

TALL SHIPS YOUTH TRUST

England & Wales · Charity number 314229

Details

Other names THE SAIL TRAINING ASSOCIATION

Status Registered

Legal form Charitable company

Company number [00567460](#)

Registered 1963-06-20

Register [View on the Charity Commission register](#)

Contact

Address 2a The Hard
Portsmouth
PO1 3PT

Phone 02392832055

Email info@tallships.org

Website www.tallships.org

Activities

Objects: 3.1 THE OBJECTS OF THE CHARITY ARE, FOR THE PUBLIC BENEFIT: 3.1.1 TO PROMOTE THE TRAINING AND PERSONAL DEVELOPMENT OF YOUNG PEOPLE OF ALL NATIONALITIES, SOCIAL AND ETHNIC BACKGROUNDS THROUGH VOYAGES IN SAILING SHIPS AND OTHER MARINE CRAFT AND SHORE-BASED ACTIVITIES, INCLUDING APPROPRIATE ACCREDITATION AND QUALIFICATIONS; 3.1.2 TO PROMOTE AMONG YOUNG PEOPLE AN INTEREST IN TAKING UP MARITIME CAREERS (INCLUDING ROYAL NAVY AND MERCANTILE MARINE) AND CAREERS IN THE WIDER OCEAN ENVIRONMENT, OR IN ANY OTHER SECTOR USING THE SKILLS GAINED WHILST TAKING PART IN THE CHARITY'S VOYAGES OR OTHER MARITIME ACTIVITIES; 3.1.3 TO MAKE AVAILABLE TO THE PUBLIC A KNOWLEDGE OF UP-TO-DATE DEVELOPMENTS IN THE SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS AND ENVIRONMENTAL SUSTAINABILITY ELEMENTS OF VOYAGING AND SEAMANSHIP.

Activities: The Tall Ships Youth Trust is dedicated to the personal development of young people through the crewing of Tall Ships. Its principal activities are to provide opportunities for young people to go to sea on the Trust's ocean going sail training vessels and to promote sail training internationally.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training, Disability, Amateur Sport
- **Who:** Children/young People, People With Disabilities

Geography

- **Area of benefit:** NATIONAL
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-02-28	£1,872,407	£2,032,910	£1,099,552	23
2024-02-29	£1,893,250	£1,847,741	£1,260,055	21
2023-02-28	£1,748,759	£1,762,892	£1,214,546	17
2022-02-28	£1,295,334	£1,532,554	£373,869	14
2021-02-28	£1,346,323	£1,305,964	£593,415	14

Trustees

Name	Role	Appointed
David Owen Aisher	Chair	2019-12-02
Andrew James Martyn		2021-12-17
Emma Bradshaw		2020-12-18
Helen Phillips		2026-01-28
Julian Brown		2021-12-17
Martin Layng		2023-12-07
Nicholas James Andrews		2018-11-27
Philippe dOrnano		2018-11-27
Simon Edwards		2018-11-27
Zafar Rushdie		2024-11-20

Linked charities

- ANDREW SALVESEN ENDOWMENT TRUST (314229-1)

TALL SHIPS YOUTH TRUST

England & Wales - Charity number 314229

Accounts

REGISTERED IN ENGLAND AND WALES NUMBER: 00567460

CHARITY NUMBER: 314229



REPORT AND ACCOUNTS

FOR THE YEAR ENDED

28 FEBRUARY 2025

TALL SHIPS YOUTH TRUST

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TALL SHIPS YOUTH TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 28 FEBRUARY 2025

Tall Ships Youth Trust is a company limited by guarantee and a registered charity.

Charity Number	314229
Company Number	00567460
Principal Office	2A The Hard, Portsmouth, PO1 3PT
Vice-Patrons	Mr I A Carruthers (deceased 9 October 2025) Mr P Coleman Mr D de Laszlo DL Lord Grade CBE Lord Greenway Mr M Le May Mr J Lennox Mr O Michaelson Mr D Tydeman Mr T Vokos Mrs C Williams
Trustees	Mr D Aisher, Chairman Mr N Andrews Mrs E Bradshaw Mr J Brown Mr P D'Ornano Mr S Edwards Mr M Layng Mr A Martyn Miss K Nazarin (Resigned 8 March 2024) Mr Z Rushdie (Appointed 20 November 2024) Mrs M Verghese-Dipple (Resigned 30 April 2025)
Chief Executive	Mr A Floyd
Company Secretary	Mr P Taylor
Auditor	Moore (South) LLP 9 St John's Place Newport Isle of Wight PO30 1LH
Bankers	Clydesdale Bank Plc Gatwick Business and Private Banking Centre 5 Peveril Court 6-8 London Road Crawley West Sussex RH10 8JE

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

CHAIRMAN'S INTRODUCTION

As we close the year ended 28 February 2025, we are preparing to increase our reach across the UK and for the growth of our fleet. Demand continues to increase for our three-voyage journey for young people. In 2024-25 we turned away over 200 young people due to lack of capacity. As a result of this growing trend, we've been working with funders and supporters to grow our capacity through the addition of Challenger vessels to our fleet.

The most significant support has been received from The Worshipful Company of Shipwrights. They, in a co-venture with The Gosling Foundation, are funding the acquisition of Challenger 5, which will join our fleet later in 2025. This is a significant step forward as we enter year three of our strategy. As Challenger 5 becomes operational it will give us an additional 300 places for young people and over 100 adults each year. Challenger 5 will also provide capacity which will be reduced as we enter our major refit programme for our existing 4 Challengers later in 2026.

Despite this capacity constraint, in the year ended 28 February 2025, 1,287 young people voyaged with us. This was a significant increase on our previously highest year in 2024. This represents the success of our strategy to voyage more in the winter months to increase utilisation, optimise occupancy and offer a three-voyage programme of Exploration, Empowerment and Leadership over three years. 42% of these young voyagers were girls and 18% were from the global majority. This continues to reflect better identification and engagement of young people and their decision makers led by our Youth Development & Outdoor Learning team. We have also increased the quality of our voyage experience across the three-voyage journey and planned better utilisation of our current fleet throughout all 12 months of the year through our Operations and Fleet Readiness team.

The development of our UK hubs continues to be a focus, removing the barriers to participation for young people wherever they are in the UK. This increased our voyaging from Plymouth, Belfast, Greenock and Ipswich. As we grow our fleet in 2025 and 2026, we will continue to increase our hub presence around the UK, including Wales, while maintaining our home hub at Portsmouth.

Throughout the year, 421 adult voyagers significantly contributed to the work of the trust through paid voyage experiences. Our adult voyagers often become volunteers and donors as they are so inspired by the young people they interact with. They form part of the donor community who are the lifeblood of Tall Ships Youth Trust. Our crews, supporters and donors continued to support young people voyaging and our work in what was an extremely challenging environment for all. Ongoing conflict in Europe and the Middle East, political instability and rising costs across the UK, created on-going financial challenges which we expect to continue in coming years.

As we look ahead, we have secured funding for our fifth Challenger, have positive indications of funding for a sixth vessel and are launching our campaign to refit the entire fleet from 2026. We are therefore optimistic that our strong growth path will continue towards supporting over 2,000 young people annually over the next few years despite a challenging financial environment.

In October this year, we received confirmation of a significant donation of £1m over three years from Sandra Dennis and her family, through her father's charitable foundation. This is a hugely impactful commitment that will support our growth plans across the UK and potentially contribute to the refit of our existing four Challengers. Our trustees have passed a resolution for recognition of the YC Chan Charitable Foundation on two of our Challengers and then two of our future major vessels in perpetuity.

If you feel that you could contribute to this work, please do contact us as we rely heavily on volunteers and donors to support all aspects of what we do.

David Aisher

Chair of Trustees, Tall Ships Youth Trust

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

OUR ONGOING APPROACH

We are now in year three of our strategy 2023 to 2028, following the launch of the three-voyage programme.

Our **Vision** is a society where all young people strive to create better outcomes for themselves and for their communities.

Our **Charitable Mission** is to enable young people, particularly those from disadvantaged backgrounds, to change their lives at sea and contribute to the maritime sector and the blue economy.

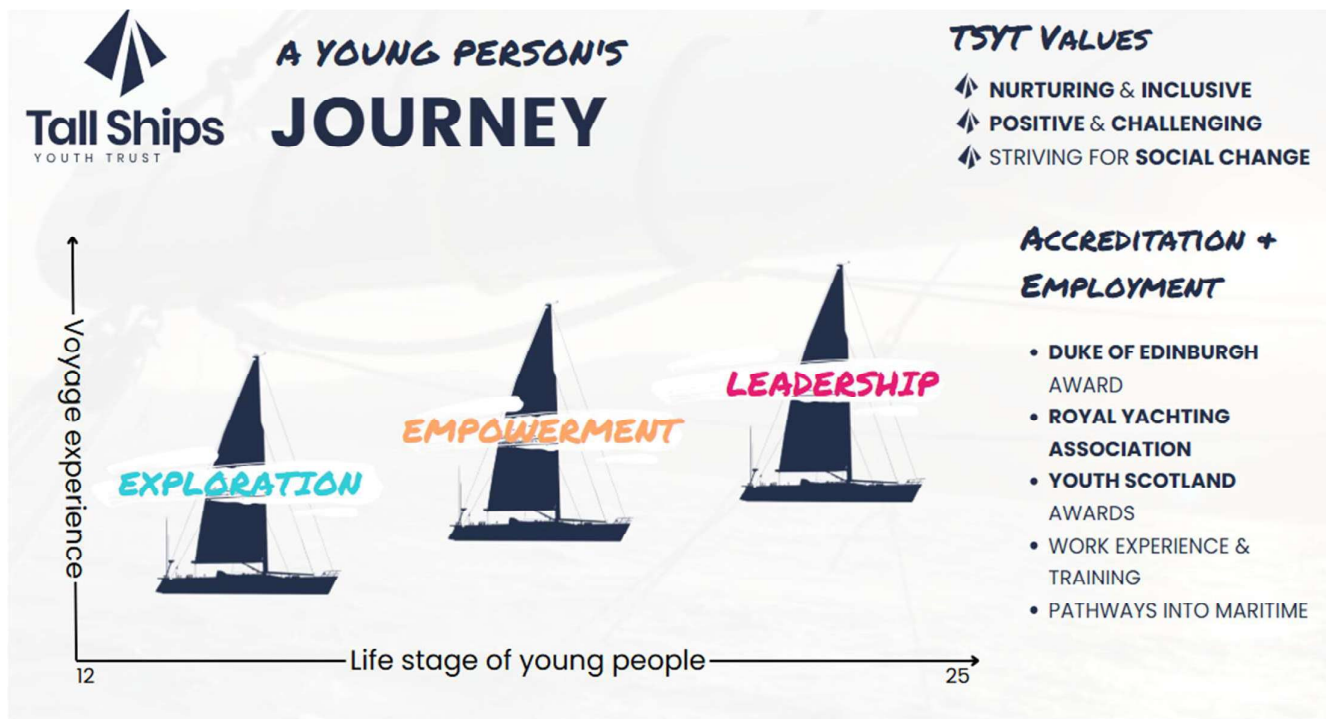
Our **Values** reflect our changing culture as a team, as a charity and as a society:

- **Nurturing and Inclusive** – We care for and encourage the development of all young people and adults who voyage with us; we include and integrate all people and groups in our work, especially those who are from disadvantaged backgrounds.
- **Positive & Challenging** – We are optimistic in all that we do, finding a way forward and making life happier; we challenge ourselves to seek the best in all of us and our voyagers, stimulating growth & learning.
- **Striving for Social Change** – We relentlessly pursue cultural, behavioural and institutional change through and for young people in society, and for the maritime environment.

Our **Purpose**: Out on the ocean we empower young people to realise their full potential, supporting them on their journey to adulthood and for some, careers in the maritime sector and the blue economy.

Our approach from 2025 is to continue to deliver three significant enhancements to the work of the Trust:

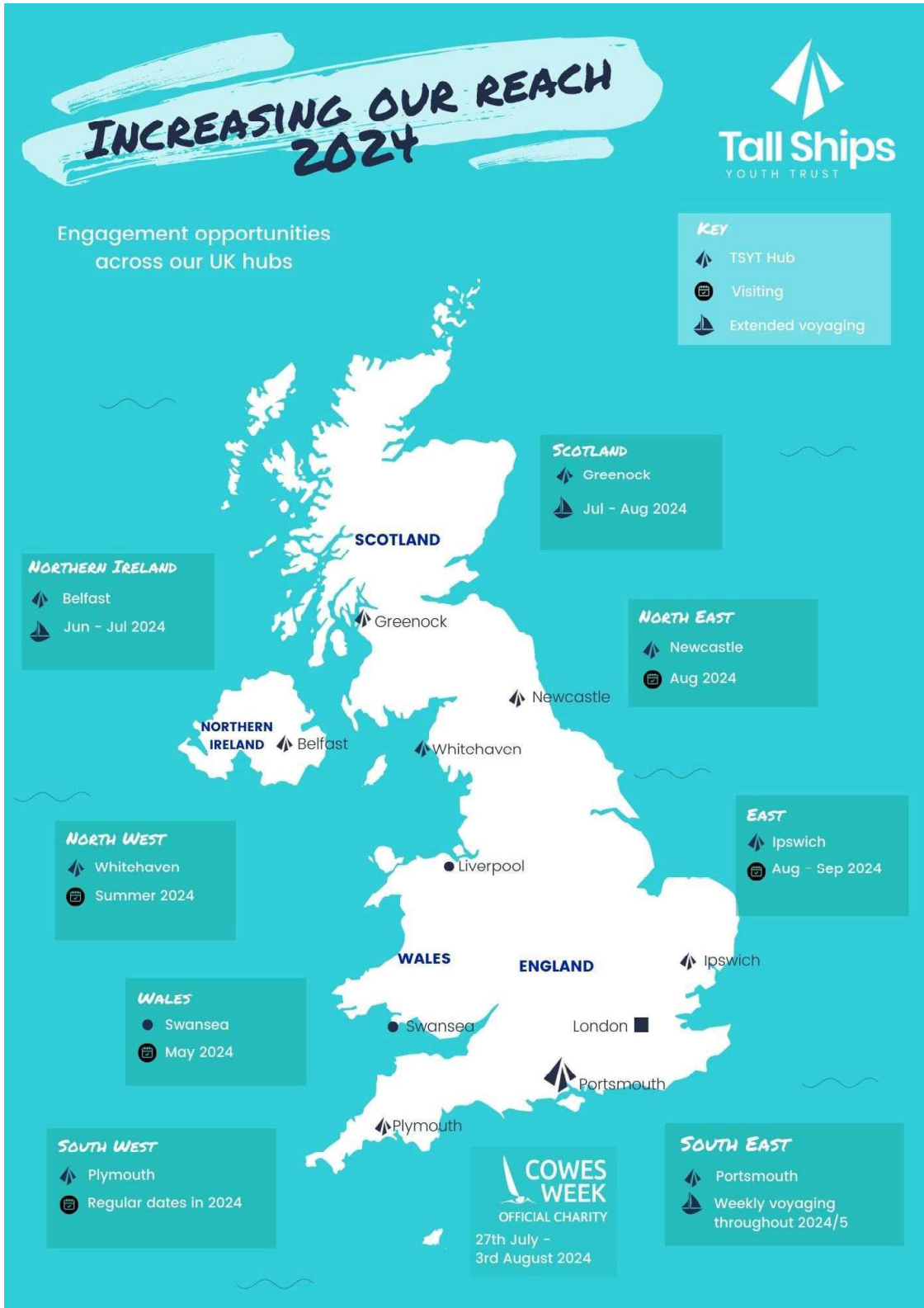
1. **Young Person's Journey through the three-voyage programme** (represented in the visual below). Working towards 80 Exploration, 15 Empowerment and 10 Leadership voyages annually.



TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

2. **Increasing our reach across the UK.** The visual below represents our continued increase in our reach. In this reporting year we have voyaged to/from: our Portsmouth Hub, Plymouth, Belfast, Glasgow and Ipswich. We continue to increase our presence across the UK, removing the barriers to participation in our programme for young people through more extended voyaging in each region.



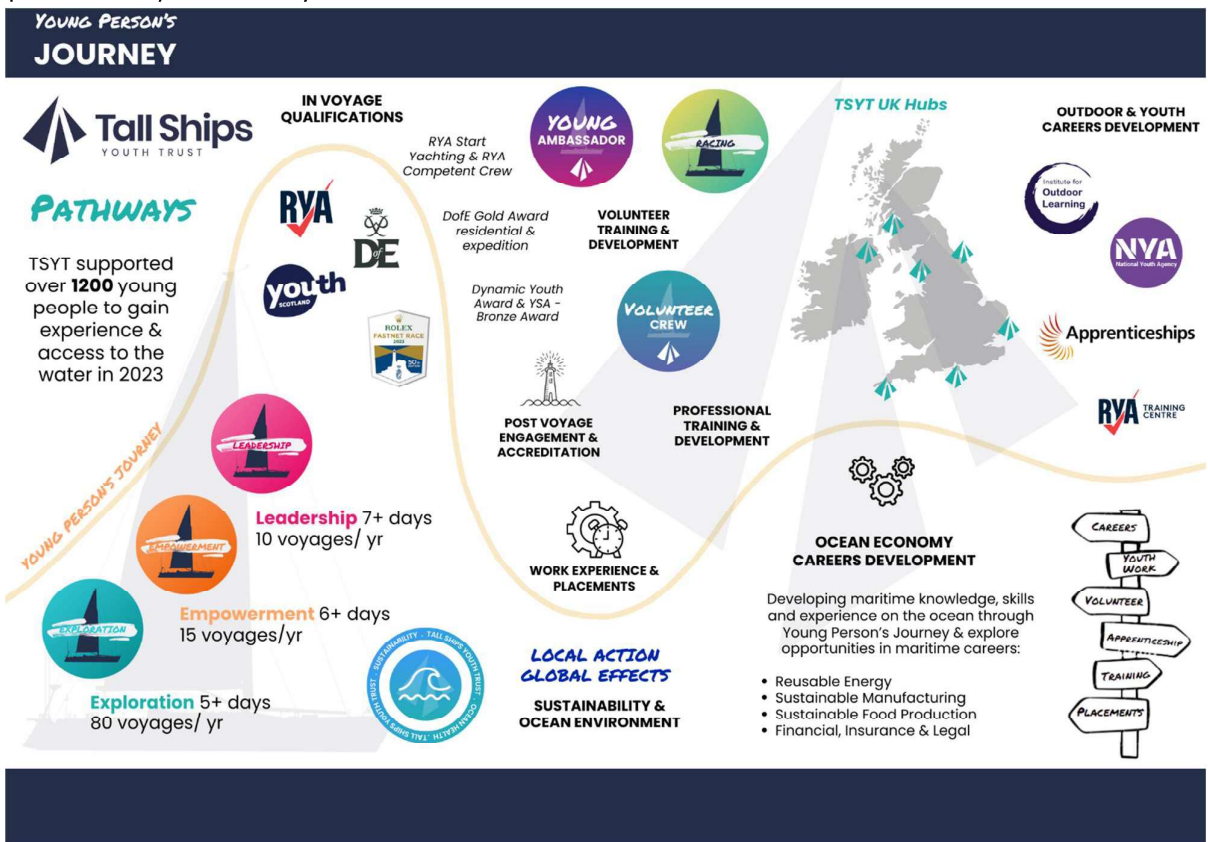
TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

- Development pathways for our crews, volunteers and Portsmouth Hub team** resulted in three Mates progressing to Skipper and three Watch Leaders progressing to 2nd Mate. For our Portsmouth Hub team: 2 staff progressed to Manager roles, and 3 new team members joined us to enhance our capability in fundraising, digital engagement & marketing and operations.

Additionally, in this past year we continued to develop pathways for young people into adulthood and employment. The visual below represents the entirety of the young person's pathway with us, from the three-voage journey including personal development, voyage progression, accreditation and qualifications, contribution to sustainable ocean environment and opportunities for apprenticeships and employment.

In reviewing the Trust's aims, objectives and planned activities, the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.



OUR BENEFICIARIES

The young people on our three-voage programme continue to inspire.

They come from across the UK and face significant adversity in their daily lives. Many struggle with their personal circumstances, or unmet needs, including mental and physical health struggles, neurodiversity, learning barriers, and socio-economic disadvantages. Too often they feel defined by their circumstances and limited in their life prospects.

The current economic crisis is also exacerbating UK youth unemployment. According to the Office for National Statistics, in October 2024: 642,000 16–24-year-olds were unemployed (up by 136,000 on 2023).

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

This is contributing to a skills shortage, with many young people lacking the technical, personal, and social skills needed to meet the demands of businesses, especially in the STEM fields vital to the UK's economic growth. An aging workforce threatens progress, risking setbacks in sustainability and innovation on land and at sea.

The legacy of the Covid-19 pandemic has further exacerbated these issues, intensifying the need for targeted, long-term interventions like ours, that build resilience, foster aspiration, and provide meaningful pathways forward.

Our work directly addresses these challenges by equipping young people with valuable workplace and life skills, while providing pathways for their development. The young people we support come to us independently or are referred to us by third party youth organisations, including schools, special needs schools, pupil referral units, and children's services.

Our voyages empower young people to step outside their comfort zones, discover hidden strengths, strengthen mind set and develop skills that build confidence and self-esteem for adulthood.

Alex: *"I struggled with interpersonal skills like socialising and communicating effectively, especially as I have a slight processing delay. This resulted in me becoming anxious in unfamiliar environments and social situations, which badly impacted my confidence and self-esteem. Before TSYT, University was not on my radar. Now I'm excited for the future."*

Each young person's journey is unique and allows participants to progress at their own pace. Those who complete the programme emerge as young leaders, mentors, and advocates of our work. Many also pursue volunteering opportunities or careers within the maritime and blue economy sectors, including paid positions at TSYT.

The programme runs all year round, offering more challenging experiences on our voyages of Empowerment and Leadership to further develop young people's skills. We use the space in between voyages as a time for reflection, with our young people continuing to build on their personal, social and practical skills development while they are back in their communities, as well as planning for their future engagement with Tall Ships Youth Trust (TSYT) through future voyages, to considering further training and career paths.

IMPACT

Our monitoring and evaluation processes are based on the Association of Sail Training Organisations' Theory of Change and Ofsted's Personal Development framework for education. This includes young people completing digital surveys at the end of each voyage, along with pre-voyage profiles for Empowerment and Leadership participants. Young people also receive a crew report highlighting their achievements and areas to focus on in between voyages.

We have a long-term goal to complete a longitudinal study with a research partner (with expertise in the fields of outdoor learning and sport). This will help us articulate how upstream investment in our programme improves outcomes for young people and therefore reduces the downstream impact and the need for social, health and justice services, resulting in a saving to society.

Since the three-voyage programme was introduced in February 2023, more than 1,200 young people have voyaged with us each year.

During 2024/25, 82% of the young people we supported were experiencing disadvantage, 58% were male, 42% were female, and almost 20% identified as belonging to the global majority, emphasising our dedication to serving diverse and marginalised communities

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2024/25 outcomes for young people include:

- Just under 900 Royal Yachting Association certificates were awarded, including 624 Start Yachting, 249 Competent Crew and 6 Watch Leader awards.
- January 2024 saw TSYT's first cohort of RYA Day Skipper Theory participants, with 19 successfully completing the course and passing their final exam.
- More than 140 young people achieved their DofE expeditions and Gold Award residentials.
- 25 young people took part in work experience placements with TSYT, including students from local schools and colleges and on the water placements for those training as Watch Leaders.
- 20 young people took part in Maritime engagement visits to Harland & Wolff and Babcock shipyards for career development days
- 10 young women attended the International Maritime Organizations, International Day for Women in Maritime symposium at their UN Headquarters in London.

Byron (17), Completed EXP, EMP and LEA voyages and recently completed the first year of his apprenticeship with Land and Water

Byron is a three-Voyage Programme success story, who was so inspired after his first voyage, he returned to progress and although only 14 at the start of our pilot Leadership voyage in 2024, (turned 15 before the end), his mature outlook stood him well with his peers. By 15 he'd completed work experience with a former TSYT sailor turned harbour master at Chichester harbour, knew he wanted to pursue engineering and loved the water, left school at 16 and secured his Land and Water apprenticeship!

'My experiences with TSYT set me apart from the other candidates. Meaning I secured my apprenticeship at 16 when I completed my GCSEs. My apprenticeship is literally based where land and water meet from the sea to rivers and lakes. My employers have been amazing and are supporting me on my next steps to a degree and hopefully further

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

ACHIEVEMENTS AND PERFORMANCE

Youth Development & Outdoor Learning

During the period covered by this report, our Youth Development and Outdoor Learning programme continues to serve over 1200 young people a year, maintaining our mission with 80% from disadvantaged backgrounds considering a wide range of influencing factors from young carers, young people at risk of offending, neurodiversity and postcode poverty.

As TSYT expands its reach across the UK our 75% returning client base continue their commitment to regular voyaging with some clients increasing to multiple voyages (Cross Keys Homes, eight; Naval Children's Charity, four; Thames Valley Police, four) and multiple vessels (e.g. Jewish Free School Combined Cadet Forces and Cardinal Newman Catholic School four boat charters). With growth areas around Belfast, Greenock and Plymouth, new clients are enabling us to build our programme further beyond our home port, extending our operations elsewhere in areas with high demand together with higher concentrations of disadvantage.

As an Approved Activity Provider for Duke of Edinburgh, we continue to see growing interest in completing the Gold Award residential onboard our voyages (voyages of 4+ nights qualify), resulting in over 100 young people completing their qualification with TSYT as part of it. Gold Expeditions have previously been held onboard the Ketch and with the end of activities for this vessel, these activities will now move to the Challengers in line with expedition guidelines.

In addition, we are expanding our skills set through the completion of Registered and Accredited Practitioners with the Institute of Outdoor Learning, together with extending our RYA offer. This includes RYA Day Skipper Theory courses, with our first two cohorts successfully completing their training by February 2025.

Following the success of the youth Fastnet crew in 2023, 2024/25 winter saw the start of the training and selection process for Fastnet 2025 as part of our new Ocean Racing Pathway. The initiative included two weekends each month throughout the winter, including racing drills, spinnaker training and team building in the lead up to the selection process taking place in the next reporting year.

As part of our annual programme, there is further growth in the 'space-in-between' through event engagement and building our network within the wider maritime sector. In this reporting year, this has included shipyard visits with Babcock in Rosyth and Harland & Wolff in Belfast, and engagement with the International Maritime Organizations' International Day for Women in Maritime symposium. Furthermore, we also engaged with relevant audiences at regional and maritime careers events including Seawork, Southampton International Boat Show and city-wide events for young people in our home hub, Portsmouth.

Fleet Activity and Maintenance

Our current fleet (four 72-foot Challengers and one 55-foot Ketch) were busy delivering 153 voyages.

The three-voyage programme is now well embedded and this year 75 Exploration, 14 Empowerment and 4 Leadership voyages were delivered.

A number of Hubs were visited including Plymouth, Swansea, Belfast, Greenock, Ipswich and Newcastle with extended periods operating out of Belfast and Greenock.

Challenger 4 ventured south over the winter to the Canaries including two Youth Voyages around the Canaries.

Three Challengers took part in the Round the Island Race, one of which was the culmination of a Youth Voyage.

Challenger 2 was taken out of active operations due to an incident in the Solent, returning to the programme approximately seven weeks later. All voyages during this period were successfully reallocated across the fleet or postponed to a later date.

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2024/25 saw the last year of operation for Tenacity of Bolton (our ketch). After 10 years of effective service, it has been decided that she does not fit with our future plans of operation and the costs to maintain and operate her over the next 5 years can be better utilised in other areas.

Initial implementation of the medium-term maintenance plan (to keep the Challengers operational until at least 2040) has started and general investment in the fleet continued, in particular with upgrades to navigational instruments with support from B&G, new GMDSS communications equipment as well as two sails. In 2025/26 the majority of the rest of the Challenger sails are due to be replaced and the final vessel is due to be fitted with new B&G equipment. Larger refit works are scheduled for each Challenger from 2026 onwards.

Options to bring another Challenger sized vessel online to meet demand were pursued throughout the year, resulting in Challenger 5 joining our fleet later in 2025. A significant achievement for our Operations and Fleet Readiness team.

Safeguarding and Incidents

The now embedded practice of the safety forums monthly and quarterly reviews has created a more robust process of reporting, reviewing and developing best practice for safeguarding, and crew and vessel incidents across the organisation. This now includes the reporting of near misses in all areas to improve standards and create learning and development opportunities.

Safeguarding remains a priority with in-person training at annual start of season training and regular updates throughout the season for returning crews. We maintain approximately 100 DBS checks per year showing commitment to the safe recruitment and retention of volunteers, freelancers and employed members of the team. The cycle of DBS renewals is maintained and remains compliant with DBS standards.

Raising Awareness and Increasing Our Reach

We continue to work hard to remove the barriers which prevent young people from accessing our youth development programme.

To support this, we have established regional hubs in Plymouth, Swansea, Belfast, Whitehaven, Greenock, Newcastle and Ipswich, and run voyages from these locations for parts of the year, making it easier for young people from all over the country to access our programme.

To raise our profile in these locations, we are using our digital platforms for targeted outreach, and have run events from key locations, including Plymouth, Belfast and Greenock, to engage with youth organisations, potential funders, and members of the public locally.

Our Digital, Engagement and Marketing team continue to drive growth in terms of our digital presence. The 2024/25 financial year saw a total of 91K users visit our website, representing a 139% increase from 38K in 2023/24. Of these, 20% arrived via organic search and 19% via organic social, underlining the growing value of people actively finding TSYT through search engines and highlighting the role of TSYT's social media content in driving awareness and engagement. In the same period, our total organic reach across social media channels grew to 317K.

As of February 2025, our combined organic social media audience across TikTok, LinkedIn, Facebook, and Instagram reached 14,240 followers, a 21% increase from 11,729 in February 2024.

Our Digital, Engagement and Marketing team will continue to focus on building the TSYT digital community, with a focus to engage and communicate with young people, their decision makers, members, donors, alumni and key stakeholders.

2024/25 was another effective year in terms of audience engagement, particularly during the summer months, with events including our charity partnership with British Classic Week and Cowes Week. The GSA Group also held their annual Student Living Sailing Regatta in support of Tall Ships Youth Trust for the second year running, raising over £9,000 which funded an exploration voyage for 10 young people from Addey and Stanhope in London. Off the back of our first ever youth crew competing in the Fastnet race in 2023, we also launched our 2025 Ocean Racing Pathway Fastnet Campaign, engaging more than 40 young people, with 19 going on to compete, and the entire campaign raising almost £140,000.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

Fundraising

The economic climate continues to be challenging but despite this, we achieved a total of £1.2m in fundraising income during 2024/25, (compared with £1.1m in 2023/24). This includes day-to-day fundraising income of £773k, of which more than £430k was raised from 122 grant making trusts and foundations, as well funds raised from individual donations, events, in-memory donations and corporate support.

In addition to our day-to-day income, we secured £500k towards the acquisition of an additional vessel (Challenger 5) which we plan to operate from March 2026 and secured a pledge of £550k for the purchase of Challenger 6, which we intend to purchase within the next 2-3 years. This is an incredible achievement and testament to the significant support we receive from our loyal funders and donors, many of whom support us year on year. In addition, we have received notification of a legacy from the estate of Mr Raymond Trubshaw, a former voyager from Scotland. The mechanism and timing for disbursement for this legacy to TSYT are still to be communicated by the executors. Accordingly, the trustees have taken the prudent position of not including the income or receivable in our 2024/25 financial accounts. We hope to receive clarification from the executors of their intent in the near future.

