

Company Registration No. SC014761 (Scotland)

Charity No. SC000242 (Scotland)

**THE SAILORS' ORPHAN
SOCIETY OF SCOTLAND**

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

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THE SAILORS' ORPHAN SOCIETY OF SCOTLAND
Company Registration Number: SC014761

LEGAL & ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 March 2020

DIRECTORS

A M K Abram	(Chairman)
D I Cunningham	
D W M Denholm	
S L Preston CA	(Secretary)
C A Roberts	
S Shanks	
A D Matheson	

REGISTERED OFFICE

J. & J. Denholm Ltd
18 Woodside Crescent
GLASGOW
G3 7UL

INDEPENDENT EXAMINER

Keith Macpherson CA
Johnston Carmichael LLP
227 West George Street
GLASGOW
G2 2ND

BANKERS

Clydesdale Bank plc
21 Kilmarnock Road
GLASGOW
G41 3YW

INVESTMENT ADVISERS

Rathbone Investment Management
George House
50 George Square
GLASGOW
G2 1EH

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

DIRECTORS' ANNUAL REPORT

FOR THE YEAR ENDED 31 March 2020

The Directors present their report and the financial statements of the charity for the year ended 31 March 2020. These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the 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), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

DIRECTORS

The Trustees of the charitable company are its directors for the purpose of company law and throughout this report are collectively referred to as the Directors.

The Directors serving during the year and since the year end are detailed on page 1.

The legal and administrative information attached to these accounts forms part of this report.

RECORD OF THE SOCIETY DURING ITS 131ST YEAR (ACHIEVEMENTS & PERFORMANCE)

Since 1889, when the Society was founded, 8,336 children have received assistance.

There were no new beneficiaries arising during the year (2019 - 2), and there were 5 children (2019 - 5) who were deemed to require no further assistance from the Society as they have moved, either to take up employment, or their family circumstances changed.

At the year-end there were 41 (2019 - 46) children, who received grants up to a maximum annual equivalent of £1,580 during the year being reported on and which are paid to the parent or guardian monthly. During 2019 the monthly grant was £110 with a £130 bonus paid in June and November. At the Trustees' annual financial review, it was decided that the grant would remain at this level.

OBJECTIVES & ACTIVITIES

The objectives of the Society during the year ended 31 March 2020 were as follows:

- To feed, clothe, educate, or otherwise provide support by way of grant to Dependents of Seafarers who are or may be in a position of need either through disadvantage or through the death or incapacity of one or both of their parents, and
- To provide support to disadvantaged young people within Seafaring Communities in Scotland through undertaking, or providing funds to undertake, community educational, recreational, health or welfare projects for the benefit of young people.

We are particularly grateful for the support from the Fishermen's Mission and Merchant Navy Welfare Board in supplying Almoner's services as required.

HOW TO APPLY FOR A GRANT

If you think you may be eligible for a grant or know of someone who might be, applications should be made directly to the Society addressed to S.Preston, c/o J. & J. Denholm Ltd, 18 Woodside Crescent, Glasgow, G3 7UL, or visit our website at www.sailorsorphansociety.co.uk.

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

DIRECTORS' ANNUAL REPORT (*continued*)

FOR THE YEAR ENDED 31 March 2020

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing document

The Sailors' Orphan Society is a company limited by guarantee, not having any share capital and is a registered charity governed by its Memorandum and Articles of Association.

Appointment of Directors

Directors are drawn from the shipping, fishing and insurance industries and from other seafaring charities in order to ensure that a wide net is thrown to identify all eligible beneficiaries.

New members of the Society are appointed by the Directors.

Day-to-day management

Directors delegate day-to-day management of the charity to J. & J. Denholm Limited.

Risk Management

The Directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate our exposure to major risks.

Grants making policy

Grants are paid each month to children whose parents have served at sea and are in a position of need through disadvantage or death or incapacity of one or both of their parents; to children of seafarers in full time education and to disadvantaged young people who require support within the Seafaring Communities in Scotland.

FINANCIAL REVIEW

The charity reports a net decrease in funds for the year of £261,434 (2019 – net increase of £25,853), primarily arising from unrealised and realised losses on the revaluation of investments amounting to £273,055 (2019 – gains of £29,090), (see below under investment policy) and has accumulated reserves of £1,346,291 (2019 – £1,607,725) at the balance sheet date.

Reserves Policy

It is the policy of the Society to maintain unrestricted funds, which are the free reserves of the charity, at a level to earn investment income and therefore provide sufficient funds to cover management, administration and support costs. To ensure that running costs are minimised no director receives any remuneration for services. At the year-end, unrestricted reserves of £1,346,291 (2019 – £1,607,725) were held. The Directors consider that the level of reserves held are sufficient to allow settlement of grants awarded.

