

Charity Registration No. 328320

Company Registration No. 02412804 (England and Wales)

MORNING STAR TRUST

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Morning Star Trust

Trustees' Report 2020

Letter from the Chair and Chief Executive

2020 has been a year of great change and challenge for Morning Star Trust. In January, a new Chief Executive was appointed, and arrangements were finalised to relocate the charity from Chatham to Chichester, vacating our offices and workshops in the Historic Dockyard.

Morning Star was formally decommissioned in December 2019, marking the end of forty-two years of continuous use by the Trust (and its predecessors) as the oldest purpose-build sail training vessel in the UK. In early 2020 both *Morning Star* and *Dayspring* were sold into private ownership and *Bright Star* was moved to Northney Marina in Hampshire.

In March 2020, the rapid spread of Covid-19 forced us to suspend all voyages indefinitely. This loss of income remains a real danger to the continued viability of the Trust, and we must thank those who continued to support our work throughout this time. We are also grateful to those groups and participants who allowed us to move their bookings rather than asking for refunds.

Significant grant funding during the year was received from Sport England, the National Lottery, and the Association of Sail Training Organisations. Without these grants it is unlikely that the charity would still be here now and for this we are grateful.

Bright Star remained laid up for most of 2020 with weekly ship-keeping inspections by staff based locally. She was able to be used for training by a small number of sea staff in their family bubbles during the period when restrictions were eased, and we were able to complete one youth voyage in October working with a group from a boarding school bubble.

Bright Star was in excellent condition following her refit in 2019/20 and received sufficient use to prevent any decline in material condition through the year, meaning she will require very little maintenance expenditure during the winter of 2020/21.

Despite the challenges, 2020 provided the Trust's management an opportunity to focus on our long-term strategic plan following the major organisational and staffing changes in late 2019. Time was spent with stakeholders to develop a Theory of Change document, and to envision the future shape of the organisation. After much consideration and prayer, a major capital appeal was launched in September 2020 to fundraise to purchase and refit a second eleven-metre yacht to work alongside *Bright Star*.

Response to this appeal has been extraordinary and in around three weeks, sufficient funding was raised to purchase a Sigma 38, now named *Eastern Star of Revelation*. The vessel spent around two months in a boatyard for a hull and rig refit before moving home to Northney Marina in December 2020. Internal fitout and commissioning work is ongoing, but we are confident that the vessel will be ready to operate in early 2021.

Joly La Trobe Bateman, Chairman & Toby Humphreys, Chief Executive

The Trustees, who are also the Company Directors, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2020.

Objectives and Activities

The charity's objects are:

- the proclamation of the gospel of Christ together with the advancement of Christianity
- the education of young people in the development of their physical, mental, and spiritual capacities so that they may grow to full maturity as individuals and members of society.

In 2020 the charity aimed to fulfil these objectives by the provision of residential voyages to young people (under 25 years old) onboard sail training vessel *Bright Star of Revelation* (ON 923847). Voyages are also provided in partnership with selected groups of vulnerable adults. Where appropriate excess capacity, particularly in term time, is used for voyages and training courses by paying adults.

Our aim is always to offer the maximum number of places to young people, many of whom were from disadvantaged backgrounds, on sail training activities at the lowest achievable cost. For this we are reliant on funding which subsidises these costs, as well as providing for additional bursaries. The Trustees record their grateful thanks for this support without which subsidised places could not be offered.

Volunteers

A great contribution to the work of the Trust is provided by volunteers, both ashore and at sea, to enable us to continue. In 2020, the Trust employed one member of seagoing staff, and all other roles onboard both boats were filled by volunteers.

We were fortunate to have a full-time volunteer Staff Mate and Staff Bosun at the beginning of 2020, with Chris taking over as Bosun in September 2019, and Rebecca staying in the role of Mate for a second year. Rebecca and Chris gave 90 volunteer days in maintenance during the spring of 2020. Both Rebecca and Chris stopped volunteering in March with the onset of the first Covid-19 lockdown.