We would like to say thank you to all of the trusts and foundations, companies, individuals and members who continue to fund and support our work. This includes the Y C Chan Charitable Foundation, the Hargreaves Foundation, John Lyon's Charity, The Corporation of Trinity House, The Swire Charitable Trust, The Hugo Halkes Charity and the family of Eddie Dunhill.

We would like to thank the Worshipful Company of Shipwrights and the Gosling Foundation in particular for their significant support of our mission to increase our sea-going capacity.

Tall Ships Youth Trust is a signed-up member of the Fundraising Regulator. The Trust is committed to ensuring ethical fundraising practices, and Trustees regularly confirm this is the case. We received zero complaints this year about our fundraising.

Recommendations through Three-Voyage Programme

Progression through the three-voyage programme is supported by a recommendation process, enabling young people to move to the next appropriate step in their journey, through Empowerment and Leadership voyages. Commencing in 2024, there is also now the potential to join the Ocean Racing Pathway and to train and apply for a place on Fastnet 2025 and other events surrounding maritime careers opportunities.

In 2024/25, 227 young people were recommended to return for Empowerment voyages and 87 for Leadership voyages. Beyond the three-Voyage Programme we continue to support our young people on their journeys through follow up engagement opportunities in careers, fundraising and work experience.

Volunteering

Pathways into volunteering are varied and established with TSYT. In 2024/25 158 persons were recommended to join us as a volunteer (121 as Trainee Watch Leader (TWL), 30 as Watch Leader and 7 as Youth Mentor) with 77 (49%) of these successfully completing the application process.

For our young people under 16, they can return to voyage and support the role within the watch onboard, becoming a TWL when they turn sixteen. In addition, our Young Ambassadors cohort, commencing in 2023, continues to grow and we have a number of young people supporting our events and publications through their own journey experiences to guide and inform others.

As a result of extending our reach, we are seeing more volunteers joining us through events, talks and presentations through sailing clubs and those who are on RYA training courses with members of our freelance teams who are RYA instructors. This additional source of volunteers is bringing a wealth of expertise in youth work, voyaging and role models to grow our team and support our work.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

RISK REVIEW

The major potential operational, reputation and financial risk profiles to which the Trust is exposed, as identified by the Board, are reviewed on an annual basis and systems enhanced to mitigate those risks. They fall into five categories, as described below:

Resource

Insufficient number of competent and trained crew/staff. Insufficient number of seagoing volunteers. Inability to attract and retain crew/staff, with competitive remuneration and flexible working. Loss of key members of crew/staff threatens effective voyage operations, donor management and growth plans.

Funding

Cashflow insufficient to operate the charity. Charity's net assets insufficient to cover restricted funds (note 19). Asset-to-loan ratio inadequate. Voyage income, routine fundraising and special initiatives fail to meet targets. Insufficient new funds identified to meet growing need.

Operational

Global event impacts on voyage programme. Certification failure of a vessel threatens programme. Crew shortage, medical, illness, or defects prevent vessel voyaging. Incident or serious accident to crew, staff or the public while operating the vessels. Incident at sea damages a vessel. Hub closure due to an onshore incident.

Reputational

Safeguarding incident with client, YP, voyager or team member as the Trust grows across the UK. Incident at sea leading to bad publicity. Financial sustainability and fundraising ethical risk. Failure of IT system security, CRM. GDPR and data breach.

Developmental

Development work fails to achieve targets. Hub facilities ineffective. Inability to secure next fleet vessel.

For all these risks, and their elemental constituents, mitigation has been put in place. Our Finance, Audit and Risk Committee regularly review our Risk Register, to ensure appropriate mitigation measures are in place and monitored. In turn, our Board support and monitor this process. Fundraising and Resourcing are uncertain and therefore higher risk, given environmental and economic conditions in the UK. The residual risk at 28 February 2025, for the other risk areas, is assessed to be low.

ENVIRONMENTAL POLICY

Our Sustainability Working Group (SWG), led by our management team, is developing our pathway towards ISO accreditation in environment sustainability over the next few years. On our voyages, alongside and on land, our young people are the workforce driving ocean sustainability and protection of our planet for future generations to come. We have committed to the RYA Green Blue Pledge to Respect, Enjoy and Protect our inland and marine waters, wildlife and habitats. We have also committed to supporting a sustainable ocean project with the IMO throughout our thousands of miles voyaging around the UK and internationally

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Tall Ships Youth Trust is a charitable company limited by guarantee. The governing documents are its Memorandum and Articles of Association. For the purposes of Company Law, the Trustees listed on page 2 are the directors of the company and are elected by resolution of the company at a general meeting. The company is administered under the control of the Trustees, sitting as a Board, who have general control of and responsibility for the strategic direction of the Trust and its subsidiary companies, and delegate day-to-day responsibility to the Executive team.

During the financial year it was passed by the Board of Trustees to amend the objects of the charity, to bring them more up to date and fit for purpose to align with the work carried out by the charity, together with some changes to trustee indemnity provisions and dissolution provisions. These changes were approved by the Charity Commission and then presented to the membership at the AGM, by way of Special Resolution, and passed on 24 March 2025. The objects alteration was lodged at Companies House on 8 July 2025. The revised Articles were lodged at both Companies House and the Charity Commission on 14 July 2025.

The trading operations of the Trust are devolved to its wholly owned subsidiary, Tall Ships Limited. As well as appointing directors to the subsidiary company, the Board can establish other committees to deal with different aspects of the Trust's work, as necessary.

Trustees are conscious of the ACEVO/NCVO/Charity Commission sponsored 'Code of Charity Governance' and have been applying considerable effort towards full compliance. In terms of leadership, one new Trustee joined the Trust in this reporting year, following screening and selection on the Board's behalf by a Nomination and Remuneration Committee. This consists of four Trustees including the Chairman. Candidates are invited to meet at least two Members of the Committee and the Chief Executive. All new Trustees also receive a full briefing on the Trust's financial performance, business plans and key issues, and meet key employees. On conclusion of this process, the Committee recommend candidates to the Board which decides on the appointment and, if successful, co-opts the individual until the next AGM at which their appointment is ratified by the members.

The Trust has an induction programme for Trustees. The programme includes visits to the Trust's Portsmouth hub and main operating base, introduction to new youth initiatives, coverage of the charity's aims and how they are being fulfilled, the role and duties of the Trustees, company and charity law and governance, and financial and risk management.

We are keen to promote a spirit of openness within the charity – between Trustees, Executives, Beneficiaries, Volunteers and Supporters. Use of virtual technology for our AGM, combined with a physical meeting, ensured a high level of engagement across our members.

This year, we were delighted to appoint Zafar Rushdie to the Trustee Board. With more than 20 years of experience in publicity, events, and marketing, Zafar brings a wealth of expertise, and we look forward to the valuable contributions he will make. We bid a heartfelt farewell and extend our sincere thanks to trustee Mary Verghese-Dipple. Since joining the Board in January 2023, Mary has played a vital role, generously giving her time and sharing her valuable legal expertise.

We delegate responsibility to the Finance, Audit and Risk Committee for reporting to the Board about financial matters including forecast cash flows and our risk profile. The Committee considers the financial statements and risk register, meets regularly with the Chief Executive and Finance Director, and oversees the appointment of the external auditors, and reviews their findings.

Day-to-day management of the Trust is delegated to the Chief Executive, who oversees the on-shore and off-shore operations including youth development, voyaging, income generation and business functions.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

FINANCIAL REVIEW

During the year the Trust generated overall income of £1,872,407 (2024 - £1,893,250). The majority £1,177,591 (2024 - £1,104,351) being donations, legacy income and membership income from supporters. Direct voyage fees of £679,451 (2024 - £781,382) were received from the voyage programme and combined with restricted bursary funds of £971,119 (2024 - £699,227) resulting in £1,650,570 voyage income (2024 - £1,480,609) for the trading subsidiary Tall Ships Limited to run voyages throughout the year. Tall Ships Limited generated a surplus in the year of £354,572 (2024 - £322,700).

During the financial year, the charity was notified of a legacy of potentially up to £650,000 from the estate of Mr Raymond Trubshaw (a former voyager with the charity) which may accrue to TSYT. The trustees are continuing to engage with the executors of that estate to ascertain the amount and timing of funds which might accrue to the charity. The trustees have not included this income in the financial statements for the year under review, as it does not meet the recognition criteria.

The consolidated group result for the year was a deficit on general funds of £155,398 (2024 - surplus £136,933), together with a deficit on restricted voyage funds of £5,105 (2024 - deficit £91,424).

Overall, the unrestricted funds reduced to £222,491 (2024 - increased to £377,889), however the restricted and bursary funds reduced from £831,034 to £825,929. There was no change in the small balance of endowment funds. The group net asset position was therefore £1,099,552 (2024 - £1,260,055) and the Trust entity position decreased from £1,329,343 to £1,119,031. The overall cash flow position was a reduction in cash balances of £43,797 to £148,942 (2024 - reduction of £49,081).

Whilst the cash flow and cash balances have improved significantly since the year end, the Charity continues to manage cash balances closely to ensure that they are adequate to cover likely obligations under restricted donation reserves. The Charity has a plan in place to continue to address the restricted fund balance, led by the Finance, Audit & Risk Committee. The committee meets regularly and continues to monitor cash flow forecasts, cash balances, restricted balances and indebtedness.

The Trustees believe that the Charity's cash balance and future cash flow projections are such that there is no material risk of the charity not meeting all its obligations (restricted funds and otherwise) for the foreseeable future.

FUTURE FINANCIAL PROSPECTS AND RESERVES POLICY

Our current operating model is effective, producing a cashflow surplus under normal trading.

We continue to repay historic loan debts following the disposal of the brig. We have restructured the loan agreement with The Corporation of Trinity House with repayment plans over longer terms. We are very grateful for their continued support and understanding.

The final payment of the liability to the Merchant Naval Officers Pension Fund was made in the prior year, further improving our debt position.

Our new Strategic Plan is in full operation, covering the 5-year period 2023-2028. We have a strong and diverse Board of Trustees alongside competent, trained and motivated on-shore and off-shore staff, led by a CEO experienced in fundraising, commercial business and leading change.

As part of this work, we have progressed with our plan to raise sufficient funds to acquire an additional vessel to increase our capacity and to meet the demand for our services. Challenger 5 has been added to our fleet and will be operational from 2026. This will further enhance our sustainable financial position going forward.

The Trustees' long-term objective is to build the Trust's reserves to protect our charitable mission against unexpected events. We have therefore set a medium-term goal of building available liquid assets of unrestricted funds to meet any potential gap between income and expenditure, to build sufficient assets to cover restricted funds and to such level that unrestricted funds return to positive balance.

The Trust will continue to make progress in terms of the number of young people we take to sea, particularly those who are from disadvantaged backgrounds, our net operating income, and our fundraising capacity.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also Directors of Tall Ships Youth Trust for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

Statement as to disclosure of information to Auditors

In so far as each of the Trustees are aware: -

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

This report, which also meets the requirements of the Directors' Report for company law purposes has been prepared in accordance with the special provisions applicable to small companies and the charities SORP 2019 (FRS 102)

Auditors

Moore (South) LLP have expressed their willingness to continue in office, and a resolution for their reappointment for the next financial year will be put to the Annual General Meeting.

ON BEHALF OF THE TRUSTEES



David Aisher
Chairman of the Board of Trustees

Dated: 24 December 2025

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2025

Opinion

We have audited the consolidated financial statements of Tall Ships Youth Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 28 February 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 parent company's affairs as at 28 February 2025, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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.

Emphasis of Matter – material uncertainty relating to going concern

We draw your attention to the going concern accounting policy on pages 24 and 25 in the financial statements. The Trustees have implemented a plan to alleviate the cash shortfall on restricted funds and continue to manage the financial commitments of the Charity as they fall due. These events and conditions, along with the other matters as set out in the policy indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2025

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and their environment obtained in the course of the audit, we have not identified material misstatements in Directors' Report, included in 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 accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's financial statements are not in agreement with the accounting records; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the consolidated financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirements to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14 the trustees, who are also the directors of the charitable parent 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2025

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 consolidated financial statements.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company and the group.

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Revenue recognition was also identified as part of our audit planning as a significant risk to the audit. Although the processing and recording of transactions is straight forward, there is the risk that revenue might not be recognised within the correct accounting period.
- Some income received is restricted in its use and a significant risk was identified regarding the correct classification of income between restricted and unrestricted funds and that the expenditure against this income was in line with any specified restrictions.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2025

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and we considered the most significant to be the Companies Act 2006, the Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- The consolidated financial statements of the group incorporate the results of the subsidiary company. Moore (South) LLP are auditors to the whole group and the same approach has been adopted to the subsidiary company as is appropriate to that entity.

In response to the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed transactions with related parties, in particular the management charges and transactions with group entities;
- reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation; and
- tested a sample of invoices to ensure expenditure was for bona fide expenses and has been appropriately authorised.

In response to the risk of incorrect recognition of income we:

- performed analytical procedures including comparing revenue received to the prior period and to budgets;
- vouched a sample of donations and grants received in the year to supporting documentation; and
- tested a sample of gifts and donations received around the balance sheet date to agree income has been included within the correct accounting period.

In response to the classification of income between restricted and unrestricted we:

- agreed a sample of grants and donations recorded in the nominal ledger to source documentation to ensure any restrictions were correctly identified,
- agreed a sample of expenses incurred to ensure that they had been allocated to the appropriate fund; and
- obtained and reviewed fund analysis workings to ensure that the calculations were correct and agreed to the accounting records.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2025

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the charitable parent 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 parent 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 parent company and the charitable parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sue Lucas (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP
Chartered Accountants
Statutory Auditor

9 St Johns Place
Newport
Isle of Wight
PO30 1LH

24 December 2025

TALL SHIPS YOUTH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2025

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds Year to 28/2/2025	Total Funds Year to 29/2/2024
	<u>Note</u>	2025 £	2025 £	2025 £	2025 £	2024 £
Income and Endowments from:						
Donations and legacies	2	623,587	554,004	-	1,177,591	1,104,351
Investments		13,354	2,011	-	15,365	7,517
Charitable activities	3	<u>679,451</u>	-	-	<u>679,451</u>	<u>781,382</u>
Total income		<u>1,316,392</u>	<u>556,015</u>	-	<u>1,872,407</u>	<u>1,893,250</u>
Expenditure on:						
Raising funds	5	392,517	-	-	392,517	360,721
Charitable activities	5	<u>1,079,273</u>	<u>561,120</u>	-	<u>1,640,393</u>	<u>1,487,020</u>
Total expenditure		<u>1,471,790</u>	<u>561,120</u>	-	<u>2,032,910</u>	<u>1,847,741</u>
Net movement in funds		(155,398)	(5,105)	-	(160,503)	45,509
Fund balances brought forward At 1 March 2024		<u>377,889</u>	<u>831,034</u>	<u>51,132</u>	<u>1,260,055</u>	<u>1,214,546</u>
Fund balances carried forward At 28 February 2025		<u>222,491</u> =====	<u>825,929</u> =====	<u>51,132</u> =====	<u>1,099,552</u> =====	<u>1,260,055</u> =====

The accompanying accounting policies and notes form an integral part of these financial statements.

All operations of the Trust and its subsidiaries are classed as continuing.

There was no movement on the endowment funds in either the current or prior year and so no separate income and expenditure account is included.

TALL SHIPS YOUTH TRUST

BALANCE SHEETS AS AT 28 FEBRUARY 2025

	<u>Note</u>	Consolidated		Tall Ships Youth Trust	
		28/2/2025	29/2/2024	28/2/2025	29/2/2024
		£	£	£	£
Fixed assets					
Tangible assets	11	1,606,214	1,745,730	1,606,214	1,745,730
		=====	=====	=====	=====
Current assets					
Stocks		8,471	9,081	250	250
Debtors	12	138,357	86,111	123,133	70,497
Investments	13	-	6,642	-	6,642
Cash at bank and in hand		<u>148,942</u>	<u>192,739</u>	<u>76,982</u>	<u>146,057</u>
		295,770	294,573	200,365	223,446
Creditors: amounts falling due within one year	14	<u>(607,802)</u>	<u>(500,063)</u>	<u>(492,918)</u>	<u>(359,648)</u>
Net current liabilities		<u>(312,032)</u>	<u>(205,490)</u>	<u>(292,553)</u>	<u>(136,202)</u>
Total assets less current liabilities		1,294,182	1,540,240	1,313,661	1,609,528
Creditors: amounts falling due after more than one year	15	<u>(194,630)</u>	<u>(280,185)</u>	<u>(194,630)</u>	<u>(280,185)</u>
		<u>1,099,552</u>	<u>1,260,055</u>	<u>1,119,031</u>	<u>1,329,343</u>
		=====	=====	=====	=====
Capital funds					
Endowment funds	16	51,132	51,132	51,132	51,132
Income funds					
Restricted funds	17	825,929	831,034	825,929	831,034
Revaluation reserve	18	1,504,475	1,620,204	1,504,475	1,620,204
Other unrestricted funds	18	<u>(1,281,984)</u>	<u>(1,242,315)</u>	<u>(1,262,505)</u>	<u>(1,173,027)</u>
		<u>1,099,552</u>	<u>1,260,055</u>	<u>1,119,031</u>	<u>1,329,343</u>
		=====	=====	=====	=====

The financial statements were approved by the Trustees on 24 December 2025



David Aisher
Chairman of the Board

Charity Number: 314229 Company Number: 00567460

The accompanying accounting policies and notes form an integral part of these financial statements.

TALL SHIPS YOUTH TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2025

	28/2/2025	29/2/2024	
	Group	Group	
	£	£	
Cashflow from operating activities			
Net cashflow from operations See Below	<u>(21,438)</u>	<u>39,338</u>	
Total cashflow from operating activities	<u>(21,438)</u>	<u>39,338</u>	
Cashflow from investing activities			
Interest received	15,365	7,517	
Payments to acquire fixed assets	<u>(2,169)</u>	<u>(380)</u>	
Total cashflow on Investing activities	<u>13,196</u>	<u>7,137</u>	
Cash from financing activities			
Cash inflows from new borrowing	50,000		
Repayments of borrowing	<u>(85,555)</u>	<u>(95,556)</u>	
Net cash provided by (used in) financing activities	(35,555)	<u>(95,556)</u>	
Net Increase/(decrease) in cash and cash equivalents	(43,797)	(49,081)	
Cash and cash equivalents at 1 March 2024	<u>192,739</u>	<u>241,820</u>	
Cash and cash equivalents at 28 February 2025	148,942	192,739	
	=====	=====	
Cash and cash equivalents consist of:			
Cash at bank and in hand	<u>148,942</u>	<u>192,739</u>	
Cash and cash equivalent at 28 February 2025	148,942	192,739	
	=====	=====	
Reconciliation of income to net cashflow from operations:			
	28/2/2025	29/2/2024	
	£	£	
Net income resources	(160,503)	45,509	
Depreciation charges	141,685	141,733	
Investment income	(15,365)	(7,517)	
Change in value of investments	6,642	(518)	
(Increase)/decrease in stocks	610	(301)	
(Increase)/decrease in debtors	(52,246)	(19,562)	
Increase/(decrease) in creditors	<u>57,739</u>	<u>(120,006)</u>	
Net cash inflow from operations	<u>(21,438)</u>	<u>39,338</u>	
	=====	=====	
Analysis of changes in net debt			
	1/3/2024	Cashflows	28/2/2025
	£	£	£
Long term borrowing			
Bank loan	(115,741)	55,555	(60,186)
Loans from Trustees and funders	<u>(250,000)</u>	<u>(20,000)</u>	<u>(270,000)</u>
Total liabilities	(365,741)	35,555	(330,186)
Bank and cash balances	<u>192,739</u>	<u>(43,797)</u>	<u>148,942</u>
Total net debt	<u>(173,002)</u>	<u>(8,242)</u>	<u>(181,244)</u>
	=====	=====	=====

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2025

ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

General Information and Accounting Convention

Tall Ships Youth Trust is a charitable company limited by guarantee, registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office, together with the objects of the Charity are given in the charity information on pages 2 and 4 respectively of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the charitable company's Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charitable company and rounded to the nearest £1.

Going Concern

The charity's revenues derive principally from various forms of donation and voyage income. Since the end of COVID, voyage income has picked up encouragingly. However, following the commencement of hostilities in Ukraine and a general weakening of UK economic sentiment, donations across the UK charitable sector have been weaker. The charity has not been immune from this. Notwithstanding this, since the year end the charity received a £1 million pledge from YC Chan Charitable Foundation of which £400,000 was received in November 2025 and the balance is receivable in 2026 and 2027.

In addition, the charity was notified of a legacy of potentially up to £650,000 from the estate of Mr Raymond Trubshaw (a former voyager with the charity) which may accrue to TSYT. The trustees are continuing to engage with the executors of that estate to ascertain the amount and timing of funds which might accrue to the charity.

The Charity has a deficit of assets making up its unrestricted funds (see note 18). This stems from the sale of the brig "Stavros" in 2017 for £350,000, when the book value was £3.5 million. This resulted in a substantial loss and write-down of the charity's general reserves in that year. This write-down resulted in the charity being in technical breach of trust with donors as its restricted fund balances were not fully covered by cash. The Charity informed the Charity Commission of this event at that time and has operated with restricted funds not fully covered by cash since then.

As of 28 February 2025, the restricted fund balance was £825,929 and cash balances were £148,942 leading to a deficit of £676,987. As of 30 November 2025, the restricted fund balance was £706,152 and cash balances (net of a short-term loan repayable in February 2026) were £398,757, leading to a reduced deficit of £307,395.

The Charity manages the restricted fund balance by monitoring the usage of individual restricted funds, management of cash flow and cost containment. The Charity ensures that providers of restricted funds are updated wherever appropriate. Historically, the incidence of restricted funds needing to be repaid to donors is extremely low (in both number and value). Furthermore, no funds have been required to be repaid to donors since the end of COVID.

Management has a plan to reduce the restricted fund balance. This includes seeking to reclassify long-standing unspent restricted funds and engaging with other donors where the restrictions are difficult to meet (for example due to geographical constraints). The YC Chan Charitable Foundation donation will contribute to the reduction of the restricted fund deficit in the coming financial years.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2025

The Trustees have received legal advice that their approach with respect to restricted funds is appropriate.

The Charity has an operating subsidiary, Tall Ships Limited, which runs the voyage programme. Tall Ships Limited had a net liability at the year-end of £64,416 (down from a net liability in 2024 of £418,988). The Charity provides ongoing financial support to Tall Ships Limited of £44,937 (2024: £349,697) by way of an inter-company loan, which it has confirmed it will not seek repayment of within the next 12 months.

The Charity's Finance, Audit and Risk Committee meet regularly to monitor cash flow forecasts, cash balances, restricted fund utilisation, and indebtedness.

The Trustees believe that the Charity's cash balance and future cash flow projections are such that there is no material risk of the charity not meeting all its obligations (restricted funds and otherwise) for the foreseeable future. Accordingly, the accounts are prepared on a going concern basis.

Basis of Consolidation

The group financial statements consolidate those of the charitable company and of its subsidiary undertaking. The results of the charitable company's trading subsidiary, Tall Ships Limited, have been consolidated on a line-by-line basis. Surpluses or deficits on intra-group transactions are eliminated in full.

A separate statement of financial activities and income and expenditure account for the charitable company itself are not presented because the charitable company has taken advantage of the exemptions afforded by the Companies Act 2006.

FUND ACCOUNTING

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

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

Endowment funds represent those assets which must be held permanently by the charity. Expendable Endowments permit the Charity to spend the capital sum on suitable capital projects with the permission of the donor. Income arising on the endowment funds can be used in accordance with the objects of the charity and is transferred to the general funds. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the relevant fund. The purpose and use of each expendable endowment fund is set out in the notes to the financial statements.

INCOME RECOGNITION POLICIES

Donations and Gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed performance restrictions, in which case recognition is deferred until the pre-condition has been met.

Legacies are recognised as receivable once probate has been granted, notification has been received and sufficient information is available to make a realistic assessment of the value of the charitable company's entitlement.

Intangible income is valued and included in income to the extent that it represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure. Voluntary help is not included as income.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2025

Life subscriptions are counted in full when received.

Donations and any associated income tax recoveries when donated under gift aid are credited as income when the amounts are received.

Activities for Generating Funds

Revenue from activities such as special fundraising events is recognised in the period in which the activity or event occurs.

Investment income

Investment income is recognised when receivable.

Incoming Resources from Charitable Activities

Revenue from voyage fees is recognised in the period in which the voyage commences.

Grants Receivable

Income from Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes details of the costs in relation to fundraising events, following up donations, and seeking voluntary contributions and donations from supporters, and available sources;
- Expenditure on charitable activities includes the costs of the charity's work with young people, sailing trips and other residential activities including all planning activities, maintenance of the Charity's assets, preparation and follow up; and
- Other expenditure represents those items not falling into the categories above.
- Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Allocation of Support Costs

Support costs are those that assist the work of the charity, but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Charity's main base in Portsmouth. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises and other overheads have been allocated on a basis relating to use and the proportion of staff time incurred on those matters.

The analysis of these costs is included in note 6.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2025

TANGIBLE FIXED ASSETS AND DEPRECIATION

Individual assets costing £250 or more are capitalised. Yachts are stated at valuation and other tangible fixed assets are stated at cost, net of depreciation and any impairment losses. Depreciation is calculated on all tangible fixed assets to write down the cost or valuation less estimated residual value by annual instalments over their expected useful lives. Any excess depreciation on revalued assets is transferred to the revaluation reserve on an annual basis. The periods generally applicable are: -

Yachts	15 years Straight line
Computers and Office Equipment	5 years Straight line
Display and Exhibition Equipment	5 years Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying value of the asset, and is recognised in the statement of activities.

As part of the periodic review of asset useful lives conducted at each reporting date, the charitable company reassessed the estimated useful life of the Challenger yachts. Effective 1 March 2023, the Challenger yachts have been determined to have a remaining estimated useful life of 15 years.

IMPAIRMENT OF FIXED ASSETS

At each reporting date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

FOREIGN CURRENCIES

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

INVESTMENTS

Assets held for investment purposes are included at market value.

Traded securities are valued at the mid-point quotation in the Stock Exchange Daily List. Other investment assets are included at the Trustees' best estimate of market value. Donated shares that come with a requirement that they be held for a fixed period are included in the Balance Sheet at a value assessed by the Trustees at the date of receipt. This value is then reviewed by the Trustees at each balance sheet date.

STOCKS

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition.

Provision is made for damaged, obsolete and slow-moving stock where appropriate.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

DEBTORS

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

CREDITORS

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.

RETIREMENT BENEFITS

Defined Contribution Scheme

The pension costs charged in the period represent the amount of the contributions payable to the scheme in respect of the accounting period.

Defined Benefit Scheme

Some former employees of the Trust's active subsidiary, Tall Ships Limited, were members of a multi-employer scheme. Tall Ships Limited is unable to identify its share of the underlying assets and liabilities of this scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement Benefits', accounts for it as if it were a defined contribution scheme.

OPERATING LEASE AGREEMENTS

Rentals payable and receivable under operating leases are charged as an expense to the SOFA on a straight-line basis over the period of the lease.

TAXATION

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

FINANCIAL ASSETS AND LIABILITIES

The Trust only has financial assets and financial 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.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

1. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds Year to 29/2/2024 £
Income and Endowments from:					
Donations and legacies	2	762,637	341,714	-	1,104,351
Investments		5,526	1,991	-	7,517
Government grants		-	-	-	-
Charitable activities	3	<u>781,382</u>	<u>-</u>	<u>-</u>	<u>781,382</u>
Total income		<u>1,549,545</u>	<u>343,705</u>	<u>-</u>	<u>1,893,250</u>
Expenditure on:					
Raising funds	5	360,721	-	-	360,721
Charitable activities	5	<u>1,051,891</u>	<u>435,129</u>	<u>-</u>	<u>1,487,020</u>
Total expenditure		<u>1,412,612</u>	<u>435,129</u>	<u>-</u>	<u>1,847,741</u>
Net movement in funds		136,933	(91,424)	-	45,509
Transfer between funds		-	-	-	-
Other recognised gains / (losses)					
Gain on revaluation of fixed assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		136,933	(91,424)	-	45,509
Fund balances brought forward At 1 March 2023		<u>240,956</u>	<u>922,458</u>	<u>51,132</u>	<u>1,214,546</u>
Fund balances carried forward At 29 February 2024		<u>377,889</u> <u>=====</u>	<u>831,034</u> <u>=====</u>	<u>51,132</u> <u>=====</u>	<u>1,260,055</u> <u>=====</u>

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	28/2/2025 £	29/2/2024 £
Donations	477,437	249,004	726,441	1,047,510
Legacies	101,691	-	101,691	23,744
Membership	44,428	-	44,428	33,045
Challenger 5 Appeal	-	305,000	305,000	-
Other	<u>31</u>	<u>-</u>	<u>31</u>	<u>52</u>
	<u>623,587</u> <u>=====</u>	<u>554,004</u> <u>=====</u>	<u>1,177,591</u> <u>=====</u>	<u>1,104,351</u> <u>=====</u>

Of the comparative donations figure £341,714 was in respect of restricted funds.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

3. INCOME FROM CHARITABLE ACTIVITIES

	28/2/2025 £	29/2/2024 £
Gross voyage fees	1,650,570	1,480,609
Less bursaries utilised from funds	<u>(971,119)</u>	<u>(699,227)</u>
	679,451 =====	781,382 =====

All income from charitable activities for both years was unrestricted.

4. NET INCOME FROM ACTIVITIES OF SUBSIDIARIES

The Charity's only active subsidiary is Tall Ships Limited (02844027). Registered office address: 2a The Hard, Portsmouth, Hampshire, PO1 3PT. A summary of its results for the period is set out below:-

	28/2/2025 £	29/2/2024 £
Turnover-voyage fees	1,650,570	1,480,609
Operating costs	<u>(1,292,677)</u>	<u>(1,156,025)</u>
Operating Profit/(loss)	357,893	324,584
Finance costs	<u>(3,321)</u>	<u>(1,884)</u>
Net profit/(loss)	354,572 =====	322,700 =====

The net assets and liabilities of the active subsidiary are:

	28/2/2025 £	29/2/2024 £
Current assets	95,405	71,127
Creditors: amounts falling due within one year	<u>(159,821)</u>	<u>(490,115)</u>
Total net liabilities	<u>(64,416)</u>	<u>(418,988)</u>
Aggregate of share capital and reserves	<u>(64,416)</u> =====	<u>(418,988)</u> =====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

5. ANALYSIS OF EXPENDITURE

	28/2/2025 £	29/2/2024 £
Cost of raising funds:		
Fundraising costs	358,606	330,231
Allocation of support and governance costs (see note 6)	<u>33,911</u>	<u>30,490</u>
	392,517	360,721
	=====	=====
Charitable activities		
Ship related costs	1,068,309	941,991
Depreciation	141,686	141,732
Allocation of support and governance costs (see note 6)	141,720	125,691
Interest payable and similar finance charges	20,106	27,248
Other voyage and support expenses	<u>268,572</u>	<u>250,358</u>
	1,640,393	1,487,020
	=====	=====
Restricted funds	561,120	435,129
Unrestricted funds	<u>1,471,790</u>	<u>1,412,612</u>
	2,032,910	1,847,741
	=====	=====

6. SUPPORT AND GOVERNANCE COSTS

		Support £	Governance £	28/2/2025 £	29/2/2024 £
Support costs	Method				
Payroll and HR	Total resources	7,256	-	7,256	10,071
Property costs	Total resources	26,880	-	26,880	25,762
Office costs	Total resources	22,609	-	22,609	21,543
IT and Website	Total resources	14,522	-	14,522	11,296
Marketing	Direct activities	23,950	-	23,950	21,379
Other	Total resources	10,161	-	10,161	11,176
Governance costs					
Auditors remuneration		-	46,915	46,915	37,175
Administrative expenses		-	6,241	6,241	6,901
Legal Fees		<u>-</u>	<u>17,097</u>	<u>17,097</u>	<u>10,878</u>
		105,378	70,253	175,631	156,181
		=====	=====	=====	=====

Support and Governance costs are allocated to Cost of Raising Funds and Charitable activities as follows:

Cost of Raising Funds	20,346	13,565	33,911	30,490
Charitable activities	<u>85,032</u>	<u>56,688</u>	<u>141,720</u>	<u>125,691</u>
	105,378	70,253	175,631	156,181
	=====	=====	=====	=====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

7. OTHER COSTS

	28/2/2025	29/2/2024
	£	£
The surplus is stated after charging:		
Auditors' remuneration		
Audit services	29,650	28,775
Non-audit services	<u>17,265</u>	<u>8,400</u>
	46,915	37,175
Depreciation	141,685	141,733
Operating lease rentals	6,893	8,403
	<u>=====</u>	<u>=====</u>

8. EMPLOYEES

Employee costs during the period were as follows:

	28/2/2025	29/2/2024
	£	£
Wages and salaries	779,246	691,201
Social security costs	69,731	57,174
Other pension costs	<u>36,394</u>	<u>31,730</u>
	885,371	780,105
	<u>=====</u>	<u>=====</u>

The average number of full time equivalent employees during the period were as follows:

	28/2/2025	29/2/2024
	Number	Number
Management and administration	21	18
	<u>==</u>	<u>==</u>

The average number of employees based on head count was 23 (2024: 21).

