

REGISTERED COMPANY NUMBER: 04686048 (England and Wales)
REGISTERED CHARITY NUMBER: 1096846

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
SAIL TRAINING INTERNATIONAL**

TC Group
1st Floor
Ocean Village Innovation Centre
Ocean Way
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Hampshire
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SAIL TRAINING INTERNATIONAL
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FOR THE YEAR ENDED 31 MARCH 2023

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SAIL TRAINING INTERNATIONAL

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

Registered Company number

04686048 (England and Wales)

Registered Charity number

1096846

Registered office

Charles House
Mumby Road, Gosport Marina
Gosport
Hampshire
PO12 1AH

Trustees

J C Cheshire (UK)
E Corwin (Norway)
D F Galpin (UK)
M C Henstock (Australia)
J K Hughes (USA)
R Mimbacas (Spain)
A P Van Ommen (Netherlands)
L K Westerberg (Sweden)
L Weweler (Germany)
A M Ledwidge-O'Brien (Ireland) (resigned 4.10.22)

Chief operating officer

A James (UK)

Company Secretary

A James (UK)

Auditors

TC Group
1st Floor
Ocean Village Innovation Centre
Ocean Way
Southampton
Hampshire
SO14 3JZ

REFERENCE AND ADMINISTRATIVE DETAILS**Solicitors**

Paris Smith
1 London Road
Southampton
Hampshire
SO15 2AE

Bankers

Lloyds TSB plc
20 High Street
Gosport
Hampshire
PO12 1DE

CAF Bank Limited
25 Kings Hill
West Malling
Kent
ME19 4JQ

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The Trustees are pleased to present their report together with the Financial Statements of the Charity for the period ended 31 March 2023.

1. Objectives and Public Benefit

The objects of the Charity are to enable young people of all nationalities to develop their physical, mental, and spiritual capacity, through sail training, and embrace a healthier lifestyle so that they may grow to full maturity as individuals and useful members of society.

The principal activities through which it seeks to do so are:

- (a) the promotion and organisation of Tall Ships Races and other regattas and events in all parts of the world.
- (b) assistance to young people for their participation in sail training activities including the provision of grants and bursaries (directly and indirectly) and by providing assistance to those otherwise unable to afford to do so.
- (c) acting as a forum for promoting co-operation between the National Sail Training Organisations who are the Members of the Charity and other organisations throughout the world involved in sail training or having similar objectives.
- (d) representing the interests of such organisations with international organisations, government departments and other appropriate bodies in all matters relating to sail training generally and particularly in relation to safety of personnel
- (e) carrying out, commissioning, or supporting research, surveys, studies, or other work relating to the benefits of sail training for the development of young people and publishing the results of such research and other ancillary written or other materials; and
- (f) the provision of support and encouragement for sail training generally.

In setting our policy for achieving our objectives our Trustees give serious consideration to the Charity Commission's general guidance on public benefit.

'Sail training' in this context means more than teaching people to sail. It describes the use of adventurous activities at sea to help young people develop confidence, trust in others, tolerance, and teamwork. It also, on board ship and in port, brings together people from many different nationalities, cultures, and faiths to promote international friendship and understanding.

Our activities are planned to enable young people to experience the benefits of sail training in particular by:

- Creating opportunities through events run by the Charity's trading subsidiary.
- Promoting and supporting other sail training opportunities
- Providing bursary funding to young people
- Encouraging host cities to support sail training.
- Creating awareness of sail training with the public

2. Events and Related Activities

The Charity, through its trading subsidiary, continues to promote and organise Tall Ships Races and Regattas with the emphasis on the participation of young people of all nationalities.

Each year the involvement of tall ships from all over the world in our events provides the most visible example of the practical fulfilment of our objectives in three complementary ways:

- They create opportunities for young people to experience sailing on a tall ship and the personal development such an experience can offer,
- They generate funds both for the participating Tall Ships and for the Charity to use for bursary funding or research, and

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- They foster best practice for sail trainers and promote sail training generally through exposure of the participating tall ships to the public when berthed in the race host ports.

Events in 2022

Each year our trading subsidiary organises the Tall Ships Races. The sea area for these rotates annually and the number of host ports involved is usually 4 or 5. 2022 marked the return of the Tall Ships Races after the cancellations and postponements in 2020 and 2021 due to the global pandemic.

The Tall Ships Races took place in the North Sea and visited four ports in Denmark (Aalborg and Esbjerg), Netherlands (Harlingen) and Belgium (Antwerp).

Directly through the event the following was achieved :

- Over 2,000 trainees from an impressive total of 41 countries participated in the event.
- Over 500 trainees received a bursary from either Sail Training International or the host ports.
- 40 vessels took part in the event from 13 different countries.
- Approximately 2.25 million visitors viewed the Tall Ships in the four host ports.

Current Events and Plans

Two events have been scheduled for 2023, the Tall Ships Races 2023 and the Magellan Elcano (originally scheduled as the Tall Ships Races 2020).

The Tall Ships Races 2023 will take place in the North Sea and will visit five ports starting in Den Helder in the Netherlands followed by Hartlepool in the UK , Fredrikstad in Norway , Lerwick in the Shetland Islands and finishing in Arendal in Norway. We are excited to be visiting four previous host ports and welcoming Arendal as a new host port.

The Magellan Elcano is the rearranged Tall Ships Races 2020. We will visit four ports starting in Falmouth in the UK followed by A Coruna in Spain, Lisbon in Portugal and finishing in Cadiz in Spain. We are really pleased that we will be finally able to deliver this event and are grateful to the support and cooperation of the four host ports.

In addition to the 2023 event, we are also pleased to announce that six ports will be hosts to the Tall Ships Races in 2024 in the Baltic Sea and that five host ports have been selected for both 2025 and 2026 Tall Ships Races.

Fundraising

The Charity does not employ dedicated fundraising staff. Hitherto the principal source of income is that generated by the subsidiaries through races and regattas.

As we emerge out of the pandemic and prevailing economic conditions the Trustees will recommence seeking both philanthropic donations and sponsorship.

