



THE LOCH LOMOND STEAMSHIP COMPANY

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

REGISTERED NUMBER: SC160932

REGISTERED CHARITY NUMBER: SC024062

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THE LOCH LOMOND STEAMSHIP COMPANY

COMPANY INFORMATION

Registered Office and Principal Office

The Pier
Pier Road
Balloch
Alexandria
West Dunbartonshire
G83 8QX

Company Registration Number

SC160932

Charity Registration Number

SC024062

Trustees

A B Barr	
J M Beveridge	
J Biddulph	
K Blacklock	(appointed 24 October 2019)
S Cormack	(appointed 11 December 2019)
I B Fernie	
R J McKay	(resigned 30 August 2019)
J Mills	
J S Mitchell	(appointed 18 November 2020)
I Robertson	
G Stevenson	
A Urquhart	

Company Secretary

I Robertson

Independent Examiner

Azets Audit Services
Allan House
25 Bothwell Street
Glasgow
G2 6NL

Bankers

Clydesdale Bank
100 West Blackhall Street
Greenock
PA15 1XR

Solicitors

Thomtons Law LLP
13 Melville Street
Edinburgh
EH3 7PE

THE LOCH LOMOND STEAMSHIP COMPANY

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THE LOCH LOMOND STEAMSHIP COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

The Trustees are pleased to present their report and financial statements for the year ended 31 March 2020.

Objectives and activities

The objective of the charitable company is the advancement of education by the restoration, preservation and operation of the steamship, the 'Maid of the Loch'.

Achievements and performance

The year 2019-2020 turned out to be one of the most rewarding since LLSC took ownership of the historic Maid of the Loch, in 1996.

The £1.2 million refit work, started in January 2019 progressed apace, and having successfully legally committed The Scottish Government's £950,000 by their deadline of 31st March, the push was on to have that value of invoices submitted by the 30th June deadline. The project – the biggest undertaken by LLSC – was completed in September, and to budget.

The resulting improvements have restored the ship's Aft Deck Saloon and Queens' Lounge refurbished to their 1950's style, and to current Maritime & Coastguard Agency (MCA) and Bureau Veritas (class) standards. New male and female toilets have been installed, as has a lift, the first time that one has ever been fitted to the ship. This enables the less-abled to visit the main deck where the engines and feature rooms are located. The headline achievement was the conservation and restoration of the ship's original compound diagonal steam engine to operational condition. On 7th October the charitable company's Patron, Lord Smith, pushed the engine control throttle to steam the majestic engines for the first time since 1981. In subsequent "in steam" days, hundreds of visitors marvelled at the sight, sounds, and smells of hot steam and oil with the engines turning and the paddles thrashing. The on-line viewing of this event reached 55,185 people while the Facebook post reached 79,255 people.

The charitable company is indeed indebted to the major funders of this project, The Scottish Government (from the Regeneration Capital Grant Fund), West Dunbartonshire Council, The Robertson Trust, the Hugh Fraser Foundation, the Paddle Steamer Preservation Society, Forth Valley & Lomond LEADER, Scottish Enterprise, The Wolfson Foundation, Historic Environment Scotland, and the Swire Trust. Mention must also be made of donations from key individuals and the public.

Other improvements included the rebuilding of the port paddlebox, restoring it to its former glory complete with heraldic crests and nameboard. New smoke, fire, public address, and CCTV systems have been installed. Our volunteers continued the improvement work with refitting the wheelhouse as the new location for a shop and display material.

In January 2020, sufficient funds had been raised to start a new project, the restoration of the original Dining Saloon. We are immensely grateful to Adam Bruce of Walkerweld, the Headley Trust, the Pilgrim Trust, the Scottish Landfill Communities Fund, and again key individuals for their support. The project will re-create the Dining Saloon in the 1950's style, in keeping with the other two refurbished rooms. Work was well underway when the Covid-19 virus arrived.

