



UK Sailing Academy

Charity Number 299248

Annual report & accounts

2021/22

For the Financial Year ending 31 January 2022

Registered Charity Number: 299248
Registered in England & Wales: 02251024
Patron: HRH The Princess Royal

uksa.org



REFERENCE AND ADMINISTRATIVE DETAILS

Patron

HRH the Princess Royal

Founders

Noel and Sylvia Lister

Trustees

Kevin George	Chair of the Board
Richard Stokes CBE	Vice Chair
Sir Anthony Greener	
Claire Locke	
David Lister, MBE	Founder Trustee
Debra Price	
Marc Giraudon	
Richard Palmer	Resigned 1 October 2021
Samantha Axtell	
Ole Bettum	

Company Secretary

Simon Hamilton

Key Management Personnel

Ben Willows	Chief Executive
Simon Hamilton	Director of Finance & Business Services
Julia Hutchison	Director of Marketing & Business Development
Chris Frisby	Director of Training & Operations
Tanya Brookfield	Director of Fundraising and Development (resigned 14 February 2021)
Amy Sweeting	Director of Fundraising & Development (Appointed 14 June 2021)

Auditors

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Bankers

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Isle of Wight
PO30 1XH

Solicitors

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Registered Office

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Registered Company Number

02251024 (England and Wales)

Registered Charity Number

299248

Accreditations \ Licences

British Accreditation Council (for independent further and higher education)
UK Independent College accreditation
RYA Accreditation
MCA Accreditation
ISO 9001 Registered
Adventure Activities Licensing Service
Visit England

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REPORT FROM THE CHIEF EXECUTIVE AND CHAIR OF TRUSTEES

Our purpose as a charity is to inspire and support children and young people to broaden their horizons and outlook through our life enhancing water-based adventures, education and training for careers at sea. We achieve our impact through children visiting with their schools or groups and through beneficiaries seeking education and training to establish careers in the maritime sector for maritime qualifications.

Our strategic ambition is to extend our reach by widening our offering of school visits for children from diverse and disadvantaged backgrounds, who wouldn't otherwise have the opportunity to do this in their normal lives. At the same time, we want to increase the depth of our maritime career offer by growing the entry and exit points of our programmes and by increasing the amount of financial support we can offer to those deserving young people wanting to attend educational and careers courses leading to employment in the maritime sector. Extending reach to children and Maritime Depth supporting young people into employment form UKSA's two strategic pillars of work.

A central part of our strategic direction is to build a bridge between the work that we do with school children and our careers programmes, creating in young people aged 14 to 18 a greater awareness of the opportunities available in the maritime industries, and helping them to develop the life skills they will need to pursue those opportunities. This initiative, which we call the Sea.Change Foundation Programme, was piloted successfully in the previous year. In 2021/2022, thanks to generous support from the Minton Trust and the Edmiston Foundation, we welcomed 108 young people who wouldn't otherwise have ever dreamed of training for a career in Maritime, to attend UKSA to take part in this innovative and life-enhancing programme.

We are extremely pleased with how much progress we have made within our two strategic pillars in 2021/22, especially given the challenges posed by COVID. Overall, we supported 7,120 beneficiaries, of which 46% received funding to attend UKSA. This included funded trips for over 3,600 children at a time in their lives when so much had been taken away due to the pandemic. We also saw 98% of our career students go into employment or further training.

UKSA aims to be a centre of excellence for maritime training. We want to build financial resilience while investing in our people and our physical assets.

The impact of Covid-19 on the previous 2020/21 financial year inevitably took us, along with everyone else, by surprise. In contrast, we went into the 2021/22 year in full knowledge that there were challenges ahead and that uncertainty would be the main characteristic of the economic environment in which we would have to operate. However, we also knew that we had built greater resilience into our financial position, that donors, customers and other partners had stood by us through the most difficult period of the pandemic and that we had come through a global crisis

intact. We had reason to be confident in UKSA's future even though we did not expect 2021/22 to see a return to normality.

The story of the year is therefore one of overcoming obstacles which could be expected if not quantified in advance. We knew Covid had not gone away, we knew that travel would continue to be restricted and that we would have to manage the additional risk, prioritising the safety of our students and staff at all times. We managed the Covid risk with comprehensive social distancing in our accommodation and classrooms, with students testing prior to arrival and all staff and students following a comprehensive testing process while attending our site and monitoring the output of those tests constantly. The arrival of the Omicron variant in the late autumn was particularly challenging, with a rising number of cases among staff and students leading to the cancellation or postponement of several programmes. Up to this point, it had seemed likely that UKSA would achieve break-even at an operating level, or even a small surplus. The relatively small deficit of £96k reported in the Financial Review below was kept to this level as a result of the tireless efforts of the staff team to manage both the likelihood and impact of Covid infections at UKSA.

At the start of 2021/22, the area of greatest uncertainty was schools' ability and willingness to travel. At the time that we put our budgets together, in late Autumn 2020, Department for Education's advice to schools was not to travel for residential visits. We had therefore assumed in our original forecasts for the year that our residential schools' activity would be minimal up to the beginning of September. In addition, we expected and forecast our usual level of mostly donor-funded day visits by Island schools. To give context, in 2019/20 we delivered our schools activities to a total of 7,852 beneficiaries generating over £1.5 Million of income. In fact, we did run a successful residential school's programme in the summer and autumn, starting on 14th June. Although we experienced several short notice cancellations and early departures due to Covid, we were delighted to welcome a total of 1,646 children from 34 schools on a residential basis, and a further 2,435 who visited on a day basis.

Overseas travel restrictions made the Isle of Wight a popular holiday destination last summer and this was reflected in the strong performance of our leisure and recreation offering. This kept our operational teams busy delivering programmes and generating income through the summer holidays.

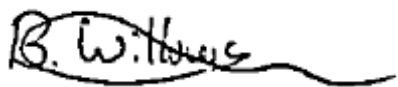
The most notable element of the story of UKSA's year is the progress we have made with the biggest capital project we have ever undertaken – a purpose-built 35-bedroom accommodation facility. The new building will give us 136 beds in a highly configurable five zone facility over two accommodation floors, with ancillary services such as locker rooms, showers, a kit wash down area and a drying room on the lower ground floor. It will be truly transformative for the charity, and something to be very proud of.

At the start of 2021 the site clearance and mobilization stage were just about to start. At the end of January 2022, the new building was structurally complete. We anticipate that the building will be in use by July 2022.

The project has not been without difficulties, though we expected and provided for these. Covid has added an extra layer of problems, putting pressure on supply chains and labour availability at crucial times. However due to the hard work and commitment of UKSA's team and the contractor, the project timeline has been maintained. We also expect that the budget for the build, including fit-out, project management fee and contingencies of a little over £3.8 Million will be met.

We remain delighted and humbled by the support of our Trustees, individual supporters, and significant funders. UKSA wants to extend a sincere and special thanks to our Chairman, Kevin George, who is coming to the end of his term in 2022 and is stepping down. His leadership and support during our most challenging three years has been inspirational.

In summary, despite the challenges that we have faced this year, UKSA has continued to go from strength to strength. We are overjoyed with the number of beneficiaries we have welcomed through our doors and, more importantly, the impact we have had on their lives moving forwards. With exciting plans in place for the charity in the immediate future, we can't wait to see what the next year has in store for us.



Ben Willows, Chief Executive



Kevin George, Chair of Trustees



REPORT OF THE TRUSTEES

AIMS, OBJECTIVES and VALUES

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of UK Sailing Academy (hereinafter 'UKSA') for the year ended 31 January 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP), applicable to charities (effective 1 January 2015), and have had regard to the general guidance provided by the Charity Commission on public benefit in ensuring that its aims and objectives comply with section 17(5) of the Charities Act 2011 and are for the public benefit.

AIMS AND OBJECTIVES

UKSA is a youth training charity, which aims to inspire and support children and young people to broaden their horizons through our life enhancing water-based adventures, education and training for careers at sea.

Our objectives, as defined by our Articles of Association, are:

1. To advance the education and physical, mental and spiritual development of children (or young persons under the age of 25) by providing or assisting in providing facilities for training in sailing and seamanship for those who have need of such facilities by reason of poverty or social or economic circumstances (so that they may grow to full maturity as individuals and members of society);
2. To provide or assist in the provision of facilities for the recreation and other leisure time occupation of the general public, and in particular facilities for watersports and outdoor activities in the interests of social welfare and with the object of improving their conditions of life;
3. To advance the education of the public in all aspect of maritime activities and in particular in matters relating to: (a) the promotion of personal safety (b) the prevention of accident (c) navigation (d) engineering (e) seamanship (f) stability and construction of boats (g) communication at sea (h) maritime law (i) business and interpersonal skills;
4. To promote community participation in healthy recreation through the provision of sailing facilities.

Every 3-5 years, UKSA develops a strategy to deliver on these objectives considering the current needs of our primary beneficiaries and UKSA's operating capacity. This is outlined and reported on in more detail in the Strategic Report below.

VALUES

Our Values reflect the type of charity that we want to be; one that loves what we do, has a passion for sharing it and wants to inspire as many people as possible through our work. They apply to all our employees, beneficiaries, trustees and beneficiaries, supporters, and volunteers alike:

- Challenge, have fun and smile
- We take care of ourselves, those around us and this place
- Be part of who we are and help others do the same
- Tell the truth, hear the truth, act truthfully
- "If not you, who? If not now, when?"



REPORT OF THE TRUSTEES

STRATEGIC REPORT – PUBLIC BENEFIT

In reviewing our aims and objectives and planning our future activities, we have referred to and complied with the duty in section 17 of the Charities Act 2011 relating to having due regard for the Charity Commission's published general guidance on public benefit when exercising any powers or duties to which the guidance is relevant. The Trustees and Executive Team have considered carefully how planned activities will contribute to UKSA's charitable purposes and be for the public benefit.

UKSA was founded in 1987 by Noel and Sylvia Lister, who wanted to use sailing and watersports to educate and enrich the lives of young people. Thirty years on, this ethos remains at the core of everything we do. What makes UKSA special is that we try to open the eyes of children and teenagers to the authentic sense of satisfaction and excitement that on the water activity can give them now and in their futures. We aim to engage with our beneficiaries and keep them coming back to UKSA to take one of our many pathway opportunities through their personal and career development into the maritime industry.