The Royal Navy of Oman made its usual annual grant of €50,000 to our restricted funds for support to individual trainees and sail training operators.

3. Support for individuals and sail training operators

In addition to operating Tall Ships Races and other events the Charity utilises its own funds to provide direct assistance to young people who might otherwise not be able to participate in and benefit from sail training.

STI Bursary Schemes

Our **Host Port Bursary** scheme, whereby host ports commit in their contracts with us to provide funding for young people in their area to sail on board Tall Ships participating on our races, continues to provide a high number of local young trainees. Each host port finds its own way to meet their commitment to the scheme

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and we estimate that in an average year the Host Port bursary programme as a whole has an equivalent bursary value in excess of 300,000 Euros.

Sultanate of Oman Bursary Scheme

The Charity is privileged to have enjoyed long term support from the Sultanate of Oman, which has operated a Tall Ship of its own for many years. The Sultanate has for the past 11 years funded a dedicated bursary scheme administered by the Charity with a worldwide reach. In 2020 the Sultanate of Oman committed to support the bursary scheme for a further 5 years.

John E Burnett Bursary Fund

The John E. Burnett Bursary was launched for the first time in 2021, providing £10,000 in funding for disabled people of any age to take part in a Sail Training voyage. The bursary was set up following the kind support of the estate of John E. Burnett, a supporter of access to Sail Training. The funds were fully spent in 2022 giving 23 trainees a sail training experience.

Canada Legacy Fund

Two projects were selected in 2022 to take place in 2023 with financial support from the Canada Legacy Fund.

Bytown Brigantine received \$12,500 CAN to develop and execute a 5-week programme Sailing for Life for 20 young people, including at risk young people. The program develops interpersonal, leadership and employability skills as well as traditional sailing skills.

Tall Ships Expeditions Canada received \$12,500 CAN for the project Forgotten Shore 2023: Maritime Quebec. The project is youth led, exploring remote seascapes and shorelines of maritime Quebec. The project focusses on encouraging youth to have meaningful conversations with their fellow trainees, experiencing the power and fragility of nature and celebrating the diversity of Canada.

Youth Development Fund

The Youth Development Fund was launched in 2019 to encourage the development of more effective Sail Training programmes for young people from disadvantaged social backgrounds. Its purpose is to support organisations – preferably non-profit – to deliver Sail Training programmes that will reach young people from a mixture of backgrounds, particularly those who have been disadvantaged.

The Youth Development Fund supported four projects in 2022 utilising the Royal Navy of Oman bursary scheme and offered £19,000 to support these projects fostering youth development. The Four successful applications were from Seas your future, Catzero Youth Development, Sailing Tectona and Tall Ships Youth Trust.

In addition, five projects were approved for 2023. The funding will be £25,000 and the successful applicants are West Indies Sail Heritage Foundation, Challenge Wales, Ocean Youth Trust Scotland, Morvargh Sailing Project, and Ellen MacArthur Cancer Trust.

These funds appear under restricted funds within the Charity's accounts.

4. Promotion of sail training worldwide:

International Conferences:

An important element of the Charity's activities is to host an international conference each year at which our members can interact with Tall Ships operators, sail trainers, port authorities and other maritime organisations. The Charity organises workshops and seminars on many aspects of sail training to encourage best practice and safety, as well as sharing the benefits of different approaches and methods for the development of young people in a sail training environment.

The Conference also provides the opportunity for all Trustees, subsidiary Board Members and Committees to hold their own meetings and meetings with volunteers and other groups to increase awareness of the issues that impact on the achievement of our objectives.

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In 2022 the International Conference returned to a live event after the previous two virtual conferences and was held in November in Las Palmas, Gran Canaria. Over 200 delegates attended representing 27 different countries.

Our return to in-person events in 2022 saw an increase in media content and coverage across the year. Alongside the increase in content and coverage, we also saw higher engagement rates from users when compared to 2022 and our last active event year of 2019. During the races we were also able to capture a large amount of new video content which has substantially expanded our content library. This has already been used to support Host Port activities and has seen further growth in our marketing and communications activities in 2023 to date.

5. Research

Operators of Tall Ships in general have no doubts concerning the benefits that accrue to young people from a sail training voyage. However, it is important for those benefits to be validated by independent observers and academic research.

The activities of the Charity therefore include participation in, and some funding for, research projects. Through its members and the Tall Ships participating in its events, the Charity is well placed to assist in gathering data for such projects.

In 2022 work commenced on constructing a library of research papers.

6. Financial review

The consolidated income of the charity and its wholly owned trading subsidiary amounted to £831,690 (2022: £864,253). Income was maintained at a similar level as 2021 with the majority of income coming from the 2022 Tall Ships Races. Expenditure during the period amounted to £859,600 (2022: £675,136). At the consolidated level this resulted in a decrease in reserves of £27,910 (2022: increase in reserves £189,117). Reserves at the year-end stood at £412,227 (2022: £440,137).

The unrestricted reserves amounted to £306,626 at year end which would meet the first criteria established in the reserves policy (see below) and partially the second level.

Overall, our trading activities had a surplus of £27,590 (2022: £300,916).

Our principal source of trading income during the period comes from Host Port fees drawn from long term contracts for our events.

The Trustees regard the results achieved as very positive as we emerge from the global pandemic. Enthusiasm among the sail training community for our events remains strong. Host ports have already been contracted for the next three years and the Trustees and Chief Executive can look ahead to Tall Ships Races and other events planned for the next few years and to identify opportunities which may become available and any major operational and strategic challenges that may arise.

These events include Races in the North Sea, the Iberian Sea, and the Baltic Sea. We are encouraged by the ongoing support for our events from host ports which continue to consider our events to be a worthwhile economic proposition for them and their communities as well as promoting the involvement of young people in sail training.

Post year end activity

There have been no post balance sheet events that require disclosure in the financial statements in accordance with the Charity SORP.