In mid-March, LLSC advised its volunteers of the impending pandemic and they stopped attending the ship. A few days later, our contractors ceased work, and on 23rd March our three staff, Office and Events Manager, Community Liaison & Volunteer Officer (CLAVO), and Operations Assistant, were furloughed. By the end of March the Maid was in lock down with no further work or volunteer input until late June. On 25th March the Board had its first videoconferencing meeting and made plans for the directors to undertake the charitable company's business. This meant a complete re-think of the business plan which was based on an entry fee being charged for the first time, and increased hires of the ship due to the new up to date facilities.

THE LOCH LOMOND STEAMSHIP COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

There were significant changes to personnel during the year. Ronnie McKay resigned in August after eleven years on the Board. Ken Blacklock (project manager & engineer) and Simon Cormack (naval architect) were appointed in October and December respectively, bringing the number of Board members up to ten. Thanks to part funding by The Robertson Trust, the new post of CLAVO was created and filled in September. In November, funding by Historic Environment Scotland enabled a Conservation Engineer Craft Fellowship post to be taken up.

The charitable company has been very fortunate in obtaining help and assistance from a number of sources. In April, the crew of USS Porter helped with a clean up on and off the ship while it was visiting the Clyde. In June, thanks to Board member John Mills, volunteer staff from the Royal Bank of Scotland spent a day preparing the ship for the summer. Galts Transport, a local company, continue to support us with favourable rates to carry machinery from or to the Maid. One example of this is the ship's windlass. This was languishing in the pier compound since removed from the ship to allow the fitting of the steel deck in 1996. Eddie Van der Stighelen, proprietor of Vantech Engineering in East Kilbride approached us with an offer to repair and overhaul it. We gratefully accepted. Galts transported it to East Kilbride, and by the end of the financial year repairs were well underway. It was returned to the ship in full working order, in June. Caledonian MacBrayne kindly "lent" us Captain Mark Thomson to carry out a full Fire Safety Plan at the completion of the major refit, and he has kindly offered to update this when necessary.

Backing up the organisational and structural improvements, a raft of new risk assessments and method statements have been produced along with new policies on the Protection of Vulnerable Adults, Asbestos, and Privacy.

A major outstanding issue is the condition of the Balloch Steam Slipway. A "Category A" listed building, the carriage suffered a catastrophic failure when slipping the Maid in January 2019. LLSC commissioned an independent expert, Global Maritime, to investigate the incident and in July the report's conclusion was that "the prime point of failure was the cracking of the central carriage beam, leading to a chain effect whereby the remaining supports were overloaded and sheared". Further expert evidence provided proof that the main timber members were 80% rotten internally. The Board have concluded that the carriage cannot be repaired and have appointed consultants to prepare drawings for a replacement carriage. Listed Buildings Consent has been applied for and applications for funding are being prepared, with the Architectural Heritage Fund confirming a grant. Without an operational slipway, it will not be possible to either guarantee the future of the Maid, or to put her into sailing condition, so the carriage replacement is critical.

The incident has meant that regrettably, the winchhouse was closed all year.

We do rely so much on our volunteers, supporters, and public. Without their help and donations, the charitable company, and ship, would suffer. The unstinting loyalty of the "Maid's crew" to be out in all weathers maintaining, repairing, and improving the ship is remarkable and is testament to the belief there is to get her sailing again. The Board are truly grateful to each and every one of them.

To end the year, we are delighted to welcome Sir Boyd Tunnock CBE as our new Patron.

THE LOCH LOMOND STEAMSHIP COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Financial review

Financial review

The results for the year show income of £343,714 (2019 - £1,308,946). Expenditure amounted to £209,384 (2019 - £194,956) resulting in net income of £134,330 (2019 - £1,113,990).

Principal funding sources

Our principal source of funding in the year has been grant income.