The charity will generally aim to maintain a cash balance at a level that is between 3-6 months of beneficiary payments.

Investment Policy

The Directors have the power to invest in such stocks, shares, investments and property in the U.K. as they see fit. To that end the Directors have engaged Rathbones Investment Management (Rathbones) as investment managers. In this role Rathbones operate on a discretionary basis, i.e. they will make investment decisions on behalf of the charity, in accordance with an investment objective set by the Directors. The objective is to achieve a balance between income and capital growth by adopting a medium/high risk investment strategy. In the year to 31 March 2020, the market value of the portfolio decreased by 17.4% to £1,302,220 (2019 – increased by 1.7% to £1,576,554). The decrease in market value of investments primarily relates to the volatility of the market recorded around March due to the Covid-19 pandemic. Much of this decrease has been reversed in the subsequent months.

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

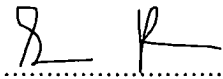
DIRECTORS' ANNUAL REPORT (*continued*)

FOR THE YEAR ENDED 31 March 2020

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

This report was prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Directors on 3rd December 2020 and signed on its behalf by


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S L PRESTON

Director

INDEPENDENT EXAMINER'S REPORT
TO THE DIRECTORS OF
THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

I report on the accounts of the charity for the year ended 31 March 2020 which are set out on pages 6 to 15.

Respective responsibilities of directors 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 Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the 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.

Use of our report

This report is made to the company's board of directors, as a body, in accordance with the terms of engagement. My work has been undertaken to enable me to undertake an independent examination of the company's accounts on behalf of the charity's board of directors and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's board of directors as a body, for my work or for this report.



Keith Macpherson CA

Johnston Carmichael LLP
227 West George Street
GLASGOW
G2 2ND

Dated: 4 December 2020

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 March 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Income from:			
Investments	3	63,395	61,853
Donations and legacies	4	21,000	15,250
Total income		<u>84,395</u>	<u>77,103</u>
Expenditure on:			
Charitable activities	5	(72,774)	(80,340)
Total expenditure		<u>(72,774)</u>	<u>(80,340)</u>
Net (losses)/gains on investments	9	(273,055)	29,090
Net (expenditure)/income for the year/ Net movement in funds		<u>(261,434)</u>	<u>25,853</u>
Reconciliation of funds:			
Total funds at 1 April 2019		1,607,725	1,581,872
Total funds at 31 March 2020		<u>1,346,291</u>	<u>1,607,725</u>

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

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

BALANCE SHEET

AS AT 31 March 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Investments	10		1,302,220		1,576,554
Current assets					
Debtors	11	4,540		4,743	
Cash at bank and in hand		59,071		32,988	
		63,611		37,731	
Creditors: amounts falling due within one year	12	(19,540)		(6,560)	
Net current assets			44,071		31,171
Net assets			1,346,291		1,607,725
Funds – unrestricted					
General fund			1,346,291		1,607,725

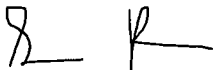
For the financial year ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Directors' responsibilities:

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

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

The accounts were approved by the Directors on ...3rd December 2020



S L PRESTON
Director



A M K ABRAM
Director

Company Registration Number: SC014761

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

CASH FLOW STATEMENT

AS AT 31 March 2020

	Notes	2020 £	2019 £
Net cash flow from operating activities	16	(38,591)	(67,076)
Cash flow from investing activities			
Payments to acquire investments	10	(191,347)	(232,704)
Receipts from sales of investments		192,626	235,030
Dividends received		63,395	61,853
Net cash flow from investing activities		64,674	64,179
Net cash flow from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		26,083	(2,897)
Cash and cash equivalents at beginning of year		32,988	35,885
Movement of cash in year		26,083	(2,897)
Cash and cash equivalents at end of year		59,071	32,988
Cash and cash equivalents consist of:			
Cash at bank and in hand		59,071	32,988
Cash and cash equivalents at 31 March 2020		59,071	32,988

Analysis of changes in net debt

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	32,988	26,083	59,071
	<u>32,988</u>	<u>26,083</u>	<u>59,071</u>

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

FOR THE YEAR ENDED 31 March 2020

1. Accounting policies

Company information

The Sailors' Orphan Society of Scotland is a charitable company limited by guarantee domiciled and incorporated in Scotland. The registered office is 18 Woodside Crescent, Glasgow, G3 7UL.

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention modified to include investments at fair value. The principal accounting policies adopted are set out below.

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the 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), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The charity constitutes a public benefit entity as defined by FRS 102.