The two events for 2023 have been completed successfully both operationally and financially. The 2023 Tall Ships Race had five ports two in the UK (Hartlepool and Lerwick, two in Norway (Fredrikstad and Arendal) and one in the Netherlands (Den Helder). The Magellan Elcano which was the rearranged Tall Ships Races 2020 contracted had two ports from Spain (A Coruna and Cadiz) one from the UK (Falmouth) and one from Portugal (Lisbon).

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Sponsorship

Our sponsorship agreement with SCF Sovcomflot, a large Russian shipping company, was suspended towards the end of 2021 due to the global pandemic and the uncertainty surrounding running the planned Far East Regatta. As part of the suspension process a reconciliation of income and costs was completed.

After the Russian invasion of Ukraine, the communication with SCF Sovcomflot has been non-existent. The assumption going forward is the sponsorship agreement has been terminated.

Risk Management and Reserves

The Trustees review the risks faced by the Charity and its subsidiaries annually by carrying out a risk mapping exercise for both the Charity and its subsidiaries in accordance with the recommendations of the Charity Commission. The main risk to the Charity is the ongoing profitability of its subsidiaries which, via gift aid, provide its main source of income. To alleviate this risk the Trustees, monitor the performance of the trading subsidiary on a regular basis including regular reports to the Trustees on all key events being organised by the subsidiaries. The prime risk identified for the trading subsidiary is the potential failure to contract host ports and sponsors for future events. This risk is addressed by seeking to contract ports as far in advance as possible of each event and adjusting the Race Series to reflect the relevant ports once contracted.

By their very nature the Tall Ships Races take place in international waters and could be subject to political and other events outside our control. The Boards of the trading subsidiary and the Trustees therefore consider political and strategic risks when making decisions to organise events (particularly in new sea areas) and keep such issues under careful review on a regular basis. The ramifications of the pandemic, the war in Ukraine, and the need to postpone the planned events have brought to reality this identified risk.

The Trustees have recently reviewed the Charity's reserves policy and have looked at some of the factors that determine our requirements for achieving and maintaining certain levels of 'free' reserves. It has been agreed that reserve requirements should continue to be monitored with reference to three levels:

1. minimum level to cover the cost of 'winding up' the organization in the event of all funding coming to an end (this would include the cost of redundancies, lease commitments, and meeting short term liabilities).
2. intermediate level to allow for the continuation of 'core' activities for a 6-9-month period in the event of significant reductions in funding, and
3. higher level to provide an endowment to fund bursary support for young people, research to further the aims of the Charity, and special projects to pilot different ways of promoting the personal development of young people and fostering international friendship and understanding. Achieving this level is a longer-term strategy (5-10 years).

For the purposes of 2 above, 'free' reserves are taken to include unrestricted funds and restricted funds to the extent that they support 'core' project activities and do not contravene funders' restrictions.

The Trustees will prioritise rebuilding the unrestricted reserves over the next financial year to meet as a minimum the first two criteria set out above.

The Trustees are always mindful of the fact that the Charity operates in a changing environment which is sensitive to shifts in international relations and economic success in different cities and regions.

With this and the effects of the Covid outbreak in mind they will review annually the need to designate funds to cover short term reductions in funding, necessary changes to operational activities or organisational infrastructure and the transition to new funding arrangements which have an impact on short term cash flow.

The Trustees review the policy on a yearly basis to ensure that an appropriate level of reserves is maintained within the Charity, in accordance with Charity Commission guidelines.

Investment Powers and Policy

Under its constitution, the Charity has the power to make any investment which the Trustees see fit. The

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Trustees, having regard to the risk and liquidity requirements of organising races and events and to the reserves policy, have operated a prudent policy of keeping balances in a range of mainly short-term instruments selected to generate the best returns, consistent with security.

7. Structure, governance and management

As a result of the re-organisation implemented in 2015 the structure of the Group is as follows:

Sail Training International / the Charity

Sail Training International is a company limited by guarantee governed by its Memorandum and Articles of Association dated 4 March 2003 as amended in 2005. It is registered as a charity with the Charity Commission with Charity Number 1096846.

The **Members** of Sail Training International are the national or representative sail training organisations of:

Australia and New Zealand, Belgium, Bermuda, Canada, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Latvia, Netherlands, Norway, Poland, Portugal, South Africa, Spain, Sweden, United Kingdom, and United States of America.

At the 2022 AGM the members approved the application from Abravella to be a probationary member representing Brazil.

In light of the Russian invasion of Ukraine the membership voted to suspend Russia as a member.

The **Trustees** are responsible for policy making and are accountable for the Charity's activities and for ensuring that they are consistent with its charitable objectives. They are also responsible for managing the Charity's affairs and in this capacity appoint the Chief Executive and the directors of subsidiary companies. The Trustees receive no remuneration for their services.

The **Chairman** of the Trustees is directly elected by the Members for a three-year term but is eligible for re-election.

All **Trustees** are also elected by the Member organisations and the longest serving of them (being one third of the then current number) are required to resign each year at the Annual General meeting but are entitled to seek re-election. The Trustees also have power under the Articles of Association to appoint new Trustees at any time in the year to fill a vacancy, but any person so appointed must then be formally re-appointed by the Members at the next Annual General Meeting.

The Trustees also appoint the Boards of Directors of the trading subsidiary and set the terms of reference for other Committees and working groups. During the year Aoife Ledwidge-O'Brien stood down as a Trustee on the 4th of October 2022. During the year Magda Makowska stood down as a Director of the subsidiary company Tall Ships Races Limited on the 30th of September 2022.

In this context the Trustees and the Chief Executive regularly consider the nature of the skills required by the Charity and review the skillsets of existing appointees, both as Trustees and as Directors of the subsidiaries, having regard to those who may be retiring in the near future. The reconstruction of the Group in 2015 was also an opportunity to ensure that the trading subsidiary have Board Members suitable for the ongoing activities.

The Members are notified of the experience and skills requirements for new Trustees and can put forward candidates. They are also, prior to the next Annual General Meeting, provided with information on all Trustees who are seeking re-appointment or re-election at such meeting.

