

Company registration number: 3898084

Charity registration number: 1079959

Ocean Youth Trust South

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 October 2018

Ocean Youth Trust South

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 October 2018.

Chair's report

This year has been another very positive one for the charity. The second year with our vessel *Prolific* continued to produce excellent feedback from young people, clients, volunteers, donors and supporters, and the vessel covered 5,766 nautical miles under the guidance of a very young and exceptionally talented staff team. The year ended with our staff skipper, Peta Koczy, aged 24, being awarded the title of Young Sail Trainer of the Year 2018 - a worldwide award from Sail Training International. Meanwhile 2018's Sailing Support Officer, Holly Vint, aged 26, was named Best Potential Sail Training Skipper by the Association of Sail Training Organisations and the Maritime Coastguard Agency.

At the end of the year the charity is well-placed for the long term.

Again 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 530.5 days of labour to the refit of *Prolific* between November 2017 and March 2018, and then 77 volunteers between them gave 1,075 days to sail on voyages and support the young people on board. Three in ten volunteer berths were filled by young people aged 25 or under. Further volunteer contributions were made by shore and office-based volunteers.

Achievements and performance

During the year the Trust sold or allocated (using bursary funding) 539 crew berths out of 540 crew berths originally available. Some groups paid for a full boat but chose not to fill all the places, and there were a few late drop-outs, so 510 individuals actually sailed in these berths, filling 94.4% of available berths. After the start of the season, a review of our coding allowed us to accept up to 15 young people per voyage instead of the original 12. The Trust decided to make this available on selected voyages only, sticking to a maximum of 12 on any voyages with vulnerable young people needing extra staff time and attention, and for groups with physical or learning difficulties or a record of challenging behaviour. The change came too late for some groups which would have been eligible for extra numbers but who had already selected their participants, so in the end an additional 20 places were filled during the season. It should be possible to increase this in future although the Trust does not intend to open all voyages to 15 places.

71% of places on youth voyages went to young people who were disadvantaged or vulnerable in some way (or to group leaders such as teachers, youth workers and carers who were needed in order for the young people to sail).

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362 people completed a pre- and post-voyage Outcomes Wheel self-evaluation. Average changes reported were:

	% change		% change
Feeling confident	+23	Dealing with setbacks	+22
Working in a team	+15	Learning from experience	+13
Learning new skills	+16	Looking after myself	+7
Coping with new experiences	+19	Getting on with people	+13
Compromise / negotiation when living with different people	+16	Communication (speaking and listening)	+16

Financial review

The Trust has not yet returned to what might be regarded as "normal" trading following the New Boat Project which involved fundraising for, purchasing and refitting *Prolific*. Trustees would like to draw attention to a number of areas:

(i) Substantial funds were raised prior to this financial year for aspects of *Prolific*'s refit and maintenance, which were always intended to be spent once we had experience of operating *Prolific* with young people on board, and could plan and evaluate purchases and modifications accordingly. Some of these funds were spent in this financial year and some remain to be carried forward to future years (for example, the vessel's entire electrical system was replaced after the end of this financial year). It was therefore not unexpected that expenditure should exceed income (2018 net deficit of £26,909) as this year we were spending some of the money raised in previous years - bearing in mind that the Trust's accounts showed a significant surplus in each of the preceding four years (including a positive figure of £62,382 in 2017).

(ii) However, 2018 is much closer to "normal" trading than 2017.

a) Funds that were spent in this financial year to improve *Prolific* are shown as £24,431 of fixed asset additions; but in the previous year the fixed asset additions were £159,352. This means that although the accounts show expenditure on vessel maintenance rising from £8,418 last year to £35,946 this year, the total spend on the vessel was actually very much lower this year as much less remained to be done. The combined cost of fixed asset additions to the vessel, and vessel maintenance, at £60,377, is much closer to what could be regarded as a normal year, compared with a total of £167,770 in the previous year.