The directors consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The accounts are prepared in sterling which is the functional currency of the charity and are rounded to the nearest £.

The company has availed itself of section 396 of the Companies Act 2006, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 no 409, and adapted the Companies Act formats to reflect the special nature of its charitable activities.

1.2 Income

All incoming resources are recognised in full in the Statement of Financial Activities in the period in which the charity is entitled to receive them, it is probable that the income will be received and the amount can be measured reliably. Income from investments is included in the year in which it is receivable.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company 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 are recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company 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.

1.3 Expenditure

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 and include irrecoverable VAT.

Grants payable are charged in the year when the offer is conveyed to the recipient.

Charitable activities are incurred in direct pursuance of the charity's principal objects and include support costs that assist the work of the charity but do not directly represent charitable activities. Support costs include administrative costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity.

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

FOR THE YEAR ENDED 31 March 2020

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.5 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instruments.

Basic financial assets

Basic financial assets, which include debtors, are measured at transaction price including transaction costs.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including other creditors, are recognised at transaction price.

Derecognition of financial liabilities

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

1.6 Investments

Fixed asset investments are stated at fair value at the financial year end. Unrealised gains and losses represent the difference between the fair value at the beginning and end of the financial year or, if purchased in the year, the difference between cost and fair value at the end of the year. Realised gains and losses represent the difference between the proceeds on disposal and the market value at the start of the year or cost if purchased in the year.

In accordance with the Charities SORP (FRS 102), all investment gains and losses are reflected in the Statement of Financial Activities as part of net income/(expenditure) for the year.

1.7 Accumulated funds

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 March 2020

2 Critical accounting estimates and judgements

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

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

The directors consider that there are no estimates and underlying assumptions which have significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3. Investment income

	2020 £	2019 £
Dividends – UK Equities	<u>63,395</u>	<u>61,853</u>

4. Income from donations and legacies

	2020 £	2019 £
Donations	16,000	15,250
Legacies	5,000	-
	<u>21,000</u>	<u>15,250</u>

5. Charitable activities

	2020 £	2019 £
Grants to individuals (note 6)	67,740	74,720
Support costs	3,534	4,120
Independent Examiner's fee	1,500	1,500
	<u>72,774</u>	<u>80,340</u>

Support costs and independent examiner's fee in both years is directly charged to charitable activities.

6. Grant-making

Grants are paid to the guardians of the beneficiaries, all of which are individuals. These cover costs associated with the maintenance of orphans and the amounts paid out in the year are detailed in note 5.

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 March 2020

7. Directors' emoluments and expenses

The directors received no remuneration or benefits in the year (2019 – £nil). During the year, directors' expenses of £nil (2019 - £nil) were reimbursed.

8. Employees

There were no employees during the current or previous years.

9. Net gains/(losses) on investments

	2020 £	2019 £
(Loss)/gain on revaluation of investments	(278,948)	11,653
Realised gain/(loss) on sale of investments	5,893	17,437
	<u>(273,055)</u>	<u>29,090</u>

10. Investments

	£
Market value	
At 1 April 2019	1,576,554
Additions	191,347
Disposals	(186,733)
Unrealised gains	(278,948)
At 31 March 2020	<u>1,302,220</u>
Historical cost	
At 31 March 2020	<u>1,173,297</u>
At 31 March 2019	<u>1,132,235</u>

The investments comprise listed investments on a recognised Stock Exchange.