Many of the candidates for appointment as a Trustee will have a pre-existing connection with or knowledge of sail training but candidates are only put forward after the Trustees and the Company Secretary are satisfied that they understand their responsibilities and duties as a Trustee of a UK Charity. New Trustees are provided with such information as they require with the process and topics being tailored to each individual's background experience and knowledge. Trustees and Directors have access to the Company Secretary and from time to time receive additional training through attendance at workshops and seminars at International

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Conferences.

Many of the Trustees and Directors are active in, and provide advice and assistance to, the National Sail Training Organisations (NSTOs), who are Members of the Charity, and other organisations within the sail training world.

The **Chief Executive** is responsible for the day-to-day management of the organisation's staff and co-ordinating the activities and achievement of the business plan and budget approved by the Trustees. He is in regular contact with the Chairs of the Charity and its subsidiaries concerning contractual and regulatory matters and attends all Trustees meetings and meetings of the subsidiary boards.

The Charity has established rules for the better management and governance of the organisation, known as the 'Red Book'. This was extensively reviewed and updated in 2022 and a new version agreed by the Members at the AGM in November 2022.

Committees, Working Groups and Volunteers

The **International Council** comprises a representative of each Member and other individuals, up to a third of the total International Council, who are nominated by the Trustees for their expertise and experience and must be approved by the International Council. Trustees are also entitled to attend such meetings but have no vote. The purpose of the International Council is to act as an advisory body to the Trustees and contribute to policies and projects for implementation by the Charity and the trading subsidiary.

The **Ships' Council** was created as an advisory group and is open to all Tall Ship Operators who are involved with our events. The aspects considered by the Council include regulatory, operational and safety matters and other issues and future plans for the participation of Tall Ships in our events. A representative of the Trustees attends its meetings and reports back to the Trustees and the International Council.

The **Youth Council** assists the Trustees to identify and take account of the views of young people, already active in the sail training world, in developing strategies and activities for the future. Each of the Members is entitled to nominate a representative and a Trustee is responsible for liaison between the Trustees and STI Youth Council. The Chair of STI Youth Council reports directly to each International Council meeting.

The **Port Advisory Group** and the **Host Port Seminar** (held annually during the Tall Ships Races and hosted by one of that year's host ports) acts as conduit for the Charity and its trading company to receive input on its activities and events from this important stakeholder group.

All members of the above Committees and Working Groups are volunteers. In addition, the Trading Companies rely upon a dedicated cadre of volunteers to help deliver their events.

Subsidiary Companies

The Charity has three wholly owned subsidiaries which are separate trading companies to carry out different activities and which through Gift Aid pass all surplus income to the Charity to assist in enabling it to fulfil its objectives.

The Chief Executive is a director of each trading subsidiary and, with the other Directors, responsible for managing their activities.

The remuneration for the CEO and other key employees is set by the Trustees having taken account of market forces, the current Cost of Living and other relevant indices. A majority of the directors of the trading subsidiary are unpaid volunteers.

Tall Ships Races International Limited is responsible for staff and office infrastructure, the provision of financial and other services, managing publicity activities and materials, and organising the majority of the Tall Ships Races and seminars. It has particular responsibility for the race organisation and appoints a Race Committee for each race series to provide advice on maritime and safety issues. Its objectives are set by the Trustees of the Charity.

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Tall Ships International Limited is responsible for other races and events the charity organises or is involved with worldwide that involve North America, including consultancy contracts. As there are no events under contract that fall into this category the company was made dormant during the year.
Sail on Board is currently a dormant company.

8. Financial statements

The Trustees are responsible for preparing the Trustees' Report and financial statements for each financial period in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for ensuring that such financial statements give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 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 charitable company will continue in business.

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 Trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are aware of the Charity Commission's Governance Code and are reviewing the Charity's governance in light of the code.

So far as the Trustees are aware:


- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the Trustees.

Registered Office:

Charles House
Gosport Marina
Mumby Road
Gosport
Hampshire
PO12 1AH


X
Alan James
Company secretary

Approved by the Trustees on X 26/10/2023

SAIL TRAINING INTERNATIONAL

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SAIL TRAINING INTERNATIONAL

Opinion

We have audited the financial statements of Sail Training International (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SAIL TRAINING INTERNATIONAL

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group's and of the parent charitable company's and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the Group's and of the parent charitable company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assess the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

SAIL TRAINING INTERNATIONAL
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SAIL TRAINING INTERNATIONAL

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Gillespie FCCA (Senior Statutory Auditor)
for and on behalf of TC Group
1st Floor
Ocean Village Innovation Centre
Ocean Way
Southampton
Hampshire
SO14 3JZ

Date: 31/10/2023

SAIL TRAINING INTERNATIONAL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED
31 MARCH 2023

| | | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|------|------------------------------------|----------------------------------|--------------------------|--------------------------|
| | Note | | | | |
| INCOME FROM: | | | | | |
| Donations and legacies | | 580 | 43,145 | 43,725 | 56,588 |
| Charitable activities | 4 | 653,630 | - | 653,630 | 695,451 |
| Other trading activities | 5 | 133,969 | - | 133,969 | 112,084 |
| Investment income | 6 | 366 | - | 366 | 130 |
| Total | | 788,545 | 43,145 | 831,690 | 864,253 |
| EXPENDITURE ON CHARITABLE ACTIVITIES: | | | | | |
| Tall Ships Races | | 541,952 | - | 541,952 | 528,308 |
| Charity operating costs | | 96,767 | - | 96,767 | 64,672 |
| Conference | | 90,916 | - | 90,916 | 433 |
| Project costs | | 8,753 | 75,683 | 84,436 | 25,000 |
| Bursary costs | | - | 20,820 | 20,820 | 41,525 |
| Governance | | 19,079 | - | 19,079 | 11,574 |
| Unrealised movements on foreign exchange on reserves | | - | 2,142 | 2,142 | 2,215 |
| Receptions | | 3,488 | - | 3,488 | 1,409 |
| Total | | 760,955 | 98,645 | 859,600 | 675,136 |
| NET INCOME/(EXPENDITURE) | | 27,590 | (55,500) | (27,910) | 189,117 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 279,036 | 161,101 | 440,137 | 251,020 |
| Total funds carried forward | | 306,626 | 105,601 | 412,227 | 440,137 |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on page 10 form part of these financial statements.