Children and young people in need

The crisis that we have faced over the last two years since the Covid pandemic arrived has been hard on everyone, but the impact of the measures that have been taken to control the virus has fallen disproportionately on children and young people, leaving them isolated, often sad, and anxious about what is happening. Though necessary in our response to the pandemic, these measures have undoubtedly increased pre-existing socio economic and regional inequalities.

In the study [Inequalities in education, skills, and incomes in the UK: The Implications of the COVID-19 pandemic](#) by the Institute of Fiscal Studies and The Nuffield Foundation, the increasing inequality of household incomes and the cancellation of most face-to-face classroom teaching are identified as having exacerbated these effects on children and young people from poorer backgrounds. These groups, already disadvantaged in terms of educational performance and access to career pathways, have fallen even further behind because of the pandemic.

A quarter of pupils across all socio-economic backgrounds had no formal schooling or tutoring whatsoever during the 2020 lock-down. The Nuffield report notes that during that period, children from lower income families were less likely to have adequate facilities at home to support home teaching and study. The National Education Union (NEU) reported that children accessing free school meals are 28% less likely than their peers to leave school with 5 strong (grade 4-9) passes at GCSE. Government figures show that the proportion of children eligible for free school meals in England has grown significantly during the pandemic. The

attainment gap for children at GCSE will have grown as well.

As well as the gap in educational attainment, there is also clear evidence of the increase in mental health challenges facing children and young people. In July 2021, a study by the NEU indicated that one in six children aged five to sixteen was identified as having a mental health condition, up from one in nine in 2017. This implies that five children in every classroom are impacted, with 83% of young people with mental health needs agreeing that the pandemic has negatively impacted their mental health.

It may not be completely clear for some time what effect the loss of instructional time will have on the mental wellbeing, educational performance, and progression into the job market of the groups of children and young people most affected by school lockdowns and closures in 2020 and 2021. The views expressed in both the IFS/Nuffield and NEU reports are that it may be significant.

Furthermore, the IFS/Nuffield study reports that the 15% of school pupils in England who have special educational needs and disabilities (SEND) were inadequately supported, with provision described as "patchy and highly dependent on a pupil's local authority."

The same study also drew attention to the implications of the pandemic on apprenticeships and training. Research by the Sutton Trust states that the number of apprenticeships in 2020 fell by 45.5% in the first lockdown and only 40% continued as normal. It predicts that the supply of apprenticeships will fall in the future. Wider youth unemployment remains high, with the number of people aged 18-24 claiming unemployment related benefits being 22% higher in February 2022 than in March 2020 (Gov.uk). Youth unemployment will remain high even when the economy recovers, with longer-term structural changes in the labour market likely to reduce young people's future employment opportunities.

Clearly there is a growing gap between the attainments and expectations through education, training and into the jobs market of children and young people, intensified by the pandemic and its repercussions.

How we can help

Outdoor education has the scope to play a pivotal role for children and young people due to its meaningful and wide-ranging benefits. Its environment and activities provide a unique platform for young people to have fun, to experience calm and reflection, to interact with their peers and to challenge themselves, which can have a significant impact on soft skills like resilience, teamwork, and self-esteem, as well as improving mental and physical wellbeing. In addition, participation in outdoor learning has been found to improve academic attainment by up to four months per year (Education Endowment Foundation, 2018) and, with its abundance of space and nature, it is the antithesis to the isolation young people have faced.

Of course, UKSA alone cannot address all these issues across the UK. However, we can offer a unique range of aspirational pathways, from inspiring and engaging a school

child taking part in watersports for the first time to enable them to build confidence, broaden horizons and develop life skills, through to training young people wanting to begin or progress a career in the maritime industry.

Through our pathways, we directly address these key areas:

Extending our reach to children missing out on educational opportunities and suffering the impact on mental health and self-esteem.

After a 2020 season in which there was almost no schools and groups activity at all, we had strong demand for our 2021 season. Although schools' ability to travel was still negatively impacted by Covid, and we experienced some disruption and cancellations, 4,081 children from 71 schools experienced our water-based adventures in the summer and autumn of 2021. They learned life skills and were inspired in ways which were impossible during lockdown.

Our "Leave No Child Behind" fund was created on the realisation that some schools who book residential trips to UKSA, very sadly leave some children behind in the classroom, simply because their parents are unable to afford the cost of the trip; it is often the case that this cohort in particular would benefit from an experience at UKSA.

Despite the challenges of the pandemic, we provided funding for 216 children through this initiative during 2021, truly transforming some young lives that had been through great difficulty.

George Green School case study

The Minton Charitable Trust provided £10,850 to George Green School from the Isle of Dogs, London. The school has a pupil premium rate of 72% compared to 27% nationally. The donation fully funded all 35 year 6 pupils from George Green School for a three-night, four-day residential adventure on the water at UKSA in October 2021.

Our bespoke programmes are designed to build confidence and courage teamworking using watersports and the great outdoors as a catalyst for positive outcomes. It was incredible to see their confidence build during their time at UKSA, and we hope this will be the start of a journey into a career at sea from some of these young people.

We asked the children to tell us what they learnt during their time at UKSA and received some really positive feedback:

"I think that this experience has helped my teamwork from the activities."

"Now I am determined to get better at sailing."

"I learned that I am more confident than I think."

"That I have skills to help others and have fun."

"I feel more confident in making decisions for myself."

"I can work better in teams than when I am by myself."

And finally, a glowing endorsement from Jane Sullivan, Enrichment Manager at George Green, who helped us organise the trip: "Our last trip in October has taken on almost legendary qualities with the Year 8s who had such a brilliant time!"



Bridging the gap between childhood adventure and meaningful careers

UKSA is committed to bridging the gap between our schools and youth groups activities and our further education and careers programmes. Our unique Sea.Change Foundation is a 5-day residential programme designed to give young people aged 14 to 17 the opportunity to experience a wide range of learning activities, both on the water and in the classroom. As well as trying out watersports and yachting and developing water confidence with our instructor team, they get involved in beach cleans and learn about the ocean environment. Most importantly, they learn about the opportunities that exist in the maritime sector. Many come away inspired by the possibilities that are available for them. First trialled in late autumn 2020, this programme was undertaken by 108 young people in 2021/22.



Tile Cross Academy case study

In August 2021 UKSA welcomed the first students from Birmingham-based Tile Cross Academy to undertake its pioneering Sea.Change Foundation programme. The inspirational five-day residential programme is designed to give youngsters from ages 14-17 the opportunity to experience a wide range of water-based activities alongside classroom-based sessions, where they learn more about career options in the maritime sector. Participation in the programme was also a contributing factor in Tile Cross becoming a finalist in the UK Social Mobility Awards 2021.

Pupils in Year 9 and above visited in the summer holidays across two weeks to take part in the programme, which was funded by luxury superyacht broker, Edmiston which, in conjunction with UKSA, launched the Edmiston Foundation in October 2020 to address diversity within the superyacht industry. This was set up to specifically provide young people, especially those in the most underrepresented and disadvantaged groups, the opportunity to forge a career within the maritime sector.

Former geography teacher and now head of social mobility at the Academy Neil McIntosh said:

“We’ve been doing trips for many years, but this was the first time that the children could really try Watersports but also be inspired by the prospect of a career in maritime. The Sea.Change Foundation programme is unique in its offering of that careers element and many children came back enthused to be superyacht skippers or onboard chefs.”

The postcode of the Birmingham-based Academy places the school in the top three percent for deprivation in England and of the cohort of students that attended the course, over 80 percent live in postcodes in the top 10 percent for deprivation. The ward the school is in is one of the 150 ‘Left Behind’ areas identified by the Oxford Consultants for Social Inclusion and the attainment levels for children in this area are lower than average and the gap is widening.

On day one, the students spent the morning having a water confidence session followed by an introduction to powerboating and then team games in the evening. Day two gave them the opportunity to try kayaking and stand-up paddle boarding followed by maritime train and a careers session in the afternoon and sea survival in UKSA’s swimming pool in the evening. Day three was a keelboat day trip followed by an evening session on looking after our oceans. Day four was a dinghy day trip with a beach clean session in the evening with the final day a chance to have a yachting day trip.

“The highlight for me is seeing the children have a great time, laughing, screaming and shouting,” Neil said. ***“The shared excitement of doing things they’ve never done before is just fantastic.”***

Increasing the depth of our offer of maritime pathways into employment

We support young people into careers in the maritime industries in three ways.

• Further Education and Apprenticeships

All our FE and apprenticeship programmes are fully funded.

Our FE courses are aimed at students who want to embark on careers in watersports instruction in the leisure industry, though many go on into the yachting sector. In partnership with the Isle of Wight College, we offer an NCFE (level 3) in Sports and Physical Activities which includes both practical qualifications and theory leading to a nationally recognised certificate that allows students to progress to higher education if they wish. Our Maritime Foundation is more focussed towards achieving RYA and other instructor qualifications. Although both programmes lead to a range of employment pathways, many of the students who graduate find their first job with UKSA as a seasonal instructor. We are immensely proud that of our intake of 44 instructors for the 2022 season, 26 have done their training at UKSA.

In 2021 both programmes were run successfully, with 61 students in total taking part of which 57 are due to graduate in 2022.

UKSA recognises the value that good quality apprenticeships can deliver both to young people gaining employment and to the UK economy. Our Workboat Crew Member Apprenticeship is offered to those interested in a career working on small specialist vessels up to 500 gross tonnes, from fast pilot boats to crew transfer vessels and those supporting offshore installations. Working with Williams Shipping, a Southampton based marine services and logistics company, the course is designed by industry experts to give the apprentice the skills and knowledge they need to work in this exciting and growing sector. In 2021, four apprentices aged between 17 and 21 began this two-year programme.

Focussed specifically on the offshore wind farm industry, we offer an apprenticeship in conjunction with Seacat Services, an Isle of Wight based offshore energy support operator. This apprenticeship is offered to Isle of Wight residents to support employment on the island. In addition we also partnered with Williams Shipping to support them with their apprenticeship programme. This has been a popular offering; in 2021 10 apprenticeships, all aged under 25, started this 2-year programme, which can lead to full time employment and real career prospects.