Reserves policy

It is the policy of the charitable company that unrestricted funds (not including the revaluation fund) should be maintained at a level equivalent to between six months' and one year's expenditure, to allow the continuation of activities in the event of a significant drop in funding and whilst further funding is obtained. At the year end this has been achieved.

At 31 March 2020 the company had restricted funds of £1,873,683 (2019: £1,672,127), designated funds of £100,000 (2019: £265,813) and unrestricted funds of £170,862 (2019: £72,275).

The 'free reserves' are represented by unrestricted funds less designated funds and funds held in fixed assets and are in deficit by £348,982 at 31 March 2020.

Structure, governance and management

Governing document

The Loch Lomond Steamship Company (LLSC) is controlled by its governing document, the Memorandum and Articles of Association, and is a company, limited by guarantee and registered as a charitable company with the Office of the Scottish Charity Regulator. The charitable company is run by unpaid non-executive directors (the trustees). The Trustees wish to record their thanks to the many volunteers who contribute their labour and skills to the company.

Recruitment and appointment of new Trustees

The power to appoint directors is exercisable by the Executive Board. Trustees are recruited and appointed based on their skills so that the Executive Board has a balance of skills and experience required to run the company.

Induction and training of new Trustees

As an induction, each new Trustee is provided with the Memorandum and Articles of the company, copies of previous years' accounts, Board minutes for the past years' meetings, and the charitable company's policy on conflicts of interest.

Organisational structure and decision making

None of the Trustees have any beneficial interest in the company. Responsibility for the various aspects of the running of the company lies with the individual Trustees. Regular board meetings are held with all Trustees.

Risk management

The Trustees have assessed the major risks to which the company is exposed, including due consideration of the impact of COVID-19 on the charitable company, and in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Reference and administration details

Please refer to the company information page of these financial statements.

The names of those who were members of the Board during the year are also shown on the Company Information page at the start of these accounts.

THE LOCH LOMOND STEAMSHIP COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Plans for future periods

The vision to restore the ship to sailing condition and commercial operation is unchanged and we are in discussion of how and when best to launch another application to the National Lottery Heritage Fund, possibly using a staged approach.

Responsibilities of the Board of Trustees

The charitable company trustees (who are also the directors for the purpose of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charity SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small companies' provisions

The report has been prepared in accordance with the special provisions for small companies under Section 419(2) of the Companies Act 2006.

Approved by the Board of Trustees on 17 December 2020 and signed on its behalf by:


J Beveridge
Trustee

THE LOCH LOMOND STEAMSHIP COMPANY

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS AND TRUSTEES OF THE LOCH LOMOND STEAMSHIP COMPANY FOR THE YEAR ENDED 31 MARCH 2020

I report on the accounts of the charitable company for the year ended 31 March 2020, which are set out on pages 6 to 8 and the related notes.

The report is made solely to the charitable company's Trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005. My examination has been undertaken so that I might state to the charitable company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The charitable company's trustees 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 (as amended). The charitable company trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 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 Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charitable company 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 Regulations; and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 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.

Azets Audit Services

Allison Gibson CA
Azets Audit Services
25 Bothwell Street
Glasgow
G2 6NL

Date: 18 December 2020

THE LOCH LOMOND STEAMSHIP COMPANY

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies		39,023	284,256	323,279	1,293,711
Charitable activities		20,435	-	20,435	15,235
Total income	4	59,458	284,256	343,714	1,308,946
Expenditure on:					
Raising funds	5	(11,966)	-	(11,966)	(24,946)
Charitable activities	6	(114,718)	(82,700)	(197,418)	(170,010)
Total expenditure		(126,684)	(82,700)	(209,384)	(194,956)
Net (expenditure)/income for year		(67,226)	201,556	134,330	1,113,990
Transfers	14	-	-	-	-
Net movement in funds		(67,226)	201,556	134,330	1,113,990
Total funds brought forward	14	338,088	1,672,127	2,010,215	896,225
Total funds carried forward	14	270,862	1,873,683	2,144,545	2,010,215

The notes on pages 9 - 20 form part of these financial statements.