SAIL TRAINING INTERNATIONAL
CONSOLIDATED BALANCE SHEET
31 MARCH 2023

| | | Unrestricted funds | Restricted funds | 2023 Total funds | 2022 Total Funds As restated |
|--|------|-----------------------|---------------------|------------------------|---------------------------------------|
| | Note | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Intangible assets | 11 | 13,281 | - | 13,281 | 20,831 |
| Tangible assets | 12 | 4,896 | - | 4,896 | 4,489 |
| | | <u>18,177</u> | <u>-</u> | <u>18,177</u> | <u>25,320</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 14 | 194,005 | - | 194,005 | 119,270 |
| Cash at bank and in hand | | <u>1,394,473</u> | <u>139,613</u> | <u>1,534,086</u> | <u>1,679,498</u> |
| | | <u>1,588,478</u> | <u>139,613</u> | <u>1,728,091</u> | <u>1,798,768</u> |
| CREDITORS | 15 | <u>(1,059,586)</u> | <u>(34,012)</u> | <u>(1,093,598)</u> | <u>(708,558)</u> |
| NET CURRENT ASSETS | | <u>528,892</u> | <u>105,601</u> | <u>634,493</u> | <u>1,090,210</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>547,069</u> | <u>105,601</u> | <u>652,670</u> | <u>1,115,530</u> |
| Creditors: amount falling due more than one year | 16 | (240,443) | - | (240,443) | (675,393) |
| NET ASSETS | | <u>306,626</u> | <u>105,601</u> | <u>412,227</u> | <u>440,137</u> |
| FUNDS | 18 | | | | |
| Unrestricted funds | | | | 306,626 | 279,036 |
| Restricted funds | | | | 105,601 | 161,101 |
| TOTAL FUNDS | | | | <u>412,227</u> | <u>440,137</u> |

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

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26/10/2023 and were signed on its behalf by:


J C Cheshire - Chairman

SAIL TRAINING INTERNATIONAL


**CHARITY BALANCE SHEET
31 MARCH 2023**

| | | Unrestricted funds | Restricted funds | 2023 Total funds | 2022 Total Funds As restated |
|--|------|-----------------------|---------------------|------------------------|---------------------------------------|
| | Note | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Intangible assets | 11 | 13,281 | - | 13,281 | 20,831 |
| Tangible assets | 12 | 4,896 | - | 4,896 | 4,489 |
| Investments | 13 | 3 | - | 3 | 3 |
| | | <u>18,180</u> | <u>-</u> | <u>18,180</u> | <u>25,323</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 14 | 2,986 | - | 2,986 | 475 |
| Cash at bank and in hand | | <u>140,602</u> | <u>139,613</u> | <u>280,215</u> | <u>337,975</u> |
| | | <u>143,588</u> | <u>139,613</u> | <u>283,201</u> | <u>338,450</u> |
| CREDITORS | 15 | <u>(18,234)</u> | <u>(34,012)</u> | <u>(52,246)</u> | <u>(40,156)</u> |
| NET CURRENT ASSETS | | <u>125,354</u> | <u>105,601</u> | <u>230,955</u> | <u>298,294</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>143,534</u> | <u>105,601</u> | <u>249,135</u> | <u>323,617</u> |
| NET ASSETS | | <u>143,534</u> | <u>105,601</u> | <u>249,135</u> | <u>323,617</u> |
| FUNDS | 18 | | | | |
| Unrestricted funds | | | | 143,534 | 162,516 |
| Restricted funds | | | | 105,601 | 161,101 |
| TOTAL FUNDS | | | | <u>249,135</u> | <u>323,617</u> |

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

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26/10/2023 and were signed on its behalf by:

X.....

 X.....
 JC Cheshire - Chairman

SAIL TRAINING INTERNATIONAL
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|--|------|-------------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 19 | <u>(141,572)</u> | <u>341,107</u> |
| Cash flow from investing activities | | | |
| Dividends, interest and rents from investments | | 366 | 130 |
| Purchase of tangible fixed assets | | <u>(4,206)</u> | <u>-</u> |
| Net cash provided by investing activities | | <u>(3,840)</u> | <u>130</u> |
| Cash flows from financing activities | | - | - |
| Net cash provided by financing activities | | <u>-</u> | <u>-</u> |
| Change in cash and cash equivalents in the year | | (145,412) | 341,237 |
| Cash and cash equivalents at the beginning of the year | | <u>1,679,498</u> | <u>1,338,261</u> |
| Cash and cash equivalents at the end of the year | 20 | <u>1,534,086</u> | <u>1,679,498</u> |

SAIL TRAINING INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sail Training International meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Basis of consolidation

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statement of the Charity and its subsidiary undertakings. The result of the subsidiaries is consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

Going concern

The directors have considered all available information regarding current and future factors that could impact the Charity and have concluded it is appropriate to prepare the financial statement on a going concern basis.

Post the global pandemic the Charity and its subsidiaries have restructured the cost base in such a way that it can be far more flexible in these uncertain times. As demonstrated in this year's financial statements the charity and its subsidiary can generate a surplus from organising one Tall ships race and a Conference.

During the year the subsidiary company successfully returned to organising the Tall Ships Race which generated a healthy surplus enabling the Gift Aid payment to the Charity.

The Charity hosted an in-person Conference in November 2022 the first since 2019 and received a degree of sponsorship from Gran Canaria municipality and the tourism board.

Looking ahead the position for the Charity and its subsidiary over the next four years looks positive. It is expected a surplus will be generated each year and that the reserves can be rebuilt to the level set out in the reserves policy and charitable activities can be funded.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other 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 Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

SAIL TRAINING INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Income

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the services.