The Trust also benefited from a number of shorebased volunteers who gave twenty-five days of volunteering to assist with maintenance when restrictions permitted them access to the boat.

Despite the ongoing challenges posed by Covid-19, the Trust was able to complete one voyage with young people in October 2020, which was staffed exclusively by volunteers. The Trustees are grateful for the ongoing support of the wider MST supporter network who assisted in myriad ways with the continued success of the organisation during a year

Public Benefit

In planning activities for the year, the Trustees confirm that they have had due regard to the Charity Commissioner's Public Benefit guidance in ensuring that:

- all the Trust's activities have been focussed on delivering the objects of the Trust
- the Trust's offering does not exclude the poor
- and any incidental benefits have been wholly associated with the requirements of the operation of the Trust.

Achievements and Performance

Due to the lockdown, *Bright Star* remained alongside in Northney for most of the year. She completed 1 youth voyage, spending 7 days at sea.

28 voyages (178 days) were cancelled due to the Covid-19 pandemic.

Bright Star operated at 80% capacity and she served 4 young people.

We sailed with 4 individual beneficiaries who were either young people or vulnerable adults. (163 in 2019, 154 in 2018).

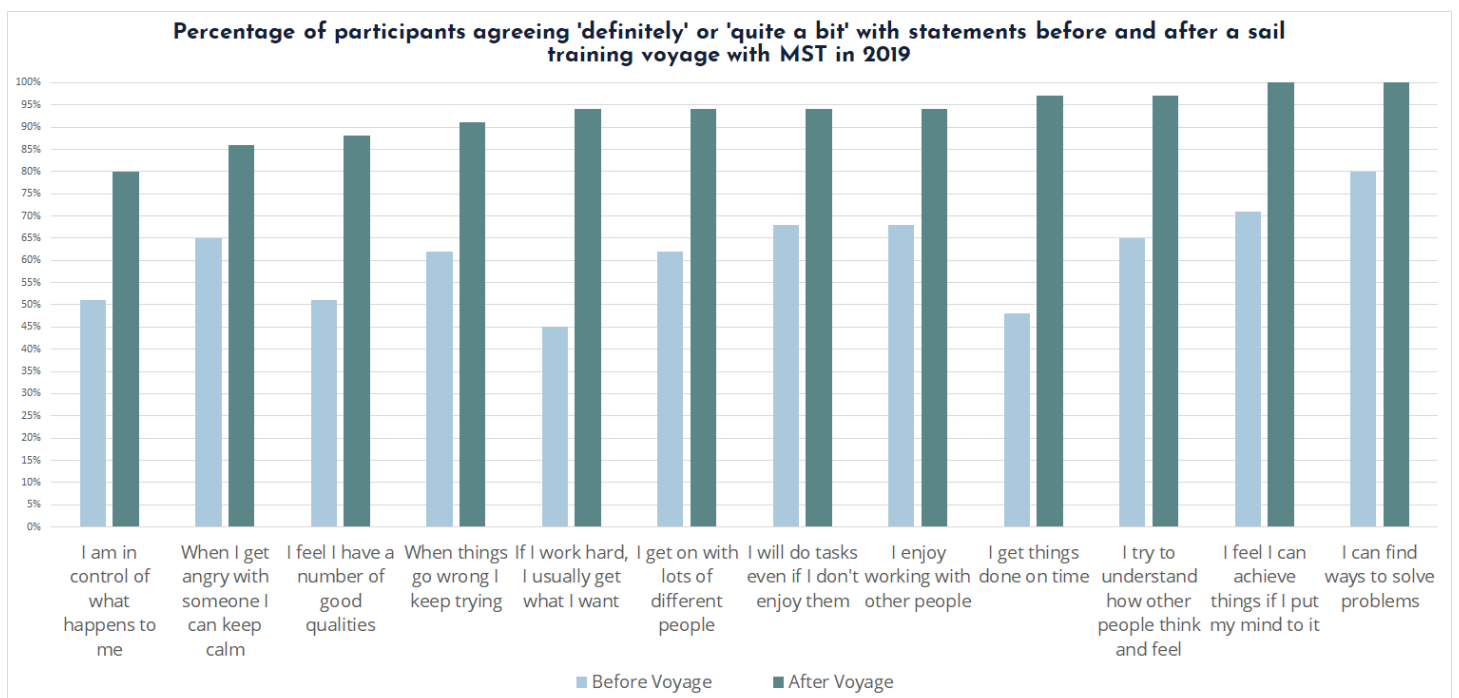
Outcomes

In 2019 we begun using a new framework for measuring voyage outcomes that was jointly developed with ASTO and the Universities of Newcastle and Edinburgh. Participants were asked to agree or disagree with a series of qualitative statements about themselves before and after the voyage. *As we were unable to record outcomes data in 2020, we have continued to use 2019 data for information.*

Participants on MST voyages improved dramatically across the board, but we saw especial improvement in the following areas:

- Perseverance; **“If I work hard I get what I want”** – 49% increase in agreement
- Timekeeping; **“I get things done on time”** – 49% increase in agreement
- Positive self-image; **“I feel I have a number of good qualities”** – 37% increase in agreement
- Socialisation and communal living; **“I get on well with lots of different people”** – 32% increase in agreement

At the end of their voyages, 100% of participants felt that they could **“find ways to solve problems”** and could **“achieve things if I put my mind to it”**.



Participants also completed an activity survey at the end of the voyage, and key outcomes were that 100% of participants agreed that they **“did things even though they were difficult”**, **“learned a new skill”**, and that their team **“worked well together”**. All participants also felt that they **“trusted the sea staff and they trusted me”**.