b) In 2017 we added two months of winter staff and volunteer training to our normal 8-month sailing season, to allow people to become familiar with *Prolific*, which is very different to our previous vessel. This led to significant increases in 2017 expenditure on training and also on items such as fuel and harbour fees. 2018 therefore showed expected falls in expenditure in these areas. Expenditure on fuel, harbour fees and charts was £9,234 in 2016 with our previous vessel; £18,169 for *Prolific* in a longer season; and £14,577 with *Prolific* in a normal season - so costs have risen (as expected with a larger and more complex vessel) but not by as much as the 2017 figures might have implied.

c) In 2017, the Trustees took the decision to award a number of staff bonuses to a total of £16,000 in recognition of the exceptional levels of effort and commitment required in bringing *Prolific* into service at the same time as continuing all the charity's normal operations, including the final season with our previous vessel *John Laing*. This was a one-off - which explains the lower spending on wages and salaries in 2018.

d) In 2017 we sold our previous vessel *John Laing* for a profit of £78,000 which is obviously a one-off receipt.

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(iii) In some respects, however, 2018 saw expenditure which will not be repeated every year.

a) For several months of the 2018 sailing season we were training a new Staff Skipper and had a training Skipper on board, which accounts for the increase in freelance sailing fees.

b) In 2017 we had appointed an additional member of staff, the Sailing Support Officer, to assist with the transition to a larger and more complex vessel, providing invaluable support to the Staff Skipper and to our volunteers and ensuring that both the quality and safety of the voyage experience offered to our clients could be maintained or even enhanced. It was decided to continue the post through 2018 and the expenditure of £26,970 on the New Boat Project (note 7) which appears in these accounts represents the employment costs for the Sailing Support Officer. This should be the last time that any New Boat Project expenditure appears in the accounts as the post was discontinued at the end of 2018.

(iv) Going forward, we have created a new post of Staff Cadet, a two-year, entry-level job for a young person without qualifications or significant experience and hence with lower employment costs than the highly skilled and experienced Sailing Support Officer. The Staff Cadet salary is fully-funded by restricted grants for 2019.

(v) Our previous vessel *John Laing* was fully depreciated down to its residual value, whereas the new 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 £38,442 (2017: £28,115), which will be ongoing.

(vi) Income from sailing fees rose from £141,033 in 2017 to £179,987 in 2018, partly due to a slightly longer season without 2017's extra winter training and partly due to voyages where we were able to take up to fifteen crew instead of twelve. The 2019 season is set to be longer still and there are more voyages where we can use the extra places. This picture should become standard in the longer term so prospects are good for a healthy income from voyage fees.

(vii) Donors

Having clarified that 2017-2018 was not a "normal" trading year for the Trust, the intention in the longer term is to return to 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 - both those who have supported the New Boat Project and those whose contributions support the day-to-day work of the charity.

(vii) Year end position

At the end of the year the charity was in a satisfactory financial position, with total reserves of some £1.23m dominated by *Prolific* and her future needs, as follows:

Type of reserve	£
Restricted	567,938
Designated	458,349
General	209,775
Total	<u>1,236,062</u>

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At the year end the restricted funds balance comprised the vessel itself 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.

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

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 or 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 are satisfied that the trust's financial resources are such that there is no current financial uncertainty about the trust continuing as a going concern.

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).

Recruitment and appointment of trustees

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

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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

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.

Reference and Administrative Details

Chairman	Eamonn Feeney
Chief Executive Officer	Mark Todd
Trustees	Brian Eyres Yvonne Taylor Steve Lacey Frederick J Cole Fiona Pankhurst Ben Martin Richard Griffiths Mike Bowles Eamonn Feeney Jack Dignan (resigned 28 January 2019) Lesley Robinson Edward Bishop (co-opted 25 July 2017) (appointed 4 November 2017) Lauren Brayshaw Mackenzie (appointed 28 January 2019) Shaun Allen Ormrod (appointed 28 January 2019)
Other Officers	Caroline White, Business manager Sally Croly, Office manager
Principal Office	8 North Meadow Weevil Lane Gosport Hampshire PO12 1BP
Registered Office	8 North Meadow Weevil Lane Gosport Hampshire PO12 1BP

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Trustees' Report


The charity is incorporated in England.