We expect our FE and apprenticeship offerings to go from strength to strength over the coming years, increasingly addressing young people's need for pathways that lead to careers in a vibrant and growing sector.

• Watersports Careers

Watersports Instructor Training and Watersports Academy are both 11-week programmes aimed at young people aged 18-25, enabling them to gain the qualifications they need to work as an instructor and guarantees those who successfully complete the programme two summer seasons employment at UKSA, as well as opening job opportunities to them around the world. Prospective students on both programmes in financial need can apply for up to 50% funding.

• Yachting Careers

Our full-time all-inclusive residential programmes prepare students for their first job in the professional yachting and Superyacht sectors. The courses range from our Superyacht Crew Training and Superyacht Hospitality Training, three-week entry-level courses designed to introduce students to the essentials of deck or interior work, to our flagship Superyacht Cadetship, a structured 4-year programme involving five phases of UKSA training and work placements, leading to the MCA Officer of the Watch 3000gt qualification.

As with all our courses, there are a range of funding options that we can assist with for those in financial need. In 2021, £175k of assisted funding was made available to careers students.

Altogether, 563 students began a careers course at UKSA in 2021/22. On average following completion of careers training with us, our graduates secure employment in 2.3 months.

Being a centre of excellence for maritime training and career progression

UKSA is the third biggest single site provider of MCA Yacht and Deck Training in the world (IAMI 20/21 report), with an 81% exam pass rate. We are recognised throughout the yachting industry as a world-class provider of the training that mariners need to progress their careers and achieve seniority and high levels of competence. In 2021 we invested in our MCA/AMERC GMDSS General Operators Certificate, Engineering (AEC2) and Master 500gt (Workboat) courses to ensure that we can offer the full range of MCA professional training across the yacht and workboat sector.

We are committed to providing an environment which enables our beneficiaries to thrive and, as such, we provide wrap-around support for our learners through our Industry Guidance Team and Welfare Officer and related services, as well as through partnering with specialist organisations that work directly with young people in need. We continue to offer this support for students once they have finished at UKSA and throughout their careers.

REPORT OF THE TRUSTEES

STRATEGIC REPORT - FINANCIAL REVIEW

Financial Results for the Year:

Last year we reported that the charity's financial performance was dominated on one hand by Covid-19 and on the other by the successful fundraising for our capital accommodation project. Similar themes run through the story of our 2021/22 performance; Covid impacted on almost everything we did throughout the year, as did the ever-changing building site in our midst. While the first sometimes made us feel we were dragging a heavy weight, the second was a constant reminder of the brighter future that lies ahead.

The period began as the previous one had ended, with the country in lockdown and UKSA closed, with the majority of staff on furlough. We reopened on 1 March 2021, returning to the maximum operational capacity that Covid restrictions would allow. By maintaining a strict testing regime for staff and students, using "student bubbles" to ensure social distancing and keeping room occupancy low, we were able to deliver our residential careers and MCA courses in line with Government guidelines.

We constantly review and revise forecasts for income and expenditure based on our programmes, fill rates and detailed costings. Operating under these restrictions was clearly not optimal financially and managing Covid took up a high proportion of management time, but we expected and budgeted for this.

Our forecast was for the situation to improve when restrictions were eased in line with the Government's roadmap. This was scheduled by Government to happen on 21st June, but due to rising Covid cases as the Delta virus spread across the UK, this was delayed to 19th July. The additional delay made a minimal difference to our forecasts for the year as a whole, which were consistently showing that the organisation would break even at an operating level.

Initially we had budgeted for minimal school and groups activity throughout the summer, with around £200k worth of business from this source after 1 September. By late Spring, it was clear that we could improve on this. We were able to confirm bookings for the period from June to the end of the summer term. From the beginning of June, we began to host island schools on day visits and on 14th

June we welcomed our first residential school visit since the start of the pandemic. We experienced some cancellations and reduced numbers due to Covid cases among schools, which remained high across the whole UK during this period and throughout the year, but we still managed to account for just under £300k of schools and group delivery up to our half-year on 31 July. This outcome was particularly satisfying given the very short timeframe for securing the schools' bookings, the continuing Covid restrictions and the need to put together a suitable delivery team at short notice.

UKSA was busy during the school summer holidays. Restrictions on overseas travel resulted in the Isle of Wight being a popular holiday destination and increased visitors to the island benefitted our leisure and recreation activities for both children and adults. We recorded £119k of delivered income in August 2021, compared to £83k in August of the pre-Covid 2019 year.

Throughout September and October, we continued to deliver across all our product areas in line with our forecasts despite the continued high level of Covid infections across the country. Cancellations among school groups and individual adult students continued to be higher than normal, but these were not normal times. The final numbers for our Further Education programme, starting in September, were less than we had expected, partly a result of GCSE results, but our sales and bookings pipelines for other careers courses and MCA training were strong going into the final quarter. At the end of the third quarter, we were still confident that we would achieve an operating break-even for the year or even a small surplus.

In the final quarter our focus moves away from school activity, back towards yachting careers and MCA delivery, and a significant part of our contribution from these areas is earned during these periods. November saw a sudden increase in infections across the country as the Omicron variant spread, and we had a number of cases among students and teaching staff leading to several late cancellations and postponements to courses for which much of the costs were already committed. As a result, the final outcome was an operating deficit of £96k for the year, which is disappointing, but this is a relatively small shortfall considering the great challenges that we faced throughout the year and is sustainable given our strengthened reserves position and our confidence in our ability to perform well financially in the years to come.

The table below highlights the operating deficit that UKSA incurred in the 2021/22 financial year, after reporting a

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£000's	£000's	£000's	£000's	£000's	£000's
					(Covid-19 impact)	
Total Surplus per SOFA	117	27	104	294	1,670	850
Less: Donated capital income (Net)	(375)	(105)	(101)	(139)	(2,374)	(983)
Less: Income from investments	(1)	(1)	(2)	(2)	(1)	(4)
Add: Interest on Debt	-	-	-	-	4	41
Operating Surplus / (Deficit)	(259)	(79)	1	153	(701)	(96)

steadily improving operating performance over the years 2016/17 to 2019/20, and the exceptional operating deficit caused by Covid in 2020/21.

Throughout the period, and up to the time of writing, UKSA is engaged in the construction of a £3.8 Million accommodation block on the site of the now demolished Ark Royal building. The annual accounts show that at 31 January 2022 we had £2.3 Million of assets in the course of construction. This figure reflects the cumulative total of the valuations signed off by our Quantity Surveyor and Project Manager ERM to that date.

The project is being carried out under a standard JCT Design and Build Contract which was signed in January 2021. A key feature of this type of contract is that most of the estimated costs are fixed; the exceptions generally being matters outside the contractor's control, for example the cost of diverting statutory services such as water, electricity and gas. The provisional sums set aside for these areas can be replaced with actual costs at an early stage of the project and there are now few areas of costs uncertainty, so we are able to estimate the final cost out-turn with reasonable precision, and we are confident that the overall budget of just over £3.8 Million, including fit-out, project management fees and contingencies, will prove to be accurate.

So far, all the cost has been funded out of the restricted capital reserve set aside for that specific purpose. At the time of writing (April 2022) we have raised all but about £200k of the anticipated final cost of the project and this balance can be funded out of existing cash reserves. Nevertheless, the management and Board of Directors would prefer to see the funding gap reduced further, and the fundraising effort therefore will continue until the project is complete, and beyond if necessary. There are several funding applications still awaiting a decision and plans are in place for a public appeal.

Covid has put pressure on supply chains and on the contractor's own team of workers. Despite this, the contractor has assured us that the building will be completed and ready for occupation on 1 July 2022.

UKSA Trading Ltd is a wholly owned subsidiary that carries out commercial activities on behalf of the Charity, such as an on-site bar, various corporate events, swimming pool hire, B&B accommodation, vending machines and marina berthing.

Looking Ahead:

These financial statements are prepared on a going concern basis. The Trustees, supported by the Executive Team, have considered the reserves and net asset position. Once again this has been a challenging year, and UKSA has recorded a small operating deficit. As reported last year, in January 2021 UKSA agreed a term loan facility in the sum of £1.5 Million secured by a fixed charge on the Charity's tangible fixed assets. This loan has provided a strategic cash reserve during a period of great uncertainty and has not been applied to any specific investment activity.

Reserves:

The balances and movements in funds along with the amounts held at the year-end are detailed in note 23 to the Financial Statements. Transfers between reserves represent the application of restricted and designated funds to capital projects, funded programmes and bursaries.

Unrestricted Reserves:

The designated fixed asset reserve fund increased is presented net of the term loan that was arranged in 2020/21 and secured against the Charity's fixed assets. The unrestricted general fund ("free reserves") is £0.308 Million at the end of 2021/22.

Restricted Reserves:

Restricted funds are held to support revenue expenditure and can only be used in accordance with donors' directions, further details of the funds and their intended use are to be found in Note 23 to these accounts.

Reserves Policy:

The Trustees are content to hold the equivalent of one month's unrestricted expenditure in free reserves. At current levels of activity, this would be equivalent to about £0.6m. Free reserves are currently £0.3m due to the investment activity and operating deficits in previous years. Through a combination of organic growth in income generating improved free cash flows, and long-term finance secured on assets, the charity has plans in place to achieve free reserves balance of £0.6m in the future to give more resilience to financial risks including fluctuations in income.

Investment Policy:

The Trustees assessed the working capital requirements of the charity, and the liquid funds were deemed to be sufficient to meet the short-term cash flow requirements of the charity but not at a level to place funds in longer term investments. Whenever possible, reserve funds are held in notice accounts to maximise income from interest with minimal risk.



REPORT OF THE TRUSTEES

STRATEGIC REPORT – FUTURE DEVELOPMENTS

The strategic thinking that was set out in last year's report continued to evolve in the 2021/22 financial year. We had reflected on the strategies and initiatives that the charity had followed over the preceding years and agreed a sharper focus, concentrating on the areas where we can excel and have the greatest impact. We identified five strategic priorities, and these remain at the core of our strategic thinking as we move into the new financial year and beyond, confident that the worst of the pandemic is behind us and transformed by the completion of the charity's largest ever capital project.

Priority 1 – Extended Reach – Water-based adventures for children

We want to broaden the horizons and outlook of children attending UKSA, making it easier for those who might not otherwise be able to attend to benefit from the activities and adventures we offer.