Percentage agreeing 'quite a bit' or 'definitely' with statements after a voyage with MST in 2019	
I did things even though they were difficult	100%
I trusted the staff and they trusted me	100%
I learnt a new skill	100%
Our team worked well together	100%
I got on well with the others	97%
I learned to stick to the ship's routine	97%
I had to do something important for the ship	94%
I learned about solving problems	89%
I learnt something new about myself	86%
I'm surprised at what I achieved	83%
I learnt something new about the environment	77%

Feedback from Voyage Crew in 2019:

"It is an incredible experience and I got to know so many new people who I wouldn't met otherwise."

"It's an experience of a lifetime, I would advise anybody especially those with low self-esteem/confidence to go on."

"A fantastic experience, a great staff team. Thoroughly enjoyable time and a great opportunity that I would thoroughly recommend"

"Highly recommend. Challenging but enjoyable and fun with friendly and supportive staff. Very rewarding."

"You should do it, as you experience so many more things than you get in ordinary life."

"The onboard crew were very helpful in discussion, responsibilities and instruction and made me feel safe, thank you very much."

"Go and challenge yourself, get out of your comfort zone, meet new people, enjoy it to the full"

"It's a worthwhile activity. The staff encourage you and give you responsibilities. The more you put in the more you get."

Feedback from Group Leaders in 2019:

"Great opportunity and really changed lives of those who were with us. We all had great fun and grew together."

"The Sea Staff were excellent teachers and great fun. they made us feel very welcome and were able to make every part of the syllabus enjoy-able, with time-trialled tacking and gybing and knot tying competitions. They were also great company in the evenings and we're extremely willing and able to answer all of our numerous questions."

"I have personally sailed with MST a few times and it has always been a positive experience, a lovely team to deal with, both in the office and on board! I also knew that MST had experience of dealing with vulnerable adults and people dealing with addictions so it would be appropriate to take the group we had on board Morning Star. It has been a very positive experience for everyone who took part and a good team building exercise. The comments on the bus journey home was testament to the sense of achievement everyone felt after completing this particular trip! A BIG thank you to everyone involved, you are all amazing and your hard work, skills and kindness is truly appreciated."

