

Company Registration no. SC299406 (Scotland)

OLD SAILORS' ARK LIMITED
REPORT AND UNAUDITED ACCOUNTS
For the year ended 31 March 2011

Charity No. SC037539

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OLD SAILORS' ARK LIMITED

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OLD SAILORS' ARK LIMITED

TRUSTEES' ANNUAL REPORT

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Registration number: SC037539

Principal Office:

2 New Street
EDINBURGH
EH8 8BH

Members of the Management Committee and Trustees:

Christopher Perkins
Streetwork UK

Independent Examiners:

Baker Tilly Tax & Accounting Limited
First Floor, Quay 2
139 Fountainbridge
EDINBURGH
EH3 9QG

Bankers:

Bank of Scotland
38 St Andrew Square
EDINBURGH
EH2 2YR

Registered Office:

2 New Street
EDINBURGH
EH8 8BH

Solicitors:

Anderson Strathern LLP
1 Rutland Court
EDINBURGH
EH3 8EY

OLD SAILORS' ARK LIMITED

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2011

Structure, governance and management

Captain Charles Taylor of Stonehaven, Kincardineshire, Master Mariner, a wealthy bachelor, died in London in 1911. His executors declined to accept office, and accordingly an Accountant was appointed by the Court as Judicial Factor on his estate. Captain Taylor's Will provided for the building of premises to be called the "Old Sailors' Ark" in central Edinburgh. The estate was accumulated (as instructed in the Will) until 1933, when premises in New Street were constructed. The building continues to be a base from where the Ark and their partner Streetwork UK Limited (registered charity no. SC017802) provide services to the disadvantaged in Edinburgh.

The original Ark Trust (SC010298) was formally wound up as at 31 March 2009 and all remaining assets and liabilities transferred to the Old Sailors' Ark Limited.

The Old Sailer's Ark Limited is a charitable company limited by guarantee, not having share capital, and is governed by its memorandum and articles of association. The company is registered with the Inland Revenue as a charity, and having no taxable activities is not liable to Corporation Tax.

Objectives of the charity

The company is established for charitable purposes as determined in the Charities and Trustee Investment (Scotland) Act 2005. The company may also apply the assets exclusively for the following charitable purposes, namely:

- a) for the relief of poverty, distress and ill-health among people from disadvantaged groups of all kinds within Scotland.
- b) for the promotion of public safety, in particular through the provision of counselling and support for vulnerable groups of all kinds (including homeless and young people) within Scotland.
- c) for the promotion of charitable work for the benefit of communities of all kinds within Scotland by the promotion of voluntary service in the relief of poverty, distress and ill health and the advancement of other charitable aims.

Activities during the year and financial performance

The charity has not directly employed any staff but in partnership with Streetwork has continued to supply services to vulnerable groups in need.

The charity recorded a small surplus during the year and its main assets are cash reserves. Also, as noted in these accounts, the charity in 2007, entered into an agreement with Mountgrange (New Street) Limited (now in administration) to exchange its current premises for cash and new purpose built premises. The decision was made to write off, in 2009-10, the value attached to the new premises portion of the contract. It is still the Board's view that new premises will be built in due course by a developer at their cost. (See note 9 to the accounts). Details of the balances on restricted and unrestricted funds are shown in the notes to the financial statements.

Risk assessment

The Board has considered risk as part of their management duties. As part of this process, and as agreed in previous years the Board continue to work in very close partnership with Streetwork UK. It has been agreed the long term aim will be to formally merge with Streetwork UK but until the issue regarding the sale of New Street (see note 9) is resolved the charity will continue to operate in its current manner. Legal advice has been taken and continues to be taken regarding these matters.

OLD SAILORS' ARK LIMITED

Plans for the future and going concern

As noted above, the Charity will continue in its current structure until such time the full service provision is transferred to Streetwork and the contract with Mountgrange (New Street) Limited (in administration) is completed.

Trustees' responsibilities in relation to the accounts

The trustees (who are also directors of Old Sailors' Ark Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charities SORP
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act, the Charities Accounts (Scotland) Regulations 2006 and the Trust Deed of the charity. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (Revised 2005) and the provisions applicable to companies entitled to the small companies exemption.