THE LOCH LOMOND STEAMSHIP COMPANY

**BALANCE SHEET
AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
Fixed assets:			
Tangible assets	11	1,832,894	1,052,908
Current assets:			
Stock		300	1,350
Debtors	12	100,582	993,331
Cash at bank and in hand		226,063	197,633
		<u>326,945</u>	<u>1,192,314</u>
Creditors: Amounts falling due within one year	13	<u>(15,294)</u>	<u>(235,007)</u>
Net current assets		<u>311,651</u>	<u>957,307</u>
Net assets		<u>2,144,545</u>	<u>2,010,215</u>
Funds			
Unrestricted funds	14	170,862	72,275
Designated funds - Appeal fund	14	-	165,813
Designated funds - Revaluation reserve	14	100,000	100,000
Restricted funds	14	1,873,683	1,672,127
Total charity funds	14, 15	<u>2,144,545</u>	<u>2,010,215</u>

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 for the financial year ended 31 March 2020. The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with section 386 and 387 of the Companies Act; and
- for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The unaudited financial statements were approved by the Board of Trustees on 17 December 2020 and signed on its behalf by:


J BEVERIDGE
Trustee

Registered Number: SC160932

The notes on pages 9 - 20 form part of these financial statements.

THE LOCH LOMOND STEAMSHIP COMPANY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020	2019
	£	£
Cash flows from operating activities		
Net income	134,330	1,113,990
Adjustments for:		
Depreciation	67,992	17,014
Decrease in stock	1,050	650
Decrease/(increase) in debtors	892,749	(955,132)
(Decrease)/increase in creditors	(219,713)	208,046
Net cash provided by operating activities	876,408	384,568
Cash flows from investing activities		
Payments to acquire tangible fixed assets	(847,978)	(335,780)
Net cash used in investing activities	(847,978)	(335,780)
Increase in cash in the year	28,430	48,788
Cash and cash equivalents at 1 April	197,633	148,845
Cash and cash equivalents at 31 March	226,063	197,633

The notes on pages 9 - 20 form part of these financial statements.

THE LOCH LOMOND STEAMSHIP COMPANY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. They comprise the financial statements of the charitable company.

The principal activity of The Loch Lomond Steamship Company is the advancement of education by the restoration, preservation and operation of the steamship, the "Maid of the Loch".

The Loch Lomond Steamship Company is a private company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC024062. Details of the registered office and company registration number can be found on the company information page of these financial statements.

2. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

The Loch Lomond Steamship Company meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3:

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charitable company's financial statements unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis. The Trustees have assessed the charitable company's ability to continue as a going concern, including have given due consideration to the impact of COVID-19 on the charitable company, and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

THE LOCH LOMOND STEAMSHIP COMPANY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

Income recognition

Income is included in the Statement of Financial Activities when the charitable company is entitled to the income, it is probable that the economic benefits associated with the transaction will flow to the charitable company and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Donations and legacies are recognised and included in the Statement of Financial Activities when the charitable company becomes entitled to the funds, the receipt of economic benefit is probable, and the economic benefit can be measured reliably.
- Revenue grants are credited to the Statement of Financial Activities in the period that conditions for receipt have been complied with, the charitable company is entitled to the grant, it is probable that the income will be received, and the amount can be measured reliably.
- Income from charitable activities is accounted for when earned.
- Gifts in kind are included in the Statement of Financial Activities based on a reasonable estimate of the amount the charitable company would have to pay in the open market for an equivalent item, service or facility.

Expenditure recognition

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Raising funds costs comprise the costs associated with attracting fundraising income.
- Charitable expenditure comprises those costs incurred by the charitable company 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.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include the audit fees and costs linked to the strategic management of the charitable company.
- Support costs are allocated to activities on the basis of the relative cost of these activities.