Financial Review

In 2020 the Trust's total income was £214,832 (2019: £266,250) and was primarily sourced through "donations, gifts, and funding from charitable sources".

A total of £189,468 was raised in donations, gifts, and funding. This was an increase of £2,626 from the preceding year (2019: 186,842).

Voyage income was extremely badly affected by Covid-19 restrictions, and the Trust only received £4,727 from voyage income. This represents a drop in income of £70,467 against the preceding year (2019: £75,194).

Total expenditure was £180,554, which produced a net surplus of £34,278. In 2019, total expenditure was £279,280, which produced a net deficit of £13,030.

This surplus is primarily made up of restricted funds, which are linked to the ongoing "*Eastern Star*" capital appeal project. The majority of this project's funding was received in 2020, but spending is ongoing into 2021.

The Trustees recognise the extraordinary circumstances of the accounting period 2020. That charitable sources income increased during the year is testament to the extraordinary generosity and faithfulness of the Trust's members and supporters.

Reserves Policy

The Trust's Reserves were £26,764 on 31st December 2020. This is in line with the Trustees Policy that the Trust's Reserves must be between 5% and 50% of its Annual Operating Expenditure (excluding "one off" projects). The Trustees believe that 5% is the correct minimum level of reserves to protect the charity, and those who benefit from it, from the effects of the most likely financial risks.

The Trustees have reached this conclusion because the charity currently has fixed assets of £69,089 as of 31st December 2020, which could be liquidated within the time window that this level of unrestricted liquid assets would make possible. The Trustees believe that 50% is the correct maximum level of reserves, because if more were held, this would unnecessarily tie up donors' money in an unproductive way.

The Trustees monitor the level of the Trust's Reserves on a quarterly basis. The Trustees review the Trust's Reserve Policy on an annual basis (at the same time as assessing the Financial Plan for the year ahead) and whenever a change is made to the Trust's Risk Register. If the Reserves needed to fall below 5% of the Trust's Annual Operating Expenditure, all the Trustees would be informed immediately by the Trust's Finance Administrator.

Accounting Policy

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 insofar as it is applicable to a charity which is not subject to a statutory audit.

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

Structure:

The charity is a company limited by guarantee, governed by its Memorandum & Articles of Association.

Governance:

The trustees of MST:

- exercise overall control of the charity by regular review of operation, activities and results of the charity and have responsibility for longer term strategic planning.
- delegate the operational responsibility for safety management to the Operations Director remain accountable in law for all safety aspects of the Morning Star Trust.
- have a management responsibility for ensuring the MST is undertaking its activities safely.
- review trust policies annually.
- appoint the Advisory and Safety Committee to review and investigate safety incidents on board the trusts vessels and make recommendations to the operations team.
- Day to day control is exercised by the Operations Director in accordance with the Schedule of Delegated Responsibilities.

Recruitment of Trustees:

Trustees are appointed according to their skills and experience and are appointed by the existing Trustees on that basis. Each Trustee has confirmed that there is no information of which they are aware which is relevant to the accounts, but of which the Independent Examiner is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the Independent Examiner is aware of such information.

An induction programme is agreed individually with new Trustees on appointment which is tailored to their needs and experience. As a minimum Trustees are required to read the Charity Commission Guidance on Public Benefit and associated documentation, and to allow their decisions to be informed by this guidance.