The Group organises annual races from European ports and one off races and other events in other parts of the world. The host ports for each annual race in Europe contract with the group up to four years before the races takes place and makes annual payment on account. The Group is engaged in planning and marketing activities throughout the four year period for each race. Accordingly the Group recognises as income part of the port fees received in each of the years leading up to the race, the balance being taken in the year the race is held.

The Group organises races and events in other geographical areas which generally have a shorter lead time. To recognise the larger initial costs involved in these one-off races or events the company takes to income an amount to cover its costs in each year prior to the race, the balance being taken in the year of the race.

The Group seeks sponsorship income for its races and events. Where such income is received it is recognises in the year of the race or event to which it relates.

The Group organises an annual conference. Income is received from delegates attending the conference and from organisation sponsoring the conference. All such income is taken in the year that the conference takes place.

Any income from donation received by the charity is recognised in the period in which they are received. The value of services provided by volunteers is not incorporated in these accounts as the economic benefit cannot be measured reliably.

Distribution of Gift Aid from the subsidiary to the parent charity are recognised in the parent charity's own financial statement when they are approved by the directors of the subsidiary.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group objectives, as well as any associated support costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Head Office.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made. Grants offered subject to conditions which have not been met at the year end are accrued as expenditure and held within liabilities.

SAIL TRAINING INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Allocated overheads

Certain salaries and overheads for the Charity are paid by Tall Ships Races International Limited, which makes an overhead allocation charge to the Charity and each trading subsidiary. This charge is based upon time costs spent in relation to the activities of the Charity and each trading subsidiary.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.
Depreciation is provided on the following bases:

| | |
|-----------------------|---------------------------|
| Fixtures and fittings | - 5 years straight line |
| Computer equipment | - 3-5 years straight line |

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Financial instruments

The Charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Short term debtors and creditors are measured at the transaction price. Other financial instruments, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Debtors

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

SAIL TRAINING INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Operating Leases: the group as a lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated Statement of Financial Activities.

Pension costs and other post-retirement benefits

The Group operates a defined contribution pension scheme. Contributions payable to the Group pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and, the amounts reported for revenues and expenses during the year. However, the nature of estimation, means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Payment for Tall Ship Races & Regatta events is typically received several years in advance of the races taking place. Management have reviewed the pattern of activity and costs incurred relative to the date of a race, based on historical data, in order to determine the most appropriate basis for recognising revenue. Revenue is recognised in the accounts in line with the pattern of the costs incurred.

Trade debtor balances outstanding at the year end are significant and relate to events taking place several years in the future. As a result, the recovery of these debts can be protracted. Management assess the recoverability of debts on a regular basis.

3. Legal Status of the charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

SAIL TRAINING INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

4. CHARITABLE ACTIVITIES

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Tall Ships Races | 653,630 | - | 653,630 | 695,451 |
| Total 2022 | 695,451 | - | 695,451 | |

5. OTHER TRADING ACTIVITIES

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Annual conference | 127,830 | - | 127,830 | 109,027 |
| Other income | 6,139 | - | 6,139 | 3,057 |
| | 133,969 | - | 133,969 | 112,084 |
| Total 2022 | 112,084 | - | 112,084 | |

6. INVESTMENT INCOME

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank interest | 366 | - | 366 | 130 |
| Total 2022 | 130 | - | 130 | |

7. CHARITABLE ACTIVITY COSTS

| | Activities undertaken directly 2023 £ | Grants funding of activities 2023 £ | Support Costs 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|-------------------------------|-----------------------------|-----------------------------|
| Tall Ships Races | 493,615 | - | 48,337 | 541,952 | 528,308 |
| Charity trading costs | 68,692 | - | 28,075 | 96,767 | 64,672 |
| Conferences | 90,916 | - | - | 90,916 | 433 |
| Project Costs | 40,231 | 44,000 | 205 | 84,436 | 25,000 |
| Bursary costs | 20,590 | - | 230 | 20,820 | 41,525 |
| Governance costs | 19,079 | - | - | 19,079 | 11,574 |
| Unrealised movements on foreign exchange | - | - | 2,142 | 2,142 | 2,215 |
| Receptions | 3,488 | - | - | 3,488 | 1,409 |
| | 736,611 | 44,000 | 78,989 | 859,600 | 675,136 |
| Total 2022 | 583,998 | 25,000 | 66,138 | 675,136 | |

Charity salary costs are included within the charity operating costs category of which £2,798 (2022 - £678) relates directly to the organisation of the conference.

TSRIL salary costs are included within the Tall Ships Races category of which £31,539 (2022 - £13,511) relates directly to the organisation of the conference.

SAIL TRAINING INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

8. NET EXPENDITURE

This is stated after charging:

| | 2023 | 2022 |
|---|---------------|----------|
| | £ | £ |
| Deprecation of tangible fixed assets | 11,349 | 11,986 |
| Auditor's remuneration – audit | 16,200 | 10,550 |
| Auditor's remuneration – other services | 1,000 | 5,450 |
| Operating leases rentals | 20,000 | 21,726 |

9. TRUSTEES' REMUNERATION AND BENEFITS

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

Trustees' expenses

During the year ended 31 March 2023, expenses totalling £6,459 were reimbursed or paid directly to Trustees (2022 - £125).

10. STAFF COST

| | Group | Group | Company | Company |
|----------------------|----------------|----------|----------------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Wages and Salaries | 288,985 | 313,074 | 31,738 | 33,345 |
| Social security cost | 24,377 | 25,641 | 2,881 | 4,928 |
| Pension costs | 17,964 | 24,633 | 2,654 | 3,067 |
| | 331,326 | 363,348 | 37,273 | 41,340 |

The average monthly number of employees during the year was as follows:

| | Group | Group | Company | Company |
|-----------------------|--------------|------------|----------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| | No. | No. | No. | No. |
| Charitable activities | 4 | 4 | - | - |
| Administration | 2 | 2 | 1 | 1 |
| | 6 | 6 | 1 | 1 |

The number of employees whose employee benefits (excluding employer pension cost) exceeded £60,000 was:

| | Group | Group |
|-------------------------------|--------------|------------|
| | 2023 | 2022 |
| | No. | No. |
| In the band £60,001 - £70,000 | 2 | 2 |

The executive management personnel of the parent charity and the Group comprises Trustees, company directors, the Chief Operating Officer and the Commercial Director. The salary costs of the executive management personnel for the year ended 31 March 2023 were £157,463 (2022 - £146,275).