Employee benefits

Employee benefits are recognised in the period the employee's services are delivered.

Pension

The charitable company operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or deemed cost less accumulated depreciation. Depreciation is calculated by the straight-line method to write off the cost of fixed assets over their estimated useful lives on the following basis:

Pier and slipway	-	straight line over the term of the lease
Ship	-	straight line over 30 years
Fixtures & equipment	-	10% and 20% on a straight-line basis

THE LOCH LOMOND STEAMSHIP COMPANY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. 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 marketing, selling and distribution.

Debtors

Debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Creditors

Creditors are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charitable company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors. Debt instruments (other than those wholly repayable or receivable within one year) are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charitable company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

THE LOCH LOMOND STEAMSHIP COMPANY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

Taxation

The company is a charity and is recognised as such by HM Revenue and Customs for taxation purposes. As a result, there is no liability to taxation on any of its income.

Fund accounting

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

Designated funds are funds which have been set aside at the discretion of the Trustees for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

3. Judgement in applying policies and key sources of estimation uncertainty

In preparing the financial statements, Trustees are required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of judgement and estimation have been applied in relation to the recognition of income in accordance with the Charity SORP principles and in relation to depreciation rates. The recognition of income is deemed to be appropriate due to the Trustees' understanding of the SORP principles and the conditions attached to the grants received. The depreciation rates are deemed to be appropriate based on the expected useful lives for each class of asset.

4. Income	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
<i>Donations and legacies:</i>				
Donations	39,023	81,898	120,921	96,010
Grants	-	202,358	202,358	1,126,807
Legacies	-	-	-	70,894
<i>Charitable activities:</i>				
Catering, events and sale of goods	20,435	-	20,435	14,285
Rental and pier dues	-	-	-	950
Total income	59,458	284,256	343,714	1,308,946

THE LOCH LOMOND STEAMSHIP COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

5. Expenditure on raising funds	Direct costs £	Support costs £	Total costs 2020 £
Cost of maintaining membership	-	11,966	11,966
Total 2019	12,100	12,846	24,946

6. Charitable activities expenditure	Direct costs £	Support costs £	Total costs 2020 £
Catering events and sale of goods	89,738	101,219	190,957
Rental and pier dues	-	6,461	6,461
	89,738	107,680	197,418

	Direct costs £	Support costs £	Total costs 2019 £
Catering events and sale of goods	54,400	108,674	163,074
Rental and pier dues	-	6,936	6,396
	54,400	115,610	170,010

7. Support costs

Total support costs have been allocated on the following basis:

Raising funds - 10%

Charitable activities - 90% (85% catering events and sale of goods, 5% rental and pier dues)

All support costs allocated to raising funds expenditure are allocated to costs of maintaining membership. Support costs allocated to charitable activities are split across the various activities on the basis of the relative cost.

THE LOCH LOMOND STEAMSHIP COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

7. Support costs (continued)

	Catering events and sale of goods £	Rental and pier dues £	Raising funds £	Total support costs 2020 £
Rates and water	2,604	166	307	3,077
Insurance	10,851	693	1,282	12,826
Electricity, gas & fuel	12,810	818	1,514	15,142
Telephone	-	-	-	-
Printing, posting, stationery & IT	3,974	253	470	4,697
Sundries	1,003	63	119	1,185
Premises expenses & general repairs	2,196	140	260	2,596
Ship repairs & maintenance	2,581	165	305	3,051
Licensing & subscriptions	187	12	23	222
Professional fees	4,246	271	502	5,019
Travel and subsistence	2,254	144	267	2,665
Bank charges	181	12	22	215
Depreciation	57,521	3,672	6,799	67,992
Audit and accounting fees	811	52	96	959
	<u>101,219</u>	<u>6,461</u>	<u>11,966</u>	<u>119,646</u>

