's activities made up as follows:

	Movement in funds		Movement in funds		
	Balance at 1 November 2018	Incoming resources	Balance at 1 November 2019	Incoming resources	Balance at 31 October 2020
	£	£	£	£	£
Boat contingency fund	30,000	-	30,000	-	30,000
Boat refit fund	428,349	-	428,349	-	428,349
	<u>458,349</u>	<u>-</u>	<u>458,349</u>	<u>-</u>	<u>458,349</u>

The Boat contingency fund exists to cover unplanned maintenance and repair costs during the next year's sailing.

The Boat refit fund exists to cover major maintenance and refurbishment work which will need to be carried out at regular intervals. These works include replacing the following; main mast, engines, winches, windlass, fire systems, sails, standing rigging and electrics.

### 20 Analysis of net assets between funds

	Unrestricted funds - general	Unrestricted funds - designated	Restricted funds	Total	Total
	2020	2020	2020	2020	2019
	£	£	£	£	£
Fund balances at 31 October 2020 are represented by:					
Tangible assets	112,428	-	465,731	578,159	621,455
Current assets/(liabilities)	117,594	458,349	18,366	594,309	569,954
	<u>230,022</u>	<u>458,349</u>	<u>484,097</u>	<u>1,172,468</u>	<u>1,191,409</u>

### 21 Charity status

The charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

# OCEAN YOUTH TRUST SOUTH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 22 Operating lease commitments

#### Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	-	5,005

### 23 Related party transactions

#### Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Services provided	
	2020 £	2019 £
Entities controlled by trustees of the company	173	-

During the year the charitable company incurred expenses of £173 (2019: £nil) for staff first aid training from KTY Yachts, a business run by Yvonne Taylor who was a trustee of the charitable company during the year. The outstanding balance at the year end is £nil (2019: £nil).

24 Cash generated from operations	2020 £	2019 £
Deficit for the year	(18,941)	(44,653)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,346)	(1,268)
(Gain)/loss on disposal of tangible fixed assets	(700)	1,586
Depreciation and impairment of tangible fixed assets	43,296	43,687
Movements in working capital:		
Decrease in debtors	73,494	15,997
Increase/(decrease) in creditors	57,036	(1,046)
(Decrease)/increase in deferred income	(78,100)	23,693
<b>Cash generated from operations</b>	<b>74,739</b>	<b>37,996</b>

### 25 Analysis of changes in net funds

The charity had no debt during the year.