The total costs attributable to senior management personnel amounted to £349,271 for the year to 28 February 2025 (2024: £356,691). Senior management personnel comprise the Chief Executive Officer, Finance and Business Support Director, Director of Youth Development and Outdoor Learning, Head of Operations, and the Head of Fundraising and Marketing. The emoluments of higher paid employees fell within the following ranges:

	28/2/2025	29/2/2024
	Number	Number
£60,001 to £70,000	1	-
£70,001 to £80,000	-	1
£80,001 to £90,000	-	-
£90,001 to £100,000	1	1
	<u>==</u>	<u>==</u>

9. PAYMENTS TO TRUSTEES AND CONNECTED PERSONS

No Trustee received remuneration in the period, directly or indirectly, from either the charity or an institution or company controlled by the charity.

Expense reimbursements for travel and subsistence were not paid to Trustees during the year (2024: £nil) and there were no expenses paid on behalf of a trustee.

Trustee indemnity insurance paid on behalf of Trustees and officers in the year was £3,528 (2024: £3,553).

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

10. SURPLUS/(DEFICIT) OF EXPENDITURE OVER INCOME

The consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary – Tall Ships Limited, which operates voyages. Details of the results of the trading subsidiary are set out in note 4.

The summary financial performance of the Charity alone was:

	28/2/2025	29/2/2024
	£	£
Income		
Income from donations and legacies	1,177,591	1,104,351
Other income	204,760	203,909
Investment income	<u>15,365</u>	<u>7,517</u>
Total income	<u>1,397,716</u>	<u>1,315,777</u>
Expenditure		
Raising funds	(385,153)	(355,078)
Charitable activities	<u>(1,222,876)</u>	<u>(1,033,988)</u>
Total expenditure	<u>(1,608,029)</u>	<u>(1,389,066)</u>
Revaluation in year	-	-
Net income for the year	(210,313)	(73,289)
Total funds brought forward on 29 February 2024	<u>1,329,343</u>	<u>1,402,632</u>
Total funds carried forward at 28 February 2025	<u>1,119,030</u> =====	<u>1,329,343</u> =====

11. TANGIBLE FIXED ASSETS

Consolidated and Tall Ships Youth Trust

	Yachts	Computers, Fixtures & Equipment	Total
	£	£	£
Cost or valuation:			
At 1 March 2024	1,885,917	100,332	1,986,249
Additions in year	<u>-</u>	<u>2,169</u>	<u>2,169</u>
At 28 February 2025	<u>1,885,917</u> =====	<u>102,501</u> =====	<u>1,988,418</u> =====
Depreciation:			
At 1 March 2024	172,690	67,829	240,519
Provided in the period	<u>125,727</u>	<u>15,958</u>	<u>141,685</u>
At 28 February 2025	<u>298,417</u> =====	<u>83,787</u> =====	<u>382,204</u> =====
Net book amount at 28 February 2025	<u>1,587,500</u> =====	<u>18,714</u> =====	<u>1,606,214</u> =====
Net book amount at 29 February 2024	<u>1,713,227</u> =====	<u>32,503</u> =====	<u>1,745,730</u> =====

The Yachts are given as security against a number of loans included in creditors. The net book value of yachts given as security was £780,000 (2024: £840,000).

The Challenger Yachts are included above at a net book value of £390,000 (2024: £420,000) based on a professional valuation completed by Berthon International Limited, an international yacht brokers, in 2023.

Not all class of yachts were revalued. The Ketch was not revalued due to its bespoke nature.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

11. FIXED ASSETS (continued)

The figures stated above for cost or valuation in respect of Yachts comprise assets at:

	£
Cost	1,094,928
Valuation	<u>790,989</u>
	1,885,917
	=====

If certain fixed assets had not been re-valued, they would have been included on the historical cost basis at the following amounts:

	Yachts £ 28/2/2025	Yachts £ 29/2/2024
Cost	1,094,928	1,094,928
Accumulated depreciation	<u>(1,012,312)</u>	<u>(1,001,905)</u>
Net book amount at 28 February 2025	82,616	93,023
	=====	=====

12. DEBTORS

	Consolidated		Tall Ships Youth Trust	
	28/2/2025	29/2/2024	28/2/2025	29/2/2024
	£	£	£	£
VAT recoverable	13,234	12,197	-	2,893
Other debtors	118,359	65,926	116,696	64,098
Prepayments	<u>6,764</u>	<u>7,988</u>	<u>6,437</u>	<u>3,506</u>
	138,357	86,111	123,133	70,497
	=====	=====	=====	=====

13. CURRENT ASSET INVESTMENTS

	Consolidated		Tall Ships Youth Trust	
	28/2/2025	29/2/2024	28/2/2025	29/2/2024
	£	£	£	£
UK investments – COIF Funds	-	6,642	-	6,642
	=====	=====	=====	=====

Unlisted investments have been invested in COIF units, held in the name of a supporter's branch, and are at market value.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Tall Ships Youth Trust	
	28/2/2025	29/2/2024	28/2/2025	29/2/2024
	£	£	£	£
Bank Loan	55,556	55,556	55,556	55,556
Loans from Trustees and funders	80,000	30,000	80,000	30,000
Payments received on account	248,340	203,625	248,340	203,625
Trade creditors	66,472	119,199	8,466	5,463
Social Security and other taxes	32,978	14,661	32,978	14,661
Other creditors and accruals	<u>124,456</u>	<u>77,022</u>	<u>67,578</u>	<u>50,343</u>
	607,802	500,063	492,918	359,648
	=====	=====	=====	=====

Loans from Trustees and funders are secured by fixed charges over the Trust's vessels (see note 11).

The bank loan is secured on fixed and floating charges over the assets of the charity.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		Tall Ships Youth Trust	
	28/2/2025	29/2/2024	28/2/2025	29/2/2024
	£	£	£	£
Loans from Trustees and funders	190,000	220,000	190,000	220,000
Bank loan	<u>4,630</u>	<u>60,185</u>	<u>4,630</u>	<u>60,185</u>
	194,630	280,185	194,630	280,185
	=====	=====	=====	=====

Loans from Trustees and funders are secured by fixed charges over the Trust's vessels (see note 11).

The bank loan is secured on fixed and floating charges over the assets of the charity.

16. ENDOWMENT FUNDS

	Michael Crocker	Nova Scotia	Lord Burnham	Total
	£	£	£	£
At 1 March 2024 and at 28 February 2025	13,277	12,952	24,903	51,132
	=====	=====	=====	=====

The Michael Crocker fund was set up in memory of a yachtsman murdered in February 1982. The income is for contributions to voyage fees for pupils of Henley College. The Nova Scotia fund was set up in memory of trainees who died on the sailing ship "Marques" which sank off Bermuda during the 1984 American Tall Ships race. The income is shared with the American Sail Training Association and is to support a voyage berth. The Lord Burnham fund was set up in his memory following his death in June 1993. Income is for contributions to Voyage fees aboard the Trust's ships for trainees ideally, but not exclusively, from Eastern Europe.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

17. RESTRICTED FUNDS

	Balance at 1/3/2024 £	Income £	Expenditure £	Transfer £	Balance at 28/2/2025 £
International fund	201,114	2,011	-	-	203,125
Legacy fund	53,342	-	(53,342)	-	-
Other specific funds	576,578	249,004	(407,778)	-	417,804
Challenger 5 Appeal	<u>-</u>	<u>305,000</u>	<u>(100,000)</u>	<u>-</u>	<u>205,000</u>
Total restricted funds	831,034 =====	556,015 =====	(561,120) =====	- =====	825,929 =====

The Specific Funds are donations made to the Trust to be used for specified purposes. As at 28 February 2025 there were 227 separate funds (2024: 326). The Trustees continuously review the ongoing obligations of restricted funds and, given the plan in place, are satisfied obligations can be met as they fall due.

Historically, the Charity has operated with cash balances not fully covering the value of restricted donations. This was exacerbated by the sale of the "Stavros" brig in 2017 and further cash flow challenges created during Covid. This created a technical breach of trust with some funders and The Charity Commission was notified at the time.

The Charity manages the restricted fund balance by monitoring of the usage of individual restricted funds, management of cash flow and cost containment. The Charity ensures that providers of restricted funds have been updated wherever appropriate. This has ensured that sufficient cash has been available to meet the obligations of restricted funds within their specified timelines. Historically, the incidence of restricted funds needing to be repaid to donors is extremely low (in both number and value). Furthermore, no funds have been required to be repaid since the end of COVID.

Management has a plan to address the restricted fund balance. This includes seeking to reclassify long-standing unspent restricted funds as unrestricted, with the consent of the donors or Charity Commission, and engaging with other donors where the restrictions are difficult to meet (for example due to geographical constraints). The Trustees have received legal advice that this approach with respect to restricted funds is appropriate.

As described in the Going Concern note on page 26, since the year end the restricted fund balance has continued to reduce and cash balances have increased leading to a reduction in the overall deficit on restricted funds.

The International Fund is restricted within the accounts of the Trust for the support of international sail training activities. Management's plan involves engaging with funders to agree the movement of long-term, unspent restricted funds into designated or unrestricted funds.

Challenger 5 funding secured our ability to acquire the fifth Challenger vessel which was added to the fleet in September 2025. The funding also assists with general fleet maintenance and additional resource to support growth in the voyage programme.

Since the year end, The Shipwrights' Company and Gosling Foundation co-venture funding restriction has been eased following agreement with the funder. This released £300,000 to operational cash flow associated with bringing Challenger 5 on-line and preparatory moves for the existing fleet to commence our major refit programme.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

Year to 28 February 2024 comparative period

	Balance at 1/3/2023 £	Income £	Expenditure £	Transfer £	Balance at 29/2/2024 £
International fund	199,123	1,991	-	-	201,114
Legacy fund	138,179	-	(84,837)	-	53,342
Other specific funds	<u>585,156</u>	<u>341,714</u>	<u>(350,292)</u>	<u>-</u>	<u>576,578</u>
Total restricted funds	<u>922,458</u> =====	<u>343,705</u> =====	<u>(435,129)</u> =====	<u>-</u> =====	<u>831,034</u> =====

18. UNRESTRICTED FUNDS

Consolidated

	General Reserve £	Revaluation Reserve £	Total £
At 1 March 2023	(1,494,568)	1,735,524	240,956
Income	1,549,545	-	1,549,545
Outgoing resources	(1,412,612)	-	(1,412,612)
Transfer between reserves	<u>115,320</u>	<u>(115,320)</u>	<u>-</u>
At 29 February 2024	<u>(1,242,315)</u> =====	<u>1,620,204</u> =====	<u>377,889</u> =====
Income	1,316,392	-	1,316,392
Outgoing resources	(1,471,790)	-	(1,471,790)
Transfer between reserves	<u>115,729</u>	<u>(115,729)</u>	<u>-</u>
At 28 February 2025	<u>(1,281,984)</u> =====	<u>1,504,475</u> =====	<u>222,491</u> =====

Tall Ships Youth Trust

	General Reserve £	Revaluation Reserve £	Total £
At 1 March 2023	(1,306,482)	1,735,524	429,042
Income	972,072	-	972,072
Expenditure	(953,937)	-	(953,937)
Transfer between reserves	<u>115,320</u>	<u>(115,320)</u>	<u>-</u>
At 29 February 2024	<u>(1,173,027)</u>	1,620,204	447,177
Income	841,702	-	841,702
Expenditure	(1,046,909)	-	(1,046,909)
Transfer between reserves	<u>115,729</u>	<u>(115,729)</u>	<u>-</u>
At 28 February 2025	<u>(1,262,505)</u> =====	<u>1,504,475</u> =====	<u>241,970</u> =====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Consolidated at 28 February 2025				
Tangible fixed assets	1,606,214	-	-	1,606,214
Current assets	(581,291)	825,929	51,132	295,770
Current liabilities	(607,802)	-	-	(607,802)
Creditors: due after more than one year	<u>(194,630)</u>	<u>-</u>	<u>-</u>	<u>(194,630)</u>
	222,491	825,929	51,132	1,099,552
	=====	=====	=====	=====
Tall Ships Youth Trust at 28 February 2025				
Tangible fixed assets	1,606,214	-	-	1,606,214
Current assets	(676,696)	825,929	51,132	200,365
Current liabilities	(492,918)	-	-	(492,918)
Creditors: due after more than one year	<u>(194,630)</u>	<u>-</u>	<u>-</u>	<u>(194,630)</u>
	241,970	825,929	51,132	1,119,031
	=====	=====	=====	=====

As mentioned in the accounting policy on page 26 above, there is a shortfall in unrestricted fund balances to fully support restricted cash balances. This is a consequence of the sale of the brig in 2017 at a lower value than expected.

We have a plan in place to continue to reduce this deficit and the Trust's latest cash flow projections and future funding options available to it more than adequately cover any immediate or unexpected outflows.

As at 30 November, the unrestricted (consolidated) balance above of £222,491 has improved to £704,373, largely as a result of the YC Chan Charitable Foundation donation. In addition, restricted fund balances have changed from £825,929 to £706,152, as a result of utilising donated funds for bursaries on voyages.

Given these improvements in net asset balances, it is the Trustee's opinion that our plan will continue to improve the current situation.

Year to 29 February 2024 comparative period

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Consolidated at 29 February 2024				
Tangible fixed assets	1,745,730	-	-	1,745,730
Current assets	(587,593)	831,034	51,132	294,573
Current liabilities	(500,063)	-	-	(500,063)
Creditors: due after more than one year	<u>(280,185)</u>	<u>-</u>	<u>-</u>	<u>(280,185)</u>
	377,889	831,034	51,132	1,260,055
	=====	=====	=====	=====
Tall Ships Youth Trust at 29 February 2024				
Tangible fixed assets	1,745,730	-	-	1,745,730
Current assets	(658,720)	831,034	51,132	223,446
Current liabilities	(359,648)	-	-	(359,648)
Creditors: due after more than one year	<u>(280,185)</u>	<u>-</u>	<u>-</u>	<u>(280,185)</u>
	447,177	831,034	51,132	1,329,343
	=====	=====	=====	=====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

Most restricted donations are to cover, in part, the costs of a voyage and most of the costs of voyages are spent in advance, starting with buying a boat and having the organisation to run the trips. The above note shows a notional allocation of assets between restricted and unrestricted. These assets are not segregated. The analysis shows that after allocating assets to restricted funds, there is a deficit of assets represented by other unrestricted funds. This situation has existed since the sale of the brig in the year to February 2018 for considerably less than had been expected. The charity is focused on correcting this situation.

20. PENSIONS

Defined contribution scheme

The group makes contributions towards individual pension schemes for the benefit of employees. The assets of these schemes are administered by Trustees in funds independent from those of the Tall Ships Youth Trust and its subsidiary companies. Contributions made during the period are disclosed in note 8.

Defined benefit scheme

A number of former employees of the Trust's subsidiary Tall Ships Limited ("TSL") have belonged to an industry wide pension scheme.

21. LEASING COMMITMENTS

At the reporting date, the Trust had the following minimum future lease commitments:

	28/2/2025		29/2/2024	
	Land & Buildings £	Other £	Land & buildings £	Other £
Within one year	25,000	13,817	25,000	13,337
Between two and five years	<u>20,833</u>	<u>33,526</u>	<u>45,833</u>	<u>38,951</u>
	45,833	47,343	70,833	52,288
	=====	=====	=====	=====

22. RELATED PARTY TRANSACTIONS

The aggregate donations from Trustees to the charity during the year was £7,950 (2024: £12,550).

The aggregate Trustee membership subscriptions during the year were £660 (2024: £650).

At the year end, a loan of £50,000 (2024: £nil) was outstanding to one of the trustees. No interest is accruing on the loan.

23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Group balances	28/2/2025 £	29/2/2024 £
Financial assets at amortised cost	280,535	277,504
Financial liabilities at amortised cost	<u>(554,092)</u>	<u>(576,623)</u>
Net financial liabilities	(273,557)	(299,119)
	=====	=====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

The Charity's financial assets comprise investments and cash and bank balances. Financial liabilities include trade creditors, loans, accruals and other creditors.

25. EVENTS AFTER THE REPORTING PERIOD

Challenger Acquisition

In October 2025, the charity acquired a Challenger vessel at a nominal cost. As part of this acquisition, the charity has assumed responsibility for an existing loan and a contribution towards closure costs totalling £197,000. The charity also expects to incur long-term refit costs in the region of £200,000.

Unrestricted donation

In October 2025, we received confirmation of a significant, unrestricted donation of £1m over three years from Sandra Dennis and her family, through her father's charitable foundation.

This is a hugely impactful commitment that will support our growth plans across the UK and potentially contribute to the refit of our existing 4 Challengers. Our trustees have passed a resolution for recognition for the YC Chan Charitable Foundation on two of our Challengers and then two of our future major vessels in perpetuity thereafter.

TALL SHIPS YOUTH TRUST

England & Wales - Charity number 314229

Accounts

REGISTERED IN ENGLAND AND WALES NUMBER: 00567460
CHARITY NUMBER: 314229



REPORT AND ACCOUNTS

FOR THE YEAR ENDED

29 FEBRUARY 2024

TALL SHIPS YOUTH TRUST

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TALL SHIPS YOUTH TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 29 FEBRUARY 2024

Tall Ships Youth Trust is a company limited by guarantee and a registered charity.

Charity Number	314229
Company Number	00567460
Principal Office	2A The Hard, Portsmouth, PO1 3PT
Vice-Patrons	Mr I A Carruthers Mr P Coleman Mr D de Laszlo DL Lord Grade CBE Lord Greenway Mr M Le May Mr J Lennox Mr O Michaelson Mr D Tydeman Mr T Vokos Mrs C Williams
Trustees	Mr D Aisher, Chairman Mr N Andrews Mrs E Bradshaw Mr J Brown Mr P D'Ornano Mr S Edwards Mr M Layng (Appointed 8 December 2023) Mr A Martyn Mr P McDanell (Resigned 8 December 2023) Miss K Nazarin (Resigned 8 March 2024) Mr Z Rushdie (Appointed 20 November 2024) Miss T Stuiver (Resigned 26 April 2023) Mrs M Verghese-Dipple
Chief Executive	Mr A Floyd
Company Secretary	Mr P Taylor
Auditor	Moore (South) LLP 9 St John's Place Newport Isle of Wight PO30 1LH
Bankers	Clydesdale Bank Plc Gatwick Business and Private Banking Centre 5 Peveril Court 6-8 London Road Crawley West Sussex RH10 8JE

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

CHAIRMAN'S INTRODUCTION

The year ending 29 February 2024 was an exciting year of growth and development at Tall Ships Youth Trust. We implemented our new strategy empowering young people into adulthood, and for some, careers in the maritime and blue economy sectors through our new three-voyage journey of Exploration, Empowerment and Leadership. This was predicated on our commitment to UK Maritime 2050 and UNDP Development Goals for the blue economy. We committed to the development of our hubs across the UK to remove the barriers to participation for young people in youth development and outdoor learning. This saw us voyaging from Plymouth, South Wales, Belfast, Liverpool/Whitehaven, Glasgow/Greenock, Newcastle and Ipswich for several weeks of the year, with these locations specifically chosen to enable us to reach more young people in disadvantaged circumstances. We also significantly enhanced our development pathways for our young people, crews, volunteers and Portsmouth Hub Team.

Nearly 18 months into our new approach we have made significant progress across all areas. In the year ended 29 February 2024, we achieved the highest number ever of young voyagers on our Challenger fleet at 1,203. We are also working hard to ensure we are supporting young people from a diverse range of backgrounds - 79% of the young people we supported last year were experiencing disadvantage, 41% were female and 24% were from the global majority.

This reflects better identification and engagement of young people and their decision makers led by our Youth Development & Outdoor Learning team. Together, with an increased quality of voyage experience across the three-voyage journey, and better utilisation of our current fleet throughout all 12 months of the year through our Operations and Fleet Readiness team.

The resilience and determination of the young people we support continues to inspire us, and I hope you will take the time to read their feedback and impact statements later in this report. A crew of young people who have been voyaging with us as individuals over the last few years came together to take part in the Fastnet 2023 race. This was a once in a lifetime opportunity for this crew, only made possible by the support of the 24 members of the adult Fastnet crew who fundraised to cover their cost of participation. They also mentored and competed alongside our youth crew. The Fastnet race is considered one of the ultimate challenges in the outdoor environment, testing resilience, mindset, teamwork and leadership. Their success at the very top end of human performance reflects the strength and opportunity that our voyage programme now offers for all. Their stories are outlined on page 12.

We relied more than ever on our crews, supporters and donors in what was an extremely challenging environment for all. Conflict in Europe and the Middle East, political instability and rising costs across the UK created on-going challenges to the delivery of our work. The voyage experience, how it is delivered and the impact it has for young people is at the heart of what we do. Our crews and supporters continued to ensure that our voyagers were safe, inspired and saw positive adult role models across all their interactions with us.

Throughout the year, 449 adult voyagers significantly contributed to the work of the trust through paid voyage experiences. Our adult voyagers often become volunteers and donors as they are so inspired by the young people they interact with. They form part of the donor community who are the lifeblood of Tall Ships Youth Trust. In 2023/24, they helped ensure that we could launch and embed our new journey for young people and funding received contributed to voyages of Exploration, Empowerment and Leadership, together with the creation of employment pathways for young people reaching adulthood and development for our crews and staff.

As we look ahead, we are in a strong growth position at the Trust. The demand for our voyages is outstripping our capacity and in 2023, we were forced to turn away 120 young people. In 2024 this number will be circa 200. As a result, we are now actively planning to increase our future fleet and crew capability across the UK.

We invite you to work with us to significantly increase the number of young people that we reach creating the next generation of adults and leaders who are connected to the ocean.

David Aisher

Chair of Trustees, Tall Ships Youth Trust

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

OUR NEW APPROACH

We are now in year two of our strategy 2023 to 2028. This report reflects what's been achieved in year one (2023) and our plans for 2024.

Our **Vision** is a society where all young people strive to create better outcomes for themselves and for their communities.

Our **Charitable Mission** is to enable young people, particularly those from disadvantaged backgrounds, to change their lives at sea and contribute to the maritime sector and the blue economy.

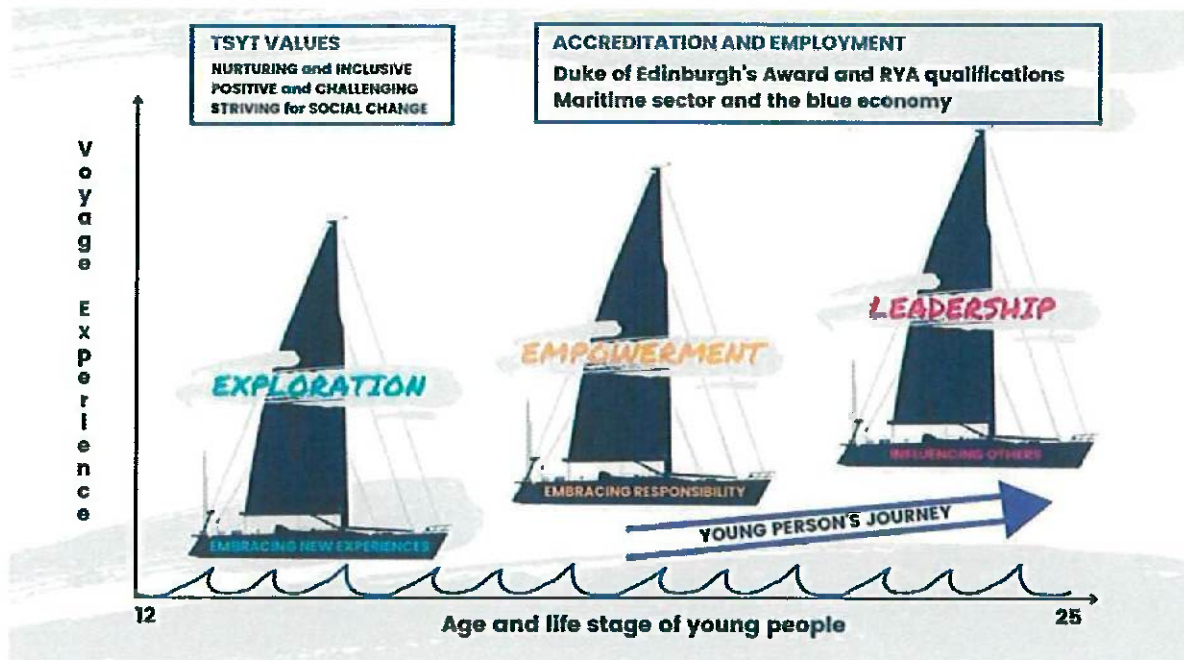
Our **Values** reflect our changing culture as a team, as a charity and as a society:

- **Nurturing and Inclusive** - We care for and encourage the development of all young people and adults who voyage with us; we include and integrate all people and groups in our work, especially those who are from disadvantaged backgrounds.
- **Positive & Challenging** – We are optimistic in all that we do, finding a way forward and making life happier; we challenge ourselves to seek the best in all of us and our voyagers, stimulating growth & learning.
- **Striving for Social Change** – We relentlessly pursue cultural, behavioural and institutional change through and for young people in society, and for the maritime environment.

Our **Purpose**: Out on the ocean we empower young people to realise their full potential, supporting them on their journey to adulthood and for some, careers in the maritime sector and the blue economy.

Our **strategy from 2023** is now delivering 3 significant enhancements to the work of the trust:

1. **A young person's journey of 3-voyages over 3 years** (represented in the visual below). In this reporting year, 644 young people successfully completed a Voyage of Exploration; 119 young people completed a Voyage of Empowerment and we piloted our Voyage of Leadership in January 2024 with 11 young people.



TALL SHIPS YOUTH TRUST
REPORT OF THE TRUSTEES AND STRATEGIC REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2024

2. **Increasing our reach across the UK.** The visual here represents our continued increase in our reach. In this reporting year we have voyaged to/from: our Portsmouth Hub, Plymouth, Liverpool/Whitehaven, Belfast and Glasgow. Over this next year we will continue to increase our presence across the UK, removing the barriers to participation in our programme for young people.



TALL SHIPS YOUTH TRUST

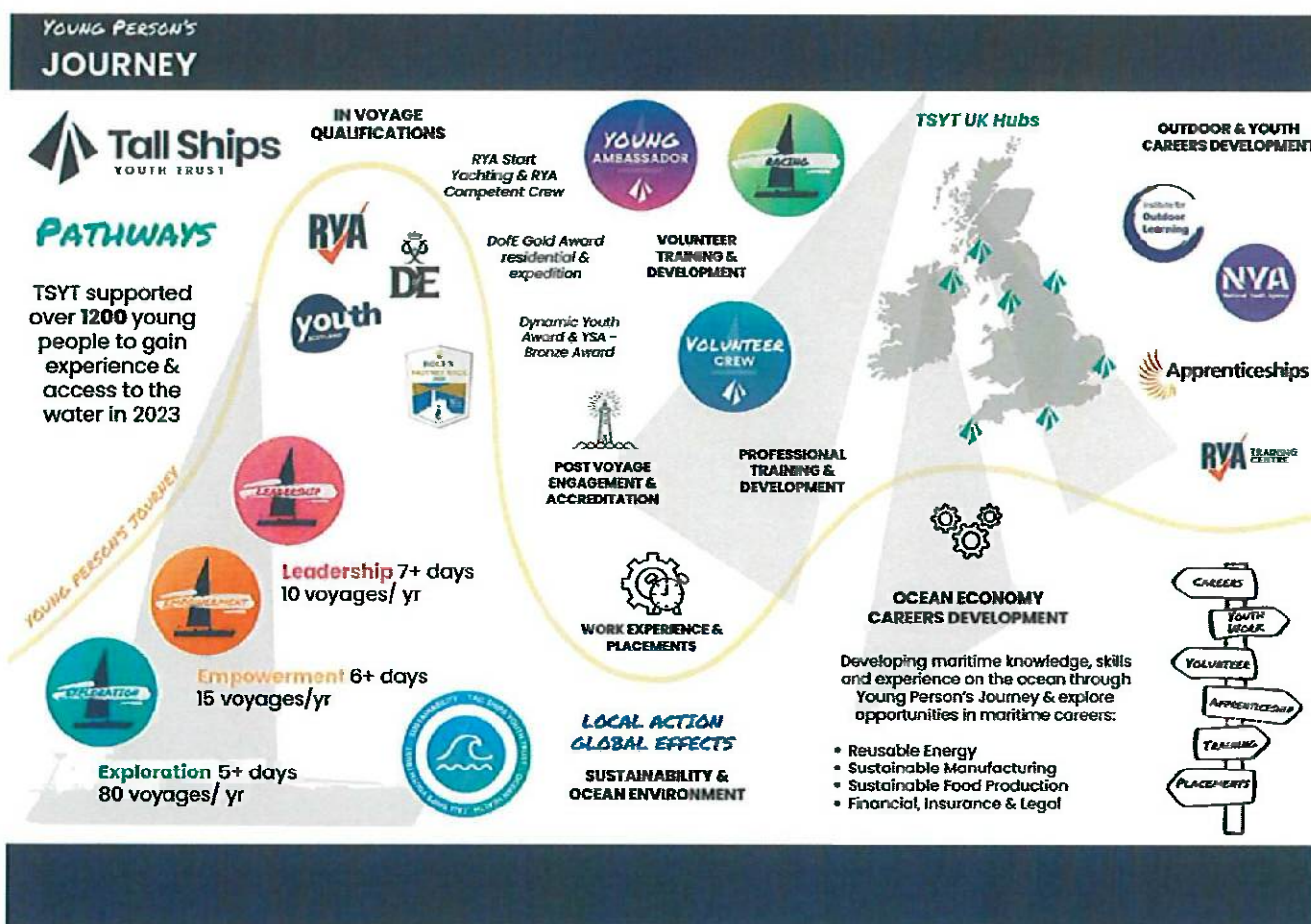
REPORT OF THE TRUSTEES AND STRATEGIC REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2024

- Development pathways for our crews, volunteers and Portsmouth Hub team** resulted in 4 Mates progressing to Skipper, 9 new Mates including 4 progressing from Watch Leader and 83 new Watch Leaders and youth mentors registered. For our Portsmouth Hub team: 3 staff progressed to Manager roles, 2 Managers progressed to Senior Leadership roles and 7 new team members joined us to enhance our capability in fundraising, digital engagement & marketing, youth development, operations and business support (3 of these roles were vacancies created from staff leaving on their own development journeys).