We aim to increase the proportion of children and young people with financial needs attending UKSA to 30% by 2025 from a baseline of 15% in 2022. We will achieve this by increasing the number of places on funded residential and non-residential school trips and programmes, including our Sea.Change Foundation. We will develop new partnerships with schools in deprived areas, Multi-Academy Trusts (MATs) and youth organisations in target areas including coastal communities and here on the Isle of Wight. We will establish these partnerships as feeders to our further education and careers programmes to ensure that there is continuity. Long-term, multi-year funding is essential to making extended reach possible

Priority 2 – Maritime Depth – Education and Training for Careers at Sea

We want to expand the depth and range of assisted places for our Careers programmes, increasing the proportion of assisted funded places to 35% of our education and careers students by 2025.

One way to achieve this is to establish an ongoing communication plan with our Sea.Change Foundation Programme students, to increase follow-on. In 2022/23 we aim to have at least 10 former Sea.Change Foundation students come back to UKSA to take part in a careers course or enrol onto one of our FE programmes.

We want to expand our maritime training offering into workboats, fishing industry and other relevant areas of the maritime sector, keeping up with market trends and creating industry relationships to better understand employment demands, and developing training for students to meet this demand. Our success will be measured by how successful our students are in entering the maritime jobs market. Our stated goal is to see 85% of our career students enter either employment or further education within 12 months of completing a course with us.

Linking Priorities 1 and 2 – The Sea.Change Foundation Programme

We want the children who benefit from our schools and groups programmes to see the possibilities of a deeper involvement in the maritime sector, and to understand the importance of the sea to our maritime economy. For this reason, we have established our Sea.Change Foundation programme to bridge the gap between school's activity and our further education and careers products. This 5-day residential course for 14- to 18-year-olds, building life skills as well as creating awareness, was piloted in 2020/21 and has been successfully rolled out in 2021/22 to 108 young people. It will be a major area of growth in 2022/23 – we are planning for 300+ enrolments in this programme, with all either fully or partly funded.

Priority 3 – Career Progression - Professional Development within Careers at Sea

We want to establish UKSA as a centre of excellence for maritime training and career progression

UKSA will continue to develop and resource top quality courses and qualifications. In 2022/23 we will expand our offer in the professional maritime sector to include the Master Workboat 500 product. By doing so, we will be able to offer the full suite of MCA accredited opportunities in the Yacht and Workboat sector.

Excellent training must be accompanied by excellent customer service. We plan to develop a training programme to ensure that all our staff are delivering top quality customer service at all stages of the customer journey. We constantly review student feedback and use it to prioritise improvements to our facilities and delivery. We target an 85% approval rating for our facilities by the end of next year.

UKSA has a strong commitment to student welfare and wellbeing, both while at UKSA and when working in the sector thereafter. We have grown our Welfare Team and our aim for the coming year is to promote our welfare offer as an example of UKSA leading the market and launch a range of welfare products to former students working in the sector.

Priority 4 – Financial Resilience

We aim to reach and maintain 3 months' free reserves

As noted in the Financial Review above, the pandemic has had a significant impact on UKSA's finances over the last two years, leading to operational deficits in both 2020/21 and 2021/22. Despite this, we have fundraised successfully for capital projects and secured a £1.5 Million 21-year term loan against our property assets, significantly strengthening our balance sheet. Looking ahead, the way to ensure our financial resilience and achieve our goal of having free reserves equivalent to 3-months' worth of operational expenditure (about £1.5 Million) is to consistently deliver operating surpluses. We will achieve this by diversifying our income streams, looking at innovative new opportunities, including commercialising our welfare support and our student placement offers to the yachting

sector. We will continue to insist that all activities are configured to generate a commercial return, achieving maximum pricing on every place that we sell, regardless of the source of funding. Any assistance with course costs must come from external funders, including charitable grants and partner funding, for which we will work to create a stronger and less restricted pipeline.

Priority 5 – Enhanced Operations and Infrastructure

We will have the people and the assets in place to deliver our strategic plan

We will continually develop and better support our people through positive engagement, effective wellbeing, building capabilities, succession planning, performance management and recognition. Development reviews and celebration of people success will be commonplace as part of an inclusive and supportive leadership style. During the coming year, our aim is to achieve Best Companies 3-star accreditation, an independently verified award for workplace engagement.

At the time of writing, the new accommodation building is expected to be complete and ready for occupation by the end of June, within budget and to a very high standard. Having completed this transformative project, UKSA will agree and implement a 5-year capital and asset investment strategy, to include replacement of the yacht fleet and renovation of our accommodation and other ashore facilities.

We have also long been keen to establish a storage and launching facility in East Cowes close to the Shraper Watersports area that we use for so much of our activity. In 2021, the Isle of Wight Council (IoWC) submitted a successful bid to the Levelling Up Fund and expect to allocate a sum of £1.8 Million from that grant to the redevelopment of the 19th century Victoria Barracks building on the East Cowes Esplanade into a Watersports activity centre. UKSA's prospective involvement in this centre as lead tenant was critical to the bid. This project is in early stages at present but potentially gives us much more than a place to store and launch boats. It could provide with a residential or non-residential operational base in an excellent and prominent position in East Cowes. We intend to work alongside IoWC and other partners over the coming year to move this project forward.

UKSA uses a variety of IT platforms and applications to support our business. We are working with potential partners to enable a digital strategy and vision which will better align technology to our business needs and build a coherent digital environment.

UKSA has recently signed an agreement with Cedar Marine to produce a carbon management plan to support our commitment to reduce emissions and reduce our carbon footprint.

In setting our strategic direction, we remain mindful of the considerable uncertainties that will undoubtedly challenge us in the year ahead and beyond. Increasing prices of energy, food and other consumables, war in Ukraine and

the resultant international economic turmoil, alongside the lasting impact of the pandemic, all may affect demand and prices.



REPORT OF THE TRUSTEES

STRATEGIC REPORT - RISK REVIEW

The charity operates formal risk management processes at the top of which is the Operational Risk Sub-Committee (ORSC) which meets quarterly. ORSC considers all main risk areas, subject to the paragraph below. It is chaired by a Trustee and comprises two other Trustees as well as members of the Executive Team. The sub-committee also considers any reported incidents in detail. Summaries of the sub-committee's discussions are presented to the main Board at its quarterly meetings.

The risks associated with the new building project were monitored by the Capital Development Sub Committee insofar that they related to Health & Safety, compliance with planning and other regulations, unforeseen complications in the ground, supplier issues and the business risk of delays overrun. The Financial Risk relating to the project has been a matter for Finance Sub Committee.

A summary of the major risks to the charity is held on a detailed risk register that identifies which scores the operational, financial, governance, compliance and external risks evaluates the measures that are in place to mitigate them. The risk register is a regularly updated by management and is reviewed by the ORSC. UKSA has a structured approach to risk, that emphasises the importance of mitigating both the likelihood and the impact of risk. In doing so we adopt a four-tier approach to mitigating risk. Tier 1 comprises measures that are followed at an operational level by individuals and teams as part of their day-to-day work. Our internal audit processes are the mainstay of Tier 2 while at Tier 3 we have the external expertise that supports the risk assurance activities that we do in-house. At Tier 4 are the external inspections and audits that are required to maintain regulatory compliance.

Our Level 3 measures in the period included contracting with Centor Risk Management to provide a risk consultancy service with a particular emphasis on insured risk, and compliance with policy wordings. In addition, working with our IT partner, PC Consultants, we implemented the measures required to achieve the Cyber Essentials standard that is promoted by the National Cyber Security Centre and were awarded our Certificate of Assurance on 24 November.

The predominant operational or reputational risks for the charity are the health and safety of students taking part in UKSA activities on and off the water and the safeguarding of young people. Monthly Health and Safety meetings are held for both shoreside and water activity risks, both feeding into a monthly Health and Safety management meeting. Leadership is a key element of safety assurance, and a member of the Executive Team chairs all such meetings.

Stringent operating procedures are in place to minimise the risk of accidents while undertaking activities at UKSA and all instructors undergo a mandatory and rigorous induction programme followed up with regular training. Daily

operational meetings are held to assess risk for each day's activities and take into account group ability, type of activity and location. This, together with the high level of monitoring from national governing bodies and statutory authorities helps to ensure that safety is paramount at UKSA.

UKSA has a Designated Safeguarding Officer within the Executive Team and holds monthly safeguarding meetings with key staff to review practices and policies. All staff, Trustees and volunteers receive appropriate levels of training in safeguarding for young people and adults deemed to be at risk. A robust safeguarding policy is in place and external expertise is sought where necessary.

The charity has a robust critical incident response plan, which was developed with the support and input of the ORSC and our external consultants, Pharos Response, who are specialists in risk and reputation management in the education, youth, travel and adventure sectors. Since January 2020 Pharos Response has been retained to provide 24/7 incident support.

Financial Risk is a matter for FSC. The charity's main income is derived from maritime training. The main financial risk is a significant downturn in business activity leading to an interruption in sold or fundraised income.



REPORT OF THE TRUSTEES

STRATEGIC REPORT – OUR APPROACH TO FUNDRAISING

UKSA is a member of the Fundraising Regulator and is committed to the highest standards in fundraising. At all times we will ensure that we are respectful, open, honest and accountable to our supporters and the public. All UKSA's fundraising activities must comply with the Fundraising Regulator's Code of Fundraising Practice for the UK and UKSA adheres to the Code's requirement on handling any breaches of the Code or complaints about UKSA's fundraising activities. There have been no such breaches or complaints reported in the year to 31 January 2022, or subsequently. We adhere to the requirements related to the General Data Protection Regulation (GDPR) in our fundraising practices. We also have a fundraising policy which works alongside our safeguarding and volunteering policies which sets out our approach to protecting our beneficiaries and supporters.

UKSA is a medium sized charity that takes a long term, supporter-led relationship fundraising approach to its activities, principally raising funds from Trusts and Foundations, Companies, Individuals, Partnerships and funds from statutory and government agencies. It also raises funds through online campaigns, community events and activities.