	Catering events and sale of goods £	Rental and pier dues £	Raising funds £	Total support costs 2019 £
Rates and water	590	38	70	698
Insurance	8,990	574	1,063	10,627
Electricity, gas & fuel	7,490	478	885	8,853
Telephone	1,306	83	154	1,543
Printing, posting, stationery & IT	9,212	588	1,089	10,889
Sundries	1,578	101	187	1,866
Premises expenses & general repairs	4,079	260	482	4,821
Ship repairs & maintenance	2,793	178	330	3,301
Licensing & subscriptions	489	31	58	578
Professional fees	49,608	3,166	5,864	58,638
Travel and subsistence	789	50	93	932
Bank charges	292	19	35	346
Depreciation	14,394	919	1,701	17,014
Audit and accounting fees	7,064	451	835	8,350
	<u>108,674</u>	<u>6,936</u>	<u>12,846</u>	<u>128,456</u>

THE LOCH LOMOND STEAMSHIP COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

8. Governance costs	2020	2019
	£	£
Accountancy	959	1,000
Audit fee	-	4,600
Other fees	-	2,750
	<u>959</u>	<u>8,350</u>
9. Staff costs	2020	2019
	£	£
Wages and salaries	63,845	42,100
Social security costs	2,248	3,932
Pension costs	1,006	330
	<u>67,099</u>	<u>46,362</u>

Average number of employees in the year was five (2019: four). No employee received remuneration of more than £60,000.

10. Trustees' Remuneration and Expenses

No trustee received remuneration for their services to the charitable company in the year (2019: £nil). Expenses which were reimbursed by the charitable company to five trustees in the year amounted to £807 (2019: £1,204, paid to three trustees).

11. Tangible fixed assets

	Pier and slipway £	Ship £	Fixtures and equipment £	Total £
Cost:				
At 1 April 2019	660,592	706,948	40,657	1,408,197
Additions	10,976	837,002	-	847,978
Disposals	-	-	(838)	(838)
At 31 March 2020	<u>671,568</u>	<u>1,543,950</u>	<u>39,819</u>	<u>2,255,337</u>
Depreciation:				
At 1 April 2019	317,743	-	37,546	355,289
Charge for the year	14,743	50,520	2,729	67,992
On disposal	-	-	(838)	(838)
At 31 March 2020	<u>332,486</u>	<u>50,520</u>	<u>39,437</u>	<u>422,443</u>
Net book value:				
At 31 March 2020	<u>339,082</u>	<u>1,493,430</u>	<u>382</u>	<u>1,832,894</u>
At 31 March 2019	<u>342,849</u>	<u>706,948</u>	<u>3,111</u>	<u>1,052,908</u>

The ship was stated at deemed cost on transition to FRS 102.

THE LOCH LOMOND STEAMSHIP COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

12. Debtors	2020 £	2019 £
Accrued income	72,073	938,605
Prepayments	7,781	10,925
Other debtors	20,728	43,801
	100,582	993,331
13. Creditors	2020 £	2019 £
<i>Amounts falling due within one year:</i>		
Trade creditors	8,300	221,099
Accruals & other creditors	6,994	13,908
	15,294	235,007

THE LOCH LOMOND STEAMSHIP COMPANY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