Additionally, in this past year we further developed pathways for young people into adulthood and employment. The visual below represents the entirety of the young person's pathway with us, from the 3-voyage journey including personal development, voyage progression, accreditation and qualifications, contribution to sustainable ocean environment and opportunities for apprenticeships and employment.

In reviewing the Trust's aims, objectives and planned activities, the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.



OUR BENEFICIARIES

Our young people on our 3-voyage programme were a huge inspiration to us all in this past year. From voyaging throughout the 12-months of the year to offer more challenging conditions on our voyages of Empowerment and Leadership, to focusing on the space in between voyages when they are back in their communities reflecting on their voyage experience, continuing to build on their personal, social and practical skills development and planning for their future engagement with Tall Ships Youth Trust (TSYT) through future voyages, to considering further training and career paths.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

Supporting our young people (sometimes through their decision makers) to feel connected to each other and to the Trust was a key area of focus in this year. Through our Youth Development & Outdoor Learning team, social channels and our web platform, we will be enhancing the ability for young people to feel even more connected in the coming year.

We also developed strong relationships with young people and their decision makers in Northern Ireland, Scotland and northeast England. We will continue to ensure more young people can access our 3-voyage programme from across the UK in the coming year.

For a small group of our young people who had embarked on their journey with us over the last few years, they achieved the ultimate success of completing the Fastnet 2023 ocean race in some of the most challenging conditions ever experienced (more on this on page 12).

IMPACT

We measure the impact of our work using processes based on The Association of Sail Training Organisations' Theory of Change alongside the Personal Development framework from Ofsted for education.

We now keep in contact with our young people over a longer period of time than ever before and have plans to develop a longitudinal study with a research partner (with expertise in the fields of outdoor learning and sport). This will help us understand and articulate how upstream investment in our programme improves outcomes for young people and therefore reduces the downstream impact and the need for social, health and justice services, resulting in a saving to society.

Since the three-voyage programme was introduced in February 2023, more than 1,200 young people have voyaged with us. This is the highest number of young people taken on the Challenger vessels in one year since they were acquired in 2008.

Young people from across the UK face adversity in their daily lives from personal circumstances and lived experiences, to additional needs that at times are not met. Post-Covid, the world is far more aware of the individual challenges faced by so many, as more and more young people and adults struggle with their mental and physical health, neurodiversity, barriers to learning, as well as aspects of geographical, economic, and social disadvantage.

Our work directly addresses these diverse challenges by extending support and fostering pathways for young people. In 2023 alone, 80% of our young people were from disadvantaged backgrounds. Of those young people, 59% were male, 41% were female, and 24% identified as belonging to the global majority, emphasising our dedication to serving diverse and marginalised communities.

During 2023/2024 we ran over 80 Exploration voyages, 11 Empowerment voyages and piloted our first Leadership voyage in January 2024. As the programme evolves, the feedback we receive from our young people and their decision makers is being used to shape our delivery model, as this will ensure the best possible outcomes are achieved.

2023/24 outcomes for young people include:

- More than 800 Royal Yachting Association certificates were awarded.
- Supported more than 130 young people to achieve their DofE expeditions and Gold Award residential.
- Over 120 young people received a recommendation to return and train as a volunteer, giving them the opportunity to support others and work towards a career in the maritime industry.
- 100 young people participated in sessions with the RNLI lifeboat centres in Cowes and Poole.
- 12 young people participated in a Q&A session with Pip Hare Ocean Racing in Poole.
- 20 young people took part in team building sessions hosted by the Royal Navy.
- 18 young people had a work experience placement with TSYT, including schools and apprentices from Defence, Equipment and Support (part of the MOD).

TALL SHIPS YOUTH TRUST
REPORT OF THE TRUSTEES AND STRATEGIC REPORT
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The young people on their personal journey with us develop into strong members of the community, advocates of our work, young leaders, young ambassadors and role models for those just starting out. Through their TSYT experience, many go on to a career in the maritime sector, both on and off the water, including electrical engineering, ocean sailors, Master Mariners, the Merchant Navy and Royal Navy. Their memories and experiences with TSYT help shape their future lives and decision making.

Jed (21, first sailed with TSYT in 2018. Was part of our 2023 Fastnet youth crew and is now a qualified Watch Leader): *“Coming from the Northeast there are no opportunities to be a part of sailing in the area. My first experience with TSYT was in 2018. Then I was shy and lacked confidence in my decisions leading to a heavy reliance on others. But during my first voyage, I found I loved the teamwork aspect of the whole process. Preparing the vessel to hoist the sail was the most challenging yet invigorating task as it required communication to succeed, which really pushed me out of my comfort zone and drove me to take charge of the situation which helped build my confidence. The confidence TSYT helped me build led me to push myself further and achieve an apprenticeship in a traditional craft in an environment which before TSYT I wouldn’t have dared to approach.”*

Jessie (19, has a learning and physical disability that has prevented her from completing her A levels. Since leaving school she has found TSYT and participated in our first Leadership voyage. She now wants to pursue a career in the marine sector.): *“I’ve gained great insight into my strengths on the boat. It was really great to feel more confident as the days went on and to be able to take more leadership. I have developed my leadership skills on deck and in the galley. We were given space to lead and be led by others in a supportive and non-judgemental environment. This gave me confidence to lead others in areas I am not as confident in.”*

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

ACHIEVEMENTS AND PERFORMANCE

Youth Development & Outdoor Learning

During the period covered by this report, we have continued to grow our programme resulting in 1200 young people joining a voyage with TSYT, the highest number since operating the Challengers and Ketch. 80% were from disadvantaged backgrounds considering a wide range of influencing factors from young carers, young people at risk of offending, neurodiversity and postcode poverty.

As we grow our client base, we are maintaining the near 25% growth in new clients, with 75% returning organisations, as we extend our programme more actively to include the winter period, this continues to support our overall growth in the number of young people and decision makers.

Through our hub developments, across the UK, we are continuing to engage young people and their decision makers in their home region to create access to the water and youth development opportunities for those most in need. Our programme is strengthening our time and connections in Plymouth, Belfast and Greenock as well as our home hub of Portsmouth. Extending our reach and time spent in our west coast hubs, allows us to reach across the breadth of the UK, identifying concentrations of disadvantaged young people who could benefit from our 3-voyage journey.

Within our voyage programme, we are committed to the provision of qualifications and accreditation with the Duke of Edinburgh Gold Award through residential and expedition sections and Youth Scotland's Dynamic Youth Award completion on all Scottish voyages for young people. In addition, ashore, we are expanding our skills set through the completion of Registered and Accredited Practitioners with Institute of Outdoor Learning and commencing our first apprentice at TSYT in 2024, a Youth Support Worker Apprenticeship supported by the National Youth Agency. The first step in many to providing placements, work experience and now fully employed apprentices with TSYT.

Fleet Activity and Maintenance

Our current fleet (four 72 foot Challengers and one 55 foot Ketch) were busy delivering 174 voyages and covering around 28,000 miles. 2023 saw the new 3-voyage programme fully integrated into the calendar with Exploration voyages, the first followed by six further Empowerment voyages and our first Leadership voyage. Given the additional lengths and complexities of the Empowerment and Leadership voyages, the total number of voyages (up from 153 in 2022) is indicative of how hard the fleet is working.

A number of Hubs were visited including Plymouth, Liverpool, Belfast, Greenock and Ipswich, with voyages run in and out of Greenock.

Three Challengers took part in the Fastnet Race, this time one of the adult crew supported (fully financially as well as in other ways) a youth entry. This was a very effective and powerful experience with many opportunities for all involved to learn and develop.

In 2023 the plan for the Challengers to be operational to circa 2040 progressed with further scoping as well as more detailed work. This will require significant investment between 2025 and 2029 in addition to routine and ongoing maintenance. Work was also undertaken with regards to expanding the fleet with an ambitious plan in the short term to bring another Challenger sized vessel online in 2025 as well as consideration for other types of vessels and longer-term plans to increase the fleet capacity to meet demand.

Safeguarding and Incidents

In 2023 the Safety Forum was further enhanced and the team widened. The Voyage Resourcing & Reservations Manager, Fleet Readiness & Maintenance Manager and Finance, Data & IT Manager now run the monthly meetings, with the CEO, Head of Operations and Designated Safeguarding Lead joining for quarterly reviews. The Safety Forum looks at and shares lessons learnt from incidents and any trends or areas that need further work to improve safety.

Trustees are updated on incidents monthly and more formally every quarter.

Work to improve safety culture continues specifically to include greater reporting of near misses and openness to considering and sharing learnings.

There were no Major Incidents declared in 2023.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

Safeguarding training remains a priority for all and ensuring we are compliant in our use of DBS Enhanced checks, TSYT underwent a compliance inspection in January 2024. With the addition of two policies for the Recruitment of ex-offenders and Handling of DBS Certificate Information, we are fully compliant submitting approximately 100 DBS checks a year showing commitment to the safe recruitment and retention of volunteers, freelancers and employed members of the team.

Raising Awareness and Increasing Our Reach

We are focused on removing the barriers which prevent young people from accessing our youth development programme, and as part of this now operate throughout all 12 months of the year (as opposed to the traditional sailing season).

We have also established regional hubs in Plymouth, Swansea, Belfast, Whitehaven, Greenock, Newcastle and Ipswich. We run voyages from these locations, (which align with the top 20 areas of deprivation in the country), for parts of the year, meaning that we have voyages available from within a two-hour reach from any location in the UK. We will also run engagement events from each of these locations to raise our profile locally.

This more effective utilisation of our fleet and improvement in accessibility has already significantly increased the number of young people we were able to support.

In terms of our digital presence, 2023/24 saw 38K users visit our website, and 12% of these users came from social media. In the same period, our total organic reach across our social media channels was 284K. We have a new Digital, Engagement and Marketing team in place who will continue to drive growth in this area and bring to life our plans to create the TSYT digital community. Our intent is to establish a digital platform to engage and communicate with the TSYT community with an initial focus on young people, their decision makers and volunteers as well as alumni, members, donors and key stakeholders.

2023/24 was an effective year in terms of audience engagement. Our first regional Hub event took place in Plymouth in April. Challenger 4 spent a week in Royal Albert Dock as part of the Eurovision celebrations, which included an ITV 'Good Morning Britain' superfan event. The summer was jam-packed with events including our charity partnership with British Classic Week and Cowes Week, as well as our first ever youth crew competing in the Fastnet race. We also had an exciting media opportunity provided to us by Run Communications, which saw British Kitesurfer and Olympic trainer Maddy Anderson join a crew from Youth Action Wiltshire for the final leg of their voyage.

Significant press and media coverage was achieved through events and campaigns including our BBC Radio 4 Appeal presented by Dan Snow. This included articles published in the Daily Express, International Express, BBC News, All at Sea, Sailing Today, Classic Yachts, Yachting Monthly, Daily Echo, the Bath and Wiltshire Parent, the Wiltshire and Gloucestershire Standard.

Fundraising

Despite a challenging economic climate and fundraising landscape, we achieved £1,104k in fundraising income during 2023/24. This is an increase of £96k (excluding the £150k prior year loan waiver) against the previous year and represents a 32% growth in fundraising income in 2 years (up from £834k in 2021/22). This is an incredible achievement and testament to the significant support we receive from our loyal funders and donors, many of whom support us year on year.

We raised £581k from over 130 Trusts and Foundations, and more than £58k combined from our highly successful BBC Radio 4 Appeal and Big Give Christmas Challenge. The 2023 Fastnet Race saw three TSYT Challengers taking part, and we are very grateful to the adult crew who between them also raised more than £48k, enabling our first ever youth crew to participate.

We now have a greater focus on digital marketing and engagement, along with several other exciting activities planned. This includes developing our membership scheme further, our British Classic Week and Cowes Week charity partnerships, our 'Round the Island Fundraising Challenge' and our first ever Spinnaker Tower abseil fundraising challenge.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

Fundraising (cont ...)

We would like to say huge thank you to all of the trusts and foundations, companies, individuals and members who continue to fund our work. This includes the Aiken Family, the Y C Chan Charitable Foundation, the Hargreaves Foundation, John Lyon's Charity, The Corporation of Trinity House, The Worshipful Company of Shipwrights, The Clare Foundation, The Swire Charitable Trust, the Hugo Halkes Charity, and the Royal Thames Yacht Club Charitable Trust, and our corporate fundraising partners Saltus and Barratt Developments for their long-standing support.

Tall Ships Youth Trust is a signed-up member of the Fundraising Regulator. The Trust is committed to ensuring ethical fundraising practices, and Trustees regularly confirm this is the case. We received zero complaints this year about our fundraising.

Volunteers and recommendations.

Pathways into volunteering are varied and established with TSYT. Throughout 2023/24, both young people and adults recommended by our TSYT crew (135 for Training Watch Leader (TWL) and Watch Leader (WL), 8 Youth Mentor and 3 Mate), have joined Volunteer Crew Training weekends and once signed off embarked on their continuing journey as a volunteer. As skills and competencies have been developed to progress our team, our (TWL), Youth Mentors and Volunteer Mates, have clear developmental pathways for progression through the roles onboard. For our young people under 16, they can return to voyage and support the role within the watch onboard, becoming a TWL when they turn 16. In addition, our Young Ambassadors team commencing in 2023 continues to grow and we have a number of young people supporting our events and publications through their own journey experiences to guide and inform others.

As a result of extending our reach, we are seeing more volunteers joining us through events, talks and presentations through sailing clubs and those who are on RYA training courses with members of our freelance teams who are RYA instructors. This additional source of volunteers is bringing a wealth of expertise in youth work, sailing and role models to grow our team and support our work.

We continue to be one of the largest issuers of Royal Yachting Association (RYA) certificates in the UK, issuing nearly 800 certificates in 2023/24 (494 RYA Start Yachting; 269 RYA Competent Crew). Most of the young people who sail with us have no sailing experience, but by the end of their voyage, the majority will have earned their RYA Start Yachting certificate, with many also going on to achieve their RYA Competent Crew certificate. This is the first step in the RYA training scheme.

There are a range of courses in this series for young volunteers. We currently offer development up to and including RYA Watch Leader level and support our young people through to Mate in terms of training and sea time, signposting qualifications with RYA providers. Additionally, TSYT and Trinity House link to provide funding for young people to achieve maritime qualifications including RYA Yachtmaster Coastal.

Recommendations

Supporting the 3-voyage programme, we also offer a recommendation for future voyaging to encourage our young people to continue their journey through Empowerment and Leadership voyages as well as the potential to put themselves forward for selection for Fastnet and other events surrounding maritime careers opportunities. In 2023/24, 384 young people were recommended to return to Empowerment and Leadership voyages combined and following seven Empowerment voyages and our inaugural leadership voyage in January 2024, our dedicated team of young people continue to advocate for those about to start their journey supporting through follow up engagement opportunities in careers, fundraising and work experience.

Duke of Edinburgh's Award

As an Approved Activity Provider for Duke of Edinburgh, we continue to see growing interest in completing the Gold Award residential onboard our voyages (voyages of 4+ nights qualify), resulting in over 100 young people completing their qualification with TSYT as part of it. Gold Expeditions are currently held onboard the Ketch and have welcomed back returning organisations to complete their full Gold Expedition training and expeditions onboard.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

FASTNET 2023

On 22nd July, 12 intrepid young people set out on the most challenging experience of their lives. The first update received from Rolex Fastnet HQ described the first 24 hours of the 2023 race as 'brutal first night at sea' leading to 15 vessels not starting, 86 vessels retiring, HMS coastguard involvement in 28 incidents including one sinking, four dismastings and some of the longest standing veterans and previous winners retiring from the race.

Our challenger crews made it through the first night, continuing through to achieve amazing results, all three crews safely completing the Fastnet 50th edition. The 695nm course from the Solent to Cherbourg via the Fastnet Rock off the southern tip of Ireland is a challenge to even the most seasoned racers, but for our youth crew, this was new, exciting, terrifying and incredible!

Emma, (Ch4 youth crew) "I think one of my biggest challenges personally was being able to stay motivated and continue to be positive when the conditions were so rough. One of the things that I appreciate about my team was the fact we all understood we were going through rough times together and everyone tried to help each other to make the harder times more bearable whether this was through endless rounds of sea shanties or even just a hot chocolate. Before the Fastnet selection, I'd only ever sailed once so my sailing abilities and understanding of how the challengers work have definitely improved."

Our youth crew campaign was fully funded by our team of adults onboard Ch2, spending time together before and after the event, our sponsoring crew were blown away by the youth crews experiences and dedication:

"They are so resilient, and they know how to overcome their limits. Meeting them on the boat was inspirational, and they should all be proud of their momentous achievement."

Completing the Fastnet is another 2023 goal for me too. Having been medically retired from the Army with anxiety/PTSD I have set myself a number of challenges. Fastnet has helped reinforce the concept of living in the moment and that whatever is happening it will always end." Jonathon (Ch2 adult crew).

The commitment to developing our youth presence at Fastnet and building programme opportunities for young people through a racing pathway is ongoing as is our commitment to building inclusivity and diversity on the water.

"I've completed the race 6 times now. In 2021 only 12% of the crews were women. I hope that having 3 women on the Ch4 TSYT team and a 50/50 gender split onboard Ch4 will inspire greater diversity and inclusion within the sport". Skipper, Sue (Ch4)

Following the great success of Fastnet23, the Fastnet 2025 campaign has begun!

"The biggest highlight has to be crossing the finish line with the whole team on deck. The applause that erupted when we heard the beep come over the radio felt like a huge celebration of everything we were able to achieve as a team." Emma (Ch4 youth crew)

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

RISK REVIEW

The major potential operational, reputation and financial risk profiles to which the Trust is exposed, as identified by the Board, are reviewed on an annual basis and systems enhanced to mitigate those risks. They fall into five categories, as described below:

Resource

Insufficient number of competent and trained crew/staff. Insufficient number of seagoing volunteers. Inability to attract and retain crew/staff, with competitive remuneration and flexible working. Loss of key members of crew/staff threatens effective voyage operations, donor management and growth plans.

Funding

Cashflow insufficient to operate the charity. Charity's net assets insufficient to cover restricted funds (note 19). Asset-to-loan ratio inadequate. Voyage income, routine fundraising and special initiatives fail to meet targets. Insufficient new funds identified to meet growing need.

Operational

Global event impacts on voyage programme. Certification failure of a vessel threatens programme. Crew shortage, medical, illness, or defects prevent vessel voyaging. Incident or serious accident to crew, staff or the public while operating the vessels. Incident at sea damages a vessel. Hub closure due to an onshore incident.

Reputational

Safeguarding incident with client, YP, voyager or team member as the Trust grows across the UK. Incident at sea leading to bad publicity. Financial sustainability and fundraising ethical risk. Failure of IT system security, CRM. GDPR and data breach.

Developmental

Development work fails to achieve targets. Hub facilities ineffective. Inability to secure next fleet vessel.

For all these risks, and their elemental constituents, mitigation has been put in place. Our Finance, Audit and Risk Committee regularly review our Risk Register, to ensure appropriate mitigation measures are in place and monitored. In turn, our Board support and monitor this process. Fundraising and Resourcing are uncertain and therefore higher risk, given environmental and economic conditions in the UK. The residual risk at 29 February 2024, for the other risk areas, is assessed to be low.

ENVIRONMENTAL POLICY

Our Sustainability Working Group (SWG), led by our management team, is developing our pathway towards ISO accreditation in environment sustainability over the next few years. On our voyages, alongside and on land, our young people are the workforce driving ocean sustainability and protection of our planet for future generations to come. We have committed to the RYA Green Blue Pledge to Respect, Enjoy and Protect our inland and marine waters, wildlife and habitats. We have also committed to supporting a sustainable ocean project with the IMO throughout our thousands of miles voyaging around the UK and internationally.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Tall Ships Youth Trust is a charitable company limited by guarantee. The governing documents are its Memorandum and Articles of Association. For the purposes of Company Law, the Trustees listed on page 2 are the directors of the company and are elected by resolution of the company at a general meeting. The company is administered under the control of the Trustees, sitting as a Board, who have general control of and responsibility for the strategic direction of the Trust and its subsidiary companies, and delegate day-to-day responsibility to the Executive team.

The trading operations of the Trust are devolved to its wholly owned subsidiary, Tall Ships Limited. As well as appointing directors to the subsidiary company, the Board can establish other committees to deal with different aspects of the Trust's work, as necessary.

Trustees are conscious of the ACEVO/NCVO/Charity Commission sponsored 'Code of Charity Governance' and have been applying considerable effort towards full compliance. In terms of leadership, one new Trustee joined the Trust in this reporting year, following screening and selection on the Board's behalf by a Nomination and Remuneration Committee. This consists of four Trustees including the Chairman and Vice Chairman. Candidates are invited to meet at least two Members of the Committee and the Chief Executive. All new Trustees also receive a full briefing on the Trust's financial performance, business plans and key issues, and meet key employees. On conclusion of this process, the Committee recommend candidates to the Board which decides on the appointment and, if successful, co-opts the individual until the next AGM at which their appointment is ratified by the members.

The Trust has an induction programme for Trustees. The programme includes visits to the Trust's Portsmouth hub and main operating base, introduction to new youth initiatives, coverage of the charity's aims and how they are being fulfilled, the role and duties of the Trustees, company and charity law and governance, and financial and risk management.

We are keen to promote a spirit of openness within the charity – between Trustees, Executives, Beneficiaries, Volunteers and Supporters. Use of virtual technology for our AGM, combined with a physical meeting, ensured a high level of engagement across our members.

During the year, we have been pleased to appoint Martyn Layng to the Trustee Board. Martin has a significant technical maritime background and will contribute much to our long-term maintenance and strategic direction of our growing Challenger Fleet. We say goodbye with sincere thanks to our long-serving trustee Philip McDanell. Philip has been a critical member of the Board since joining in 2014, devoting considerable amounts of his time to our Finance Committee and has helped steer us through some very challenging years, including Covid. Also leaving us is Kiera Nazarin who has been our voice for the young people, having sailed on our vessels and taking up the post of Watch Leader. Both will be sorely missed and we thank them for their valuable contribution to the Trust.

We delegate responsibility to the Finance, Audit and Risk Committee for reporting to the Board about financial matters including forecast cash flows and our risk profile. The Committee considers the financial statements and risk register, meets regularly with the Chief Executive and Finance Director, and oversees the appointment of the external auditors, and reviews their findings.

Day-to-day management of the Trust is delegated to the Chief Executive, who oversees the on-shore and off-shore operations including youth development, voyaging, income generation and business functions.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2024

FINANCIAL REVIEW

During the year the Trust generated overall income of £1,893,250 (2023 - £1,748,759). The majority £1,104,351 (2023 - £1,158,432) being donations, legacy income and membership income from supporters. Direct voyage fees of £781,382 (2023 - £586,938) were received from the voyage programme and combined with restricted bursary funds of £699,227 (2023 - £726,028) resulting in £1,480,609 voyage income (2023 - £1,312,966) for the trading subsidiary Tall Ships Limited to run voyages throughout the year. Tall Ships Limited generated a surplus in the year of £322,700 (2023 - £236,081).

The consolidated group result for the year was a surplus on general funds of £136,933 (2023 – surplus £108,111), reduced by a deficit on restricted voyage funds of £91,424 (2023 - deficit £122,244).

Overall, the unrestricted funds increased to £377,889 (2023 – increase to £240,956), however the restricted and bursary funds reduced from £922,458 to £831,034. There was no change in the small balance of endowment funds. The group net asset position was therefore £1,260,055 – (2023 - £1,214,546) and the Trust entity position reduced from £1,402,632 to £1,329,343. The overall cash flow position was a reduction in cash balances of £49,081 (2023 – reduction of £162,169).

There are material uncertainties around the charity's ability to continue as a going concern due to the timing of cashflows. This has largely been caused by the significant reduction in the generation of donations associated with the worsening economic climate, as described in the going concern accounting policy on page 25.

FUTURE FINANCIAL PROSPECTS AND RESERVES POLICY

The removal of substantial Covid restrictions has had a significantly positive impact on our ability to operate at full capacity over this and coming years. Our current operating model is effective, producing a cashflow surplus under normal trading.

We continue to repay historic loan debts following the disposal of the brig. We have restructured the loan agreement with The Corporation of Trinity House with repayment plans over longer terms and repayments have commenced. We are very grateful for their continued support and understanding.

The final payment of the liability to the Merchant Officers Pension Fund was made in September 2023, further improving our debt position.

Our new Strategic Plan is in full operation, covering the 5-year period 2023-2028. We have a strong and diverse Board of Trustees alongside competent, trained and motivated on-shore and off-shore staff, led by a CEO experienced in fundraising, commercial business and leading change.

As part of this work, we are evaluating the plan to raise sufficient funds to acquire an additional vessel to increase our capacity and to meet the demand for our services. We will then be in a stronger and more sustainable financial position going forward.

The Trustees' long-term objective is to build the Trust's reserves to protect our charitable mission against unexpected events. We have therefore set a medium-term goal of building available liquid assets of unrestricted funds to meet any potential gap between income and expenditure, to build sufficient assets to cover restricted funds and to such level that unrestricted funds return to positive balance.

The Trust will continue to make progress in terms of the number of young people we take to sea, particularly those who are from disadvantaged backgrounds, our net operating income, and our fundraising capacity.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also Directors of Tall Ships Youth Trust for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

Statement as to disclosure of information to Auditors

In so far as each of the Trustees are aware: -

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

This report, which also meets the requirements of the Directors' Report for company law purposes has been prepared in accordance with the special provisions applicable to small companies and the charities SORP 2019 (FRS 102)

Auditors

Moore (South) LLP have expressed their willingness to continue in office, and a resolution for their reappointment for the next financial year will be put to the Annual General Meeting.

ON BEHALF OF THE TRUSTEES



David Aisher

Chairman of the Board of Trustees

Dated: 27 February 2025

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 29 FEBRUARY 2024

Opinion

We have audited the consolidated financial statements of Tall Ships Youth Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 29 February 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 parent company's affairs as at 29 February 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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.

Material uncertainty relating to going concern

We draw your attention to the going concern accounting policy on page 25 in the financial statements, which indicates that the group has a deficit of assets making up unrestricted funds of £1,242,315. As stated in the accounting policy, these events and conditions, along with the other matters as set out, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 29 FEBRUARY 2024

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and their environment obtained in the course of the audit, we have not identified material misstatements in Directors' Report, included in 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 accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's financial statements are not in agreement with the accounting records; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the consolidated financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirements to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14 the trustees, who are also the directors of the charitable parent 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 29 FEBRUARY 2024

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 consolidated financial statements.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company and the group.

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Revenue recognition was also identified as part of our audit planning as a significant risk to the audit. Although the processing and recording of transactions is straight forward, there is the risk that revenue might not be recognised within the correct accounting period.
- Some income received is restricted in its use and a significant risk was identified regarding the correct classification of income between restricted and unrestricted funds and that the expenditure against this income was in line with any specified restrictions.
- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and we considered the most significant to be the Companies Act 2006, the Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the charitable company complies with these requirements by discussions with management and those charged with governance.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 29 FEBRUARY 2024

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- The consolidated financial statements of the group incorporate the results of the subsidiary company. Moore (South) LLP are auditors to the whole group and the same approach has been adopted to the subsidiary company as is appropriate to that entity.

In response to the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed transactions with related parties, in particular the management charges and transactions with group entities;
- reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation; and
- tested a sample of invoices to ensure expenditure was for bona fide expenses and has been appropriately authorised.

In response to the risk of incorrect recognition of income we:

- performed analytical procedures including comparing revenue received to the prior period and to budgets;
- vouched a sample of donations and grants received in the year to supporting documentation; and
- tested a sample of gifts and donations received around the balance sheet date to agree income has been included within the correct accounting period.

In response to the classification of income between restricted and unrestricted we:

- agreed a sample of grants and donations recorded in the nominal ledger to source documentation to ensure any restrictions were correctly identified,
- agreed a sample of expenses incurred to ensure that they had been allocated to the appropriate fund; and
- obtained and reviewed fund analysis workings to ensure that the calculations were correct and agreed to the accounting records.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 29 FEBRUARY 2024

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the charitable parent 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 parent 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 parent company and the charitable parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sue Lucas (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP
Chartered Accountants
Statutory Auditor

27/2/2025

9 St Johns Place
Newport
Isle of Wight
PO30 1LH

TALL SHIPS YOUTH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 29 FEBRUARY 2024

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds Year to 29/2/2024	Total Funds Year to 28/2/2023
	Note	2024 £	2024 £	2024 £	£	£
Income and Endowments from:						
Donations and legacies	2	762,637	341,714	-	1,104,351	1,158,432
Investments		5,526	1,991	-	7,517	3,389
Government grants		-	-	-	-	-
Charitable activities	3	<u>781,382</u>	-	-	<u>781,382</u>	<u>586,938</u>
Total income		<u>1,549,545</u>	<u>343,705</u>	<u>-</u>	<u>1,893,250</u>	<u>1,748,759</u>
Expenditure on:						
Raising funds	5	360,721	-	-	360,721	371,671
Charitable activities	5	<u>1,051,891</u>	<u>435,129</u>	<u>-</u>	<u>1,487,020</u>	<u>1,391,221</u>
Total expenditure		<u>1,412,612</u>	<u>435,129</u>	<u>-</u>	<u>1,847,741</u>	<u>1,762,892</u>
Net movement in funds		136,933	(91,424)	-	45,509	(14,133)
Transfer between funds		-	-	-	-	-
Other recognised gains / (losses)						
Gain on revaluation of fixed assets		-	-	-	-	<u>854,810</u>
Net movement in funds		136,933	(91,424)	-	45,509	840,677
Fund balances brought forward At 1 March 2023		<u>240,956</u>	<u>922,458</u>	<u>51,132</u>	<u>1,214,546</u>	<u>373,869</u>
Fund balances carried forward At 29 February 2024		<u>377,889</u> =====	<u>831,034</u> =====	<u>51,132</u> =====	<u>1,260,055</u> =====	<u>1,214,546</u> =====

The accompanying accounting policies and notes form an integral part of these financial statements.

All operations of the Trust and its subsidiaries are classed as continuing.

There was no movement on the endowment funds in either the current or prior year and so no separate income and expenditure account is included.