Company Registration Number	3898084
Charity Registration Number	1079959
Bankers	Lloyds Bank PLC 57 High Street Christchurch Dorset BH23 1BB
Independent Examiner	Wilkins Kennedy Statutory Auditors Carnac Place Cams Hall Estate Fareham Hampshire PO16 8UY

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 1st May 2019 and signed on its behalf by:


.....
Eamonn Feeney
Chairman

Ocean Youth Trust South

Independent Examiner's Report to the trustees of Ocean Youth Trust South

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 October 2018 which are set out on pages 8 to 26.

Respective responsibilities of trustees and examiner

As the charity's trustees of Ocean Youth Trust South (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Ocean Youth Trust South 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 your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since Ocean Youth Trust South'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:

1. accounting records were not kept in respect of Ocean Youth Trust South as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 accounts to be reached.

Wilkins Kennedy Audit Services
Zara Hogg FCA (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy
Statutory Auditors
the Institute of Chartered Accountants in England and Wales

Carnac Place
Cams Hall Estate
Fareham
Hampshire
PO16 8UY

Date: *3 May 2019*

Ocean Youth Trust South

Statement of Financial Activities for the Year Ended 31 October 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2018 £	Total 2017 £
Income and Endowments from:						
Donations and legacies	2	64,269	-	108,891	173,160	205,610
Charitable activities	3	179,987	-	-	179,987	141,033
Investment income	4	965	-	-	965	1,148
Other income	5	3,069	-	-	3,069	81,000
Total Income		<u>248,290</u>	<u>-</u>	<u>108,891</u>	<u>357,181</u>	<u>428,791</u>
Expenditure on:						
Raising funds	6	(24,686)	-	-	(24,686)	(24,704)
Charitable activities	7	(168,121)	(17,000)	(174,283)	(359,404)	(341,705)
Total Expenditure		<u>(192,807)</u>	<u>(17,000)</u>	<u>(174,283)</u>	<u>(384,090)</u>	<u>(366,409)</u>
Net income/(expenditure)		55,483	(17,000)	(65,392)	(26,909)	62,382
Transfers between funds		(43,500)	43,500	-	-	-
Net movement in funds		11,983	26,500	(65,392)	(26,909)	62,382
Reconciliation of funds						
Total funds brought forward		<u>197,792</u>	<u>431,849</u>	<u>633,330</u>	<u>1,262,971</u>	<u>1,200,589</u>
Total funds carried forward	21	<u>209,775</u>	<u>458,349</u>	<u>567,938</u>	<u>1,236,062</u>	<u>1,262,971</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown is shown in note 21.

Ocean Youth Trust South
(Registration number: 3898084)
Balance Sheet as at 31 October 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	641,580	657,359
Current assets			
Debtors	14	116,407	80,493
Cash at bank and in hand	15	623,838	653,432
		740,245	733,925
Creditors: Amounts falling due within one year	16	(145,763)	(128,313)
Net current assets		594,482	605,612
Net assets		1,236,062	1,262,971
Funds of the charity:			
Restricted funds		567,938	633,330
Unrestricted income funds			
Designated Funds		458,349	431,849
General Funds		209,775	197,792
Total unrestricted funds		668,124	629,641
Total funds	21	1,236,062	1,262,971

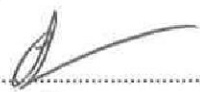
For the financial year ending 31 October 2018 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 8 to 26 were approved by the trustees, and authorised for issue on 1st Nov 2019 and signed on their behalf by:



 Eamonn Feeney
 Chairman

Ocean Youth Trust South

Statement of Cash Flows for the Year Ended 31 October 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (expenditure)/income		(26,909)	62,382
Adjustments to cash flows from non-cash items			
Depreciation	7	40,210	30,020
Investment income	4	<u>(965)</u>	<u>(1,148)</u>
		12,336	91,254
Working capital adjustments			
(Increase)/decrease in debtors	14	(35,914)	6,150
Increase in creditors	16	2,280	2,942
Increase in deferred income		<u>15,170</u>	<u>4,830</u>
Net cash flows from operating activities		<u>(6,128)</u>	<u>105,176</u>
Cash flows from investing activities			
Interest receivable and similar income	4	965	1,148
Purchase of tangible fixed assets	13	(24,431)	(159,352)
Sale of tangible fixed assets		<u>-</u>	<u>20,000</u>
Net cash flows from investing activities		<u>(23,466)</u>	<u>(138,204)</u>
Net decrease in cash and cash equivalents		(29,594)	(33,028)
Cash and cash equivalents at 1 November		<u>653,432</u>	<u>686,460</u>
Cash and cash equivalents at 31 October		<u><u>623,838</u></u>	<u><u>653,432</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Ocean Youth Trust South meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in GBP, which is the Charity's functional currency. The financial statements have been rounded to the nearest whole pound.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Incoming resources

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Investment income is recognised on a receivable basis.