The small UKSA fundraising team is led by an experienced Director of Fundraising and Development. The Chief Executive, wider management team, Trustees and volunteers also play a significant role in raising funds for the Charity. All partnerships with third parties are managed in line with the Code of Fundraising Practice, including contracting, reporting and managing their fundraising activities. Furthermore, where a third party is used UKSA asks that the third party adheres to the provisions in the Code of Fundraising Practice where relevant.

The Fundraising Team are supported by a Future Income Sub-committee, who ensure that all new income generating activity, whether from charitable activities or from fundraising, is carried out in a way that is consistent with UKSA's overall strategic priorities. The focus of the team has been on securing funds for the capital project and developing new funding streams to diversify income. The Fundraising Team have developed and are implementing a growth strategy, which looks at the future of the fundraising and marketing landscapes, with the following top-level results:

- Increasing supporters who can help on a longer-term basis
- Growing a corporate sponsorship offering
- Creating an impact focussed communications plan for individual donors
- Growing community fundraising, challenge event and wider event offerings
- Developing an effective process for charitable programme delivery and funding asks/reporting

We want to ensure consistency in our approaches. To do this we are continuing to align our message across three pillars:

- Our place in society – providing social change, personal development and employment through water-based activities for those young people who need it the most
- Our environment – having facilities and assets that create a leading, world class learning and training environment for our beneficiaries
- Our financial resilience – ensuring that we are a self-sustaining charity able to deliver excellence to beneficiaries for generations to come.

Fundraising at UKSA is looking bright. We have successfully approached a number of new funders, as well as received continued support from current funders. A focus on multi-year funding, sponsorship and major unrestricted donations means that the charity can be agile in operations depending on the need of beneficiaries. Alongside this, the fundraising team have professionalised how they approach, secure and report to funders, creating beneficial relationships to open new networks.



REPORT OF THE TRUSTEES

STRUCTURE, GOVERNANCE AND MANAGEMENT

UKSA is controlled by its Memorandum and Articles of Association and is incorporated as a company limited by guarantee, as defined by the Companies Act 2006. The charity is administered by a Board of unpaid Trustees who are also directors for the purposes of the Companies Act 2006. At the end of January 2021, there were nine Trustees. Other than the Founding Member Trustee, Trustees serve for three years, with the possibility of election for a second three-year term. Only under exceptional circumstances are further terms considered, to be reviewed annually thereafter. A third of the Board retires by rotation annually.

The Chair of Trustees has a maximum set term of three years and the Chair can serve a maximum of two such terms. There is an agreed and documented selection process to either re-appoint the existing Chair or select a new Chair, which takes place every three years. The nominations committee comprising three to five Trustees will conduct the selection process.

The Board meets at least four times a year. Trustees are responsible for the appointment of the Chief Executive, to whom day-to-day management of the organisation is delegated. Trustees work with the Executive Team to develop a long-term strategic plan, progress against which is reviewed with them at annual strategy and development meetings. The Board also reviews and approves the Executives' annual business plan and budget. At quarterly Governance meetings, the Board addresses governance matters and assesses the charity's performance with the Executive Team. Additionally, the Chief Executive holds regular conference calls with the Board on any matters arising.

The Board has established a number of standing Sub-Committees to provide specific oversight, advice and recommendations. Sub-Committees are made up of at least two Trustees, as well as Executive Team members and external advisors as required.

- The Finance Sub-Committee monitors the effectiveness of the charity's financial controls and reporting, considers key areas of financial risk and compliance, reviews the audit process and has a key role in the control of planning, investments and pensions;
- The Capital Development Sub-Committee ensures appropriate governance and project management is in place for UKSA's site development projects.
- The Operational Risk Sub-Committee, which monitors all areas of risk to the charity other than financial risk, reviews incident reports and scrutinises the risk management system.

- The Pay and Remuneration Committee was re-established in September 2020 and reviews the remuneration and benefits for the UKSA senior managers and makes recommendations to the Board with regard to criteria for pay awards and benchmarking.
- The Future Income Sub-Committee was established in the 2020/21 financial year to combine the roles of the Fundraising and Business Development working groups, to ensure consistency of focus and approach across all Course Delivery and Fundraised streams of income.
- The board has also appointed the Vice Chair – Richard Stokes – to lead on Governance.

On behalf of the board and UKSA's beneficiaries we would like express our sincere thanks to Richard Palmer who retired from the board in September 2021, following the conclusion of his three three-year terms.



REPORT OF THE TRUSTEES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing these financial statements the Trustees are required to:

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

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charity's website. Legislation in England/Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

In so far as we are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

AUDITORS

The auditors will be proposed for appointment in accordance with the Companies Act 2006 at the AGM of the Board.

In approving the Report of the Trustees, the Trustees are also approving the Strategic Report included here in their capacity as company directors.

ON BEHALF OF THE BOARD:



Kevin George Chair of Trustees

Date: 24/07/2022

U K SAILING ACADEMY (UKSA)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK SAILING ACADEMY

Opinion

We have audited the financial statements of UK Sailing Academy ('the charitable company') and its subsidiary ('the group') for the year ended 31 January 2022 which comprise Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 the charitable company's affairs as at 31 January 2022 and of the group's 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.

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 Auditor's 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 trustee's 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 charitable company's or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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.



U K SAILING ACADEMY (UKSA)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK SAILING ACADEMY (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.



U K SAILING ACADEMY (UKSA)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK SAILING ACADEMY (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context were Charity Commission legislation, health and safety legislation, General Data Protection Regulation (GDPR), Royal Yachting Association (RYA) regulation and Maritime and Coastguard Agency (MCA)/International Association of Marine Investigators (IAMI) regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of certain streams of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and the above-mentioned income streams, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the

further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's 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.

[THIS REPORT IS NOT YET SIGNED]

Janette Joyce

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Reading

Date:



Consolidated statement of financial activities for the year ended 31 January 2022

(Incorporating income and expenditure account)

		Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2021/22 £000's	TOTAL 2020/21 £000's
INCOME FROM:					
Donations, Legacies and Grants	2	259	1,086	1,345	2,619
Charitable Activities	3	5,041	-	5,041	2,970
Trading Activities	4	135	-	135	59
Government Support	5	285	-	285	758
Investments	6	4	-	4	1
Other	7	7	-	7	3
Total income		5,731	1,086	6,817	6,410
EXPENDITURE ON:					
Raising funds:					
Trading Activities	4	80	-	80	48
Expenditure on raising funds	8	119	-	119	140
Charitable Activities	9	5,768	-	5,768	4,552
Total expenditure		5,967	-	5,967	4,740
Net (expenditure)/income		(236)	1,086	850	1,670
Transfers between funds	23	2,185	(2,185)	-	-
Net movement in funds		1,949	(1,099)	850	1,670
RECONCILIATION OF FUNDS:					
Total funds brought forward		3,534	2,786	6,320	4,650
TOTAL FUNDS CARRIED FORWARD	23	5,483	1,687	7,170	6,320

Continuing operations

All of the charity's activities are continuing. There were no gains or losses other than those shown above.

Full comparatives for the year to 31 January 2021 are shown in note 28.

Group balance sheet for the year ended 31 January 2022

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2021/22 £000's	2020/21 £000's
FIXED ASSETS	22	6,675	-	6,675	4,709
		6,675	-	6,675	4,709
CURRENT ASSETS					
Stocks	16	116		116	156
Debtors: Amounts falling due after more than one year	17	248	-	248	237
Debtors: Amounts falling due within one year	17	902	-	902	2,409
Short Term Deposit Accounts	18	1,504	-	1,504	287
Cash at bank and in hand	18	866	1,687	2,553	2,494
		3,636	1,687	5,323	5,583
CREDITORS					
Amounts falling due within one year	19	(3,373)	-	(3,373)	(2,339)
NET CURRENT ASSETS / (LIABILITIES)		263	1,687	1,950	3,244
TOTAL ASSETS		6,938	1,687	8,625	7,953
CREDITORS					
Amounts falling due after more than one year	20	(1,455)	-	(1,455)	(1,633)
NET ASSETS		5,483	1,687	7,170	6,320
FUNDS	23				
<i>Unrestricted funds;</i>					
Designated tangible fixed asset fund (net of secured bank loan)				5,175	3,209
Unrestricted general funds				308	325
				5,483	3,534
<i>Restricted funds;</i>					
Restricted bursary funds				350	407
Restricted capital fund				1,337	2,379
				1,687	2,786
TOTAL FUNDS				7,170	6,320

The financial statements were approved and authorised for issue by the Board of Trustees on

And were signed on its behalf by:



Kevin George
Chair of Trustees
Date: 24/07/2022
Registered Company Number: 02251024

Charity balance sheet for the year ended 31 January 2022

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2021/22 £000's	TOTAL 2020/21 £000's
FIXED ASSETS	22	6,675	-	6,675	4,709
		6,675	-	6,675	4,709
CURRENT ASSETS					
Stocks	16	113	-	113	155
Debtors: Amounts falling due after more than one year	17	248	-	248	237
Debtors: Amounts falling due within one year	17	901	-	901	2,411
Short Term Deposit Accounts	18	1,504	-	1,504	286
Cash at bank and in hand	18	865	1,687	2,552	2,494
		3,631	1,687	5,318	5,583
CREDITORS					
Amounts falling due within one year	19	(3,368)	-	(3,368)	(2,339)
NET CURRENT ASSETS / (LIABILITIES)		263	1,687	1,950	3,244
TOTAL ASSETS		6,938	1,687	8,625	7,953
CREDITORS					
Amounts falling due after more than one year	20	(1,455)	-	(1,455)	(1,633)
NET ASSETS		5,483	1,687	7,170	6,320
FUNDS	23				
<i>Unrestricted funds;</i>					
Designated tangible fixed asset fund (net of secured bank loan)				5,175	3,209
Unrestricted general funds				308	325
				5,483	3,534
<i>Restricted funds;</i>					
Restricted bursary funds				350	407
Restricted capital fund				1,337	2,379
				1,687	2,786
TOTAL FUNDS				7,170	6,320

The surplus for the financial year 2021/22 dealt with in the financial statements of the parent charity was £850k (2020/21: £1,670k).