TALL SHIPS YOUTH TRUST

BALANCE SHEETS AS AT 29 FEBRUARY 2024

	<u>Note</u>	Consolidated		Tall Ships Youth Trust	
		29/2/2024	28/2/2023 restated	29/2/2024	28/2/2023 restated
		£	£	£	£
Fixed assets					
Tangible assets	11	<u>1,745,730</u>	<u>1,887,083</u>	<u>1,745,730</u>	<u>1,887,083</u>
Current assets					
Stocks		9,081	8,780	250	250
Debtors	12	86,111	66,550	70,497	48,804
Investments	13	6,642	6,124	6,642	6,124
Cash at bank and in hand		<u>192,739</u>	<u>241,820</u>	<u>146,057</u>	<u>226,224</u>
		294,573	323,274	223,446	281,402
Creditors: amounts falling due within one year	14	<u>(500,063)</u>	<u>(630,070)</u>	<u>(359,648)</u>	<u>(400,112)</u>
Net current liabilities		<u>(205,490)</u>	<u>(306,796)</u>	<u>(136,202)</u>	<u>(118,710)</u>
Total assets less current liabilities		1,540,240	1,580,287	1,609,528	1,768,373
Creditors: amounts falling due after more than one year	15	<u>(280,185)</u>	<u>(365,741)</u>	<u>(280,185)</u>	<u>(365,741)</u>
		<u>1,260,055</u>	<u>1,214,546</u>	<u>1,329,343</u>	<u>1,402,632</u>
Capital funds					
Endowment funds	16	51,132	51,132	51,132	51,132
Income funds					
Restricted funds	17	831,034	922,458	831,034	922,458
Revaluation reserve	18	1,620,204	1,735,524	1,620,204	1,735,524
Other unrestricted funds	18	<u>(1,242,315)</u>	<u>(1,494,568)</u>	<u>(1,173,027)</u>	<u>(1,306,482)</u>
		<u>1,260,055</u>	<u>1,214,546</u>	<u>1,329,343</u>	<u>1,402,632</u>

The financial statements were approved by the Trustees on 27 February 2025



David Aisher
Chairman of the Board

Charity Number: 314229 Company Number: 00567460

The accompanying accounting policies and notes form an integral part of these financial statements.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2024

		29/2/2024 Group £	28/2/2023 Group £	
Cashflow from operating activities				
Net cashflow from operations	See Below	<u>39,338</u>	<u>130,590</u>	
Total cashflow from operating activities		<u>39,338</u>	<u>130,590</u>	
Cashflow from investing activities				
Interest received		7,517	3,389	
Payments to acquire fixed assets		<u>(380)</u>	<u>(15,594)</u>	
Total cashflow on Investing activities		<u>7,137</u>	<u>(12,205)</u>	
Cash from financing activities				
Repayments of borrowing		<u>(95,556)</u>	<u>(280,554)</u>	
Net cash provided by (used in) financing activities		<u>(95,556)</u>	<u>(280,554)</u>	
Net Increase/(decrease) in cash and cash equivalents		(49,081)	(162,169)	
Cash and cash equivalents at 1 March 2023		<u>241,820</u>	<u>403,989</u>	
Cash and cash equivalents at 29 February 2024		<u>192,739</u> =====	<u>241,820</u> =====	
Cash and cash equivalents consist of:				
Cash at bank and in hand		<u>192,739</u>	<u>241,820</u>	
Cash and cash equivalent at 29 February 2024		<u>192,739</u> =====	<u>241,820</u> =====	
Reconciliation of income to net cashflow from operations:				
		29/2/2024 £	28/2/2023 £	
Net income resources		45,509	840,677	
Depreciation charges		141,733	139,726	
Investment income		(7,517)	(3,389)	
Change in value of investments		(518)	(301)	
(Increase)/decrease in stocks		(301)	600	
(Increase)/decrease in debtors		(19,562)	104,112	
Increase/(decrease) in creditors		(120,006)	(96,025)	
Revaluation in year		-	<u>(854,810)</u>	
Net cash outflow from operations		<u>39,338</u> =====	<u>130,590</u> =====	
Analysis of changes in net debt				
		1/3/2023 £	Cashflows £	29/2/2024 £
Long term borrowing				
Bank loan		(171,297)	55,556	(115,741)
Loans from Trustees and funders		<u>(290,000)</u>	<u>40,000</u>	<u>(250,000)</u>
Total liabilities		(461,297)	95,556	(365,741)
Bank and cash balances		<u>241,820</u>	<u>(49,081)</u>	<u>192,739</u>
Total net debt		<u>(219,477)</u> =====	<u>46,475</u> =====	<u>(173,002)</u> =====

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2024

ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

General Information and Accounting Convention

Tall Ships Youth Trust is a charitable company limited by guarantee, registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office, together with the objects of the Charity are given in the charity information on pages 2 and 4 respectively of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the charitable company's Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charitable company and rounded to the nearest £1.

Going Concern

The Charity's revenues derive principally from various forms of donations and voyage income.

Since the end of pandemic restrictions, voyage income has picked up and fundraising remains encouraging. However, there has been a worsening of the general economic climate, including the situation in Ukraine – evidenced by a steep rise in inflation and interest rates. Since 2022, there has generally been a significant reduction in charitable donations in the UK market associated with those wider economic conditions. These may impact negatively on future voyage revenues and / or donations.

The Charity has an operating subsidiary, Tall Ships Limited, which runs the voyage programme. Tall Ships Limited had a net liability at the year-end of £418,988 (2023 £741,688). Accordingly, the Charity provides ongoing financial support to Tall Ships Limited of £349,697 (2023 £563,610) by way of an inter-company loan, which it has confirmed it will not seek repayment of within the next 12 months. The long-standing pension deficit in Tall Ships Limited has been eliminated during the year (2023 £92,595).

The Charity has a deficit of assets making up the unrestricted funds, as explained in note 18. This stems from the sale of the brig in 2017 for considerably less than had been expected. The Charity continues to focus on correcting this deficit, which is steadily reducing.

The situations described above continue to create a material uncertainty relating to going concern due to the timing and level of future cash flow.

In order to monitor the financial position of the Charity, the Charity's Finance Audit and Risk Committee continues to meet on a regular basis to evaluate and develop strategies to minimise non-essential expenditure, develop fundraising income and review cash flow forecasts.

The Charity continues to monitor costs in all areas and continues to pay off the historic loans and debts. The revaluation of the Challenger assets in 2022 has significantly contributed to overall balance sheet reserves.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2024

In light of the above, with the exception of the above described material uncertainty, the Trustees have a reasonable expectation that the Charity will continue in operational existence for the foreseeable future and, accordingly, the accounts are prepared on the going concern basis.

Basis of Consolidation

The group financial statements consolidate those of the charitable company and of its subsidiary undertaking. The results of the charitable company's trading subsidiary, Tall Ships Limited, have been consolidated on a line by line basis. Surpluses or deficits on intra-group transactions are eliminated in full.

A separate statement of financial activities and income and expenditure account for the charitable company itself are not presented because the charitable company has taken advantage of the exemptions afforded by the Companies Act 2006.

FUND ACCOUNTING

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

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

Endowment funds represent those assets which must be held permanently by the charity. Expendable Endowments permit the Charity to spend the capital sum on suitable capital projects with the permission of the donor. Income arising on the endowment funds can be used in accordance with the objects of the charity and is transferred to the general funds. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the relevant fund. The purpose and use of each expendable endowment fund is set out in the notes to the financial statements.

INCOME RECOGNITION POLICIES

Donations and Gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed performance restrictions, in which case recognition is deferred until the pre-condition has been met.

Legacies are recognised as receivable once probate has been granted, notification has been received and sufficient information is available to make a realistic assessment of the value of the charitable companies entitlement.

Intangible income is valued and included in income to the extent that it represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure. Voluntary help is not included as income.

Life subscriptions are counted in full when received.

Donations and any associated income tax recoveries when donated under gift aid are credited as income when the amounts are received.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2024

Activities for Generating Funds

Revenue from activities such as special fundraising events is recognised in the period in which the activity or event occurs.

Investment income

Investment income is recognised when receivable.

Incoming Resources from Charitable Activities

Revenue from voyage fees is recognised in the period in which the voyage commences.

Grants Receivable

Income from Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes details of the costs in relation to fundraising events, following up donations, and seeking voluntary contributions and donations from supporters, and available sources;
- Expenditure on charitable activities includes the costs of the charity's work with young people, sailing trips and other residential activities including all planning activities, maintenance of the Charity's assets, preparation and follow up; and
- Other expenditure represents those items not falling into the categories above.
- Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Allocation of Support Costs

Support costs are those that assist the work of the charity, but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Charity's main base in Portsmouth. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises and other overheads have been allocated on a basis relating to use and the proportion of staff time incurred on those matters.

The analysis of these costs is included in note 6.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2024

TANGIBLE FIXED ASSETS AND DEPRECIATION

Individual assets costing £250 or more are capitalised. Yachts are stated at valuation and other tangible fixed assets are stated at cost, net of depreciation and any impairment losses. Depreciation is calculated on all tangible fixed assets to write down the cost or valuation less estimated residual value by annual instalments over their expected useful lives. Any excess depreciation on revalued assets is transferred to the revaluation reserve on an annual basis. The periods generally applicable are: -

Yachts	15 years Straight line
Computers and Office Equipment	5 years Straight line
Display and Exhibition Equipment	5 years Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying value of the asset, and is recognised in the statement of activities.

As part of the periodic review of asset useful lives conducted at each reporting date, the charitable company reassessed the estimated useful life of the Challenger yachts. Effective 1 March 2023, the Challenger yachts have been determined to have an estimated useful life of 15 years.

This change in estimated useful life has led to an adjusted annual depreciation charge of £120,000. Under the original depreciation schedule, which estimated a 15-year useful life from the purchase date, the depreciation expense would have been £787,500.

IMPAIRMENT OF FIXED ASSETS

At each reporting date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

FOREIGN CURRENCIES

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

INVESTMENTS

Assets held for investment purposes are included at market value.

Traded securities are valued at the mid-point quotation in the Stock Exchange Daily List. Other investment assets are included at the Trustees' best estimate of market value. Donated shares that come with a requirement that they be held for a fixed period are included in the Balance Sheet at a value assessed by the Trustees at the date of receipt. This value is then reviewed by the Trustees at each balance sheet date.

STOCKS

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition.

Provision is made for damaged, obsolete and slow-moving stock where appropriate.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2024

DEBTORS

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

CREDITORS

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.

RETIREMENT BENEFITS

Defined Contribution Scheme

The pension costs charged in the period represent the amount of the contributions payable to the scheme in respect of the accounting period.

Defined Benefit Scheme

Some former employees of the Trust's active subsidiary, Tall Ships Limited, were members of a multi-employer scheme. Tall Ships Limited is unable to identify its share of the underlying assets and liabilities of this scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement Benefits', accounts for it as if it were a defined contribution scheme.

OPERATING LEASE AGREEMENTS

Rentals payable and receivable under operating leases are charged as an expense to the SOFA on a straight-line basis over the period of the lease.

TAXATION

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

FINANCIAL ASSETS AND LIABILITIES

The Trust only has financial assets and financial 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.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

1. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds Year to 28/2/2023	Total Funds Year to 28/2/2022
	Note	2023 £	2023 £	2023 £	2023 £	2022 £
Income and Endowments from:						
Donations and legacies	2	779,461	378,971	-	1,158,432	833,465
Investments		1,415	1,974	-	3,389	2,317
Government grants		-	-	-	-	33,663
Charitable activities	3	586,938	-	-	586,938	425,889
Total income		1,367,814	380,945	-	1,748,759	1,295,334
Expenditure on:						
Raising funds	5	371,671	-	-	371,671	329,539
Charitable activities	5	888,032	503,189	-	1,391,221	1,203,015
Total expenditure		1,259,703	503,189	-	1,762,892	1,532,554
Net movement in funds		108,111	(122,244)	-	(14,133)	(237,220)
Transfer between funds		-	-	-	-	-
Other recognised gains / (losses)						
Gain on revaluation of fixed assets		854,810	-	-	854,810	-
Net movement in funds		962,921	(122,244)	-	840,677	(237,220)
Fund balances brought forward At 1 March 2022		(721,965)	1,044,702	51,132	373,869	611,089
Fund balances carried forward At 28 February 2023		240,956	922,458	51,132	1,214,546	373,869

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	29/2/2024 £	28/2/2023 £
Donations	705,796	341,714	1,047,510	1,050,687
Legacies	23,744	-	23,744	74,848
Membership	33,045	-	33,045	32,897
Other	52	-	52	-
	762,637	341,714	1,104,351	1,158,432

Of the comparative donations figure £378,971 was in respect of restricted funds.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

3. INCOME FROM CHARITABLE ACTIVITIES

	29/2/2024 £	28/2/2023 £
Gross voyage fees	1,480,609	1,312,966
Less bursaries utilised from funds	<u>(699,227)</u>	<u>(726,028)</u>
	781,382	586,938
	=====	=====

All income from charitable activities for both years was unrestricted.

4. NET INCOME FROM ACTIVITIES OF SUBSIDIARIES

The Charity's only active subsidiary is Tall Ships Limited (02844027). Registered office address: 2a The Hard, Portsmouth, Hampshire, PO1 3PT. A summary of its results for the period is set out below:-

	29/2/2024 £	28/2/2023 £
Turnover-voyage fees	1,480,609	1,312,966
Operating costs	<u>(1,156,025)</u>	<u>(1,069,473)</u>
Operating Profit/(loss)	324,584	243,493
Finance costs	<u>(1,884)</u>	<u>(7,412)</u>
Net profit/(loss)	322,700	236,081
	=====	=====

The net assets and liabilities of the active subsidiary are:

	29/2/2024 £	28/2/2023 £
Current assets	71,127	51,879
Creditors: amounts falling due within one year	<u>(490,115)</u>	<u>(793,567)</u>
Total net liabilities	<u>(418,988)</u>	<u>(741,688)</u>
Aggregate of share capital and reserves	<u>(418,988)</u>	<u>(741,688)</u>
	=====	=====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

5. ANALYSIS OF EXPENDITURE

	28/2/2024 £	28/2/2023 £
Cost of raising funds:		
Fundraising costs	330,231	370,511
Allocation of support and governance costs (see note 6)	<u>30,490</u>	<u>1,160</u>
	360,721	371,671
	=====	=====
Charitable activities		
Ship related costs	941,991	797,166
Depreciation	141,732	136,726
Allocation of support and governance costs (see note 6)	125,691	38,155
Interest payable and similar finance charges	27,248	20,066
Other voyage and support expenses	<u>250,358</u>	<u>396,108</u>
	1,487,020	1,391,221
	=====	=====
Restricted funds	435,129	503,189
Unrestricted funds	<u>1,412,612</u>	<u>1,259,703</u>
	1,847,741	1,762,892
	=====	=====

6. SUPPORT AND GOVERNANCE COSTS

		Support £	Governance £	29/2/2024 £	28/2/2023 £
Support costs	Method				
Payroll and HR	Total resources	10,071	-	10,071	11,995
Property costs	Total resources	25,762	-	25,762	25,858
Office costs	Total resources	21,543	-	21,543	10,078
IT and Website	Total resources	11,296	-	11,296	11,034
Marketing	Direct activities	21,379	-	21,379	35,338
Other	Total resources	11,176	-	11,176	17,213
Governance costs					
Auditors remuneration		-	37,175	37,175	38,155
Administrative expenses		-	6,901	6,901	1,160
Legal Fees		<u>-</u>	<u>10,878</u>	<u>10,878</u>	<u>-</u>
		101,227	54,954	156,181	150,831
		=====	=====	=====	=====

Support and Governance costs are allocated to Cost of Raising Funds and Charitable activities as follows:

Cost of Raising Funds	19,762	10,728	30,490	16,626
Charitable activities	<u>81,465</u>	<u>44,226</u>	<u>125,691</u>	<u>134,205</u>
	101,227	54,954	156,181	150,831
	=====	=====	=====	=====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

7. OTHER COSTS

	29/2/2024 £	28/2/2023 £
The surplus is stated after charging:		
Auditors' remuneration		
Audit services	28,775	25,300
Non-audit services	<u>8,400</u>	<u>12,855</u>
	37,175	38,155
Depreciation	141,733	139,726
Operating lease rentals	<u>8,403</u>	<u>12,901</u>
	=====	=====

8. EMPLOYEES

Employee costs during the period were as follows:

	29/2/2024 £	28/2/2023 £
Wages and salaries	651,934	557,925
Social security costs	<u>57,174</u>	<u>50,654</u>
Other pension costs	<u>70,997</u>	<u>61,484</u>
	780,105	670,063
	=====	=====

The average number of full time equivalent employees during the period were as follows:

	29/2/2024 Number	28/2/2023 Number
Management and administration	18	17
	==	==

The average number of employees based on head count was 21 (2023: 19).

The total costs attributable to senior management personnel amounted to £356,691 for the year to 29 February 2024 (2023: £232,802). Senior management personnel comprise the Chief Executive Officer, Finance and Business Support Director, Director of Youth Development and Outdoor Learning, Head of Operations, and the Head of Fundraising and Marketing. The emoluments of higher paid employees fell within the following ranges:

	28/2/2024 Number	28/2/2023 Number
£70,001 to £80,000	1	1
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-
	==	==

9. PAYMENTS TO TRUSTEES AND CONNECTED PERSONS

No Trustee received remuneration in the period, directly or indirectly, from either the charity or an institution or company controlled by the charity.

Expense reimbursements for travel and subsistence were not paid to Trustees during the year (2023: £nil) and there were no expenses paid on behalf of a trustee.

Trustee indemnity insurance paid on behalf of Trustees and officers in the year was £3,553 (2023: £4,450).

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

10. SURPLUS/(DEFICIT) OF EXPENDITURE OVER INCOME

The consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary – Tall Ships Limited, which operates voyages. Details of the results of the trading subsidiary are set out in note 4.

The summary financial performance of the Charity alone was:

	29/2/2024	28/2/2023
Income	£	£
Income from donations and legacies	1,104,351	1,158,432
Other income	203,909	-
Investment income	<u>7,517</u>	<u>3,389</u>
Total income	<u>1,315,777</u>	<u>1,161,821</u>
Expenditure		
Raising funds	(355,078)	(356,210)
Charitable activities	<u>(1,033,988)</u>	<u>(1,055,823)</u>
Total expenditure	<u>(1,389,066)</u>	<u>(1,412,033)</u>
Revaluation in year	-	854,810
Net income for the year	(73,289)	604,598
Total funds brought forward on 28 February 2023	<u>1,402,632</u>	<u>798,034</u>
Total funds carried forward at 29 February 2024	<u>1,329,343</u>	<u>1,402,632</u>

11. TANGIBLE FIXED ASSETS

Consolidated and Tall Ships Youth Trust

	Yachts £	Computers, Fixtures & Equipment £	Total £
Cost or valuation:			
At 1 March 2023	1,885,917	99,952	1,985,869
Additions in year	<u>-</u>	<u>380</u>	<u>380</u>
At 29 February 2024	<u>1,885,917</u>	<u>100,332</u>	<u>1,986,249</u>
Depreciation:			
At 1 March 2023	46,962	51,824	98,786
Provided in the period	<u>125,728</u>	<u>16,005</u>	<u>141,733</u>
At 29 February 2024	<u>172,690</u>	<u>67,829</u>	<u>240,519</u>
Net book amount at 29 February 2024	<u>1,713,227</u>	<u>32,503</u>	<u>1,745,730</u>
Net book amount at 28 February 2023	<u>1,838,955</u>	<u>48,128</u>	<u>1,887,083</u>

The Yachts are given as security against a number of loans included in creditors. The net book value of yachts given as security was £840,000 (2023: £900,000).

The Challenger Yachts are included above at a net book value of £450,000 based on a professional valuation completed by Berthon International Limited, an international yacht brokers, in 2023.

Not all class of yachts were revalued. The Ketch was not revalued due to its bespoke nature.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

11. FIXED ASSETS (continued)

The figures stated above for cost or valuation in respect of Yachts comprise assets at:

	£
Cost	1,094,928
Valuation	<u>790,989</u>
	1,885,917
	=====

If certain fixed assets had not been re-valued, they would have been included on the historical cost basis at the following amounts:

	Yachts £ 29/2/2024	Yachts £ 28/2/2023
Cost	1,094,928	1,094,928
Accumulated depreciation	<u>(1,001,905)</u>	<u>(991,497)</u>
Net book amount at 29 February 2024	93,023	103,431
	=====	=====

12. DEBTORS

	Consolidated		Tall Ships Youth Trust	
	29/2/2024	28/2/2023	29/2/2024	28/2/2023
	£	£	£	£
Amounts owed by group undertakings	-	-	-	10,004
VAT recoverable	12,197	18,647	2,893	4,813
Other debtors	65,926	18,028	64,098	16,169
Prepayments	<u>7,988</u>	<u>29,875</u>	<u>3,506</u>	<u>17,818</u>
	86,111	66,550	70,497	48,804
	=====	=====	=====	=====

13. CURRENT ASSET INVESTMENTS

	Consolidated		Tall Ships Youth Trust	
	29/2/2024	28/2/2023	29/2/2024	28/2/2023
	£	£	£	£
UK investments – COIF Funds	6,642	6,124	6,642	6,124
	=====	=====	=====	=====

Unlisted investments have been invested in COIF units, held in the name of a supporter's branch, and are at market value.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Tall Ships Youth Trust	
	29/2/2024	28/2/2023	29/2/2024	28/2/2023
	£	£	£	£
Bank Loan	55,556	55,556	55,556	55,556
Loans from Trustees and funders	30,000	40,000	30,000	40,000
Payments received on account	203,625	232,728	203,625	232,728
Trade creditors	119,199	127,414	5,463	21,855
Social Security and other taxes	14,661	14,148	14,661	14,148
Other creditors and accruals	<u>77,022</u>	<u>160,224</u>	<u>50,343</u>	<u>35,825</u>
	500,063	630,070	359,648	400,112
	=====	=====	=====	=====

Loans from Trustees and funders are secured by fixed charges over the Trust's vessels (see note 11).

The bank loan is secured on fixed and floating charges over the assets of the charity.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		Tall Ships Youth Trust	
	29/2/2024	28/2/2023	29/2/2024	28/2/2023
	£	£	£	£
Loans from Trustees and funders	220,000	250,000	220,000	250,000
Bank loan	<u>60,185</u>	<u>115,741</u>	<u>60,185</u>	<u>115,741</u>
	280,185	365,741	280,185	365,741
	=====	=====	=====	=====

Loans from Trustees and funders are secured by fixed charges over the Trust's vessels (see note 11).

The bank loan is secured on fixed and floating charges over the assets of the charity.

In the prior year, included within other creditors, is the pension deficit owed by Tall Ships Limited (see note 20), which was fully repaid in the current year.

16. ENDOWMENT FUNDS

	Michael Crocker £	Nova Scotia £	Lord Burnham £	Total £
At 1 March 2023 and at 29 February 2024	13,277	12,952	24,903	51,132
	=====	=====	=====	=====

The Michael Crocker fund was set up in memory of a yachtsman murdered in February 1982. The income is for contributions to voyage fees for pupils of Henley College. The Nova Scotia fund was set up in memory of trainees who died on the sailing ship "Marques" which sank off Bermuda during the 1984 American Tall Ships race. The income is shared with the American Sail Training Association and is to support a voyage berth. The Lord Burnham fund was set up in his memory following his death in June 1993. Income is for contributions to Voyage fees aboard the Trust's ships for trainees ideally, but not exclusively, from Eastern Europe.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

17. RESTRICTED FUNDS

	Balance at 1/3/2023 £	Income £	Expenditure £	Transfer £	Balance at 29/2/2024 £
International fund	199,123	1,991	-	-	201,114
Legacy fund	138,179	-	(84,837)	-	53,342
Other specific funds	<u>585,156</u>	<u>341,714</u>	<u>(350,292)</u>	<u>-</u>	<u>576,578</u>
Total restricted funds	<u>922,458</u>	<u>343,705</u>	<u>(435,129)</u>	<u>-</u>	<u>831,034</u>

The Specific Funds are donations made to the Trust to be used for specified purposes. At 29 February 2024 there were 380 separate funds (2023: 404). The Trust is reviewing the ongoing obligations of restricted funds.

The International Fund is restricted within the accounts of the Trust for the support of international sail training activities.

The legacy fund is monies received to be used for youth trip voyages in the North Devon, North-West Somerset and Exmoor National Park areas.

Year to 28 February 2023 comparative period

	Balance at 1/3/2022 £	Income £	Expenditure £	Transfer £	Balance at 28/2/2023 £
International fund	197,149	1,974	-	-	199,123
Legacy fund	240,467	-	(102,288)	-	138,179
Other specific funds	<u>607,086</u>	<u>378,971</u>	<u>(400,901)</u>	<u>-</u>	<u>585,156</u>
Total restricted funds	<u>1,044,702</u>	<u>380,945</u>	<u>(503,189)</u>	<u>-</u>	<u>922,458</u>

18. UNRESTRICTED FUNDS

Consolidated

	General Reserve £	Revaluation Reserve £	Total £
At 1 March 2022	(1,155,695)	433,730	(721,965)
Adjustment to brought forward (note 24)	<u>(446,984)</u>	<u>446,984</u>	-
Revised at 1 March 2022	(1,602,679)	880,714	(721,965)
Income	1,367,814	-	1,367,814
Outgoing resources	(1,259,703)	-	(1,259,703)
Revaluation in year	<u>-</u>	<u>854,810</u>	<u>854,810</u>
At 28 February 2023	<u>(1,494,568)</u>	<u>1,735,524</u>	<u>240,956</u>
Income	1,549,545	-	1,549,545
Outgoing resources	(1,412,612)	-	(1,412,612)
Transfer between reserves	<u>115,320</u>	<u>(115,320)</u>	<u>-</u>
At 29 February 2024	<u>(1,242,315)</u>	<u>1,620,204</u>	<u>377,889</u>

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

Tall Ships Youth Trust

	General Reserve £	Revaluation Reserve £	Total £
At 1 March 2022	(731,530)	433,730	(297,800)
Adjustment to brought forward (note 24)	<u>(446,984)</u>	<u>446,984</u>	-
Revised at 1 March 2022	(1,178,514)	880,714	(297,800)
Income	780,876	-	780,876
Expenditure	(908,844)	-	(908,844)
Revaluation in year	<u>-</u>	<u>854,810</u>	<u>854,810</u>
At 28 February 2023	(1,306,482)	1,735,524	429,042
Income	972,072	-	972,072
Expenditure	(953,937)	-	(953,937)
Transfer between reserves	<u>115,320</u>	<u>(115,320)</u>	-
At 29 February 2024	(1,173,027) =====	1,620,204 =====	447,177 =====

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Consolidated at 29 February 2024				
Tangible fixed assets	1,745,730	-	-	1,745,730
Current assets	(587,593)	831,034	51,132	294,573
Current liabilities	(500,063)	-	-	(500,063)
Creditors: due after more than one year	<u>(280,185)</u>	<u>-</u>	<u>-</u>	<u>(280,185)</u>
	377,889	831,034	51,132	1,260,055
	=====	=====	=====	=====
Tall Ships Youth Trust at 29 February 2024				
Tangible fixed assets	1,745,730	-	-	1,745,730
Current assets	(658,720)	831,034	51,132	223,446
Current liabilities	(359,648)	-	-	(359,648)
Creditors: due after more than one year	<u>(280,185)</u>	<u>-</u>	<u>-</u>	<u>(280,185)</u>
	447,177	831,034	51,132	1,329,343
	=====	=====	=====	=====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

Year to 28 February 2023 comparative period

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Consolidated at 28 February 2023				
Tangible fixed assets	1,887,083	-	-	1,887,083
Current assets	(650,316)	922,458	51,132	323,274
Current liabilities	(630,070)	-	-	(630,070)
Creditors: due after more than one year	(365,741)	-	-	(365,741)
	240,956	922,458	51,132	1,214,546
	=====	=====	=====	=====
Tall Ships Youth Trust at 28 February 2023				
Tangible fixed assets	1,887,083	-	-	1,887,083
Current assets	(692,188)	922,458	51,132	281,402
Current liabilities	(400,112)	-	-	(400,112)
Creditors: due after more than one year	(365,741)	-	-	(365,741)
	429,042	922,458	51,132	1,402,632
	=====	=====	=====	=====

Most restricted donations are to cover, in part, the costs of a voyage and most of the costs of voyages are spent in advance, starting with buying a boat and having the organisation to run the trips. The above note shows a notional allocation of assets between restricted and unrestricted. These assets are not segregated. The analysis shows that after allocating assets to restricted funds, there is a deficit of assets represented by other unrestricted funds. This situation has existed since the sale of the brig in the year to February 2018 for considerably less than had been expected. The charity is focused on correcting this situation.

20. PENSIONS

Defined contribution scheme

The group makes contributions towards individual pension schemes for the benefit of employees. The assets of these schemes are administered by Trustees in funds independent from those of the Tall Ships Youth Trust and its subsidiary companies. Contributions made during the period are disclosed in note 8.

Defined benefit scheme

A number of former employees of the Trust's subsidiary Tall Ships Limited ("TSL") have belonged to an industry wide pension scheme. The Trustees of the scheme have advised TSL that part of the scheme is in deficit and it is apportioning the deficit between participating employers. Interest is accruing on the residual of the 2009 and 2012 pension scheme deficits and a payment plan was completed during the year £ Nil (2023 - £92,595).

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

21. LEASING COMMITMENTS

At the reporting date, the Trust had the following minimum future lease commitments:

	29/2/2024		28/2/2023	
	Land & Buildings £	Other £	Land & buildings £	Other £
Within one year	25,000	13,337	25,000	12,641
Between two and five years	<u>45,833</u>	<u>38,951</u>	<u>70,833</u>	<u>10,108</u>
	70,833	52,288	95,833	22,749
	=====	=====	=====	=====

22. RELATED PARTY TRANSACTIONS

The aggregate donations from Trustees to the charity during the year was £12,550 (2023: £4,230).

The aggregate Trustee membership subscriptions during the year were £650 (2023: £650).

23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Group balances	29/2/2024 £	28/2/2023 £
Financial assets at amortised cost	277,504	284,619
Financial liabilities at amortised cost	<u>(576,623)</u>	<u>(763,083)</u>
Net financial liabilities	<u>(299,119)</u>	<u>(478,464)</u>
	=====	=====

The Charity's financial assets comprise investments and cash and bank balances. Financial liabilities include trade creditors, loans, accruals and other creditors.

24. PRIOR PERIOD ADJUSTMENT

During the financial year, an error was identified in the allocation of funds between the general reserve and the revaluation reserve within unrestricted funds. The funds had been incorrectly classified in the prior period.

An adjustment has been made to the prior period balances, resulting in an increase in the revaluation reserve of £446,984 as of 1 March 2022, and a corresponding decrease in the general reserve by the same amount. This correction has no impact on the total unrestricted funds but ensures accurate reporting of reserve allocations.

TALL SHIPS YOUTH TRUST

England & Wales - Charity number 314229

Accounts

REGISTERED IN ENGLAND AND WALES NUMBER: 00567460

CHARITY NUMBER: 314229



REPORT AND ACCOUNTS

FOR THE YEAR ENDED

28 FEBRUARY 2023

TALL SHIPS YOUTH TRUST

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FOR THE YEAR ENDED 28 FEBRUARY 2023

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TALL SHIPS YOUTH TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 28 FEBRUARY 2023

Tall Ships Youth Trust is a company limited by guarantee and a registered charity.