Charitable activities

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

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Notes to the Financial Statements for the Year Ended 31 October 2018

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.

Cost of generating funds

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

Charitable activities

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

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 the time spent and other costs by their usage.

Governance costs

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

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and machinery	Written down to residual value.
Sailing Vessel	5%, 10% or 20% straight line
Fixtures, fittings and equipment	15% or 33% straight line

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds that are resources set aside for specific purposes at the discretion of the trustees.

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.

Further details of each fund are disclosed in note 21.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

2 Income from donations and legacies

	Unrestricted funds			
	General	Restricted	Total	Total
	£	funds	2018	2017
		£	£	£
Donations and legacies;				
Donations	64,269	108,891	173,160	205,610
	<u>64,269</u>	<u>108,891</u>	<u>173,160</u>	<u>205,610</u>

3 Income from charitable activities

	Unrestricted funds			
	General	Total	Total	
	£	2018	2017	
		£	£	
Sailing	179,987	179,987	141,033	
	<u>179,987</u>	<u>179,987</u>	<u>141,033</u>	

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Notes to the Financial Statements for the Year Ended 31 October 2018

4 Investment income

	Unrestricted funds		
	General £	Total 2018 £	Total 2017 £
Interest receivable and similar income; Interest receivable on bank deposits	965	965	1,148

5 Other income

	Unrestricted funds		
	General £	Total 2018 £	Total 2017 £
Gains on sale of tangible fixed assets for charity's own use	-	-	78,000
Other income	3,069	3,069	3,000
	3,069	3,069	81,000

6 Expenditure on raising funds

	Unrestricted funds		
	General £	Total 2018 £	Total 2017 £
Fund raising wages, marketing and publicity	24,686	24,686	24,704

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

7 Expenditure on charitable activities

	Unrestricted funds		Restricted funds	Total 2018	Total 2017
	Designated £	General £	£	£	£
Sailing	17,000	168,121	147,313	332,434	320,280
New boat project	-	-	26,970	26,970	21,425
	<u>17,000</u>	<u>168,121</u>	<u>174,283</u>	<u>359,404</u>	<u>341,705</u>

	Activity undertaken directly £	Activity support costs £	Total 2018 £	Total 2017 £
Sailing	212,686	119,748	332,434	320,280
New boat project	26,970	-	26,970	21,425
	<u>239,656</u>	<u>119,748</u>	<u>359,404</u>	<u>341,705</u>

Included with the expenditure analysed above, are governance costs of £6,210 (2017 - £5,200) which relate directly to charitable activities. See note 8 for further details.

Direct costs analysis

	2018 £	2017 £
Sailing		
Publicity costs	617	500
Wages and salaries	62,219	79,610
Staff NIC (Employers)	5,624	8,177
Freelance sailing fees	18,366	10,994
Vessel maintenance	35,946	8,418
Training	372	8,673
Victuals	15,994	15,035
Fuel, harbour fees and charts	14,577	18,169
Travel and subsistence	3,112	5,047
Licenses and insurance	15,649	16,988
Depreciation of furniture and equipment	1,768	1,905
Depreciation of sailing vessel	<u>38,442</u>	<u>28,115</u>
	<u>212,686</u>	<u>201,631</u>
New boat project		
Wages and salaries (new boat)	24,708	19,814
Staff NIC (Employers) (new boat)	<u>2,262</u>	<u>1,611</u>
	<u>26,970</u>	<u>21,425</u>
	<u>239,656</u>	<u>223,056</u>