The financial statements were approved and authorised for issue by the Board of Trustees on

And were signed on its behalf by:



Kevin George
Chair of Trustees
Date: 24/07/2022
Registered Company Number: 02251024

Consolidated statement of cash flow for the year ended 31 January 2022

	Notes	2021/22 £000's	2020/21 £000's
NET CASH PROVIDED BY OPERATING ACTIVITIES	A	3,644	813
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		4	1
Interest paid and fees		(68)	(21)
Purchase of tangible fixed assets		(2,379)	(168)
Sale of Tangible Fixed Assets		75	-
		(2,368)	(188)
CASH FLOWS FROM FINANCING ACTIVITIES			
New secured bank loan received		-	1,500
MANAGEMENT OF LIQUID FUNDS			
Short term deposit account transfers		(1,217)	3
Increase/(Decrease) in cash in the year	B	59	2,128

NOTE A - RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES

Net income	850	1,670
Depreciation and impairment charges	343	337
(Profit)/Loss on disposal of fixed assets	(5)	59
Interest received	(4)	(1)
Interest paid and charges	68	21
Decrease/(Increase) in stocks	40	49
Decrease/(Increase) in debtors	1,496	(1,617)
Increase in creditors	856	295
Net cash provided by operating activities	3,644	813

NOTE B - RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

Increase/(Decrease) in cash in the year	59	2,128
Increase/(Decrease) in short term deposits	1,217	(3)
New loan issued in year	-	(1,500)
Change in net cash	1,276	625
Net cash at 1 February	1,281	656
Net cash at 31 January	2,557	1,281

ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS

	At 1st Feb 21 £000's	Cashflow £000's	At 31st Jan 22 £000's
Cash at bank and in hand	2,494	59	2,553
Short term deposit accounts	287	1,217	1,504
Loans	(1,500)	-	(1,500)
Total	1,281	1,276	2,557

Notes to the financial statements for the year ended 31 January 2022

UK Sailing Academy is an incorporated charity (number 299248) and company (number 02251024) with its registered office at Arctic Road, Cowes, Isle of Wight PO31 7PQ and is incorporated and domiciled in the UK.

1 ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

UKSA 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 note(s).

b) Going concern

In their assessment of going concern, the trustees have considered the impact of the COVID-19 pandemic on the charity. Supported by the management team, they have throughout the year considered the cash, reserves and net asset position of the charity. Cashflow forecasts are performed and reviewed on a rolling 18-month basis; therefore the Trustees consider that the going concern basis for the charity is appropriate.

The trustees are confident that the management team will continue to mitigate financial risks effectively by actively managing liquidity and by carefully controlling income and expenditure.

c) Group accounts

The accounts have been consolidated to include the results of the charity's trading subsidiary, which has the same year-end. No separate profit and loss account is presented for UK Sailing Academy as permitted by Section 408 of the Companies Act 2006.

d) Income

All income is included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Voluntary income is credited to the income and expenditure account on a received basis, apart from income that covers a specific period of time ending after 31 January 2022, the deferred part of the income being shown within creditors. Income from the charitable activities is recognised on an accruals basis, and income relating to courses which commence after the balance sheet date is deferred to future accounting periods.

Government Support income relates largely to the CJRS (Coronavirus Job Retention Scheme) grant and is accounted for under the performance model as permitted by the Charity SORP. CJRS income is therefore recognised on a straight-line basis over the furlough period for each relevant employee.

Notes to the financial statements for the year ended 31 January 2022 (continued)

e) Expenditure

All expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts. Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure. Support costs are allocated between the activities of the charity on a percentage basis in line with the income and activity levels of those activities.

Included within charitable activity are governance costs. Governance costs are those costs associated with the governance arrangements including external and internal audit and legal advice for Trustees, rather than the day-to-day management of the charity.

f) Debtors

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

g) Cash and cash equivalents

Cash is represented by cash in hand and short term highly liquid investments with a short maturity of 95 days or less from the date of acquisition or opening of the deposit or similar account. This has been split accordingly on the face of the balance sheet.

h) Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

i) Tangible fixed assets

Depreciation is provided on all other tangible fixed assets using the straight-line method designed to write off each asset over its expected useful economic life. It is the company's policy to determine the expected useful life of each asset individually, ranging from 3 to 100 years.

The company reviews its tangible fixed assets on an annual basis and will consider an impairment of those assets where the carrying amount (net book value) of the asset is higher than its recoverable amount; the recoverable amount being defined as the higher of the amount that could be obtained by selling the asset (Net Realisable Value), and the amount that could be obtained by using the asset (Value in Use).

j) Impairment of buildings

Buildings are held at historic cost. This value is subject to the requirement to test assets for impairment in accordance with section 27 of FRS102.

The company will get a land and buildings valuation done every 3 years to confirm no impairment is required, with a directors' assessment in the interim. The valuation performed last year by Jones Lang LaSalle showed no impairment was required. The next valuation is due for the year ending 31 January 2024.

Notes to the financial statements for the year ended 31 January 2022 (continued)

k) Stocks

Stocks of bought in goods are stated at the lower of cost and net realisable value. Stocks held include Provisions, Bar, Vending, Merchandise, Clothing and Red Funnel ferry tickets.

Stocks also include inventory items held for free distribution to beneficiaries in furtherance of charitable activities (e.g. Boards, Masts, Sails, Wetsuits, Paddles, Buoyancy Aids etc.). Inventory is written down (impaired) to nil value over a three-year period.

l) Taxation

The charity is exempt from corporation tax on its charitable activities. Irrecoverable VAT is recognised as an expense in the Statement of Financial Activities within training and education expenditure. The trading subsidiary has not incurred a tax charge as it gifts all profits to the charity.

m) Pensions

The charity does not operate a defined benefit pension scheme. UKSA auto-enrolled eligible employees with the National Employment Savings Trust (NEST) as the provider for its workplace pension. During 2021/22 UK Sailing Academy contributions of £52k (2020/21 £48k) were recognised in the Statement of Financial Activities (see Note 14).

n) Leased Assets

Instalments on operating lease contracts are charged on a straight-line basis over the lease life.

o) 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

The Trustees have designated a fixed asset fund which represents the amount invested in tangible fixed assets to enable the charity to carry out its charitable purposes.

Restricted funds are subject to specific conditions laid down by donors as to how they may be used or which have been raised by the charity for particular purposes. The aim and use of each restricted fund are set out in the notes to the financial statements.

p) Financial instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Note 21 provides more information in respect of this area.

Notes to the financial statements for the year ended 31 January 2022 (continued)

q)

Key judgements and estimates

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Trustees consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

Notes to the financial statements for the year ended 31 January 2022 (continued)

2	DONATIONS AND LEGACIES	2021/22	2020/21
		£000's	£000's
	Donations (Revenue)	362	244
	Donations (Capital Gross)	983	2,375
		1,345	2,619
3	INCOME FROM CHARITABLE ACTIVITIES	2021/22	2020/21
		£000's	£000's
	Youth Development programmes	108	24
	Schools and Groups	510	17
	Careers courses for employment	2,886	1,634
	Professional training	1,278	790
	Recreational training	305	106
	Total income for training activities	5,087	2,571
	Student services and site income	235	124
	Lost deposits	67	373
	Transfer from donations and legacies to training activities income	(348)	(98)
		5,041	2,970

Income in respect of courses that commence after the balance sheet date is deferred and recognised over the period during which the course takes place. An analysis of deferred income is shown below:

	2021/22	2020/21
	£000's	£000's
Gross income from charitable activities	5,462	3,057
Amounts deferred last year that have been released in the current year	1,825	1,738
Amounts deferred to future periods	(2,246)	(1,825)
	5,041	2,970

Notes to the financial statements for the year ended 31 January 2022 (continued)

4 INVESTMENT IN TRADING COMPANY

UK Sailing Academy holds 100% of the share capital of UKSA Trading Limited (registered office – Arctic Road, Cowes, Isle of Wight PO31 7PG – Registered Company No. 06276835) which is responsible for the provision of commercial services on behalf of the charity.

	2021/22	2020/21
The charity's investment in the trading company was as follows:		
UKSA Trading Limited	<u>1</u>	<u>1</u>

The subsidiary is registered in England and Wales and pays under gift aid its entire profits as computed for corporation tax purposes to the charity. Its results and balance sheet are as follows:

Profit and Loss Account	2021/22	2020/21
	£000's	£000's
Income	135	59
Government support	1	7
Cost of sales	(80)	(48)
Gross profit	<u>56</u>	<u>18</u>
Administration expenses	(45)	(15)
	<u>11</u>	<u>3</u>
Amount payable under gift aid to the charity	(11)	(3)
	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>-</u>	<u>-</u>
Balance sheet		
Current assets	8	4
Current liabilities	(8)	(4)
	<u>-</u>	<u>-</u>
Share Capital (<i>Total Share Capital = £1</i>)	<u>-</u>	<u>-</u>

A UKSA members' resolution was passed in 2019 for the purpose of the continuance of the Gift Aiding of the profits of UKSA Trading Limited to UK Sailing Academy annually on the 31st January, until further notice.

The gift aid payment of £11k (2020/21: £3k) and management charge of £45k (2020/21: £15k) paid to UK Sailing Academy has been eliminated upon consolidation.

The Government support relates to Coronavirus Job Retention Support Scheme income and is shown under this heading on the Statement of Financial Activities.