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 March 2020

10.1 Analysis of Investments

Analysis of Investments		Cost		Market value	
Gilt Edge Stocks	Inflation Linked Securities	£	£	£	£
57,200 Treasury 0.125% Index Linked 2029		68,774		89,391	
			68,774		89,391
Bonds					
38,000 Threadneedle UK Corp Bond Inc 2		24,134		22,692	
52,850 Royal London Ethical Bond Z Inc		32,890		32,335	
			57,024		55,027
High Yield Bond Funds					
39,000 Liontrust Monthly Inc Bd P Inc		41,510		36,619	
			41,510		36,619
Investment and Unit Trusts					
26,250 City of London	UK Equity Funds	45,461		62,984	
15,500 Dunedin Income Growth	UK Equity Funds	31,521		36,580	
12,150 Edinburgh Investment Trust	UK Equity Funds	4,269		52,731	
25,000 Greencoat UK Wind	UK Equity Funds	17,539		21,632	
3,250 Keystone Investment Trust	UK Equity Funds	36,344		35,588	
3,000 Land Securities Group	UK Equity Funds	23,488		16,704	
8,900 Ruffer Investment Co	UK Equity Funds	19,620		19,135	
25,000 Aberdeen Asian Income Fund	Global Equity Funds	24,692		38,750	
16,800 Henderson Far East Income	Global Equity Funds	44,436		46,872	
15,100 J P Morgan American IT	Global Equity Funds	14,060		32,440	
70,565 Sarasin Global Higher Dividend P Income Fund	Global Equity Funds	74,935		99,285	
34,000 Schroder Oriental Income Fund	Global Equity Funds	22,758		27,230	
170 Veritas Fund plc	Global Equity Funds	35,139		29,436	
3,700 Smithson Investment Trust plc	Global Equity Funds	47,371		42,772	
Equities					
10,000 HSBC	Financials	48,985		45,425	
35,200 Lloyds Banking Group	Financials	21,903		11,264	
1,565 Prudential	Financials	27,323		24,852	
1,565 M&G plc	Financials	-		1,762	
9,163 Standard Life Aberdeen	Financials	21,039		20,516	
800 Experian plc	Financials	20,079		18,008	
675 British American Tobacco	Consumer Goods	23,649		18,623	
400 Reckitt Benckiser	Consumer Goods	2,666		24,600	
1,060 Unilever	Consumer Goods	15,082		43,200	
2,300 GlaxoSmithKline	Health Care	29,095		34,836	
320 Novartis AG (Regd)	Health Care	17,973		21,299	
64 Alcon AG	Health Care	-		2,632	
1,200 Smith & Nephew plc	Health Care	20,480		17,214	
540 Carnival	Consumer Services	24,501		5,300	
645 Next	Consumer Services	40,992		26,264	
19,545 Vodafone Group	Telecommunications	40,180		22,086	
3,040 Herald Investment Trust	Technology	21,175		33,440	

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 March 2020

10.1 Analysis of Investments (continued)

		Cost		Market value	
		£	£	£	£
3,000 Scottish & Southern Energy	Utilities	17,811		39,150	
5,000 Polypipe Group	Industrials	13,551		23,000	
2,250 Rolls Royce Holdings	Industrials	20,067		7,664	
230 Seimens AG (Regd)	Industrials	21,309		15,519	
1,460 Royal Dutch Shell B 0.70 Euro	Oil & Gas	6,857		19,853	
610 Schlumberger	Oil & Gas	19,811		6,636	
350 Total SA	Oil & Gas	12,742		10,961	
2,200 BHP Billiton	Basic Materials	44,474		27,544	
1,000 Victrex	Basic Materials	14,913		19,700	
1,400 Compass Group	Travel & Leisure	17,699		17,696	
			<u>1,005,989</u>		<u>1,121,183</u>
			<u>1,173,297</u>		<u>1,302,220</u>

All investments held are recorded in the accounts at fair value with any gains or losses being taken to the statement of financial activities.

11. Debtors

	2020	2019
	£	£
Other debtors	<u>4,540</u>	<u>4,743</u>

12. Creditors: amounts due within one year

	2020	2019
	£	£
Other creditors	<u>19,540</u>	<u>6,560</u>

13. Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Equity instruments measured at fair value	<u>1,302,220</u>	<u>1,576,554</u>
	<u>1,302,220</u>	<u>1,576,554</u>

14. Related party transactions

Donations received from Trustees in the year, without conditions, amounted to £nil (2019 - £6,250).

During the year, J&J Denholm Limited, a company related through common directors, paid the Maintenance of Orphans costs amounting to £67,740 (2019 - £74,720). This is then repaid by the charity. At the year-end date, J&J Denholm Limited were owed £18,040 (2019 - £5,060).

THE SAILORS' ORPHAN SOCIETY OF SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 March 2020

15. Key management personnel

Key management personnel received no remuneration in the year (2019 - £nil).

16. Cash generated from operations

	2020	2019
	£	£
Net (expenditure)/income for year	(261,434)	25,853
Adjustment for:		
Investment income recognised in net (expenditure)/income	(63,395)	(61,853)
Losses/(gains) on investments	273,055	(29,090)
Movements in working capital:		
Decrease/(increase) in debtors	203	(1,656)
Increase/(decrease) in creditors	12,980	(330)
Net cash flow from operating activities	<u>(38,591)</u>	<u>(67,076)</u>

17. Events after the reporting date

The Covid-19 pandemic broke out around the year end and the government lockdown procedures have been in place in response since the financial year end. No adjustment was required to any of the numbers in the financial statements nor was there any impact on the charity's operations. The pandemic, however, did have an impact on the volatility of the market and this therefore had an affect on the value of investments held by the charity. The significant revaluation loss reported in the year is largely attributed to this. Subsequent to the year end, much of this decrease in value has been reversed and the investment portfolio value has recovered to previous levels.