Reference and Administrative Details

Charity Name: Morning Star Trust

Charity Registration Number: 328320

Company Registration Number: 02412804

Principal Address: PO Box 817, Chichester, West Sussex, PO19 9WP

Registered Office: 43 Woodridge Close, Enfield, Middlesex, EN2 8HJ

Trustees:

- A F J La Trobe-Bateman (Chair)
- D Shepherd (Secretary)
- D Miller
- T Ingall
- H Bradley (resigned 23rd January 2021)
- P Adams (appointed 21st November 2020)
- H Crothers (appointed 21st November 2020)
- R Brewer (appointed 21st November 2020)
- *M La Trobe-Bateman (resigned 16th May 2020)*
- *M Comont (resigned 16th May 2020)*

Signed **AFJ La Trobe-Bateman**

MORNING STAR TRUST (Company Registration Number: 02412804)

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	A F J La Trobe-Bateman P Adams R Brewer H Crothers A Ingall D Miller D Shepherd
Secretary	D Shepherd
Charity number	328320
Company number	2412804
Principal address	PO Box 817 Chichester PO19 9WP
Registered office	43 Woodridge Close Enfield England EN2 8HJ
Independent examiner	Blue Spire Limited Cawley Priory South Pallant Chichester PO19 1SY
Bankers	Lloyds Bank plc 142-146 High Street Chatham Kent ME4 4DQ

CHARITY REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<u>Income and endowments from:</u>					
Donations, gifts and funding from other charitable sources	3	70,786	118,682	189,468	186,842
Income from sail training and experience operations	4	4,727	-	4,727	75,194
Other ancillary income	5	19	-	19	122
Interest receivable	6	19	-	19	16
Material other income	7	20,599	-	20,599	3,876
Other income	8	-	-	-	200
Total Income		96,150	118,682	214,832	266,250
<u>Expenditure on:</u>					
Raising funds	9	10,894	-	10,894	12,930
Charitable Activities	10	102,879	66,781	169,660	266,350
Total expenditure		113,773	66,781	180,554	279,280
Net income/(expenditure) for the year/ Net movement in funds		(17,623)	51,901	34,278	(13,030)
Release of restricted funds to unrestricted		-	-	-	-
Fund balances at 1 January 2020		44,387	24,745	69,132	82,162
Fund balances at 31 December 2020		26,764	76,646	103,410	69,132

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

All income and expenditure derives from continuing activities

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

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed Assets					
Tangible Assets	17		69,089		57,042
Current Assets					
Stocks	18	850		750	
Debtors	19	8,662		8,555	
Cash at bank and in hand		70,374		31,512	
			79,886		40,817
Creditors; amounts falling due within one year	20	45,565		28,727	
Net current assets			34,321		12,090
Net Assets/(Liabilities)			103,410		69,132
Charity Funds					
	23				
Bursary Funds		14,144		8,848	
Restricted Funds					
Asset replacement		53,875		1,027	
Other restricted funds		8,627		14,870	
			76,646		24,745
Unrestricted funds			26,764		44,387
Total Charity Funds			103,410		69,132

For the financial year ending 31 December 2020 the company 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 company 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 financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Signed

AFJ La Trobe- Bateman

**NOTES TO THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Accounting policies

1.1 Accounting convention

Morning Star Trust is an incorporated charity, limited by guarantee, in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information page of these financial statements. The nature of the charity's operations and principal activities is given in the trustees' report. The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable 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 unless the funds have been designated for other purposes. There are restricted funds which are used to provide Bursaries to enable young people to participate in sail training activities. Interest is credited to the fund on the balance, which is maintained in a separate bank account. Bursaries paid are charged against the fund. Separate funds represent: a) bursary funds to allow those not in employment or education to benefit from the activities run by the charity b) gifts towards the purchase of fixed assets; c) gifts to assist in the financing of future fixed assets; and d) gifts received towards winter refit of the vessels operated.

Donations towards fixed assets are recognised in the Statement of Financial Activities at the same rate as the underlying asset is depreciated.

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. Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the charity's sole charitable activity. Where applicable expenditure is stated inclusive of non-recoverable VAT.