Notes to the financial statements for the year ended 31 January 2022 (continued)

5	GOVERNMENT SUPPORT	2021/22	2020/21
		£000's	£000's
	Job Retention & Support Scheme Income	223	738
	IOW Council LRS Grant	62	20
		285	758
6	INVESTMENT INCOME	2021/22	2020/21
		£000's	£000's
	Deposit account interest	4	1
		4	1
7	OTHER INCOME	2021/22	2020/21
		£000's	£000's
	Insurance claims	2	1
	Sale of assets	5	1
	Miscellaneous income	-	1
		7	3
8	EXPENDITURE ON RAISING FUNDS	2021/22	2020/21
		£000's	£000's
	Fundraising costs	119	140
9	EXPENDITURE ON CHARITABLE ACTIVITIES		
		Admin, Sales and Marketing Costs	Total
		2021/22	2021/22
		£000's	£000's
	Youth Development programmes	29	118
	Schools and Groups	161	539
	Careers courses for employment	1,409	3,516
	Professional training	408	1,204
	Recreational training	162	391
		2,169	5,768
		Admin, Sales and Marketing Costs	Total
		2020/21	2020/21
		£000's	£000's
	Youth Development programmes	3	3
	Schools and Groups	10	319
	Careers courses for employment	759	2,833
	Professional training	270	1,160
	Recreational training	58	237
		1,100	4,552

Notes to the financial statements for the year ended 31 January 2022 (continued)

10 SUPPORT, ADMINISTRATION & SALES AND MARKETING COSTS

	2021/22 £000's	2020/21 £000's
Furloughed staff cost	85	368
Depreciation, inventory write down and loss on disposal	433	450
Site costs	488	407
Catering	472	318
Operations and customer support	259	241
Yacht, fleet and vehicle maintenance	304	231
VAT	201	136
Other	231	218
Total support costs	2,473	2,369
Administration costs	560	532
Sales and marketing costs	525	502
Redundancy costs	-	45
Interest payable	41	4
Totals	3,599	3,452

11 GOVERNANCE COSTS

	2021/22 £000's	2020/21 £000's
Company secretary	8	9
Auditors' remuneration	17	16
	25	25

12 NET MOVEMENT IN FUNDS

	2021/22 £000's	2020/21 £000's
Net movement in funds is stated after charging:		
Auditors' remuneration for statutory work	17	16
Operating lease rental for IT and vehicles	79	78
Interest paid and charges	68	21
Depreciation - owned assets	343	287
Impairment - Yacht	-	50
(Profit)/Loss on disposal	(5)	59

13 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 January 2022 (2020/21: £nil). Travelling expenses are reimbursed, if claimed, to trustees. In 2021/22 this was nil (2020/21: £nil).

Notes to the financial statements for the year ended 31 January 2022 (continued)

14 STAFF COSTS

The average number of full-time equivalent staff employed by the charity during the financial year amounted to:

	2021/22 Total No.	2021/22 FTE No.	2020/21 Total No.	2020/21 FTE No.
Directly involved in achieving charitable objectives	102	78	101	74
Management and financial administration of the charity	10	10	10	10
Total	112	88	111	84

The aggregate payroll costs of the above were:

	2021/22 £000's	2020/21 £000's
Wages and salaries	2,452	2,265
Social security	204	181
Pension	52	48
	2,708	2,494

The number of employees whose emoluments exceeded £60,000 was:

	2021/22 No.	2020/21 No.
£60,000 to £69,999	2	1
£70,000 to £79,999	-	-
£80,000 to £89,999	-	-
£90,000 to £99,999	1	-

Employer Pension Contributions for the above individuals were £8k (2020/21: £3k)
Termination and redundancy payments in the year were nil (2020/21: £50k).

15 EXECUTIVE REMUNERATION

The total remuneration, benefits and pensions paid to the key management personnel in the year was £377k (2020/21: £321k). The key management personnel in the year were the Chief Executive, Director of Finance & Business Services, Director of Marketing & Business Development, Director of Training & Operations and Director of Fundraising & Development.

16 STOCKS

	2021/22 £000's	2020/21 £000's
Stocks for resale (trading)	3	1
Inventories (charity)	113	155
Group stocks held	116	156

Notes to the financial statements for the year ended 31 January 2022 (continued)

17 DEBTORS

	Group 2021/22 £000's	Group 2020/21 £000's	Charity 2021/22 £000's	Charity 2020/21 £000's
Trade debtors for courses	546	406	545	404
Due from subsidiary undertaking	-	-	-	4
Other debtors	375	351	375	351
Prepayments and accrued income	284	1,944	284	1,944
Bad debt provision for other debtors	(55)	(55)	(55)	(55)
	1,150	2,646	1,149	2,648

Included within other debtors is a total of £248k (2020/21 £237k) relating to repayable bursary amounts due over 1 year.

Included within accrued income is a total of £64k donated capital (restricted) income (2020/21 - £1,606k) relating to funding commitments for a new building started in February 2021.

Included within bad debt provision for other debtors is a total of (£53k) (2020/21 (£52k)) relating to repayable bursary.

18 CASH AND CASH EQUIVALENTS

	Group 2021/22 £000's	Group 2020/21 £000's	Charity 2021/22 £000's	Charity 2020/21 £000's
Bank current accounts	2,544	2,486	2,544	2,486
Bank deposit accounts	1,504	287	1,503	286
Petty cash	2	3	2	3
Pre-paid expense cards	7	5	7	5
	4,057	2,781	4,056	2,780

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021/22 £000's	Group 2020/21 £000's	Charity 2021/22 £000's	Charity 2020/21 £000's
Trade creditors	410	199	407	199
Due to subsidiary undertaking	-	-	3	-
Social security and other taxes	176	170	176	170
Secured bank loan	59	-	59	-
Other creditors	23	67	23	67
Accruals and deferred income	2,705	1,903	2,700	1,903
	3,373	2,339	3,368	2,339

Included within trade creditors is a total of £182k (2020/21: £nil) relating to retentions of the main build capital project.

Included within accruals and deferred income is a total of £2,232k (2020/21: £1,807k) relating to amounts invoiced in advance of the commencement of training courses.

Social security and other taxes includes £122k of PAYE where the group has taken advantage of Government deferral schemes (2020/21: PAYE £123k and VAT £8k).

Notes to the financial statements for the year ended 31 January 2022 (continued)

20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:

	Group	Group	Charity	Charity
	2021/22	2020/21	2021/22	2020/21
	£000's	£000's	£000's	£000's
Secured bank loan	1,441	1,500	1,441	1,500
Social security and other taxes	-	115	-	115
Accruals and deferred income	14	18	14	18
	1,455	1,633	1,455	1,633

Social security and other taxes includes PAYE where the group has taken advantage of Government deferral schemes, 2021/22: nil (2020/21: £115k).

The amounts held within accruals and deferred income relates to amounts invoiced in advance of the commencement of training courses of £14k (2020/21: £18k).

The group has a bank loan with Natwest which is secured by a fixed and floating charge over the property and assets of the group. The balance of the loan at 31 January 2022 is £1,500k. The loan has interest charged at 2.44% for the fixed period (60 months until February 2026) thereafter at 2.09% over base rate for the remaining period. The loan is due for final repayment in January 2042.

The maturity of the bank loan has been analysed as follows:

	Net	Net
	Repayments	Repayments
	2021/22	2020/21
	£000	£000
Previous Year	-37	-
Within one year	58	-37
1-2 years	59	58
2-5 years	190	182
Greater than 5 years	1,230	1,297
	1,500	1,500

In addition, Deferred income has been analysed as follows:

	Group	Group	Charity	Charity
	2021/22	2020/21	2021/22	2020/21
	£000's	£000's	£000's	£000's
Deferred income at 1 February	1,825	1,738	1,825	1,735
Applied during the year	(1,825)	(1,738)	(1,825)	(1,735)
Released during the year	2,246	1,825	2,240	1,825
Deferred income at 31 January	2,246	1,825	2,240	1,825

Notes to the financial statements for the year ended 31 January 2022 (continued)

21 FINANCIAL INSTRUMENTS

Financial assets held at amortised cost are trade debtors, other debtors, accrued income, amount owed by group companies and cash held at bank. Note this excludes stock and prepayments.

Financial liabilities held at amortised cost are trade creditors, accruals, bank loan and amounts owed by group companies. Note this excludes deferred income and social security and other taxes.

Group	2021/22	2020/21
	£000's	£000's
Financial assets measured at amortised cost	5,084	5,306
Financial liabilities measured at amortised cost	2,406	1,862
	2021/22	2021/22
	£000's	£000's
Total interest income for financial assets held at amortised cost	4	1
Charity	2022/21	2020/21
	£000's	£000's
Financial assets measured at amortised cost	5,082	5,307
Financial liabilities measured at amortised cost	2,406	1,862
	2022/21	2020/21
	£000's	£000's
Total interest income for financial assets held at amortised cost	4	1

Notes to the financial statements for the year ended 31 January 2022 (continued)

22 FIXED ASSETS

	Assets under course of construction	Freehold land and buildings	Leasehold buildings	Swimming pool	Equipment and Training Aids
COST	£000's	£000's	£000's	£000's	£000's
At 1 February 2021	313	3,209	316	200	952
Additions	2,029	169	-	-	64
Disposals	-	-	-	-	-
Transfer	(12)	12	-	-	-
As at 31 January 2022	2,330	3,390	316	200	1,016
DEPRECIATION					
At 1 February 2021	-	329	26	200	730
Charge for year	-	55	14	-	67
Eliminated on disposal	-	-	-	-	-
As at 31 January 2022	-	384	40	200	797
NET BOOK VALUE					
As at 31 January 2022	2,330	3,006	276	-	219
As at 31 January 2021	313	2,880	290	-	212

	Motor vehicles	Yachts and training fleet	Intangible Assets	Totals
COST	£000's	£000's	£000's	£000's
At 1 February 2021	19	2,186	-	7,185
Additions	-	78	29	2,379
Disposals	-	(353)	-	(353)
As at 31 January 2022	19	1,911	29	9,211
DEPRECIATION				
At 1 February 2021	10	1,181	-	2,476
Charge for year	2	205	-	343
Eliminated on disposal	-	(283)	-	(283)
Impairments	-	-	-	-
As at 31 January 2022	12	1,103	-	2,536
NET BOOK VALUE				
As at 31 January 2022	7	808	29	6,675
As at 31 January 2021	9	1,005	-	4,709

Notes to the financial statements for the year ended 31 January 2022 (continued)

23 MOVEMENT IN FUNDS

	At 1 Feb 21 £000's	Net Movement in funds £000's	Transfers between Funds £000's	At 31 Jan 22 £000's
Unrestricted funds				
Fixed assets fund	3,209	(413)	2,379	5,175
General fund	325	166	(183)	308
Trading activities	-	11	(11)	-
	3,534	(236)	2,185	5,483
Restricted funds				
Restricted capital fund	2,379	983	(2,025)	1,337
Stephen Thomas Bursary	58	1	(17)	42
Noel Lister Memorial Fund	216	2	(24)	194
Milo Hanlon Fund	26	1	7	34
Will Black Fund	14	-	-	14
Seafarer's	48	10	-	58
Polly Birch Fund	45	39	(76)	8
Trinity House Fund	-	50	(50)	-
	2,786	1,086	(2,185)	1,687
TOTAL FUNDS	6,320	850	-	7,170