	At 01/04/19	Income	Expenditure	Transfers	At 31/03/20
	£	£	£	£	£
14. Movement on funds					
Restricted funds:					
Slipway restoration fund	291,422	-	(14,742)	-	276,680
Ship restoration fund – grant funded	288,080	-	(10,280)	-	277,800
Ship restoration fund – donation funded	21,975	-	-	-	21,975
New boiler fund	14,650	-	-	-	14,650
Pier restoration fund - Historic Environment Scotland	30,000	14,635	-	-	44,635
Ship refit fund stage 1					
Scottish Government (RCGF)	950,000	-	(26,955)	-	923,045
Wolfson Foundation	-	40,000	-	-	40,000
Swire Trust	20,000	-	-	-	20,000
Hugh Fraser Foundation	-	50,000	-	-	50,000
Robertson Trust	56,000	(5,000)	-	-	51,000
Ship refit fund stage 2					
Adam Bruce donation	-	20,000	-	-	20,000
Scottish Landfill Communities Fund (SLCF)	-	25,000	-	-	25,000
The Pilgrim Trust	-	15,000	-	-	15,000
Headley Trust	-	20,000	-	-	20,000
Paddle Steamer Preservation Society	-	52,000	-	-	52,000
Other					
Carriage fund - Architectural Heritage Fund	-	10,000	-	-	10,000
Sundry ship specific projects – donation funded	-	11,898	-	-	11,898
Revenue funding					
Robertson Trust (Community Development)	-	9,500	(9,500)	-	-
Scottish Enterprise Leader/Stirling Council	-	21,223	(21,223)	-	-
Total restricted funds	1,672,127	284,256	(82,700)	-	1,873,683
Unrestricted funds:					
General fund	72,275	59,458	(126,684)	165,813	170,862
Appeal fund - designated	165,813	-	-	(165,813)	-
Revaluation reserve - designated	100,000	-	-	-	100,000
Total unrestricted funds	338,088	59,458	(126,684)	-	270,862
Total funds	2,010,215	343,714	(209,384)	-	2,144,545

THE LOCH LOMOND STEAMSHIP COMPANY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

14.	Movement on funds (continued)	At 01/04/18 £	Income £	Expenditure £	Transfers £	At 31/03/19 £
	Restricted funds:					
	Slipway restoration fund	305,707	-	-	(14,285)	291,422
	Ship restoration fund – grant funded	288,080	-	-	-	288,080
	Ship restoration fund – donation funded	21,975	-	-	-	21,975
	New boiler fund	14,650	-	-	-	14,650
	Pier restoration fund - Historic Environment Scotland	-	34,529	(4,529)	-	30,000
	Ship refit fund stage 1					
	Scottish Government (RCGF)	-	950,000	-	-	950,000
	Swire Trust	-	20,000	-	-	20,000
	Robertson Trust	-	56,000	-	-	56,000
	Revenue funding					
	Scottish Enterprise	-	66,278	(66,278)	-	-
	Leader/Stirling Council	-	-	-	-	-
	Total restricted funds	<u>630,412</u>	<u>1,126,807</u>	<u>(70,807)</u>	<u>(14,285)</u>	<u>1,672,127</u>
	Unrestricted funds:					
	General fund	-	182,139	(124,149)	14,285	72,275
	Appeal fund - designated	165,813	-	-	-	165,813
	Revaluation reserve - designated	100,000	-	-	-	100,000
	Total unrestricted funds	<u>265,813</u>	<u>182,139</u>	<u>(124,149)</u>	<u>14,285</u>	<u>338,088</u>
	Total funds	<u>896,225</u>	<u>1,308,946</u>	<u>(194,956)</u>	<u>-</u>	<u>2,010,215</u>

Notes to the funds:

Restricted funds consisted of the Ship and the Slipway Restoration Funds funded by government and local authority funding and by donations. These funds will be released to the Statement of Financial Activities over the lifetime of the assets concerned or spent in accordance with the funds raised.

The restoration funds from Historic Environment Scotland fund and the Architectural Heritage fund represents grants received from Historic Environment Scotland for restoration works on the slipway and the corresponding expenditure.

The new boiler appeal fund relates to funds raised via a crowdfunding appeal towards the new boiler on the Maid of the Loch.

Stage 1 Refit

The Scottish Government fund represents the grant contribution of the Scottish Government to assist the charity to deliver Stage 1 of a fully operational historic steamship and community asset.

The Wolfson Trust and Hugh Fraser Foundation represent funds received and used for the refurbishment of the ship as a community asset.