Charity Number 314229

Company Number 00567460

Principal Office 2A The Hard, Portsmouth, PO1 3PT

Vice-Patrons Admiral of The Fleet the Lord Boyce KG GCB OBE DL (Deceased 6 November 2022)
Mr I A Carruthers
Mr P Coleman
Mr D de Laszlo DL
Lord Grade CBE
Lord Greenway
Mr M Le May
Mr J Lennox
Mr O Michaelson
Mr D Tydeman
Mr T Vokos
Mrs C Williams

Trustees Mr D Aisher, Chairman
Mr N Andrews
Mrs E Bradshaw
Mr J Brown
Mr P D'Ornano
Mr S Edwards
Mr A Martyn
Mr P McDanell
Rear Admiral R Melly (Resigned 5 October 2022)
Miss K Nazarin
Miss T Stuiver (Appointed 5 October 2022 and resigned 26 April 2023) Mrs
M Verghese-Dipple (Appointed 25 January 2023)

Chief Executive Mr A Floyd

Company Secretary Mr P Taylor

Auditors Moore (South) LLP
9 St John's Place
Newport
Isle of Wight
PO30 1LH

Bankers Clydesdale Bank Plc
Gatwick Business and Private Banking Centre
5 Peveril Court
6-8 London Road
Crawley
West Sussex
RH10 8JE

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TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

Chairman's Introduction

The year ended 28th February 2023 was an interesting year for us all at Tall Ships Youth Trust. We emerged from the global pandemic achieving one of the highest number of voyagers with us on the Challenger fleet. The quality and depth of the voyage experience for our young people challenged them personally, socially and practically. They rose to the challenge showing resilience, will-power and positive mindsets. They were an inspiration to us all at the Trust.

In the year ended 28th February 2023, a total of 1,555 voyagers sailed with us. These included 1,066 young people, 867 of whom were disadvantaged. In addition, we hosted 489 adults who are a critical part of our voyage programme as they support the young person's voyage programme through a fully paid voyage experience. Further, many of our adult voyagers go on to become donors and lifelong supporters of our work.

We relied more than ever on our supporters and donors in what was an extremely challenging economic environment. The value of donations across the UK Charity sector has fallen significantly in 2022, despite the number of donors increasing. We have therefore had to ensure we continue to effectively demonstrate the increasing value of the outdoor environment towards young people's development. The ocean environment is in itself unique as our voyages not only positively challenge our voyagers, but the vessel is also their home for the duration of their time aboard. Together with our Tall Ships crews, our voyagers have the responsibility to ensure they are safe, healthy and contributing to the learning environment. This truly unique experience is what ensures our young people have an improved opportunity to progress in life.

We were deeply saddened to learn of the passing of Admiral of the Fleet The Lord Boyce in November 2022. Lord Boyce had been an avid supporter of the Trust, a Patron for many years and played a key role in our development work. He will be greatly missed by us at Tall Ships Youth Trust.

Our work and impact would not have achieved such success in the year were it not for our crews and volunteers. They have ensured that the experience for our young people has been optimised for fun, learning and achievement. They have continued to inspire and be positive adult role models for young people, who often have no effective role models in their lives.

The focus on building a sustainable financial future continued and we achieved strong trading and fundraising income in a challenging environment, while carefully managing our costs. We continued to clear existing debts and loans with funds that in the future will support our intent to build reserves for future contingencies. The Aiken family's significant support is reflected in this accounting year ending 28 February 2023. As mentioned in my introduction last year, this generosity has had a major positive impact to the reduction in our loans position. We thank Alex Aiken and the family for this contribution to our future. Our current fleet of four 72ft ocean going vessels underwent 5-year surveys, managed within existing budget. We also commissioned a 20-year survey of these vessels so that we can proactively maintain them and ensure their service for the long-term to support our work. Our 55ft Ketch continued to support our purpose and mission, in particular supporting many young people undertaking their DoE Gold residential award.

Towards the end of 2022, we signed-off on our new strategy for 2023 to 2028, building on our previous work. Our new strategy is predicated on a young person's 3-voyage journey of Exploration, Empowerment and Leadership over 3 years. This will support them in the long-term on their journey into adulthood and for some, careers in the maritime sector and blue economy. We have listened to young people seeking more connection with their peers outside of the education environment, through adventures away from home and through volunteering. We have also taken deliberate steps to ensure that a sustainable ocean environment is core to our voyage experiences, building on UK Government Maritime 2050 priorities and the United Nations Development Programme blue economy focus.

We invite you to join us as we deliver on our revised purpose and mission for young people across the UK.

David Aisher
Chair of Trustees, Tall Ships Youth Trust

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

OUR NEW APPROACH

Our new strategy 2023 to 2028 was implemented in January 2023. This report reflects the new strategy.

Our **Vision** is a society where all young people strive to create better outcomes for themselves and for their communities.

Our **Charitable Mission** is to enable young people, particularly those from disadvantaged backgrounds, to change their lives at sea and contribute to the maritime sector and the blue economy.

Our **Values** reflect our changing culture as a team, as a charity and as a society:

> **Nurturing and Inclusive** – We care for and encourage the development of all young people and adults who voyage with us; we include and integrate all people and groups in our work, especially those who are from disadvantaged backgrounds.

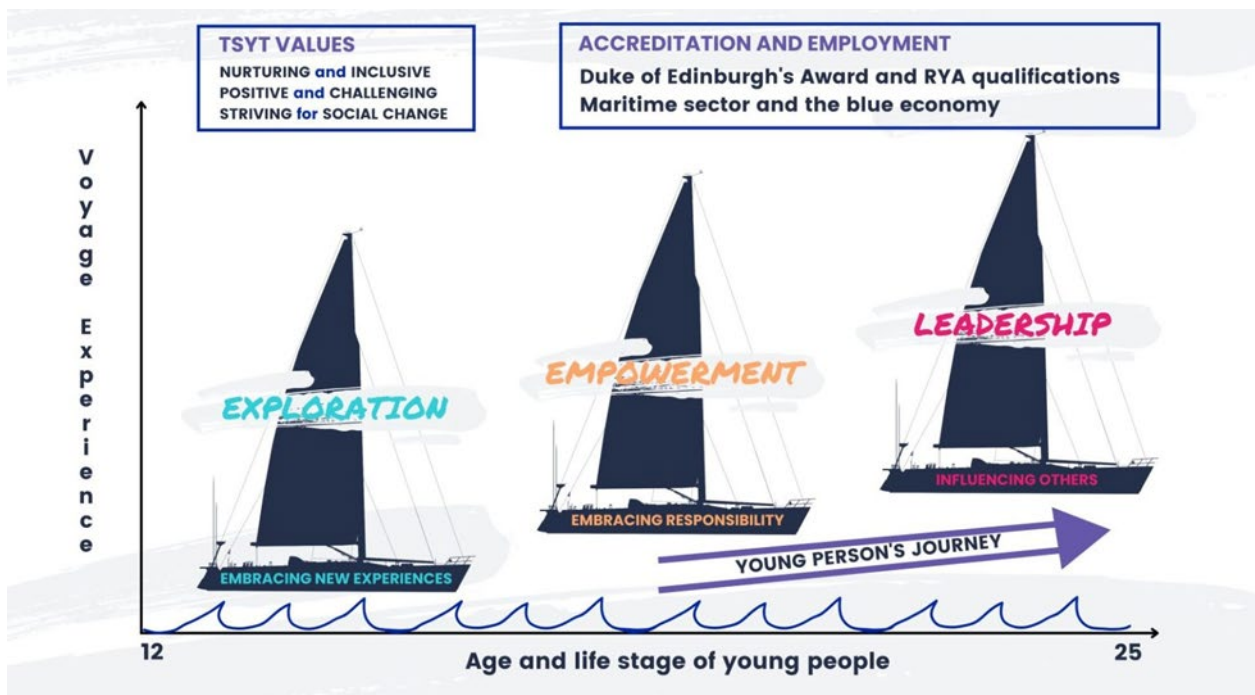
> **Positive & Challenging** – We are optimistic in all that we do, finding a way forward and making life happier; we challenge ourselves to seek the best in all of us and our voyagers, stimulating growth & learning.

> **Striving for Social Change** – We relentlessly pursue cultural, behavioural and institutional change through and for young people in society, and for the maritime environment.

Our **Purpose**: Out on the ocean we empower young people to realise their full potential, supporting them on their journey to adulthood and for some, careers in the maritime sector and the blue economy.

Our new strategy and approach are predicated on 3 significant enhancements to the work of the trust:

1. We now offer **a young person's journey of 3-voyages over 3 years** – voyages of Exploration, Empowerment and Leadership. The visual below represents our new journey for young people. Over approximately 3 years, they can develop personally, socially and learn practical life skills over 3 increasingly challenging and complex voyages. We also focus on the 'space in between' each voyage, where young people on their journey will practice what they have learnt, reflect on their development and plan for their next voyage experience. There is the opportunity to 'jump-on' and 'jump-off' the journey, dependent on relevant experience and life circumstances.



TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

2. We are **increasing our reach across the UK** by developing our presence in key hub locations, reaching high concentrations of young people, many of whom are in disadvantaged circumstances. This removes barriers to participation for young people related to time, cost and their decision makers who support them on their journey. It also supports our engagement with a broader support base. The visual here represents our planned increase in our reach over the next few years.



TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

3. We are offering more effective **development pathways for our crews, volunteers and Portsmouth Hub team**. This will enhance the voyage experience for all in the outdoor learning environment, better engage our donors and ensure that we attract, retain and develop our people as effectively as we can. This investment in our wider team is critical to our future success.

In reviewing the Trust's aims, objectives and planned activities, the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

OUR BENEFICIARIES

Our young people continue to inspire us despite challenging and disadvantaged circumstances that they face. As part of our new strategy development, we listened to the voice of young people through the UK Government White Paper of 2022

<https://www.gov.uk/government/publications/youth-review-summary-findings-and-government-response/youth-review-summary-findings-and-government-response>

Past and current young voyagers, together with the decision makers supporting them, also provided critical insight about our work to enable it to be enhanced to better meet the needs of young people in the UK today. Time with their peers doing adventurous activities away from their home environment, together with activities that support their mental and physical wellbeing that they decide, were two core themes that shaped and determined our new approach.

As we embark on this new voyage with young people, their supporters and our team, we will be developing an appropriate longitudinal methodology to maintain long-term engagement and visibility of outcomes and impact for all young people that undertake the 3-voyage journey.

IMPACT

Our work and impact measurement framework are currently based on the Association of Sail Training Organisation's Theory of Change. In 2023 we will continue the development of a combined Theory of Change for outdoor learning and sailing training, via a longitudinal study with a research partner with expertise in the fields of outdoor learning and sport. This will be done in collaboration with other outdoor learning and sail training bodies to ensure as broad an impact as possible for young people.

End of Voyage survey responses from 610 young people who sailed with us on a residential voyage during 2022/23 indicate:

- 84% reported improved teamworking skills.
- 79% reported increased confidence.
- 79% reported improved communication skills.
- 75% felt their ability to manage their feelings had improved.
- 67% felt their leadership skills had improved.
- 60% reported improved problem-solving skills.
- 63% felt their awareness of how to keep themselves and others safe had improved.
- 52% felt fitter and healthier after their voyage.
- 87% made new friends.
- 47% felt their employability skills had improved.
- 98% of young people enjoyed the experience and had fun.
- 95% would recommend to a friend.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

The impact is even greater for young people who sail with us more than once. These young people leave our programme work-ready, with better teamworking skills and an improved ability to understand, and work well within hierarchal structures. They are more equipped to overcome challenges, fears and anxieties, and their academic ability and achievement benefits, as does their cultural competence. In addition, these young people develop greater technical sailing knowledge, and a better understanding of the ocean environment, including elements such as safety at sea and sustainability.

Tyrone Sinclair, Addey and Stanhope School: *"We completed a voyage with Tall Ships Youth Trust last year, it was so successful that we returned this year. Both trips were very different. Different groups of young people, and whilst both groups had similar vulnerabilities and adverse life experiences, both walked away with incredible life-changing experiences and opportunities. The ability to use the voyage and lessons learned to reinforce pastoral work with the group was an intentional benefit. We had time and space for mentoring and dealing with issues as they arose. The feedback from both groups were fantastic and it really supplements the hard work we are doing with our young people back in Deptford."*

Amelia (former beneficiary, now Skippers for Outward Bound Hong Kong): *"Sailing for the first time with TSYT at age 14 was a life changing experience for me. The seven-day Challenger yacht voyage provided me with a brand-new confidence in myself, that I had never experienced before. For the first time, I was pushed to my personal limit and discovered I could achieve much more than I ever imagined. I was never a sporty child, but by sailing with TSYT, I found a whole new activity, which stimulated me mentally, and made me want to challenge myself physically. I began volunteering with TSYT at the age of 16 and was hooked, I would spend 13+ weeks a year volunteering. I received a high level of training and support from the staff at TSYT and always felt welcomed in Portsmouth, whenever I arrived for a voyage. My first job in sailing was in a refit period with TSYT and it kickstarted my passion for yacht building and engineering. I knew the day I went on my first TSYT voyage that one day I wanted to be a Skipper and that TSYT were instrumental in helping that dream come true. Today, I have the privilege of working at Outward Bound Hong Kong, as Head of Sailing, managing sailing, refits, expeditions and working with disadvantaged young people from all over Hong Kong. Every time I get onboard to start a voyage I do it with the confidence I gained when I first sailed with the TSYT, proud to share my journey and inspire other young people and women in sailing."*

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

ACHIEVEMENTS AND PERFORMANCE

Youth Development

During the period covered by this report, despite on-going nervousness in the education sector to re-commence residential outdoor learning, we achieved one of our highest numbers of young people voyagers of 1,066. Of these voyagers, 867 were from disadvantaged backgrounds. We continued our focus to engage young people (through their decision makers) who are in some of the most challenging circumstances across the UK, often in alternative education provision, social housing or known to local authorities and police.

Our intent through our new strategy is to continue to remove barriers to participation in our work by increasing our presence across the UK. In identifying concentrations of disadvantaged young people who could benefit from our 3-voyage journey, we are voyaging to and from Plymouth, Liverpool, Glasgow & Belfast, Newcastle, Ipswich and London. Portsmouth continues to be our Hub and our home and we are committed to supporting young people from the local area as part of our work.

Fleet Activity and Maintenance

Our current fleet comprises four 72ft Challengers and a 55ft Ketch. Our ambitious Programme for 2022/23 and careful planning ensured that we achieved a high level of utilisation and occupancy in this financial year for the Trust. 153 voyages and around 25,000 voyage miles were completed, compared to 113 voyages and 13,000 voyage miles in the previous year.

Three Challengers completed their 5-year surveys with few unknown repairs required. This reflected our maintenance scheduling and preventative work during the previous year. As part of our new strategy, we are compiling a 20-year maintenance plan for our four Challengers. This will ensure proactive investment in the fleet, supported by targeted funding applications. The support and donations for all our maintenance is a critical part of maintaining our fleet readiness and suitability for the long-term, including our awesome volunteers who take-on much of this work.

As we look ahead in the long-term, the demand for our 3-voyage journey and adult voyage experiences will determine when additional fleet vessels are required. On current planning, this is likely to be from 2025. In 2023, we will be considering our future capability need with our Board, to ensure we can continue to meet the high demand for youth development and outdoor learning out on the ocean.

Safeguarding and Incidents

In 2022, we re-established and enhanced our Safety Forum, following the period of closure during UK Government response to Covid. This monthly forum reviews incidents and issues raised on our voyages and wider across the organisation to identify learnings, themes and areas for enhancement both off-shore and on-shore. It is led by the CEO, together with our Head of Operations and Designated Safeguarding Lead. On a quarterly basis, our designated Safeguarding trustee, Emma Bradshaw, reviews our findings and enhancements to provide further guidance on best practice and ways that we can enhance the care of young people and adults that voyage and interact with us. Our Board review all operational incidents on a quarterly basis, to identify and manage any potential, future risks.

During this period there was one major incident declared when a forestay broke crossing Biscay. Our major incident response team stood-up and effectively managed the incident remotely, despite significant long distance communication challenges. This tested our incident response procedures which we have committed to doing annually and identified further enhancements for the coming year.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

Awareness Raising and Our Reach

Raising awareness and increasing our reach into the most disadvantaged communities, together with engaging a broader supporter and donor network, have been key features of our engagement focus in 2022/23.

Through our website (our primary engagement platform), we engaged more than 60,100 users in 2022/23, with over 83% of those users being first-time visitors to the website. This is an increase of more than 18% since 2021/22.

Our social channels continue to drive awareness and increase our reach. In 2022/23 we reached more than 352,000 users on our top two social channels, Facebook and Instagram, alone – an incredible increase of more than 120% from 2021/22.

Significant press and media coverage was achieved through events and campaigns such as our Round Britain Challenge, our Lifeline Appeal and our inaugural Round the Island Winter Fundraising Challenge. Combined with support from donors and corporate partners which helped fund our transformational youth voyages.

In 2023/24 we are delighted to be the charity partner for Sailing Today with Yachts & Yachting, BBC Radio 4 Appeal, British Classic Week and Cowes Week. This will add significant engagement opportunities for us to existing and new audiences and is critical to support our work.

From 2023, we begin our plan to create the Tall Ships Youth Trust digital community. Our intent is to establish a digital platform to engage and communicate with the TSYT community with an initial focus on young people, their decision makers and volunteers as well as alumni, members, donors and key stakeholders.

Fundraising

Despite a challenging economic environment, fundraising income for the year was £1,011k. This includes a total of £605k raised via 156 grant making trusts and foundations, an incredible £23k via our Big Give Christmas Challenge match-funding campaign and £383k raised from individual giving, legacies, major donors, corporates and events.

We are particularly grateful to the Hargreaves Foundation for being the first major investor in our 3-voyage programme. Their support will enable 120 young people from disadvantaged backgrounds to complete the programme in full over 5-years.

A grant from the DCMS Youth Investment Fund also enabled us to equip all our Challenger vessels with computer tablets and Go Pro cameras. This has enabled us to digitise our monitoring and evaluation processes – reducing the need for paper surveys – and to introduce other ways to capture footage and feedback from our voyages.

In agreement with supporters of the appeal, the decision was made to transfer the funds raised for our LifeChanger Appeal (c.£77k) to our new 3-voyage programme. The new programme strategy includes plans to increase our reach, particularly in areas of high deprivation, in order to make our voyages more accessible to those who need them most. This will see us operating voyages from regional hubs for part of the year, which will include areas such as Cardiff, Liverpool/Whitehaven, Greenock/Glasgow, Newcastle and Ipswich. Given the challenging fundraising landscape, we believe that this new utilisation of our fleet is the most efficient way of increasing the number of young people we are able to support every year, whilst also significantly enhancing our life-changing impact.

Looking ahead, our fundraising team also has a new strategy in place, with dedicated focuses on trusts and foundations, individual giving and major donors.

We have several exciting events planned in the 2023 calendar year, which include being the official charity partner for the third consecutive year at British Classic Week, being the official charity partner for the first time at Cowes Week, taking part in the Eurovision celebrations in Liverpool and a fundraising appeal airing on BBC Radio 4, presented by Celebrity Ambassador, Dan Snow.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

Fundraising (cont ...)

We would like to say a huge thank you to all the supportive grant making trusts and foundations, companies, individuals and members who continue to fund our work. This includes the Hargreaves Foundation for being the first major investor in our new 3-voyage programme, John Lyon's Charity, The Corporation of Trinity House, The Worshipful Company of Shipwrights, St. James's Place Charitable Foundation, The Clare Foundation and our corporate fundraising partners Saltus and Barratt Developments for their long-standing support.

Tall Ships Youth Trust is a signed-up member of the Fundraising Regulator. The Trust is committed to ensuring ethical fundraising practices, and Trustees regularly confirm this is the case. We received zero complaints this year about our fundraising.

Volunteers

For young people taking part in a residential voyaging experience throughout 2022/23, we operated a pathway into volunteering enabling young people to return as watch leaders following volunteer crew training, or previously as Watch Assistants for those under the age of 16.

In 2022/23, our 1,066 young people represented 69% of the total voyagers of 1,555 who voyaged with us. Of that, 61 young people were recommended to join the volunteer team with TSYT. This represents 22% of the total pool of recommended voyagers of 282, including adults. A great achievement for our young crews. Young people who voyage with us often relate better to watch leaders and crew who are closer in age to them as they can see the possibilities for themselves. This important role modelling fills a gap in the lack of positive adult role models in their lives.

From March 2023, we continued to recommend young people as watch leaders and enhanced this recommendation process to include all parts of the new 3-voyage model (Exploration, Empowerment and Leadership voyages). Additionally, we enhanced our TSYT Young Ambassador role whilst reintroducing Youth Mentors. Our young voyagers have already achieved 38 recommendations for Empowerment, 19 for Leadership, 17 for watch leader training and 1 Young Ambassador. A fantastic achievement in the first 3 months of the new year from March to May 2023.

Our pathways and career development options are developed utilising links with previous voyage crew and volunteers who have entered maritime careers. Our maritime career's development purpose is to create positive maritime role models in a variety of sectors from YP people who started their maritime careers with TSYT in the past, in addition to building resources and opportunities within the sector to promote career succession through maritime.

As part of our enhanced approach, we are identifying individuals and organisations across the ocean environment and blue economy that we can collaborate with to create broader pathways for young people and exciting role models. These sectors include science, research, technology, tourism & fisheries, together with renewable energy, coastline/community sustainability & waste management.

We continue to be one of the largest issuers of Royal Yachting Association (RYA) certificates in the UK, issuing nearly 800 certificates in 2022/23 (581 RYA Start Yachting; 216 RYA Competent Crew). Most of the young people who sail with us have no sailing experience, but by the end of their voyage, the majority will have earned their RYA Start Yachting certificate, with many also going on to achieve their RYA Competent Crew certificate. This is the first step in the RYA training scheme.

There are a range of courses in this series for young volunteers. We currently offer development up to Watch Leader level and support our young people through to Mate in terms of training and sea time, signposting qualifications with RYA providers. Additionally, TSYT and Trinity House link to provide funding for young people to achieve maritime qualifications including RYA Yachtmaster Coastal.

Duke of Edinburgh's Award

We are an Approved Activity Provider for the Duke of Edinburgh (DofE) awards scheme; all voyages of four nights or more qualify for the DofE Gold Residential and Bronze, Silver, and Gold Expeditions element of the award. We have further developed our capability in this area with two new assessors in our team and an enhanced Nautical DofE for 2023. This is intended to appeal to the significant backlog of young people who completed Bronze and Silver awards in the last 3 years, now seeking a new challenge.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

RISK REVIEW

The major potential operational, reputation and financial risk profiles to which the Trust is exposed, as identified by the Board, have been reviewed and systems established to mitigate those risks. They fall into five categories, as described below:

Resource

Insufficient number of competent and trained crew/staff. Insufficient number of seagoing volunteers. Inability to attract and retain crew/staff, with competitive remuneration and flexible working. Loss of key members of crew/staff threatens effective voyage operations and donor management.

Funding

Cashflow insufficient to operate the charity. Charity's net assets insufficient to cover restricted funds (note 19). Asset-to-loan ratio inadequate. Voyage income and routine fundraising and special initiatives fail to meet targets. Pension fund repayments exceed our capacity to pay.

Operational

Global event impacts on voyage programme. Certification failure of a vessel threatens programme. Crew shortage, medical, illness, or defects prevent vessel voyaging. Incident or serious accident to crew, staff or the public while operating the vessels. Incident at sea damages a vessel. Hub closure due to an onshore incident.

Reputational

Safeguarding incident with client, YP, voyager or team member. Incident at sea leading to bad publicity. Financial sustainability and fundraising ethical risk. Failure of IT system security, CRM. GDPR and data breach.

Developmental

Development work fails to achieve funding targets. Hub facilities ineffective.

For all these risks, and their elemental constituents, mitigation has been put in place. Our Finance, Risk and Audit Committee regularly review our Risk Register, to ensure appropriate mitigation measures are in place and monitored. In turn, our Board support and monitor this process. Fundraising and Resourcing are uncertain and therefore higher risk, given environmental and economic conditions in the UK. The residual risk at 28 February 2023, for the other risk areas, is assessed to be low.

ENVIRONMENTAL POLICY

Our Sustainability Working Group (SWG) focus continued in this year to reduce our carbon footprint and overall impact on the environment, both on the ocean and on land. Early in 2023, following support from our Board, we have begun our journey toward ISO accreditation to enhance our environmental credentials. This is being led by our newly formed Management Team, working closely with the Leadership & Capability Team and SWG. It is critical that we are contributing to and leading the change on the sustainability of our ocean and the earth that we inhabit.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Tall Ships Youth Trust is a charitable company limited by guarantee. The governing documents are its Memorandum and Articles of Association. For the purposes of Company Law, the Trustees listed on page 2 are the directors of the company and are elected by resolution of the company at a general meeting. The company is administered under the control of the Trustees, sitting as a Board, who have general control of and responsibility for the strategic direction of the Trust and its subsidiary companies, and delegate day-to-day responsibility to the Executive team.

The trading operations of the Trust are devolved to its wholly owned subsidiary, Tall Ships Limited. As well as appointing directors to the subsidiary company, the Board can establish other committees to deal with different aspects of the Trust's work, as necessary.

Trustees are conscious of the ACEVO/NCVO/Charity Commission sponsored 'Code of Charity Governance' and have been applying considerable effort towards full compliance. In terms of leadership, two new Trustees joined the Trust in this reporting year, following screening and selection on the Board's behalf by a Nomination and Remuneration Committee. This consists of four Trustees including the Chairman and Vice Chairman. Candidates are invited to meet at least two Members of the Committee and the Chief Executive. All new Trustees also receive a full briefing on the Trust's financial performance, business plans and key issues, and meet key employees. On conclusion of this process, the Committee recommend candidates to the Board which decides on the appointment and, if successful, co-opts the individual until the next AGM at which their appointment is ratified by the members.

The Trust has an induction programme for Trustees. The programme includes visits to the Trust's Portsmouth hub and main operating base, introduction to new youth initiatives, coverage of the charity's aims and how they are being fulfilled, the role and duties of the Trustees, company and charity law and governance, and financial and risk management.

We are keen to promote a spirit of openness within the charity – between Trustees, Executives, Beneficiaries, Volunteers and Supporters. Use of virtual technology for our AGM, combined with a physical meeting, ensured a high level of engagement across our members.

During the year, we have been pleased to appoint Mary Verghese-Dipple to the Trustee Board. Mary brings significant legal expertise in addition to governance and ethical experience. We say goodbye with sincere thanks to our long-serving trustee and Vice Chairman, Dick Melly. Dick has been a critical member of the Board in the last 7 years, devoting considerable amounts of his time to our work at the Hub, including recruiting for the CEO role and new trustees to join our Board. One other trustee joined the Board during the year but unfortunately has since had to step down due to personal circumstances.

We delegate responsibility to the Finance, Audit and Risk Committee for reporting to the Board about financial matters including forecast cash flows and our risk profile. The Committee considers the financial statements and risk register, meets regularly with the Chief Executive and Finance Director, and oversees the appointment of the external auditors, and reviews their findings.

Day-to-day management of the Trust is delegated to the Chief Executive, who oversees the on-shore and off-shore operations including youth development, voyaging, income generation and business functions.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

FINANCIAL REVIEW

During the year the Trust generated overall income of £1,748,759 (2022 - £1,295,334). The majority £1,158,432 (2022 - £833,465) being donations, legacy income and membership income from supporters. Direct voyage fees of £586,938 (2022 - £425,889) were received from the voyage programme and combined with restricted bursary funds of £726,028 (2022 - £619,477) resulting in £1,312,966 voyage income (2022 - £1,045,366) for the trading subsidiary Tall Ships Limited to run voyages throughout the year. Tall Ships Limited generated a surplus in the year of £236,081 (2022 - £182,164).

The consolidated group result for the year was a surplus on general funds of £108,111 (2022 - Deficit £290,557), reduced by a deficit on restricted voyage funds of £122,244 (2022 - Surplus £53,337).

The Trust revalued the Challenger yachts as at 28 February 2023. This 5-year revaluation carried out by leading marketeers valued the Challengers at £450,000 each. This has resulted in an increase to fixed assets of £854,810, with a corresponding increase to unrestricted funds. The trustees have concluded the accounting policy will be to depreciate the Challengers over a 15 year economic life.

Overall, the unrestricted funds increased to £240,956 (2022 - deficit £721,965), however the restricted and bursary funds reduced from £1,044,702 to £922,458. There was no change in the small balance of endowment funds. The group net asset position was therefore £1,214,546 - (2022 - £373,869) and the Trust entity position increased from £798,034 to £1,402,632. The overall cash flow position was a reduction in cash balances of £162,169 (2022 - reduction of £142,302).

FUTURE FINANCIAL PROSPECTS AND RESERVES POLICY

The removal of substantial Covid restrictions has had a significantly positive impact on our ability to operate at full capacity over this and coming years. Our current operating model is effective, producing a cashflow surplus under normal trading.

We continue to repay historic loan debts following the disposal of the brig. During the year, we made the final repayment to Charities Aid Foundation for their historic loan. We are grateful for their longstanding support of the Trust. In addition, we are extremely grateful to the Aiken family for waiving the substantial loan debt of £150,000, which has significantly contributed to the balance sheet reserves for 2022/23. We thank them for this tremendous gesture and continued support.

Since the year end, we have restructured the loan agreement with The Corporation of Trinity House with repayment plans over longer terms. We are very grateful for their continued support and understanding.

The final payment of the liability to the Merchant Officers Pension Fund will also be made in September 2023, further improving our debt position.

Our new Strategic Plan is in full operation, covering the 5-year period 2023-2028. We have a strong and diverse Board of Trustees and competent, trained and motivated on-shore and off-shore staff, led by a CEO experienced in fundraising, commercial business and leading change.

As part of this work, we are evaluating the plan to raise sufficient funds to acquire an additional vessel to increase our capacity and to meet the demand for our services. We will then be in a stronger and more sustainable financial position going forward.

The Trustees' long-term objective is to build the Trust's reserves to protect our charitable mission against unexpected events. We have therefore set a medium-term goal of building available liquid assets of unrestricted funds to meet any potential gap between income and expenditure, to build sufficient assets to cover restricted funds and to such level that unrestricted funds return to positive balance.

The Trust will continue to make progress in terms of the number of young people we take to sea, particularly those who are from disadvantaged backgrounds, our net operating income, and our fundraising capacity.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also Directors of Tall Ships Youth Trust for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. 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). Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 statement as to disclosure of information to auditors. The Trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to Auditors

In so far as each of the Trustees are aware: -

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Moore (South) LLP have expressed their willingness to continue in office, and a resolution for their reappointment for the next financial year will be put to the Annual General Meeting.

ON BEHALF OF THE TRUSTEES



David Aisher
Chairman of the Board of Trustees

Dated: 1 September 2023

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2023

Opinion

We have audited the consolidated financial statements of Tall Ships Youth Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 28th February 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 parent company's affairs as at 28th February 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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.

Material uncertainty relating to going concern

We draw your attention to the going concern accounting policy on page 24 in the financial statements, which indicates that the group has a deficit of assets making up unrestricted funds of £1,047,584. As stated in the accounting policy, these events and conditions, along with the other matters as set out, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2023

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and their environment obtained in the course of the audit, we have not identified material misstatements in Directors' Report, included in 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 accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's financial statements are not in agreement with the accounting records; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the consolidated financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirements to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15 the trustees, who are also the directors of the charitable parent 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2023

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 consolidated financial statements.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company and the group.

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Revenue recognition was also identified as part of our audit planning as a significant risk to the audit. Although the processing and recording of transactions is straight forward, there is the risk that revenue might not be recognised within the correct accounting period.
- Some income received is restricted in its use and a significant risk was identified regarding the correct classification of income between restricted and unrestricted funds and that the expenditure against this income was in line with any specified restrictions.
- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and we considered the most significant to be the Companies Act 2006, the Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the charitable company complies with these requirements by discussions with management and those charged with governance.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2023

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- The consolidated financial statements of the group incorporate the results of the subsidiary company. Moore (South) LLP are auditors to the whole group and the same approach has been adopted to the subsidiary company as is appropriate to that entity.