Approved by the trustees on 7.11.11 and signed on their behalf by:



Christopher Perkins
Trustee

OLD SAILORS' ARK LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE OLD SAILORS' ARK LTD

I report on the accounts of the charity for the year ended 31 March 2011 which are set out on pages 5 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act) and the Charities Accounts (Scotland) Regulations 2006 (the 2006 Accounts Regulations).

The charity trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply and that an independent examination is needed.

It is my responsibility to examine the accounts as required under section 44(1) (c) of the 2005 Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Baker Tilly Tax & Accounting Limited

JANET HAMBLIN
Chartered Accountant
On behalf of Baker Tilly Tax and Accounting Limited
First Floor, Quay 2
139 Fountainbridge
EDINBURGH
EH3 9QG

Date: *29 November 2011*

OLD SAILORS' ARK LIMITED

**UNAUDITED INCOME AND EXPENDITURE AND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	Unrestricted Funds	Restricted Funds	2011 Total Funds	2010 Total Funds
		£	£	£	£
Incoming Resources:					
Incoming resources from generated funds:					
- Voluntary income	4	3,183	-	3,183	19,813
- Investment income	5	1,009	-	1,009	1,000
Incoming resources from charitable activities	3	-	81,604	81,604	204,652
<i>Total Incoming Resources</i>		<u>4,192</u>	<u>81,604</u>	<u>85,796</u>	<u>225,465</u>
Resources Expended:					
Charitable activities	6	-	82,176	82,176	217,710
Governance costs	6	<u>1,307</u>	<u>-</u>	<u>1,307</u>	<u>6,841</u>
<i>Total Resources Expended</i>	6	<u>1,307</u>	<u>82,176</u>	<u>83,483</u>	<u>224,551</u>
<i>Net Incoming/ (outgoing) Resources before transfers</i>		2,885	(572)	2,313	914
Transfers					
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>(322,500)</u>
<i>Net Movement in Funds</i>		2,885	(572)	2,313	(321,586)
Reconciliation of Funds					
Total funds brought forward		<u>76,482</u>	<u>19,197</u>	<u>95,679</u>	<u>417,265</u>
Total funds carried forward	12/13	<u>79,367</u>	<u>18,625</u>	<u>97,992</u>	<u>95,679</u>

The notes on pages 7 to 13 form part of these accounts.

These unaudited financial statements have been subject to Independent Examination. See report on page 4.

**UNAUDITED BALANCE SHEET
AT 31 MARCH 2011**

	Notes	2011 £	2010 £
Fixed Assets:			
Intangible assets	9	-	-
Current Assets:			
Debtors	10	1,000	1,000
Cash at bank and in hand		120,393	99,679
		121,393	100,679
Creditors:			
Amounts falling due within one year	11	(23,401)	(5,000)
Net Current Assets		97,992	95,679
Net Assets		97,992	95,679
Capital and Reserves			
Restricted Funds	12, 13	18,625	19,197
Unrestricted Funds	12, 13	79,367	76,482
Total Charity Funds		97,992	95,679

The notes on pages 7 to 13 form part of these accounts.

For the year ending 31 March 2011 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

Approved by the Trustees' on 7.11.11 and signed on their behalf by:

.....
Christopher Perkins - Chairman

These unaudited financial statements have been subject to Independent Examination. See report on page 4.

OLD SAILORS' ARK LIMITED

NOTES TO THE UNAUDITED ACCOUNTS For the Year Ended 31 March 2011

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts are prepared under the historical cost convention and are in accordance with applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005), the Charities Accounts (Scotland) Regulations 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Going Concern

The Charity will continue in its current structure until such time as the full service provision is transferred to Streetwork and the contract with Mountgrange (New Street) Limited (in administration) is completed. No material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern have been identified by the trustees and funds are currently available to meet all liabilities as they fall due.

Tangible Fixed Assets

The company's policy is to capitalise all fixed assets of a value greater than £250.

Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the appropriate restricted fund.

Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate. Donations are credited to income upon receipt. Income is deferred if it relates to unused restricted funds or has been designated for specific use.

These unaudited financial statements have been subject to Independent Examination. See report on page 4.