The Robertson Trust fund relates to funds received towards the capital costs of the Maid of the Loch learning & education space.

THE LOCH LOMOND STEAMSHIP COMPANY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

14. Movement on funds (continued)

The Swire Trust fund represents funds received from the Swire Trust to fund a community activity and outreach programme, building on the restoration of the ship.

These funds will be written down according to the asset life through the depreciation charge. Although the depreciation may be allocated against a single funder, this should be regarded as a write down of the group of funders under Stage 1 refit.

Stage 2 Refit

Adam Bruce is a large private donor who requested this be used towards the repairs to steelwork on ship with the condition that any contract is awarded to Walkerweld Ltd.

The following funders have made contributions specifically towards the restoration of the Dining Saloon:

- Scottish Landfill Communities Fund (SLCF)
- The Headley Trust
- The Pilgrim Trust

The Paddle Steamer Preservation Society funds represents a contribution towards general refurbishment of the fabric of the ship and restoration of heritage items.

Other

Carriage Fund -The Architectural Heritage fund is towards the re-design of a new carriage for the slipway.

Sundry ship specific project funds are from private donors who stipulated that the money was used for smaller items on the ship such as benches, paddle floats and fixtures and fittings.

Revenue Funding

The Robertson Trust grant is a subsidy towards that of a Community Liaison and Voluntary Officer.

The Scottish Enterprise/LEADER fund comprises revenue grant funding received jointly from Scottish Enterprise and the Forth Valley and Lomond LEADER Programme to employ a project support officer, a social media officer, and to provide technical expertise to the Maid of the Loch.

Revenue funding has been expended in accordance with the funds conditions.

Unrestricted funds

The directors had designated £165,813 for the appeal fund. This amount was transferred to the general unrestricted fund in the year as they have been spent.

THE LOCH LOMOND STEAMSHIP COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

15. Analysis of Net Assets Between Funds	Restricted Funds £	Unrestricted Funds £	Total Funds £
Fixed assets	1,413,050	419,844	1,832,894
Current assets/(liabilities)	460,633	(148,982)	311,651
Net assets at 31 March 2020	<u>1,873,683</u>	<u>270,862</u>	<u>2,144,545</u>
	<i>Restricted Funds £</i>	<i>Unrestricted Funds £</i>	<i>Total Funds £</i>
Fixed assets	937,257	115,651	1,052,908
Current assets/(liabilities)	734,870	222,437	957,307
Net assets at 31 March 2019	<u>1,672,127</u>	<u>338,088</u>	<u>2,010,215</u>

16. Contingent Liabilities

The ship and the pier site (in so far as forming part of the assets of the company), shall revert, on winding up or dissolution of the company, to the Local Authority at the time having statutory responsibility for the provision of museum services in the local government area in which the pier site is situated.

The funding received from West Dunbartonshire Council for the regeneration of the steamship has a clawback period of 15 year. If at any point within the 15 year period following the receipt of the grant, the asset, which the funding was received for, is disposed of then West Dunbartonshire Council are entitled to the proceeds of that disposal – or the relevant proportion of the proceeds based on the percentage of grant funding used in connection with the improvement of the asset against the whole proceeds. This is applicable until 31 March 2034.

£50,000 of funding was received from The Paddle Steamer Preservation Society (PSPS) for the general refurbishment of the fabric of the ship and restoration of heritage items. LLSC have asked PSPS to alter the use of the funds received to that of the refurbishment of the slipway and pier. This request requires to be ratified by PSPS' Council. If not ratified, LLSC will have to repay the grant received in full.

17. Capital commitments

At the year end, there was committed expenditure net of VAT of £151,259 (2019: £667,971).

18. Related party transactions

Payments totalling £2,477 were paid to JJR Print Ltd, of which I. Robertson, a trustee, is a shareholder (2019: £5,115). A family member of a trustee is employed by the charitable company and they received remuneration of £20,736 (2019: £21,601).