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 machinery etc. 10%, 20% & 33.3% 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 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**NOTES TO THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost comprises purchase costs only. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in disposal.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Liabilities and provisions

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements. Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

2 Critical accounting estimates and judgments

In the application of the charity's accounting policies, the trustees are required to make judgments, 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, gifts, and funding from other charitable sources

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations and Gifts	63,315	96,156	159,471	186,842
Donated Services	-	16,990	16,990	
Gift Aid	7,471	5,536	13,007	
	<u>70,786</u>	<u>118,682</u>	<u>189,468</u>	
				<u>186,842</u>
For the year ended 31 December 2019	<u>32,719</u>	<u>154,123</u>		<u>186,842</u>

4 Income from sail training and experience operations

	2020	2019
	£	£
Fee, grant, and bursary income	4,727	75,194
	<u>4,727</u>	<u>75,194</u>

NOTES TO THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5 Other ancillary income

	2020	2019
	£	£
Shop income	19	122

6 Interest receivable

	2020	2019
	£	£
Interest receivable	19	16

7 Material other income

	Unrestricted funds	Restricted funds	2020	2019
	£	£	£	£
Profit on sale of tangible fixed asset	20,599	-	20,599	3,876

Includes the net proceeds of sale of 'Dayspring' vessel

NOTES TO THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8 Other income

	2020	2019
	£	£
Sundry other income	-	200

9 Raising funds

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
<u>Advertising and promotion</u>				
Fundraising activities	10,122	-	10,122	6,682
Other fundraising costs	772	-	772	4,910
Staff costs	-	-	-	1,338
	<hr/>	<hr/>	<hr/>	<hr/>
Advertising and promotion	10,894	-	10,894	12,930
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Other trading activities</u>				
On board shop	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	10,894	-	10,894	12,930
	<hr/>	<hr/>	<hr/>	<hr/>
For the year ended 31 December 2019				
Advertising and Promotion	10,628	2,302		12,930
Other trading activities	-	-		-
	<hr/>	<hr/>	<hr/>	<hr/>
	10,628	2,303		12,930
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10 Charitable activities

Vessel operating costs	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Staff Costs	8,026	35,381	43,407	95,997
Depreciation and impairment	3,149	-	3,149	7,220
Vessel operating costs	45,468	20,415	65,883	113,138
Loss on Sale of Fixed Asset	21,298	-	21,298	-
	<u>77,941</u>	<u>55,796</u>	<u>133,737</u>	<u>216,355</u>
Grant funding of activities (see note 12)	-	1,786	1,786	7,903
Share of support costs (see note 13)	23,688	9,199	32,887	40,568
Share of governance costs (see note 13)	1,250	-	1,250	1,524
	<u>102,879</u>	<u>66,781</u>	<u>169,660</u>	<u>266,350</u>
Analysis by funds	2020	2019		
Unrestricted funds	102,879	124,674		
Restricted funds	66,781	141,676		
	<u>169,660</u>	<u>266,350</u>		

11 Description of charitable activities

Vessel operating costs

Activities undertaken directly comprise the operation of sail training and experience voyages aboard sea-going vessels

Direct relief comprises amounts donated to provide relief to individuals in particular circumstances

**NOTES TO THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12 Grants payable

The bursaries comprise grants to qualifying individuals towards the cost of sail training activities operated by the Trust

Vessel operating costs

Grants are made available to young people (who meet the detailed qualifications for the Bursary scheme) to enable them to participate in activities arranged by the Trust at a reduced cost

13 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Office, administration, and other similar costs	32,887	-	32,887	40,568	All relates to the main charitable activity
Committee costs	-	-	-	134	Governance
Independent examination	-	1,250	1,250	1,390	Governance
	<u>32,887</u>	<u>1,250</u>	<u>34,137</u>	<u>42,092</u>	
Analysed between charitable activities	<u>30,681</u>	<u>1,250</u>	<u>31,931</u>	<u>42,092</u>	

Fees paid to the independent examiner charged in these accounts amount to £1,250 (2019 - £1,390) excluding VAT. The independent examiner provides no other services to the charity