OLD SAILORS' ARK LIMITED

NOTES TO THE UNAUDITED ACCOUNTS (cont'd) **For the Year Ended 31 March 2011**

Resources expended

Liabilities are recognised as resources expended 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.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred. Costs are allocated dependent on the activity categories of the resources expended.

- **Costs of generating funds**
The costs of generating funds consist of the cost of fund raising events.
- **Charitable activities**
Costs of charitable activities include all expenditure for providing support services for a range of vulnerable groups including drop in centre café and laundry facilities together with refuge accommodation for women and their children. Other projects have included the start a new day project and other community development initiatives.
- **Governance costs**
Governance costs comprise all costs associated with the governance arrangements of the charity which relate to the general running of the charity. Included within this category are any costs associated with the strategic as opposed to day to day management of the charity's activities.

2. RELATED PARTY TRANSACTIONS AND TRUSTEES' REMUNERATION

Trustees received no emoluments (2010 - £Nil) during the year.

The company was set up as a suitable vehicle to take over the activities, assets and liabilities of the Ark Trust, charity number SC010298. Court permission was granted for the transfer to take place and subsequently consent was received from the Scottish Charity Regulator to transfer the remaining assets of the Ark Trust to the Old Sailors' Ark Limited with effect from 31 March 2009. At that same date the Ark Trust, with the consent of the Scottish Charity Regulator, was formally wound up.

Streetwork UK has provided the management and services to fulfil existing contracts as it has done for the Old Sailor's Ark (Ark Trust) in previous years. The total charged was £81,604 (2010 - £136,667). This amount is included within charitable activities in The Statement of Financial Activities.

As of 1 April 2011 all previous Ark contracts have been transferred to Streetwork UK with the relevant approvals of the funding agencies.

These unaudited financial statements have been subject to Independent Examination. See report on page 4.

OLD SAILORS' ARK LIMITED

NOTES TO THE UNAUDITED ACCOUNTS (cont'd)
For the Year Ended 31 March 2011

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	General Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
CEC Supporting people	-	-	-	100,425
Scottish Executive Violence against women	-	81,604	81,604	79,227
CEC Health and social care	-	-	-	25,000
	<u>-</u>	<u>81,604</u>	<u>81,604</u>	<u>204,652</u>

4. VOLUNTARY INCOME

	General Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Voluntary income	3,183	-	3,183	19,813
	<u>3,183</u>	<u>-</u>	<u>3,183</u>	<u>19,813</u>

5. INVESTMENT INCOME

	General Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Interest received	1,009	-	1,009	1,000
	<u>1,009</u>	<u>-</u>	<u>1,009</u>	<u>1,000</u>

These unaudited financial statements have been subject to Independent Examination. See report on page 4.

OLD SAILORS' ARK LIMITED

NOTES TO THE UNAUDITED ACCOUNTS (cont'd)
For the Year Ended 31 March 2011

6. TOTAL RESOURCES EXPENDED

	Supporting People £	Supporting Women £	Governance £	Transfer of Net Assets £	Total 2011 £	Total 2010 £
Costs directly attributed						
Staff costs ex Streetwork	-	-	-	-	-	78,611
Service fees from Streetwork	-	81,604	-	-	81,604	136,667
Telephone	-	522	-	-	522	2,432
Audit and accountancy fees	-	-	688	-	688	5,920
Miscellaneous	-	50	-	-	50	-
Support costs allocated to activities						
Legal fees	-	-	619	-	619	921
Total resources expended	-	82,176	1,307	-	83,483	224,551

These unaudited financial statements have been subject to Independent Examination. See report on page 4.

OLD SAILORS' ARK LIMITED

NOTES TO THE UNAUDITED ACCOUNTS (cont'd)
For the Year Ended 31 March 2011

7. STAFF COSTS AND NUMBERS

	2011 £	2010 £
Employment Costs recharged from Streetwork		
Salaries and Wages (including sessional staff)	-	54,412
Social Security Costs	-	22,360
Pension Contributions	-	1,839
	<u>-</u>	<u>78,611</u>

The above is the cost recharged by Streetwork UK for provision of staff to provide the services for which the charitable resource income was received for.