SAIL TRAINING INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

11. INTANGIBLE ASSETS GROUP

| | Computer software £ |
|---|---------------------------|
| COST | |
| At 1 April 2022 and 31 March 2023 (as restated) | <u>37,750</u> |
| AMORTISATION | |
| At 1 April 2022 (as restated) | 16,919 |
| Charge for year | <u>7,550</u> |
| At 31 March 2023 | <u>24,469</u> |
| NET BOOK VALUE | |
| At 31 March 2023 | <u>13,281</u> |
| At 31 March 2022 (as restated) | <u>20,831</u> |
| COMPANY | |
| | Computer software £ |
| COST | |
| At 1 April 2022 and 31 March 2023 (as restated) | <u>37,750</u> |
| AMORTISATION | |
| At 1 April 2022 (as restated) | 16,919 |
| Charge for year | <u>7,550</u> |
| At 31 March 2023 | <u>24,469</u> |
| NET BOOK VALUE | |
| At 31 March 2023 | <u>13,281</u> |
| At 31 March 2022 (as restated) | <u>20,831</u> |

In the prior year computer software costs were included within tangible fixed assets. During the year, these costs were reclassified to intangible fixed assets to better represent their nature.

SAIL TRAINING INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

12. TANGIBLE FIXED ASSETS GROUP

| | Office equipment £ | Computer equipment £ | Totals £ |
|--------------------------------|--------------------------|----------------------------|-----------------------|
| COST | | | |
| At 1 April 2022 (as restated) | 4,760 | 9,689 | 14,449 |
| Additions | - | 4,206 | 4,206 |
| Disposals | <u>(4,153)</u> | <u>(2,253)</u> | <u>(6,406)</u> |
| At 31 March 2023 | <u>607</u> | <u>11,642</u> | <u>12,249</u> |
| DEPRECIATION | | | |
| At 1 April 2022 (as restated) | 4,268 | 5,692 | 9,960 |
| Charge for year | 385 | 3,414 | 3,799 |
| Eliminated on disposal | <u>(4,153)</u> | <u>(2,253)</u> | <u>(6,406)</u> |
| At 31 March 2023 | <u>500</u> | <u>6,853</u> | <u>7,353</u> |
| NET BOOK VALUE | | | |
| At 31 March 2023 | <u>107</u> | <u>4,789</u> | <u>4,896</u> |
| At 31 March 2022 (as restated) | <u>492</u> | <u>3,997</u> | <u>4,489</u> |
| COMPANY | | | |
| | Office equipment £ | Computer equipment £ | Totals £ |
| COST | | | |
| At 1 April 2022 (as restated) | 4,760 | 9,689 | 14,449 |
| Additions | - | 4,206 | 4,206 |
| Disposals | <u>(4,153)</u> | <u>(2,253)</u> | <u>(6,406)</u> |
| At 31 March 2023 | <u>607</u> | <u>11,642</u> | <u>12,249</u> |
| DEPRECIATION | | | |
| At 1 April 2022 (as restated) | 4,268 | 5,692 | 9,960 |
| Charge for year | 385 | 3,414 | 3,799 |
| Eliminated on disposal | <u>(4,153)</u> | <u>(2,253)</u> | <u>(6,406)</u> |
| At 31 March 2023 | <u>500</u> | <u>6,853</u> | <u>7,353</u> |
| NET BOOK VALUE | | | |
| At 31 March 2023 | <u>107</u> | <u>4,789</u> | <u>4,896</u> |
| At 31 March 2022 (as restated) | <u>492</u> | <u>3,997</u> | <u>4,489</u> |

In the prior year computer software costs were included within tangible fixed assets. During the year, these costs were reclassified to intangible fixed assets to better represent their nature.

SAIL TRAINING INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

13. FIXED ASSET INVESTMENTS (Charity only)

| | Shares in group undertakings £ |
|-----------------------------------|--------------------------------------|
| MARKET VALUE | |
| At 1 April 2022 and 31 March 2023 | <u>3</u> |
| NET BOOK VALUE | |
| At 31 March 2023 | <u>3</u> |
| At 31 March 2022 | <u>3</u> |

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|---------------|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 165,823 | 72,567 | - | - |
| Other debtors | 5,897 | 5,691 | 443 | 173 |
| Prepayment | 22,285 | 41,012 | 2,543 | 302 |
| | <u>194,005</u> | <u>119,270</u> | <u>2,986</u> | <u>475</u> |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade creditors | 58,480 | 67,385 | 33,190 | 16,746 |
| Amounts owed to group undertakings | - | - | 8,051 | 7,145 |
| Corporation Tax | 5,387 | 7,889 | - | - |
| Other creditors | - | 3,554 | - | - |
| Accruals and deferred income | 1,029,731 | 629,730 | 11,005 | 16,265 |
| | <u>1,093,598</u> | <u>708,558</u> | <u>52,246</u> | <u>40,156</u> |

16. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

| | Group 2023 £ | Group 2022 £ |
|-----------------|--------------------|--------------------|
| Deferred income | <u>240,443</u> | <u>675,393</u> |

17. OPERATING LEASE COMMITMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Not later than 1 year | 16,667 | 20,000 | 16,667 | 20,000 |
| Later than 1 year and not later than 5 years | - | 16,667 | - | 16,667 |
| | <u>16,667</u> | <u>36,667</u> | <u>16,667</u> | <u>36,667</u> |