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Basis of allocation	Governance costs £	Finance costs £	Staff costs £	Administration costs £	Premises costs including depreciation £	Total 2018 £	Total 2017 £
Sailing	A		6,210	2,280	80,154	23,812	7,292	119,748
								118,649

Basis of allocation

Reference	Method of allocation
A	Support costs incurred all relate to the running of the office in support of sailing activities

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

Support costs analysis

	2018 £	2017 £
Wages and salaries	71,579	74,318
Staff NIC (Employers)	6,384	7,167
Staff pensions (Defined contribution)	2,191	1,479
Rent	7,292	7,864
Telephone and fax	3,618	3,868
Office expenses	12,336	8,091
Printing, postage and stationery	1,613	2,162
Literature and publications	1,643	2,430
Trade subscriptions	1,657	1,160
Sundry expenses	2,945	1,310
Bad debts written off	-	2
Bank charges	2,280	3,598
	<u>113,538</u>	<u>113,449</u>
Governance costs (analysed below)	<u>6,210</u>	<u>5,200</u>
	<u><u>119,748</u></u>	<u><u>118,649</u></u>

Governance costs

	Unrestricted funds General £	Total 2018 £	Total 2017 £
Independent examination fees			
Independent examination of the financial statements	3,960	3,960	3,850
Other fees paid to the independent examiners	2,250	2,250	1,350
	<u>6,210</u>	<u>6,210</u>	<u>5,200</u>

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

9 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2018 £	2017 £
Depreciation of fixed assets	<u>40,210</u>	<u>30,020</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

11 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	180,974	196,048
Staff NIC (Employers)	16,510	19,191
Pension costs	<u>2,191</u>	<u>1,479</u>
	<u>199,675</u>	<u>216,718</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2018 No	2017 No
Shore based	4	4
Sailing	<u>3</u>	<u>3</u>
	<u>7</u>	<u>7</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £97,139 (2017 - £101,221).

12 Taxation

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

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

13 Tangible fixed assets

	Furniture and equipment £	Plant and machinery £	Sailing vessels £	Total £
Cost				
At 1 November 2017	19,996	25,397	679,015	724,408
Additions	-	-	24,431	24,431
Disposals	(3,595)	-	-	(3,595)
At 31 October 2018	<u>16,401</u>	<u>25,397</u>	<u>703,446</u>	<u>745,244</u>
Depreciation				
At 1 November 2017	14,037	24,897	28,115	67,049
Charge for the year	1,768	-	38,442	40,210
Eliminated on disposals	(3,595)	-	-	(3,595)
At 31 October 2018	<u>12,210</u>	<u>24,897</u>	<u>66,557</u>	<u>103,664</u>
Net book value				
At 31 October 2018	<u>4,191</u>	<u>500</u>	<u>636,889</u>	<u>641,580</u>
At 31 October 2017	<u>5,959</u>	<u>500</u>	<u>650,900</u>	<u>657,359</u>

14 Debtors

	2018 £	2017 £
Trade debtors	85,515	72,668
Prepayments	1,317	1,060
Other debtors	<u>29,575</u>	<u>6,765</u>
	<u>116,407</u>	<u>80,493</u>

15 Cash and cash equivalents

	2018 £	2017 £
Cash at bank	<u>623,838</u>	<u>653,432</u>

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	5,087	4,196
Other creditors	21,204	19,789
Accruals	5,102	5,128
Deferred income	<u>114,370</u>	<u>99,200</u>
	<u>145,763</u>	<u>128,313</u>

	2018 £
Deferred income at 1 November 2017	99,200
Resources deferred in the period	114,370
Amounts released from previous periods	<u>(99,200)</u>
Deferred income at 31 October 2018	<u>114,370</u>

Deferred income relates to sailing fees for 2018/19, invoiced in advance.

17 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	2017 £
Land and buildings		
Within one year	5,460	5,460
Between one and five years	<u>5,005</u>	<u>10,465</u>
	<u>10,465</u>	<u>15,925</u>

18 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £2,191 (2017 - £1,479).

Contributions totalling £1,825 (2017 - £235) were payable to the scheme at the end of the year and are included in creditors.

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

19 Charity status

The charity is a Charity 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.