No employee received emoluments of more than £60,000. The average number of employees during the year, calculated on the basis of full time equivalents was:

	2011	2010
Average Employees (no direct employees)	<u>-</u>	<u>-</u>

Pension Costs

Streetwork UK operates a defined contribution pension scheme for employees known as The Streetwork UK Group Personal Pension Plan. The assets of the scheme are held separately by Aegon Scottish Equitable.

8. INDEPENDENT EXAMINERS' REMUNERATION

The independent examiners' remuneration constituted an independent examination fee of £2,883 (2010 - £1,400) and additional accountancy and other services of £0 (2010 - £800).

These unaudited financial statements have been subject to Independent Examination. See report on page 4.

OLD SAILORS' ARK LIMITED

NOTES TO THE UNAUDITED ACCOUNTS (cont'd) For the Year Ended 31 March 2011

9. FIXED ASSETS

During the process to wind up the Judicial Factory of the Late Captain Charles Taylor, with the Court of Session's consent, the property formerly included in The Ark Trust accounts at 231 Canongate (also known as 2 New Street) was sold to Mountgrange (New Street) Limited. The sale agreement included the provision of a new equivalent building at 51 Calton Road. Under the terms of the discharge the licence to occupy was transferred into the Old Sailor's Ark Limited. The actual title transfer occurred, as authorised by the Court, on 11th September 2007. The company continues to hold the rights and obligations as set out in the contract with Mountgrange (New Street) Limited. Mountgrange (New Street) Limited entered administration during 2009. The trustees have subsequently taken legal advice to ascertain their legal position. The initial view is that contract is still of value and the trustees should await further discussions with the administrator. As the situation is still unclear the trustees cannot determine the value of the contract at this juncture and as a matter of prudence wrote off the intangible asset value (£322,500) relative to the original contract in 2010. In terms of the original agreement with Mountgrange (New Street) Limited there are clauses entitling the original New Street property to be re-conveyed back to the charity subject to certain conditions if the Calton Road property does not achieve practical completion prior to 31 December 2012. As stated above Mountgrange (New Street) Limited has entered into administration. At this stage the trustees have not received any formal proposals from the administrator regarding the original contract. Until a proposal is received and legal advice taken the trustees are unable to quantify in financial terms the impact of these conditions not being met. The trustees are satisfied they will have the resources to meet all the resulting obligations.

10. DEBTORS

Amounts Falling Due Within One Year

	2011	2010
	£	£
Other debtors and prepayments	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

11 CREDITORS

Amounts Falling Due Within One Year

	2011	2010
	£	£
Grant repayable	20,401	-
Accruals	3,000	5,000
	<u>23,401</u>	<u>5,000</u>

These unaudited financial statements have been subject to Independent Examination. See report on page 4.

OLD SAILORS' ARK LIMITED

NOTES TO THE UNAUDITED ACCOUNTS (cont'd)
For the Year Ended 31 March 2011

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Current Assets less Current Liabilities	82,367 (3,000)	39,026 (20,401)	121,393 (23,401)
Net Assets At 31 st March 2011	<u>79,367</u>	<u>18,625</u>	<u>97,992</u>

13 SUMMARY OF FUND MOVEMENTS

	At 1 st April 2010 £	Incoming Resources £	Outgoing resources £	Transfers £	At 31 st March 2011 £
Restricted Funds:					
Supporting People	6,425	-	-	-	6,425
Supporting Women	3,767	81,604	(82,176)	-	3,195
Gannochy Trust – Young People	9,005	-	-	-	9,005
Total Restricted Funds	<u>19,197</u>	<u>81,604</u>	<u>(82,176)</u>	<u>-</u>	<u>18,625</u>
Unrestricted Funds:					
Property Fund	-	-	-	-	-
General Funds	76,482	4,192	(1,307)	-	79,367
Total Unrestricted Funds	<u>76,482</u>	<u>4,192</u>	<u>(1,307)</u>	<u>-</u>	<u>79,367</u>
Total Funds - 2011	<u>95,679</u>	<u>85,796</u>	<u>(83,483)</u>	<u>-</u>	<u>97,992</u>

It is the intention of the trustees of Old Sailors' Ark Limited to transfer restricted funds balances to Streetwork UK Limited where such charitable activities continue to be delivered and the funds will be used for their restricted purposes to deliver services in the next financial year.

These unaudited financial statements have been subject to Independent Examination. See report on page 4.