14 Trustees

None of the trustees (or any persons connected with them - other than any disclosures made in Note 14) received any remuneration during the year. Expenses, in respect of their services as trustees, were paid totalling £ Nil (2019 £ Nil). The number of trustees reimbursed such expenses during the year was Nil (2019; Nil)

Where trustees act as skippers on sail training activities they are offered expenses to cover the cost of either leaving or joining the vessel at ports other than the home port. The amount so reimbursed each year cannot be readily ascertained but is restricted to the reasonable costs actually incurred

NOTES TO THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15 Employees

Number of employees

The average monthly number of employees during the year was

	2020	2019
	Number	Number
	1	3

Employment costs

	2020	2019
	£	£
Wages and salaries	21,774	50,135
Social security costs	5,621	10,398
Other pension costs	2,207	4,018
	<hr/>	<hr/>
	29,602	64,551

The trustees estimate that the full time equivalent of staff employed is 1 (2019; 3) excluding volunteers

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

16 Taxation

The company is exempt from liability to UK Corporation Tax on its charitable activities. The trustees are of the opinion that all activities carried on in the year are charitable

NOTES TO THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2020	137,407
Additions	49,495
Less Disposals	<u>(95,512)</u>
At 31 December 2020	<u>91,390</u>
Depreciation and impairment	
At 1 January 2020	80,365
Depreciation charged in the year	3,149
Less Disposals	<u>(61,213)</u>
At 31 December 2020	<u>22,301</u>
Carrying amount	
At 31 December 2020	<u>69,089</u>
At 31 December 2019	<u>57,042</u>

18 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	850	750
	<u>850</u>	<u>750</u>

19 Debtors

	2020	2019
	£	£
Amounts falling due within one year		
Trade debtors	-	997
Prepayments and accrued income	4,410	4,920
Gift Aid accrued income	4,252	2,638
	<u>8,662</u>	<u>8,555</u>

NOTES TO THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20 Creditors; amounts falling due within one year

	2020	2019
	£	£
MS Leopold Funding Loan	-	22,500
Other taxation and social security	-	1,148
Eastern Star Acquisition Loan Scheme	20,000	-
Trade creditors	6,347	609
Other creditors	2,272	1,390
Accruals and deferred income	16,946	3,080
	<u>45,565</u>	<u>28,727</u>

21 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 cost recognised in the year in respect of defined contribution schemes was £ 2,207 (2019 - £ 4,018)

22 Share capital

The charity does not have share capital. The company is limited by the guarantee of the members to a maximum of £1 each.

23 Fund Recognition

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 31 December 2020
	Balance at 1 January 2020	Income	Bursaries awarded	Designated expenditure	
	£	£	£	£	£
Bursary funds	8,848	6,084	(788)	-	14,144
Asset replacement	1,027	51,767	-	-	52,794
Vessel refit costs	11,203	10,293	-	(20,415)	1,081
Staff and volunteer costs	1,554	40,614	-	(42,168)	-
Training costs	2,113	1,297	(998)	(2,412)	-
Skipper Salary	-	8,500	-	-	8,500
Eastern Star Loan Repayment	-	127	-	-	127
	<u>24,745</u>	<u>118,682</u>	<u>(1,786)</u>	<u>(64,995)</u>	<u>76,646</u>
	<u>Balance at 1 January 2020</u>	<u>Income</u>	<u>Bursaries awarded</u>	<u>Designated expenditure</u>	<u>Balance at 31 December 2020</u>
Unrestricted Funds	44,387	96,170	-	113,843	26,714

NOTES TO THE FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

24 Analysis of assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2020 are represented by;			
Tangible assets	15,165	53,875	69,040
Current assets/(liabilities)	11,549	22,771	34,320
	<hr/>	<hr/>	<hr/>
	26,714	76,646	103,360
	<hr/>	<hr/>	<hr/>

25 Related party transactions

A trustee participated in a loan scheme to fund acquisition of the 'Eastern Star' vessel advancing £10,000 to the trust (2019 - none)