SAIL TRAINING INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

18. MOVEMENT IN FUNDS

| | At 1.4.22 £ | Net movement in funds £ | Transfer between funds £ | At 31.3.23 £ |
|---------------------------|----------------|----------------------------------|-----------------------------------|-----------------------|
| Unrestricted funds | | | | |
| General funds | 279,036 | 27,590 | - | 306,626 |
| Restricted funds | | | | |
| Sultan of Oman fund | 36,387 | (15,675) | (200) | 20,512 |
| Ross MacDonald fund | 3,911 | - | - | 3,911 |
| Aalborg Commune fund | 1,027 | (1,027) | - | - |
| Canadian Legacy fund | 113,976 | (32,798) | - | 81,178 |
| Burnett fund | 5,800 | (6,000) | 200 | - |
| | <u>161,101</u> | <u>(55,500)</u> | <u>-</u> | <u>105,601</u> |
| Total of funds | <u>440,137</u> | <u>(27,910)</u> | <u>-</u> | <u>412,227</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources Expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General funds | 788,545 | (760,955) | 27,590 |
| Restricted funds | | | |
| Sultan of Oman fund | 43,145 | (58,820) | (15,675) |
| Aalborg Kommune fund | - | (1,027) | (1,027) |
| Canadian Legacy fund | - | (32,798) | (32,798) |
| Burnett fund | - | (6,000) | (6,000) |
| | <u>43,145</u> | <u>(98,645)</u> | <u>(55,500)</u> |
| Total Funds | <u>831,690</u> | <u>(859,600)</u> | <u>(27,910)</u> |

SAIL TRAINING INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds – prior year

| | At 1.4.21 £ | Net movement in funds £ | Transfer between funds £ | At 31.3.22 £ |
|---------------------------|----------------|----------------------------------|-----------------------------------|-----------------|
| Unrestricted funds | | | | |
| General funds | 53,243 | 217,186 | 8,607 | 279,036 |
| Restricted funds | | | | |
| Sultan of Oman fund | 58,041 | (21,654) | - | 36,387 |
| Ross MacDonald fund | 3,911 | - | - | 3,911 |
| Aalborg Kommune fund | 1,027 | - | - | 1,027 |
| Canadian Legacy fund | 116,191 | (2,215) | - | 113,976 |
| STAG fund | 8,607 | - | (8,607) | - |
| Burnett fund | 10,000 | (4,200) | - | 5,800 |
| | <u>197,777</u> | <u>(28,069)</u> | <u>(8,607)</u> | <u>161,101</u> |
| Total of funds | <u>251,020</u> | <u>189,117</u> | <u>-</u> | <u>440,137</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources Expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General funds | 823,582 | (606,396) | 217,186 |
| Restricted funds | | | |
| Sultan of Oman fund | 40,671 | (62,325) | (21,654) |
| Canadian Legacy fund | - | (2,215) | (2,215) |
| Burnett fund | - | (4,200) | (4,200) |
| | <u>40,671</u> | <u>(68,740)</u> | <u>(28,069)</u> |
| Total Funds | <u>864,253</u> | <u>(675,136)</u> | <u>189,117</u> |

Sultan of Oman bursary fund

Support and assist the participation of young people in race events organised by Sail Training International.

Ross MacDonald fund

To be spent in the advancement of Sail Training International on specific items jointly agreed between STI and Ross MacDonald.

Aalborg Kommune fund

To be spent assisting the Sail Training International Youth Council activities promoting and delivering Sail Training.

Canadian Legacy fund

Support and assist the participation of young Canadians in Sail Training

STAG fund

To be spent assisting the Sail Training International Youth Council activities and promoting and delivering Sail Training.

Burnett bursary fund

Support people with a disability of any age to participate in a sail training voyage.

SAIL TRAINING INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2023 £ | Group 2022 £ |
|--|-----------------------------|--------------------|
| Net (expenditure)/income for the year (as per the statement of financial activities) | (27,910) | 189,117 |
| Adjustment for: | | |
| Depreciation charges | 11,349 | 11,986 |
| Loss on the sale of fixed assets | - | 70 |
| (Increase)/decrease in debtors | (74,735) | 132,024 |
| (Decrease)/increase in creditors < 1 year | 385,040 | 5,825 |
| Decrease in creditors > 1 year | (434,950) | - |
| Bank interest income | (366) | (130) |
| Unrealised forex movements | - | 2,215 |
| Net cash used in operating activities | (141,572) | 341,107 |

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2023 £ | Group 2022 £ |
|--------------|-----------------------------|--------------------|
| Cash in hand | 1,534,086 | 1,679,498 |

21. CASHFLOW RECONCILIATION

| | At 1 April 2022 £ | Cash flows £ | At 31 March 2023 £ |
|--------------|-------------------------|------------------|-----------------------------|
| Cash in hand | 1,679,498 | (145,412) | 1,534,086 |

22. PENSION COMMITMENTS

The Group operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contribution payable by the Company to the fund and amounted to £19,245 (£24,521). There was no outstanding contribution (2022: Nil) payable to the fund at the balance sheet date.

23. RELATED PARTY DISCLOSURES

Sail Training Association Germany made an unrestricted donation during the year of £Nil (2022: £1,664). Sail Training Association Germany is a related party due to the directorship of L Weweler in both charities.

SAIL TRAINING INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

24. PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the charity:

| Names | Company number | Holding | Included in consolidation |
|--|-----------------------|----------------|----------------------------------|
| Tall Ships Races International Limited | 04894646 | 100% | Yes |
| Tall Ships International Limited | 05025229 | 100% | Yes |
| Sail On Board Limited | 10501077 | 100% | Yes |

The financial result of the subsidiaries for the year were:

| Names | Income £ | Expenditure £ | Profit/ Surplus for the year £ | Net Assets £ |
|--|---------------------|--------------------------|---|-------------------------|
| Tall Ships Races International Limited | 655,474 | 484,381 | 171,093 | 163,093 |
| Tall Ships International Limited | - | - | - | 1 |