20 Commitments

Capital commitments

A deposit has been paid within the year for a project that is due to start after the year end. The deposit of £7,000 is showing within debtors. The work will be capitalised once completed.

The total amount contracted for but not provided in the financial statements was £22,314 (2017 - £Nil).

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

21 Funds

	Balance at 1 November 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 October 2018 £
Unrestricted funds					
General	(197,792)	(247,695)	192,212	43,500	(209,775)
Designated	(431,849)	-	17,000	(43,500)	(458,349)
Total unrestricted funds	(629,641)	(247,695)	209,212	-	(668,124)
Restricted funds	(633,330)	(108,891)	174,283	-	(567,938)
Total funds	(1,262,971)	(356,586)	383,495	-	(1,236,062)

	Balance at 1 November 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 October 2018 £
Unrestricted funds					
<i>General</i>					
Unrestricted income fund	197,792	247,695	(209,212)	-	236,275
<i>Designated</i>					
Boat contingency fund	30,000	-	-	-	30,000
Boat refit fund	401,849	-	-	-	401,849
	431,849	-	-	-	431,849

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

	Balance at 1 November 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 October 2018 £
Total Unrestricted funds	629,641	247,695	(209,212)	-	668,124
Restricted funds					
Prolific fund	633,330	20	(65,412)	-	567,938
Sailing fees fund	-	83,221	(83,221)	-	-
Refit and maintenance fund	-	9,550	(9,550)	-	-
Salary fund	-	16,100	(16,100)	-	-
Total restricted funds	633,330	108,891	(174,283)	-	567,938
Total funds	1,262,971	356,586	(383,495)	-	1,236,062
	Balance at 1 November 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 October 2017 £
Unrestricted funds					
General	(156,137)	(314,171)	231,667	40,849	(197,792)
Designated	(391,000)	-	-	(40,849)	(431,849)
Total unrestricted funds	(547,137)	(314,171)	231,667	-	(629,641)
Restricted funds					
	(653,452)	(113,958)	134,080	-	(633,330)
Total funds	(1,200,589)	(428,129)	365,747	-	(1,262,971)

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

	Balance at 1 November 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 October 2017 £
Unrestricted funds					
<i>General</i>					
Unrestricted income fund	156,137	314,833	(232,329)	(40,849)	197,792
<i>Designated</i>					
Boat contingency fund	30,000	-	-	-	30,000
Boat refit fund	361,000	-	-	40,849	401,849
	391,000	-	-	40,849	431,849
Total unrestricted funds	547,137	314,833	(232,329)	-	629,641
Restricted funds					
Prolific fund	653,452	29,418	(49,540)	-	633,330
Sailing fees fund	-	59,540	(59,540)	-	-
Salary fund	-	25,000	(25,000)	-	-
Total restricted funds	653,452	113,958	(134,080)	-	633,330
Total funds	1,200,589	428,791	(366,409)	-	1,262,971

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

The specific purposes for which the funds are to be applied are as follows:

General funds:

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

Designated funds:

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.

Restricted funds:

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 Salary Fund represents funds received to pay for employment costs.

Ocean Youth Trust South

Notes to the Financial Statements for the Year Ended 31 October 2018

22 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds
	General £	Designated £	£	£
Tangible fixed assets	115,572	-	526,008	641,580
Current assets	266,466	431,849	41,930	740,245
Current liabilities	(145,763)	-	-	(145,763)
Total net assets	<u>236,275</u>	<u>431,849</u>	<u>567,938</u>	<u>1,236,062</u>

23 Analysis of net funds

	At 1 November 2017 £	Cash flow £	At 31 October 2018 £
Cash at bank and in hand	653,432	(29,594)	623,838
Net funds	<u>653,432</u>	<u>(29,594)</u>	<u>623,838</u>

24 Related party transactions

During the year the charity made the following related party transactions:

KTY Yachts

(A company controlled by Yvonne Taylor, a trustee of the charity)

During the year, the charity purchased services of £Nil (2017 - £300) from KTY Yachts. All transactions were undertaken at normal trade prices. At the balance sheet date the amount due to/from KTY Yachts was £Nil (2017 - £Nil).