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

	Incoming resources £000's	Resources expended £000's	Movement in funds £000's
Unrestricted funds			
Fixed asset fund	-	(413)	(413)
General fund	5,595	(5,429)	166
Trading activities	136	(125)	11
	5,731	(5,967)	(236)
Restricted funds			
Restricted capital fund	983	-	983
Stephen Thomas Bursary	1	-	1
Noel Lister Memorial Fund	2	-	2
Milo Hanlon Fund	1	-	1
Will Black Fund	-	-	-
Seafarer's	10	-	10
UKSA Assisted Funding	-	-	-
Polly Birch Fund	39	-	39
Trinity House Fund	50	-	50
	1,086	-	1,086
TOTAL FUNDS	6,817	(5,967)	850

Notes to the financial statements for the year ended 31 January 2022 (continued)

23 MOVEMENT IN FUNDS (PRIOR YEAR COMPARATIVES)

	At 1 Feb 20 £000's	Net Movement in funds £000's	Transfers between Funds £000's	At 31 Jan 21 £000's
Unrestricted funds				
Fixed assets fund	4,937	(396)	(1,332)	3,209
Designated capital fund	121	-	(121)	-
General fund	(673)	(447)	1,445	325
Trading activities	-	3	(3)	-
	4,385	(840)	(11)	3,534
Restricted funds				
Restricted capital fund	-	2,374	5	2,379
Stephen Thomas Bursary	12	47	(1)	58
Noel Lister Memorial Fund	141	1	74	216
Milo Hanlon Fund	17	1	8	26
Will Black Fund	14	-	-	14
Seafarer's	28	17	3	48
UKSA Assisted Funding	5	-	(5)	-
Polly Birch Fund	48	-	(3)	45
Trinity House Fund	-	70	(70)	-
	265	2,510	11	2,786
TOTAL FUNDS	4,650	1,670	-	6,320

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

	Incoming resources £000's	Resources expended £000's	Movement in funds £000's
Unrestricted funds			
Fixed asset fund	-	(396)	(396)
Capital fund	-	-	-
General funds	3,833	(4,280)	(447)
Trading activities	66	(63)	3
	3,899	(4,739)	(840)
Restricted funds			
Restricted capital fund	2,375	(1)	2,374
Stephen Thomas Bursary	47	-	47
Noel Lister Memorial Fund	1	-	1
Milo Hanlon Fund	1	-	1
Will Black Fund	-	-	-
Seafarer's	17	-	17
UKSA Assisted Funding	-	-	-
Polly Birch Fund	-	-	-
Trinity House Fund	70	-	70
	2,511	(1)	2,510
TOTAL FUNDS	6,410	(4,740)	1,670

Notes to the financial statements for the year ended 31 January 2022 (continued)

Unrestricted funds

- A)** The fixed asset fund shows the net book value of unrestricted fixed assets. Net movement in funds are represented by the net of profit/ (loss) on disposal, impairment and depreciation £413k (2020/21: £396k). Transfers are represented by net capital expenditure of £2,379k.
- B)** The Designated capital fund represents funds which are unrestricted but were specifically held for the capital site development works. When these funds are expended, they are capitalised and transferred to the Designated tangible fixed asset fund. Net movement in funds are represented by net donated income of nil in 2021/22 (2020/21: nil).
- In 2021/22 nil transfers were made (2020/21 transfers were represented by capital expenditure of £101k on the new building, £15k on our website and the remainder of £5k was transferred to the Restricted capital fund).
- C)** The unrestricted general fund represents funds which are freely available for use by the charity, including those generated from trading activities.
- Net movements in funds are represented by all Income and Expenditure movements not already represented by movements on other reserves of £166k (2020/21: (£447k)). Transfers are the sum of net working capital movements excluding transfers on other reserves of (£183k) (2020/21: £1445k).
- D)** The trading activities fund is represented by the wholly owned subsidiary UKSA Trading Ltd profit / (loss). For the year 2021/22 UKSA Trading Ltd returned a profit of £11k (2020/21: £3k) which was transferred to the UK Sailing Academy's unrestricted general fund in the same year.

Restricted funds

- A)** A restricted Capital Fund was set up in 2015/16 to hold donations that are specifically to fund capital works required. In 2021/22 £983k net income was received (2020/21 £2,374k) less (£2,025k) capital expenditure in the year (2020/21: nil capital expenditure plus a £5k transfer from the Designated capital fund).
- B)** The Stephen Thomas Bursary was set up in memory of Stephen Thomas to provide sailing and seamanship experiences for young people between the ages of 16 and 20.
- C)** The Noel Lister Memorial Fund was set up in memory of Noel (the founder of UKSA) to provide sailing and seamanship experiences for young people.
- D)** The Milo Hanlon Fund was set up in memory of Milo who was a student at UKSA in 2012. The fund provides assistance to young people wishing to undertake professional training for employment.
- E)** The William Black Fund was set up in 2016 in memory of Will. The fund provides financial support to individuals with a desire to enter the maritime sector.

Notes to the financial statements for the year ended 31 January 2022 (continued)

Restricted funds continued

- F) The Seafarer's fund was set up in 2017/18. The fund provides assistance to young people wishing to undertake professional training for employment.
- G) The UKSA Assisted Funding Fund was set up in 2019/20 to provide training for employment for young people.
- H) The Polly Birch fund was set up in 2017/18. This fund was set-up in memory of Polly Birch to provide watersports experiences for school children.
- I) The Trinity fund was set up in 2011. The fund provides assistance to young people wishing to undertake professional training for employment.

Notes to the financial statements for the year ended 31 January 2022 (continued)

24 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP

	Unrestricted Funds General £000's	Unrestricted Funds Designated £000's	Restricted Funds £000's	Total funds at 31 Jan 22 £000's
Fixed assets	-	6,675	-	6,675
Current assets	3,636	-	1,687	5,323
Creditors due in less than one year	(3,314)	-	-	(3,314)
Creditors due in more than one year	(14)	-	-	(14)
Secured Bank Loan due in less than one year	-	(59)	-	(59)
Secured Bank Loan due in more than one year	-	(1,441)	-	(1,441)
	308	5,175	1,687	7,170

ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP (PRIOR YEAR COMPARATIVES)

	Unrestricted Funds General £000's	Unrestricted Funds Designated £000's	Restricted Funds £000's	Total funds at 31 Jan 21 £000's
Fixed assets	-	4,709	-	4,709
Current assets	2,797	-	2,786	5,583
Creditors due in less than one year	(2,454)	-	-	(2,454)
Creditors due in more than one year	(18)	-	-	(18)
Secured Bank Loan due in more than one year	-	(1,500)	-	(1,500)
	325	3,209	2,786	6,320

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY

	Unrestricted Funds General £000's	Unrestricted Funds Designated £000's	Restricted Funds £000's	Total funds at 31 Jan 22 £000's
Fixed assets	-	6,675	-	6,675
Current assets	3,631	-	1,687	5,318
Creditors due in less than one year	(3,309)	-	-	(3,309)
Creditors due in more than one year	(14)	-	-	(14)
Secured Bank Loan due in less than one year	-	(59)	-	(59)
Secured Bank Loan due in more than one year	-	(1,441)	-	(1,441)
	308	5,175	1,687	7,170

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY (PRIOR YEAR COMPARATIVES)

	Unrestricted Funds General £000's	Unrestricted Funds Designated £000's	Restricted Funds £000's	Total funds at 31 Jan 21 £000's
Fixed assets	-	4,709	-	4,709
Current assets	2,797	-	2,786	5,583
Creditors due in less than one year	(2,454)	-	-	(2,454)
Creditors due in more than one year	(18)	-	-	(18)
Secured Bank Loan due in more than one year	-	(1,500)	-	(1,500)
	325	3,209	2,786	6,320

Notes to the financial statements for the year ended 31 January 2022 (continued)

25 RELATED PARTY DISCLOSURES

The company was under the ultimate control of the trustees.

Kevin George, Chair of Trustees until 05.07.21 is also Chair of Red Funnel who provide cross Solent travel for UKSA students.

David Lister MBE, trustee of UKSA, is also a trustee of the Whirlwind Charitable Trust (WCT) which gave financial assistance to UKSA in the form of donations of £150k in the year (2020/21:£300k).

Claire Locke, trustee of UKSA, is also a trustee of Daisie Rich Trust who gave financial assistance to UKSA in the form of donations of £5k in the year (2020/21: £5k).

Sir Anthony Greener, trustee of UKSA, is also Chairman of Minton Charity Trust which gave financial assistance to UKSA in the form of donations of £150k in the year (2020/21:£35k).

Donations were received from three trustees totalling £24k (2020/21: £72k).

26 OPERATING LEASES

At the year end, the Group were committed to the following future minimum lease payments in respect of operating leases:

	Vehicles and equipment	
	2021/22	2020/21
	£000's	£000's
Less than one year	30	67
Greater than one year and less than five years	7	37
Later than five years	-	-
	<u>37</u>	<u>104</u>

27 CAPITAL COMMITMENTS

The charity had capital commitments as at 31 January 2022 of £1,751k. This is split between £1,742k for a new building and £9k for Victory accommodation block fencing (£3,530k 31 Jan 2021).

Notes to the financial statements for the year ended 31 January 2022 (continued)

28 COMPARATIVE SOFA FOR THE YEAR ENDED 31ST JANUARY 2021

	Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2020/21 £000's
INCOME FROM:			
Donations, Legacies and Grants	108	2,511	2,619
Charitable Activities	2,970	-	2,970
Other Trading Activities	59	-	59
Trading			
Activities for generating funds	758	-	758
Investments	1	-	1
Other	3	-	3
Total income	3,899	2,511	6,410
EXPENDITURE ON:			
Raising funds:			
Trading Activities	48	-	48
Expenditure on raising funds	139	1	140
Charitable Activities	4,552	-	4,552
Total expenditure	4,739	1	4,740
Net income/(expenditure)	(840)	2,510	1,670
Transfers between funds	(11)	11	-
Net movement in funds	(851)	2,521	1,670
RECONCILIATION OF FUNDS:			
Total funds brought forward	4,385	265	4,650
TOTAL FUNDS CARRIED FORWARD	3,534	2,786	6,320