In response to the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed transactions with related parties, in particular the management charges and transactions with group entities;
- reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation; and
- tested a sample of invoices to ensure expenditure was for bona fide expenses and has been appropriately authorised.

In response to the risk of incorrect recognition of income we:

- performed analytical procedures including comparing revenue received to the prior period and to budgets;
- vouched a sample of donations and grants received in the year to supporting documentation; and
- tested a sample of gifts and donations received around the balance sheet date to agree income has been included within the correct accounting period.

In response to the classification of income between restricted and unrestricted we:

- agreed a sample of grants and donations recorded in the nominal ledger to source documentation to ensure any restrictions were correctly identified,
- agreed a sample of expenses incurred to ensure that they had been allocated to the appropriate fund; and
- obtained and reviewed fund analysis workings to ensure that the calculations were correct and agreed to the accounting records.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2023

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the charitable parent 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 parent 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 parent company and the charitable parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sue Lucas (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP
Chartered Accountants
Statutory Auditor

9 St Johns Place
Newport
Isle of Wight
PO30 1LH

TALL SHIPS YOUTH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2023

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds Year to 28/2/2023	Total Funds Year to 28/2/2022
	<u>Note</u>	2023 £	2023 £	2023 £	2023 £	2022 £
Income and Endowments from:						
Donations and legacies	2	779,461	378,971	-	1,158,432	833,465
Investments		1,415	1,974	-	3,389	2,317
Government grants		-	-	-	-	33,663
Charitable activities	3	<u>586,938</u>	<u>-</u>	<u>-</u>	<u>586,938</u>	<u>425,889</u>
Total income		<u>1,367,814</u>	<u>380,945</u>	<u>-</u>	<u>1,748,759</u>	<u>1,295,334</u>
Expenditure on:						
Raising funds	5	371,671	-	-	371,671	329,539
Charitable activities	5	<u>888,032</u>	<u>503,189</u>	<u>-</u>	<u>1,391,221</u>	<u>1,203,015</u>
Total expenditure		<u>1,259,703</u>	<u>503,189</u>	<u>-</u>	<u>1,762,892</u>	<u>1,532,554</u>
Net movement in funds		108,111	(122,244)	-	(14,133)	(237,220)
Transfer between funds		-	-	-	-	-
Other recognised gains / (losses)						
Gain on revaluation of fixed assets		<u>854,810</u>	<u>-</u>	<u>-</u>	<u>854,810</u>	<u>-</u>
Net movement in funds		962,921	(122,244)	-	840,677	(237,220)
Fund balances brought forward At 1 March 2022		<u>(721,965)</u>	<u>1,044,702</u>	<u>51,132</u>	<u>373,869</u>	<u>611,089</u>
Fund balances carried forward At 28 February 2023		<u>240,956</u>	<u>922,458</u>	<u>51,132</u>	<u>1,214,546</u>	<u>373,869</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

All operations of the Trust and its subsidiaries are classed as continuing.

There was no movement on the endowment funds in either the current or prior year and so no separate income and expenditure account is included.

TALL SHIPS YOUTH TRUST

BALANCE SHEETS AS AT 28 FEBRUARY 2023

	<u>Note</u>	Consolidated		Tall Ships Youth Trust	
		28/2/2023	28/2/2022	28/2/2023	28/2/2022
		£	£	£	£
Fixed assets					
Tangible assets	11	<u>1,887,083</u>	<u>1,156,406</u>	<u>1,887,083</u>	<u>1,156,406</u>
Current assets					
Stocks		8,780	9,380	250	250
Debtors	12	66,550	66,246	48,804	241,179
Investments	13	6,124	5,823	6,124	5,823
Cash at bank and in hand		<u>241,820</u>	<u>403,989</u>	<u>226,224</u>	<u>368,797</u>
		323,274	485,438	281,402	616,049
Creditors: amounts falling due within one year	14	<u>(630,070)</u>	<u>(581,501)</u>	<u>(400,112)</u>	<u>(373,130)</u>
Net current liabilities		<u>(306,796)</u>	<u>(96,063)</u>	<u>(118,710)</u>	<u>242,919</u>
Total assets less current liabilities		1,580,287	1,060,343	1,768,373	1,399,325
Creditors: amounts falling due after more than one year	15	<u>(365,741)</u>	<u>(686,474)</u>	<u>(365,741)</u>	<u>(601,291)</u>
		<u>1,214,546</u>	<u>373,869</u>	<u>1,402,632</u>	<u>798,034</u>
Capital funds					
Endowment funds	16	51,132	51,132	51,132	51,132
Income funds					
Restricted funds	17	922,458	1,044,702	922,458	1,044,702
Revaluation reserve	18	1,288,540	433,730	1,288,540	433,730
Other unrestricted funds	18	<u>(1,047,584)</u>	<u>(1,155,695)</u>	<u>(859,498)</u>	<u>(731,530)</u>
		<u>1,214,546</u>	<u>373,869</u>	<u>1,402,632</u>	<u>798,034</u>

The financial statements were approved by the Trustees on 1st September 2023.



David Aisher
Chairman of the Board

Charity Number: 314229 Company Number: 00567460

The accompanying accounting policies and notes form an integral part of these financial statements.

TALL SHIPS YOUTH TRUST

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 28 FEBRUARY 2023

	28/2/2023	28/2/2022
	Group	Group
	£	£
Cashflow from operating activities		
Net cashflow from operations See Below	<u>130,590</u>	<u>(165,225)</u>
Total cashflow from operating activities	<u>130,590</u>	<u>(165,225)</u>
Cashflow from investing activities		
Interest received	3,389	2,317
Sale proceeds from disposal of fixed assets	-	-
Payments to acquire fixed assets	<u>(15,594)</u>	<u>(5,748)</u>
Total cashflow on Investing activities	<u>(12,205)</u>	<u>(3,431)</u>
Cash from financing activities		
Repayments of borrowing	(280,554)	(223,649)
Finance raised	<u>-</u>	<u>250,000</u>
Net cash provided by (used in) financing activities	<u>(280,554)</u>	<u>26,351</u>
Net Increase/(decrease) in cash and cash equivalents	<u>(162,169)</u>	<u>(142,305)</u>
Cash and cash equivalents at 1 March 2022	<u>403,989</u>	<u>546,294</u>
Cash and cash equivalents at 28 February 2023	<u>241,820</u>	<u>403,989</u>
	=====	=====
Cash and cash equivalents consist of:		
Cash at bank and in hand	<u>241,820</u>	<u>403,989</u>
Cash and cash equivalent at 28 February 2023	<u>241,820</u>	<u>403,989</u>
	=====	=====
Reconciliation of income to net cashflow from operations:		
	28/2/2023	28/2/2022
	£	£
Net income resources	840,677	(237,220)
Depreciation charges	139,726	136,629
Investment income	(3,389)	(2,317)
Change in value of investments	(301)	(238)
Loss on disposal of fixed asset	-	-
(Increase)/decrease in stocks	600	(192)
(Increase)/decrease in debtors	104,112	(74,215)
Increase/(decrease) in creditors	(96,025)	12,328
Revaluation in year	<u>(854,810)</u>	<u>-</u>
Net cash outflow from operations	<u>130,590</u>	<u>(165,225)</u>
	=====	=====

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2023

ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

General Information and Accounting Convention

Tall Ships Youth Trust is a charitable company limited by guarantee, registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office, together with the objects of the Charity are given in the charity information on pages 2 and 5 respectively of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the charitable company's Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charitable company and rounded to the nearest £1.

Going Concern

The Charity's revenues derive principally from various forms of donations and voyage income. Both sources of income were impacted by Covid-19 related restrictions.

Since the end of pandemic restrictions, voyage income has picked up and fundraising remains encouraging. However, there has been a worsening of the general economic climate, including the situation in Ukraine – evidenced by a steep rise in inflation, energy costs and interest rates. There was also a significant reduction in charitable donations in the UK in 2022. These may impact negatively on future voyage revenues and / or donations.

The Charity has an operating subsidiary, Tall Ships Limited, which runs the voyage programme. Tall Ships Limited had a net liability at the year-end of £741,688 (2022 £977,769). This net liability includes the pension deficit of £92,595 (2022 £178,183). Accordingly, the Charity provides ongoing financial support to Tall Ships Limited of £563,610 (2022 £746,690) by way of an inter-company loan, which it has confirmed it will not seek repayment of within the next 12 months.

The Charity has a deficit of assets making up the unrestricted funds, as explained in note 18. This stems from the sale of the brig in 2017 for considerably less than had been expected. The charity continues to focus on correcting this deficit. The revaluation of the Challenger assets at year-end has significantly contributed to overall balance sheet reserves.

The situations described above therefore create a material uncertainty about the timing and level of future cash flow and the financial position of the Charity.

In order to monitor the financial position of the Charity, the Charity's Finance Committee continues to meet on a regular basis to evaluate and develop strategies to minimise non-essential expenditure, develop fundraising income and review cash flow forecasts.

The Charity continues to monitor costs in all areas. During the pandemic, the Charity took advantage of various Government's support measures, including the coronavirus job retention scheme to protect cash flows and future employment capabilities and a CBILS loan offer from the Charity's bank. The Charity continues to pay off the historic loans and debts and has benefited from the generous waiver of a significant loan of £150,000 during the year, improving the Charity's reserves position.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2023

In light of the above, the Trustees have a reasonable expectation that the Charity will continue in operational existence for the foreseeable future and, accordingly, the accounts are prepared on the going concern basis.

Basis of Consolidation

The group financial statements consolidate those of the charitable company and of its subsidiary undertaking. The results of the charitable company's trading subsidiary, Tall Ships Limited, have been consolidated on a line by line basis. Surpluses or deficits on intra-group transactions are eliminated in full.

A separate statement of financial activities and income and expenditure account for the charitable company itself are not presented because the charitable company has taken advantage of the exemptions afforded by the Companies Act 2006.

FUND ACCOUNTING

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

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

Endowment funds represent those assets which must be held permanently by the charity. Expendable Endowments permit the Charity to spend the capital sum on suitable capital projects with the permission of the donor. Income arising on the endowment funds can be used in accordance with the objects of the charity and is transferred to the general funds. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the relevant fund. The purpose and use of each expendable endowment fund is set out in the notes to the financial statements.

INCOME RECOGNITION POLICIES

Donations and Gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed performance restrictions, in which case recognition is deferred until the pre-condition has been met.

Legacies are recognised as receivable once probate has been granted, notification has been received and sufficient information is available to make a realistic assessment of the value of the charitable companies entitlement.

Intangible income is valued and included in income to the extent that it represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure. Voluntary help is not included as income.

Life subscriptions are counted in full when received.

Donations and any associated income tax recoveries when donated under gift aid are credited as income when the amounts are received.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2023

Activities for Generating Funds

Revenue from activities such as special fundraising events is recognised in the period in which the activity or event occurs.

Investment income

Investment income is recognised when receivable.

Incoming Resources from Charitable Activities

Revenue from voyage fees is recognised in the period in which the voyage commences.

Grants Receivable

Income from Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes details of the costs in relation to fundraising events, following up donations, and seeking voluntary contributions and donations from supporters, and available sources;
- Expenditure on charitable activities includes the costs of the charity's work with young people, sailing trips and other residential activities including all planning activities, maintenance of the Charity's assets, preparation and follow up; and
- Other expenditure represents those items not falling into the categories above.
- Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Allocation of Support Costs

Support costs are those that assist the work of the charity, but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Charity's main base in Portsmouth. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises and other overheads have been allocated on a basis relating to use and the proportion of staff time incurred on those matters.

The analysis of these costs is included in note 6.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2023

TANGIBLE FIXED ASSETS AND DEPRECIATION

Individual assets costing £250 or more are capitalised. Tangible fixed assets are stated at cost or valuation, net of depreciation and any impairment losses. Depreciation is calculated on all tangible fixed assets to write down the cost or valuation less estimated residual value by annual instalments over their expected useful lives. The periods generally applicable are: -

Yachts	15 years
Computers and Office Equipment	5 years
Display and Exhibition Equipment	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying value of the asset, and is recognised in the statement of activities.

IMPAIRMENT OF FIXED ASSETS

At each reporting date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

FOREIGN CURRENCIES

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

INVESTMENTS

Assets held for investment purposes are included at market value.

Traded securities are valued at the mid-point quotation in the Stock Exchange Daily List. Other investment assets are included at the Trustees' best estimate of market value. Donated shares that come with a requirement that they be held for a fixed period are included in the Balance Sheet at a value assessed by the Trustees at the date of receipt. This value is then reviewed by the Trustees at each balance sheet date.

STOCKS

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition.

Provision is made for damaged, obsolete and slow-moving stock where appropriate.

DEBTORS

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2023

CREDITORS

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.

RETIREMENT BENEFITS

Defined Contribution Scheme

The pension costs charged in the period represent the amount of the contributions payable to the scheme in respect of the accounting period.

Defined Benefit Scheme

Some former employees of the Trust's active subsidiary, Tall Ships Limited, were members of a multi-employer scheme. Tall Ships Limited is unable to identify its share of the underlying assets and liabilities of this scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement Benefits', accounts for it as if it were a defined contribution scheme.

OPERATING LEASE AGREEMENTS

Rentals payable and receivable under operating leases are charged as an expense to the SOFA on a straight-line basis over the period of the lease.

TAXATION

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

FINANCIAL ASSETS AND LIABILITIES

The Trust only has financial assets and financial 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.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

1. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 28/2/2022 £
Income and Endowments from:				
Donations and legacies	417,326	416,139	-	833,465
Investments	365	1,952	-	2,317
Government grants	33,663	-	-	33,663
Charitable activities	<u>425,889</u>	<u>-</u>	<u>-</u>	<u>425,889</u>
Total income	<u>877,243</u>	<u>418,091</u>	<u>-</u>	<u>1,295,334</u>
Expenditure on:				
Raising funds	329,539	-	-	329,539
Charitable activities	<u>838,261</u>	<u>364,754</u>	<u>-</u>	<u>1,203,015</u>
Total expenditure	<u>1,167,800</u>	<u>364,754</u>	<u>-</u>	<u>1,532,554</u>
Net movement in funds	(290,557)	53,337	-	(237,220)
Transfer between funds	25,000	(25,000)	-	-
Fund balances brought forward at 1 March 2021	<u>(456,408)</u>	<u>1,016,365</u>	<u>51,132</u>	<u>611,089</u>
Fund balances carried forward At 28 February 2022	<u>(721,965)</u> =====	<u>1,044,702</u> =====	<u>51,132</u> =====	<u>373,869</u> =====

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	28/2/2023 £	28/2/2022 £
Donations	671,716	378,971	1,050,687	779,191
Legacies	74,848	-	74,848	15,671
Membership	<u>32,897</u>	<u>-</u>	<u>32,897</u>	<u>38,603</u>
	<u>779,461</u> =====	<u>378,971</u> =====	<u>1,158,432</u> =====	<u>833,465</u> =====

Of the comparative donations figure £416,139 was in respect of restricted funds.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

3. INCOME FROM CHARITABLE ACTIVITIES

	28/2/2023 £	28/2/2022 £
Gross voyage fees	1,312,966	1,045,366
Less bursaries utilised from funds	<u>(726,028)</u>	<u>(619,477)</u>
	586,938	425,889
	=====	=====

All income from charitable activities for both years was unrestricted.

4. NET INCOME FROM ACTIVITIES OF SUBSIDIARIES

The Charity's only active subsidiary is Tall Ships Limited (02844027). Registered office address: 2a The Hard, Portsmouth, Hampshire, PO1 3PT. A summary of its results for the period is set out below:-

	28/2/2023 £	28/2/2022 £
Turnover-voyage fees	1,312,966	1,045,365
Government grants	-	17,381
Operating costs	<u>(1,069,473)</u>	<u>(867,755)</u>
Operating Profit/(loss)	243,493	194,991
Finance costs	<u>(7,412)</u>	<u>(12,827)</u>
Net profit/(loss)	236,081	182,164
	=====	=====

The net assets and liabilities of the active subsidiary are:

	28/2/2023 £	28/2/2022 £
Current assets	51,879	62,474
Creditors: amounts falling due within one year	<u>(793,567)</u>	<u>(1,040,243)</u>
Total net liabilities	<u>(741,688)</u>	<u>(977,769)</u>
Aggregate of share capital and reserves	(741,688)	(977,769)
	=====	=====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

5. ANALYSIS OF EXPENDITURE

	Direct costs	Support costs	28/2/2023	28/2/2022
	£	£	£	£
Cost of raising funds:				
Fundraising costs	355,045	15,466	370,511	328,576
Allocation of governance costs (see below)	<u>-</u>	<u>1,160</u>	<u>1,160</u>	<u>963</u>
	355,045	16,626	371,671	329,539
	=====	=====	=====	=====
Charitable activities				
Ship related costs	797,166	-	797,166	636,893
Depreciation	139,726	-	139,726	136,630
Allocation of governance costs (see below)	38,155	-	38,155	40,675
Interest payable and similar finance charges	20,066	-	20,066	1,952
Other voyage and support expenses	<u>300,058</u>	<u>96,050</u>	<u>396,108</u>	<u>386,865</u>
	1,295,171	96,050	1,391,221	1,203,015
	=====	=====	=====	=====
Restricted funds			503,189	364,754
Unrestricted funds			<u>1,259,703</u>	<u>1,167,800</u>
			1,762,892	1,532,554
			=====	=====

6. SUPPORT AND GOVERNANCE COSTS

	28/2/2023	28/2/2022	Method	Charitable Fundraising		
				Governance	Activities	Activities
	£	£		£	£	£
Payroll and HR	12,178	7,804	Total resources	183	9,560	2,435
Property costs	26,252	18,983	Total resources	394	20,608	5,250
Office costs	10,231	9,576	Total resources	153	8,032	2,046
IT and Website	11,202	17,899	Total resources	168	8,794	2,240
Marketing	35,338	32,651	Direct activities	-	35,338	-
Other	<u>17,475</u>	<u>9,924</u>	Total resources	<u>262</u>	<u>13,718</u>	<u>3,495</u>
	112,676	96,837		1,160	96,050	15,466
	=====	=====		=====	=====	=====
At 28 February 2022				963	83,037	12,837
				=====	=====	=====

Governance costs (included above)

	Support	Charitable	28/2/2023	28/2/2022
	£	£	£	£
Auditors remuneration	38,155	-	38,155	40,675
Administrative expenses	<u>-</u>	<u>1,160</u>	<u>1,160</u>	<u>963</u>
	38,155	1,160	39,315	41,638
	=====	=====	=====	=====
At 28 February 2022	40,675	963		
	=====	=====		

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

7. OTHER COSTS

	28/2/2023 £	28/2/2022 £
The surplus is stated after charging:		
Auditors' remuneration		
Audit services	25,300	23,000
Under-provision	-	8,635
Non-audit services	<u>12,855</u>	<u>9,040</u>
	38,155	40,675
Depreciation	139,726	136,629
Operating lease rentals	<u>12,901</u>	<u>13,652</u>
	=====	=====

8. EMPLOYEES

Employee costs during the period were as follows:

	28/2/2023 £	28/2/2022 £
Wages and salaries	557,925	576,364
Social security costs	50,654	52,983
Other pension costs	<u>61,484</u>	<u>40,447</u>
	670,063	669,794
	=====	=====

Included in the wages and salaries are non-statutory/non-contractual severance payments totalling £Nil (2022: £34,200).

The average number of full time equivalent employees during the period were as follows:

	28/2/2023 Number	28/2/2022 Number
Management and administration	17	14
	==	==

The average number of employees based on head count was 19 (2022: 17).

The total costs attributable to senior management personnel amounted to £232,802 for the year to 28 February 2023 (2022: £270,734). Senior management personnel comprise the Chief Executive Officer, Finance Director, and the Fundraising and Marketing Director. The emoluments of higher paid employees fell within the following ranges:

	28/2/2023 Number	28/2/2022 Number
£70,001 to £80,001	1	1
£80,001 to £90,001	-	1
	==	==

9. PAYMENTS TO TRUSTEES AND CONNECTED PERSONS

No Trustee received remuneration in the period, directly or indirectly, from either the charity or an institution or company controlled by the charity.

Expense reimbursements for travel and subsistence were not paid to Trustees during the year (2022: £nil) and there were no expenses paid on behalf of a trustee.

Trustee indemnity insurance paid on behalf of Trustees and officers in the year was £4,450 (2022: £4,960).

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

10. SURPLUS/(DEFICIT) OF EXPENDITURE OVER INCOME

The consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary – Tall Ships Limited, which operates voyages. Details of the results of the trading subsidiary are set out in note 4.

The summary financial performance of the Charity alone was:

	28/2/2023	28/2/2022
	£	£
Income		
Income from donations and legacies	1,158,432	833,465
Government grants	-	16,282
Investment income	<u>3,389</u>	<u>2,317</u>
Total income	<u>1,161,821</u>	<u>852,064</u>
Expenditure		
Raising funds	(356,210)	(326,006)
Charitable activities	<u>(1,055,823)</u>	<u>(945,439)</u>
Total expenditure	<u>(1,412,033)</u>	<u>(1,271,445)</u>
Revaluation in year	854,810	-
Net income for the year	604,598	(419,381)
Total funds brought forward on 28 February 2022	<u>798,034</u>	<u>1,217,415</u>
Total funds carried forward at 28 February 2023	<u>1,402,632</u> =====	<u>798,034</u> =====

11. TANGIBLE FIXED ASSETS

Consolidated and Tall Ships Youth Trust

	Yachts	Computers, Fixtures & Equipment	Total
	£	£	£
Cost or valuation:			
At 1 March 2022	1,856,120	135,388	1,991,508
Additions in year	-	15,594	15,594
Disposals	-	(51,030)	(51,030)
Revaluation	<u>29,797</u>	<u>-</u>	<u>29,797</u>
At 28 February 2023	<u>1,885,917</u> =====	<u>99,952</u> =====	<u>1,985,869</u> =====
Depreciation:			
At 1 March 2022	748,233	86,869	835,102
Provided in the period	123,741	15,985	139,726
Depreciation eliminated on disposal	-	(51,030)	(51,030)
Revaluation	<u>(825,012)</u>	<u>-</u>	<u>(825,012)</u>
At 28 February 2023	<u>46,962</u> =====	<u>51,824</u> =====	<u>98,786</u> =====
Net book amount at 28 February 2023	<u>1,838,955</u> =====	<u>48,128</u> =====	<u>1,887,083</u> =====
Net book amount at 28 February 2022	<u>1,107,887</u> =====	<u>48,519</u> =====	<u>1,156,406</u> =====

The Yachts are given as security against a number of loans included in creditors. The net book value of yachts given as security was £900,000 (2022: £1,063,204).

The Challenger Yachts are included above at a net book value of £450,000 based on a professional valuation completed by Berthon International Limited, an international yacht brokers, in 2023.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

11. FIXED ASSETS (continued)

The figures stated above for cost or valuation in respect of Yachts comprise assets at:

	£
Cost	1,094,928
Valuation	<u>790,989</u>
	1,885,917
	=====

If certain fixed assets had not been re-valued, they would have been included on the historical cost basis at the following amounts:

	Yachts £ 28/2/2023	Yachts £ 28/2/2022
Cost	1,094,928	1,094,928
Accumulated depreciation	<u>(991,497)</u>	<u>(918,502)</u>
Net book amount at 28 February 2023	103,431	176,426
	=====	=====

12. DEBTORS

	Consolidated		Tall Ships Youth Trust	
	28/2/2023	28/2/2022	28/2/2023	28/2/2022
	£	£	£	£
Amounts owed by group undertakings	-	-	10,004	193,084
VAT recoverable	18,647	20,530	4,813	8,133
Other debtors	18,028	22,724	16,169	19,648
Prepayments	<u>29,875</u>	<u>22,992</u>	<u>17,818</u>	<u>20,314</u>
	66,550	66,246	48,804	241,179
	=====	=====	=====	=====

13. CURRENT ASSET INVESTMENTS

	Consolidated		Tall Ships Youth Trust	
	28/2/2023	28/2/2022	28/2/2023	28/2/2022
	£	£	£	£
UK investments – COIF Funds	6,124	5,823	6,124	5,823
	=====	=====	=====	=====

Unlisted investments have been invested in COIF units, held in the name of a supporter's branch, and are at market value.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Tall Ships Youth Trust	
	28/2/2023	28/2/2022	28/2/2023	28/2/2022
	£	£	£	£
Bank Loan	55,556	56,560	55,556	56,560
Loans from Trustees and funders	40,000	84,000	40,000	84,000
Payments received on account	232,728	149,293	232,728	149,293
Trade creditors	127,414	142,499	21,855	35,547
Social Security and other taxes	14,148	16,328	14,148	16,328
Deferred income	-	18,459	-	18,459
Other creditors and accruals	<u>160,224</u>	<u>114,362</u>	<u>35,825</u>	<u>12,943</u>
	630,070	581,501	400,112	373,130
	=====	=====	=====	=====

Loans from Trustees and funders are secured by fixed charges over the Trust's vessels (see note 11).

The bank loan is secured on fixed and floating charges over the assets of the charity.

Deferred income relates to income in respect of future events.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		Tall Ships Youth Trust	
	28/2/2023	28/2/2022	28/2/2023	28/2/2022
	£	£	£	£
Loans from Trustees and funders	250,000	430,000	250,000	430,000
Other Creditors and accruals	-	85,183	-	-
Bank loan	<u>115,741</u>	<u>171,291</u>	<u>115,741</u>	<u>171,291</u>
	365,741	686,474	365,741	601,291
	=====	=====	=====	=====

Loans from Trustees and funders are secured by fixed charges over the Trust's vessels (see note 11).

The bank loan is secured on fixed and floating charges over the assets of the charity.

Included within other creditors is the pension deficit owed by Tall Ships Limited (see note 20).

16. ENDOWMENT FUNDS

	Michael Crocker £	Nova Scotia £	Lord Burnham £	Total £
At 1 March 2022 and at 28 February 2023	13,277	12,952	24,903	51,132
	=====	=====	=====	=====

The Michael Crocker fund was set up in memory of a yachtsman murdered in February 1982. The income is for contributions to voyage fees for pupils of Henley College. The Nova Scotia fund was set up in memory of trainees who died on the sailing ship "Marques" which sank off Bermuda during the 1984 American Tall Ships race. The income is shared with the American Sail Training Association and is to support a voyage berth. The Lord Burnham fund was set up in his memory following his death in June 1993. Income is for contributions to Voyage fees aboard the Trust's ships for trainees ideally, but not exclusively, from Eastern Europe.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

17. RESTRICTED FUNDS

	Balance at 1/3/2022 £	Income £	Expenditure £	Transfer £	Balance at 28/2/2023 £
International fund	197,149	1,974	-	-	199,123
Legacy fund	240,467	-	(102,288)	-	138,179
Other specific funds	<u>607,086</u>	<u>378,971</u>	<u>(400,901)</u>	<u>-</u>	<u>585,156</u>
Total restricted funds	1,044,702 =====	380,945 =====	(503,189) =====	- ==	922,458 =====

The Specific Funds are donations made to the Trust to be used for specified purposes. At 28 February 2023 there were 404 separate funds (2022: 341). The Trust is reviewing the ongoing obligations of restricted funds.

The International Fund is restricted within the accounts of the Trust for the support of international sail training activities.

The legacy fund is monies received to be used for youth trip voyages in the North Devon, North-West Somerset and Exmoor National Park areas.

The transfer between funds relates to the allocation between restricted and designated voyage funds.

Year to 28 February 2022 comparative period

	Balance at 1/3/2021 £	Income £	Expenditure £	Transfer £	Balance at 28/2/2022 £
International fund	195,197	1,952	-	-	197,149
Legacy fund	262,500	6,571	-	(28,604)	240,467
Other specific funds	<u>558,668</u>	<u>409,568</u>	<u>(364,754)</u>	<u>3,604</u>	<u>607,086</u>
Total restricted funds	1,016,365 =====	418,091 =====	(364,754) =====	(25,000) =====	1,044,702 =====

18. UNRESTRICTED FUNDS

Consolidated

	General Reserve £	Revaluation Reserve £	Total £
At 1 March 2021	(940,805)	484,397	(456,408)
Income	877,243	-	877,243
Expenditure	(1,167,800)	-	(1,167,800)
Transfer designated to restricted voyage funds	25,000	-	25,000
Transfer between funds revaluations	<u>50,667</u>	<u>(50,667)</u>	<u>-</u>
At 28 February 2022	(1,155,695)	433,730	(721,965)
Income	1,367,814	-	1,367,814
Outgoing resources	(1,259,703)	-	(1,259,703)
Transfer designated to restricted voyage funds	-	-	-
Revaluation in year	<u>-</u>	<u>854,810</u>	<u>854,810</u>
At 28 February 2023	(1,047,584) =====	1,288,540 =====	240,956 =====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Tall Ships Youth Trust	General Reserve £	Revaluation Reserve £	Total £
At 1 March 2021	(334,479)	484,397	149,918
Income	433,973	-	433,973
Expenditure	(906,691)	-	(906,691)
Transfer designated to restricted voyage funds	25,000	-	25,000
Transfer between funds revaluations	<u>50,667</u>	<u>(50,667)</u>	<u>-</u>
At 28 February 2022	(731,530)	433,730	(297,800)
Income	780,876	-	780,876
Expenditure	(908,844)	-	(908,844)
Transfer designated to restricted voyage funds	-	-	-
Transfer between funds	-	-	-
Revaluation in year	<u>-</u>	<u>854,810</u>	<u>854,810</u>
At 28 February 2023	(859,498) =====	1,288,540 =====	429,042 =====

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Consolidated at 28 February 2023				
Tangible fixed assets	1,887,083	-	-	1,887,083
Current assets	(650,316)	922,458	51,132	323,274
Current liabilities	(630,070)	-	-	(630,070)
Creditors: due after more than one year	<u>(365,741)</u>	<u>-</u>	<u>-</u>	<u>(365,741)</u>
	240,956 =====	922,458 =====	51,132 =====	1,214,546 =====
Tall Ships Youth Trust at 28 February 2023				
Tangible fixed assets	1,887,083	-	-	1,887,083
Current assets	(692,188)	922,458	51,132	281,402
Current liabilities	(400,112)	-	-	(400,112)
Creditors: due after more than one year	<u>(365,741)</u>	<u>-</u>	<u>-</u>	<u>(365,741)</u>
	429,042 =====	922,458 =====	51,132 =====	1,402,632 =====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Year to 28 February 2022 comparative period

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Consolidated at 28 February 2022				
Tangible fixed assets	1,156,406	-	-	1,156,406
Current assets	(505,980)	1,044,702	51,132	589,854
Current liabilities	(685,916)	-	-	(685,916)
Creditors: due after more than one year	(686,475)	-	-	(686,475)
	(721,965)	1,044,702	51,132	373,869
	=====	=====	=====	=====
Tall Ships Youth Trust at 28 February 2022				
Tangible fixed assets	1,156,406	-	-	1,156,406
Current assets	(375,369)	1,044,702	51,132	720,465
Current liabilities	(477,546)	-	-	(477,546)
Creditors: due after more than one year	(601,291)	-	-	(601,291)
	(297,800)	1,044,702	51,132	798,034
	=====	=====	=====	=====

Most restricted donations are to cover, in part, the costs of a voyage and most of the costs of voyages are spent in advance, starting with buying a boat and having the organisation to run the trips. The above note shows a notional allocation of assets between restricted and unrestricted. These assets are not segregated. The analysis shows that after allocating assets to restricted funds, there is a deficit of assets represented by other unrestricted funds. This situation has existed since the sale of the brig in the year to February 2018 for considerably less than had been expected. The charity is focused on correcting this situation.

20. PENSIONS

Defined contribution scheme

The group makes contributions towards individual pension schemes for the benefit of employees. The assets of these schemes are administered by Trustees in funds independent from those of the Tall Ships Youth Trust and its subsidiary companies. Contributions made during the period are disclosed in note 8.

Defined benefit scheme

A number of former employees of the Trust's subsidiary Tall Ships Limited ("TSL") have belonged to an industry wide pension scheme. The Trustees of the scheme have advised TSL that part of the scheme is in deficit and it is apportioning the deficit between participating employers. Interest is accruing on the residual of the 2009 and 2012 pension scheme deficits and a payment plan is in operation. At the period end the balance outstanding was £92,595 (2022 - £178,183).

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

21. LEASING COMMITMENTS

At the reporting date, the Trust had the following minimum future lease commitments:

	28/2/2023		28/2/2022	
	Land & Buildings £	Other £	Land & buildings £	Other £
Within one year	25,000	12,641	25,000	12,853
Between two and five years	<u>70,833</u>	<u>10,108</u>	<u>95,833</u>	<u>10,689</u>
	95,833	22,749	120,833	23,542
	=====	=====	=====	=====

22. RELATED PARTY TRANSACTIONS

Loans

Included within the figures in notes 14 and 15 is £Nil (2022: £150,000) from Trustees and related parties, which are part of the secured charge on fixed assets (see note 11).

The aggregate donations from Trustees to the charity during the year was £4,230 (2022: £12,595).

The aggregate Trustee membership subscriptions during the year were £650 (2022: £5,790).

23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Group balances	28/2/2023 £	28/2/2022 £
Financial assets at amortised cost	284,619	453,066
Financial liabilities at amortised cost	<u>(763,083)</u>	<u>(1,100,223)</u>
Net financial liabilities	(478,464)	(647,157)
	=====	=====

The Charity's financial assets comprise investments and cash and bank balances. Financial liabilities include trade creditors, loans, accruals and other creditors.

Tall Ships Youth Trust

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TALL SHIPS YOUTH TRUST

England & Wales - Charity number 314229

Accounts

REGISTERED IN ENGLAND AND WALES NUMBER: 00567460

CHARITY NUMBER: 314229



REPORT AND ACCOUNTS

FOR THE YEAR ENDED

28 FEBRUARY 2022

TALL SHIPS YOUTH TRUST

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FOR THE YEAR ENDED 28 FEBRUARY 2022

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TALL SHIPS YOUTH TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 28 FEBRUARY 2022

Tall Ships Youth Trust is a company limited by guarantee and a registered charity.

Charity Number	314229
Company Number	00567460
Principal Office	2A The Hard, Portsmouth, PO1 3PT
Vice-Patrons	Admiral of the Fleet the Lord Boyce KG GCB OBE DL Mr I A Carruthers Mr P Coleman Mr D de Laszlo DL Lord Grade CBE Lord Greenway Mr M Le May Mr J Lennox Mr O Michaelson Mr D Tydeman Mr T Vokos Mrs C Williams
Trustees	Mr D Aisher, Chairman Mr N Andrews Mrs E Bradshaw Mr J Brown (Appointed 17 December 2021) Mr P D'Ornano Mr S Edwards Mr N Jones (Resigned 10 May 2021) Mr A Martyn (Appointed 17 December 2021) Mr P McDanell Rear Admiral R Melly Miss K Nazarin Mr M Wippell (Resigned 31 May 2021)
Chief Executive	Mr A Floyd (Appointed 18 October 2021) Rear Admiral R Leaman-Grey CB OBE (Resigned 14 August 2021)
Company Secretary	Mr P Taylor
Auditors	Moore (South) LLP 9 St John's Place Newport Isle of Wight PO30 1LH
Bankers	Clydesdale Bank Plc Gatwick Business and Private Banking Centre 5 Peveril Court 6-8 London Road Crawley West Sussex RH10 8JE

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

Chairman's Introduction

Throughout our second year of operating in a Covid environment in 2021/22, I continue to be inspired by all our voyagers, team, stakeholders, and supporters. From the resilience shown and enjoyment had by our young people on their voyages, to the dedication and flexibility of our supporters. The constantly changing environment has created many new opportunities for learning, development, and personal achievement.

While our residential voyage programme was unable to commence fully until July 2021 due to government restrictions, since then we have maintained our focus on enabling young people (from 12 to 25 years), often from disadvantaged backgrounds, to realise their true capabilities through experiences at sea with us. Our voyage focus on their personal development, social development, and practical life skills, is designed to equip them with the skills and confidence needed to achieve their full potential in life. Many of our voyages support young people to consider sea-going careers in the maritime sector in the UK. The outdoor learning environment at sea is unique as our voyagers are responsible for their fellow crew, their home as well as themselves!

Our adult voyagers of all backgrounds (from 18 to 80 years) form a critical part of our work. They provide much needed income to support our work, alongside our fundraising. Often our adult voyagers are young people returning who are seeking further challenges and adventure, as well as supporters who want to develop and learn while contributing to our mission. Many of them are people who wish to make a positive contribution to the development of young people in the UK by becoming volunteers and long-term supporters.

In the year ended 28th February 2022, a total of 1,209 voyagers sailed with us (despite only 8-months of residential voyaging). Of these, 712 were young people, 533 of whom were from disadvantaged backgrounds. Our broad definition of disadvantaged ensures that we are able to reach and support as many young people as possible, supported by appropriate funding. Across the UK, we aim to reach as many young people in disadvantaged circumstances as we can, ensuring that our voyages are inclusive, adventurous and challenging.

We continued to focus on our sustainable financial position to support our work and despite government support during Covid ending in September 2021, we achieved positive trading income through our voyages with careful management of costs. We also exceeded our revised fundraising target for the year. We cleared an effective proportion of existing loans and debts (from the legacy of our previous sailing vessels) and, while there was a minor operating loss before depreciation for the year, we continue to build a strong financial platform for the future. Our current fleet of four 72ft ocean going vessels and one 55ft Ketch was appropriately maintained and continues to be a very effective support for our purpose and mission.

The above achievements are to be commended in such a challenging year and I would like to thank all our off-shore and on-shore team, volunteers, donors, partners, Trustees and Vice-Patrons for their incredible support and dedication throughout this period. Of particular note is the ongoing support of the Aiken family. Mike Aiken was a former Trustee and lifelong supporter of the Trust, who sadly passed away in 2019. The family's continued support has ensured a more sustainable financial position for the Trust into the future.

As we progress through 2022, alongside delivering our mission, we are creating our new strategy for 2023 to 2028. Alastair Floyd, our new CEO who joined us in October 2021, is leading this work. This new strategy will build on the significant achievements for young people in the UK from previous years. Our focus will continue in the areas of care and development of young people, broadening the Tall Ships Youth Trust community, building our operational capability, and creating our sustainable financial future. Ultimately, we seek to significantly increase our reach and impact across the UK.

We will be sharing our strategy and plans over the coming months, and I'd be delighted if you too could find ways to contribute to the development and success of this work.

David Aisher
Chair of Trustees, Tall Ships Youth Trust

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

HISTORY

Our **Vision** is a society where all young people have the opportunity to develop their full life potential.

Our **Charitable Mission** is to enable disadvantaged young people to fulfil their life potential through experiences at sea, and by breaking down the barriers they face in society.

Although our charitable mission is based on giving life-changing experiences to young people from disadvantaged backgrounds, we accept young people of all abilities and backgrounds, based around the values of **inclusion, adventure, and excellence**.

➤ **Inclusion** Diversity of our beneficiaries, staff, volunteers and donors is of vital importance to us, and we want everybody who touches the charity to feel included, respected and valued.

➤ **Adventure** Sailing, working and volunteering for Tall Ships should be an adventure; we thirst for challenge, excitement, innovation, and new learning. We challenge the status quo.

➤ **Excellence** In everything we do, we seek to be the 'best of the best'; youth development, sea safety and safeguarding, connecting with our supporters and voyagers, collaborating with our partners and ensuring the compliance of our fundraising practices.

Our **Purpose** is to increase young people's life chances and well-being by supporting them to develop their independent living skills, build self-esteem and aspirations, embrace a healthier, more active lifestyle, and get involved in volunteering. We do this using ocean-going 'residential youth centres'. The Trust's current fleet comprises four 72ft ocean going yachts, and a 55ft ketch. The development of young people – particularly those who are in disadvantaged circumstance – is central to everything we do, and we are proud of our reputation amongst education and youth work professionals for delivering effective, high-quality services to young people.

In reviewing the Trust's aims, objectives and planned activities, the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

OUR BENEFICIARIES

Our young people have had an extremely challenging second year in the Covid environment. They are often in unsafe, unhappy, or constantly changing environments. They often do not have positive adult relationships, nor positive adult role models in their lives. Their social isolation and educational disruption have worsened, which has affected the mental health and wellbeing of many.

Throughout our voyages, participants are set challenging but achievable goals which requires them to apply new skills in a new environment, taking them outside their comfort zone. This generates a sense of achievement that increases levels of self-confidence and self-esteem. Their voyaging experience is also an intense social interaction – sharing living space, communal sleeping areas and eating meals together. The result can be deep, lasting friendships and connection to their peers, based on patience, respect and tolerance. Achieving tasks and sharing challenges together creates a stronger sense of team and community – something which many participants have never had.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

IMPACT

Our work and impact measurement framework are based on the Association of Sail Training Organisation's Theory of Change. Survey responses from 74% of the young people who sailed with us on a residential voyage during 2021/22 indicate:

- 96% reported improved team working skills
- 95% said they are now able to manage their feelings better
- 94% believed the voyage improved their communication skills
- 93% reported improved confidence and self-esteem
- 91% said it improved their leadership skills
- 90% said they had made new friends during the voyage
- 89% said they felt the experience had improved their problem-solving skills
- 81% said the voyage has made them think more about their personal safety
- 85% said they felt the skills they had learnt during the voyage would help them at school and improved their employability
- 79% said they felt fitter and healthier after their voyage
- 99% enjoyed the experience and had fun
- 99% would recommend the voyage to a friend

Feedback we have received from parents, carers and teachers demonstrate that there are also indirect benefits for home and school environments. Family life is easier as young people become more independent, help out around the house more willingly and have better relationships with siblings. In schools, they become more attentive, more willing to get involved and they find it easier to relate to their peers. The feedback below is from young people in disadvantaged circumstances and their leaders. Often, they provide the strongest voice about our work.

Martin Smith, Head of PE at Stepney Green Maths, Computing & Science College: "Our voyage was the boys first residential since Covid and it's just what they've been missing – adventure! The experience Tall Ships Youth Trust offers is completely unlike anything else. It's been great to see the growth in the boys' personal confidence and their teamwork. Some of them are new to the school and have only known each other a very short time. This week has helped them to build on their friendships. This voyage has opened their eyes to STEM (science, technology, engineering and maths) at sea. We always hear about mechanical engineering and it's nearly always to do with cars but why not a boat? Out on the open water they can see first-hand how innovation has changed the way we sail. We had a practical discussion about innovation and the comparisons between a traditional sextant and today's smart phone for use in navigation. This type of learning brings it all to life and has real impact. They take away life-long memories."

Steve Waygood, Careers Adviser at Newent Community School & Sixth Form: "I first became aware of Tall Ships Youth Trust around 4 years ago, when a group of 20 students from my previous school took part in a voyage. The long-term benefit has been incredible in all respects including their academic and personal performance, they feel good about themselves, and they are better people. A sustained benefit to them, the school and society, so thanks to all the Tall Ships team for all you do."

Keaen Lambert (18): "This past week sailing Challenger 2 has been a fantastic opportunity. It's really shown me what I can do, and I've learnt so much about the navigation system, helming, checking for wind direction and making sure the sails are in the correct positions. It's highly important projects like these are open to young people like me who otherwise wouldn't be able to access sail training. Before taking part, I was looking to join the Army as a driver but now I definitely want to do something more on the marine side."

A week learning to sail and bonding as a real-life crew was just the most fantastic adventure for all involved. Vital and excellent programmes such as those provided by Tall Ships, are needed more than ever to help young people re-establish themselves and build their self-confidence after such a difficult and bewildering time."

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

ACHIEVEMENTS AND PERFORMANCE

Youth Development

During the period covered by this report, government restrictions on outdoor education remained in place and curtailed our residential voyage programme up to June 2021. From the period July 2021 to February 2022, 712 young people developed on a Tall Ships voyage, of which 533 were from disadvantaged backgrounds.

During this period, we have had numerous groups from across the UK on our programme. These include pupil referral units, private, state and special educational needs schools, youth projects, young carers, YMCA supported living, uniformed organisations, youth offending teams and Youth Zones.

Fleet Activity and Maintenance

Our fleet comprises four 72ft Challengers and a 55ft Ketch. Our planning ensured that our vessels were effectively utilised following the lifting of restrictions from June 2021. 113 voyages and 13,000 voyage miles were completed (compared to 6,000 in the previous year, impacted by Covid).

Our maintenance schedule was also enhanced to take advantage of the additional time that our vessels were alongside. This included keel removal and refit on Challenger 3 and hull welding work to Challengers 3 and 4. We completed a 5-year survey on Challenger 1, with surveys on the remaining three Challengers scheduled for 2022 and early 2023. Our ongoing investment in our fleet will ensure that our vessels remain fit for purpose over the coming years.

The maintenance work on our vessels has only been possible thanks to funds received from our donors and is supported by a devoted and enthusiastic team of volunteers who have given hundreds of free hours to help the operations team complete this essential work.

Safeguarding

During this period, there were two safeguarding concerns reported. In both cases, the young people's voyage ended early for safety reasons, with support from parents or attending youth workers. The remaining voyagers and crew were able to successfully complete their voyage.

Awareness Raising and Communications

We regularly generated awareness about our work in regional and national media outlets. Our return to young people voyaging and stories about our beneficiaries were picked up by BBC Radio, BBC Breakfast, ITV News, Daily Express and the sailing press. Notable coverage included our launch of the LifeChanger appeal, official charity partnership of the British Classic Regatta and our Fastnet campaign with record-breaking youth participant, Zoe D'Ornano.

In February, we re-launched the Tall Ships Youth Trust website. The site has been completely revamped with an enhanced user experience, more impacting visuals and messaging, and critical functions added to improve our fundraising processes. This is a vital platform for donor engagement and for communicating with all users. Since launch, we have increased visitors by 100% compared to the same period for last year.

Our social media engagement and reach has increased significantly this year, driven by innovative and impacting content featuring our beneficiaries.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

Fundraising

Covid continued to impact our income generation activities. Despite the challenging economic environment, and through the innovation and hard work of our team, we were able to achieve voyage income of 74% of the most recent comparable year (2019/20), despite operating for only 8 months of the year in an uncertain environment for our clients. Our fundraising income achieved 100% of 2019/20 – again a significant achievement when fundraising for the shorter period.

The Trust raised a total of £1,045k from voyages and bursaries and £851k from other fundraising sources such as institutional funders, individuals, corporates and legacies. This figure includes £516K raised from 145 grant making trusts and foundations – the highest total to date.

In October 2021, we launched our capital fundraising 'LifeChanger' appeal to increase our capacity. We are aiming to raise at least £1.5m to purchase an additional 70-80ft vessel and fund three years' of running costs. We are currently in the 'quiet stage' of the appeal, which involves identifying and cultivating prospects behind the scenes.

A huge thank to all the supportive grant making trusts and foundations, companies, individuals and members who continue to fund our work. We would like to say a special thank you to John Lyon's Charity, St James's Place Charitable Foundation, Lloyd's Register Foundation, Worshipful Company of Shipwrights, The Clare Foundation and our corporate fundraising partners Saltus and Barratt Developments for their long-standing support.

Tall Ships Youth Trust is a signed-up member of the Fundraising Regulator. The Trust is committed to ensuring ethical fundraising practices, and Trustees regularly confirm this is the case. We received zero complaints this year about our fundraising.

Volunteers

The Trust offers young people who sail with us for 3-nights or more a pathway into volunteering, giving them the opportunity to support others and work towards nationally accredited maritime qualifications. For those who want it, this can lead to a career at sea or in the maritime industry.

We are one of the largest issuers of Royal Yachting Association (RYA) certificates in the UK, issuing more than 500 during 2021/22. Most of the young people who sail with us have no sailing experience, but by the end of their voyage, the majority will have earned their RYA Start Yachting certificate, with many also going on to achieve their Competent Crew certificate. This is the first step in the RYA training scheme. There are a range of courses in this series for young volunteers. We currently offer development up to Watch Leader level and then signpost young people to other organisations to progress with their qualifications. Many of our existing volunteers and freelance crew began their journey with us as beneficiaries and so have lived experience of what our programme offers.

During 2021/22, 88 young people received a recommended to return to train as a young Watch Leader or Watch Assistant.

Duke of Edinburgh's Award

We are also an Approved Activity Provider for the Duke of Edinburgh (DofE) awards scheme; all voyages of four nights or more qualify for the DofE Gold Residential and Bronze, Silver, and Gold Expeditions element of the award. During 2021/22, 107 young people achieved their DofE Gold Residential award and 24 achieved their Gold Expedition award.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

RISK REVIEW

The major potential operational, reputation and financial risk profiles to which the Trust is exposed, as identified by the Board, have been reviewed and systems established to mitigate those risks. They fall into six categories, as described below:

Personnel

Insufficient number of competent and trained staff. Insufficient number of seagoing volunteers. Inability to attract and retain staff, with competitive remuneration and hybrid working conditions. Volunteer branches not performing. Loss of key members of staff threatens effective operations management.

Funding

Cashflow insufficient to operate the charity. Charity's net assets insufficient to cover restricted funds (note 19). Asset-to-loan ratio inadequate. Voyage income and routine fundraising and special initiatives fail to meet targets. Pension fund repayments exceed our capacity to pay.

Operational

Death or serious accident to crew, staff or the public whilst operating the vessels. Defects prevent vessel sailing. Incident at sea damages a vessel. Illness or medical incident prevents vessel sailing. Certification failure of a vessel threatens programme. Head Office closure due to an incident.

Reputational

Safeguarding incident with beneficiary, voyager, or crew member. Incident at sea leading to bad publicity. Failure of IT system security. GDPR Breach.

Developmental

New Appeal fails to meet target. New ship project to increase capacity fails to deliver.

Covid

A review covering the various aspects of risks affected by the Covid virus has been conducted. These risks include staff or visitors passing the virus on to others, and the considerable human and financial impact. Ongoing monitoring requirement.

For all these risks, and their elemental constituents, mitigation has been put in place. Our Finance, Risk and Audit Committee regularly review our Risk Register, to ensure appropriate mitigation measures are in place and monitored. Fundraising, the pension fund deficit (which could increase over time if other fund members become insolvent) and Personnel are considered to be uncertain and therefore higher risk. The residual risk at 28 February 2022 for the other risk areas is assessed to be "low".

ENVIRONMENTAL POLICY

To coordinate the Trust's efforts in reducing its carbon footprint and our overall impact on the environment we have set up a Sustainability Working Group. The group consists of our CEO, representatives from our onshore and offshore teams. As well as looking at how we reduce our impact across our organisation and voyages, the group is looking at partnership working with local organisations across the UK as we seek to share best practice and implement change across the country.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Tall Ships Youth Trust is a charitable company limited by guarantee. The governing documents are its Memorandum and Articles of Association. For the purposes of Company Law, the Trustees listed on page 2 are the directors of the company and are elected by resolution of the company at a general meeting. The company is administered under the control of the Trustees, sitting as a Board, who have general control of and responsibility for the strategic direction of the Trust and its subsidiary companies, and delegate day-to-day responsibility to the Executive team.

The trading operations of the Trust are devolved to its wholly owned subsidiary, Tall Ships Limited. As well as appointing directors to the subsidiary company, the Board can establish other committees to deal with different aspects of the Trust's work, as necessary.

Trustees are conscious of the ACEVO/NCVO/Charity Commission sponsored 'Code of Charity Governance' and have been applying considerable effort towards full compliance. In terms of leadership, the Board have reviewed our desired skill sets and begun a process of Board renewal. Two new Trustees joined the Trust in this reporting year, following screening and selection on the Board's behalf by a Nomination and Remuneration Committee. This consists of four Trustees including the Chairman and Vice Chairman. Candidates are invited to meet at least two Members of the Committee and the Chief Executive. All new Trustees also receive a full briefing on the Trust's financial performance, business plans and key issues, and meet key employees. On conclusion of this process, the Committee recommend candidates to the Board which decides on the appointment and, if successful, co-opts the individual until the next AGM at which their appointment is ratified by the members.

The Trust has an induction programme for Trustees. The programme includes visits to the Trust's Portsmouth hub and main operating base, introduction to new youth initiatives, coverage of the charity's aims and how they are being fulfilled, the role and duties of the Trustees, company and charity law and governance, and financial and risk management.

We are keen to promote a spirit of openness within the charity – between Trustees, Executives, Beneficiaries, Volunteers and Supporters. Use of virtual technology for our AGM ensured a high level of engagement across our members.

During the year, we have been pleased to appoint Andy Martyn and Julian Brown to the Trustee Board. They bring significant and broad banking and finance experience to the Trust. One further Trustee is to be co-opted onto the Board during 2022. We say goodbye with sincere thanks to Nigel Jones. Nigel provided significant financial expertise and strong leadership to the work of the Finance Committee, particularly during the recent challenges as a result of Covid.

One further Trustee is expected to be co-opted onto the Board during 2022.

We delegate responsibility to the Finance, Audit and Risk Committee for reporting to the Board about financial matters including forecast cash flows. The Committee considers the financial statements, meets regularly with the Chief Executive and Finance Director, and oversees the appointment of the external auditors, and reviews their findings.

Day-to-day management of the Trust is delegated to the Chief Executive, who oversees the on-shore and off-shore operations including youth development, voyaging, income generation and business functions.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

FINANCIAL REVIEW

During the year the Trust generated overall income of £1,295,334 (2021 - £1,346,323). The majority £833,465 (2021 - £1,185,874) being donations, legacy income and membership income from supporters. Direct voyage fees of £425,889 (2021 - £87,446) were received from the re-started voyage programme, and combined with restricted bursary funds of £619,477 (2021 - £222,528) resulting in £1,045,366 voyage income (2021 - £309,974) for the trading subsidiary Tall Ships Limited to run voyages throughout the year. Tall Ships Limited generated a surplus in the year of £182,164 returning to profitability following the 2021 deficit of £(320,424). The loss was wholly attributable to the inability to run voyages during the pandemic.

The consolidated group result for the year was a deficit on general funds of £290,557 (2021 - £39,421), reduced by a surplus on restricted voyage funds of £53,337 (2021 - £79,780).

The Trust changed its policy on recognising members subscriptions from across the period to which the membership relates to a cash basis. This resulted in a prior period adjustment – an uplift of general funds of £17,674. In addition, the revaluation reserve was reviewed and a change made to correct the write down of the revaluation over the remaining life of the yachts concerned. This reduced the revaluation reserve to £433,730 and can be seen in note 18 to these accounts.

Overall, the unrestricted funds deficit increased to £721,965 (2021 - £456,408), however the restricted and bursary funds grew from £1,016,365 to £1,044,702. There was no change in the small balance of endowment funds. The group net asset position was therefore £373,869 – (2021 - £611,089), and the Trust entity position declined from £1,217,415 to £798,034. The overall cash flow position was a reduction in cash balances of £142,305 (2021 - increase of £305,238).

FUTURE FINANCIAL PROSPECTS AND RESERVES POLICY

The removal of substantial Covid restrictions has had a significantly positive impact on our ability to operate at full capacity over this and coming years. Our current operating model is effective, producing a cashflow surplus under normal trading.

We continue to repay historic loan debts following the disposal of the brig and have restructured repayment plans over longer terms. In addition, we have been successful in one substantial loan debt of £150k being waived since the year end, which will significantly contribute to the balance sheet for 2022/23.

The final payment of the liability to the Merchant Officers Pension Fund will also be made in September 2023, further reducing our debt position.

Together with the Life Changer Appeal to raise £1.5m for an additional vessel to increase our capacity and to meet the demand for our services, we will be in a stronger and more sustainable financial position going forward.

Our new Strategic Plan is under development and will be in place next year, covering the 5-year period 2023-2028. We have a strong and diverse Board of Trustees and competent, trained and motivated on-shore and off-shore staff, led by a CEO experienced in fundraising and commercial business.

The Trustees' long-term objective is to build the Trust's reserves to protect our charitable mission against unexpected events. The Trustees have therefore set a medium-term goal of building available liquid assets of unrestricted funds to meet any potential gap between income and expenditure, to build sufficient assets to cover restricted funds and to such level that unrestricted funds return to positive balance.

The Trust will continue to make progress in terms of the number of young people we take to sea, particularly those who are from disadvantaged backgrounds, our net operating income, and our fundraising capacity.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of Tall Ships Youth Trust for the purposes of company law) are responsible for preparing the Trustees' 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). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

In so far as each of the Trustees are aware: -

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Moore (South) LLP have expressed their willingness to continue in office, and a resolution for their reappointment for the next financial year will be put to the Annual General Meeting.

ON BEHALF OF THE TRUSTEES



David Aisher
Chairman of the Board of Trustees

Dated: 21 July 2022

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2022

Opinion

We have audited the consolidated financial statements of Tall Ships Youth Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 28th February 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 parent company's affairs as at 28th February 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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.

Material uncertainty relating to going concern

We draw your attention to the going concern accounting policy on page 20 in the financial statements, which indicates that the group incurred a net deficit of £237,220 during the year ended 28 February 2022 and, as of that date, has a deficit of assets making up unrestricted funds of £1,155,695. As stated in the accounting policy, these events and conditions, along with the other matters as set out, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2022

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 course of 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and their environment obtained in the course of the audit, we have not identified material misstatements in Directors' Report, included in 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 accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's financial statements are not in agreement with the accounting records; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the consolidated financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirements to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11 the trustees, who are also the directors of the charitable parent 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the trustees are responsible for assessing the groups and charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent 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 consolidated financial statements.

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.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2022

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company and the group.

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Revenue recognition was also identified as part of our audit planning as a significant risk to the audit. Although the processing and recording of transactions is straight forward, there is the risk that revenue might not be recognised within the correct accounting period.
- Some income received is restricted in its use and a significant risk was identified regarding the correct classification of income between restricted and unrestricted funds and that the expenditure against this income was in line with any specified restrictions.
- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and we considered the most significant to be the Companies Act 2006, the Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact of Covid-19 on the operations of the charitable company and adapted our audit approach accordingly. We enquired and obtained evidence to support

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2022

the going concern assumption in the preparation of the financial statements and dovetailed this with knowledge gained from our audit work

- The consolidated financial statements of the group incorporate the results of the subsidiary company. Moore (South) LLP are auditors to the whole group and the same approach has been adopted to the subsidiary company as is appropriate to that entity.

In response to the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed transactions with related parties, in particular the management charges and transactions with group entities;
- reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation; and
- tested a sample of invoices to ensure expenditure was for bona fide expenses and has been appropriately authorised.

In response to the risk of incorrect recognition of income we:

- performed analytical procedures including comparing revenue received to the prior period and to budgets;
- vouched a sample of donations and grants received in the year to supporting documentation; and
- tested a sample of gifts and donations received around the balance sheet date to agree income has been included within the correct accounting period.

In response to the classification of income between restricted and unrestricted we:

- agreed a sample of grants and donations recorded in the nominal ledger to source documentation to ensure any restrictions were correctly identified,
- agreed a sample of expenses incurred to ensure that they had been allocated to the appropriate fund; and
- obtained and reviewed fund analysis workings to ensure that the calculations were correct and agreed to the accounting records.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2022

Use of our report

This report is made solely to the charitable parent 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 parent 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 parent company and the charitable parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sue Lucas (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP
Chartered Accountants
Statutory Auditor

9 St Johns Place
Newport
Isle of Wight
PO30 1LH

Dated: 10 August 2022

TALL SHIPS YOUTH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2022

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds Year to 28/2/2022	Total Funds Year to 28/2/2021
	<u>Note</u>	2022 £	2022 £	2022 £	2022 £	2021 £
Income and Endowments from:						
Donations and legacies	2	417,326	416,139	-	833,465	1,185,874
Investments		365	1,952	-	2,317	2,179
Government grants		33,663	-	-	33,663	70,824
Charitable activities	3	<u>425,889</u>	<u>-</u>	<u>-</u>	<u>425,889</u>	<u>87,446</u>
Total income		<u>877,243</u>	<u>418,091</u>	<u>-</u>	<u>1,295,334</u>	<u>1,346,323</u>
Expenditure on:						
Raising funds	5	329,539	-	-	329,539	305,662
Charitable activities	5	<u>838,261</u>	<u>364,754</u>	<u>-</u>	<u>1,203,015</u>	<u>1,000,302</u>
Total expenditure		<u>1,167,800</u>	<u>364,754</u>	<u>-</u>	<u>1,532,554</u>	<u>1,305,964</u>
Net movement in funds		(290,557)	53,337	-	(237,220)	40,359
Transfer between funds		25,000	(25,000)	-	-	-
Fund balances brought forward At 1 March 2021		<u>(456,408)</u>	<u>1,016,365</u>	<u>51,132</u>	<u>611,089</u>	<u>570,730</u>
Fund balances carried forward At 28 February 2022		<u>(721,965)</u> =====	<u>1,044,702</u> =====	<u>51,132</u> =====	<u>373,869</u> =====	<u>611,089</u> =====

The accompanying accounting policies and notes form an integral part of these financial statements.

All operations of the Trust and its subsidiaries are classed as continuing.

There was no movement on the endowment funds in either the current or prior year and so no separate income and expenditure account is included.

TALL SHIPS YOUTH TRUST

BALANCE SHEETS

FOR THE YEAR ENDED 28 FEBRUARY 2022

	<u>Note</u>	Consolidated		Tall Ships Youth Trust	
		28/2/2022	29/2/2021	28/2/2022	28/2/2021
		£	As Restated £	£	As Restated £
Fixed assets					
Tangible assets	11	1,156,406 =====	1,287,287 =====	1,156,406 =====	1,287,287 =====
Current assets					
Stocks		9,380	9,188	250	250
Debtors	12	66,246	96,447	241,179	511,327
Investments	13	5,823	5,585	5,823	5,585
Cash at bank and in hand		<u>403,989</u>	<u>546,294</u>	<u>368,797</u>	<u>478,021</u>
		485,438	657,514	616,049	995,183
Creditors: amounts falling due within one year	14	<u>(581,501)</u>	<u>(653,357)</u>	<u>(373,130)</u>	<u>(550,055)</u>
Net current assets/(liabilities)		<u>(96,063)</u>	<u>4,157</u>	<u>242,919</u>	<u>445,128</u>
Total assets less current liabilities		1,060,343	1,291,444	1,399,325	1,732,415
Creditors: amounts falling due after more than one year	15	<u>(686,474)</u>	<u>(680,355)</u>	<u>(601,291)</u>	<u>(515,000)</u>
		<u>373,869</u> =====	<u>611,089</u> =====	<u>798,034</u> =====	<u>1,217,415</u> =====
Capital funds					
Endowment funds	16	51,132	51,132	51,132	51,132
Income funds					
Restricted funds	17	1,044,702	1,016,365	1,044,702	1,016,365
Revaluation reserve	18	433,730	484,397	433,730	484,397
Other unrestricted funds	18	<u>(1,155,695)</u>	<u>(940,805)</u>	<u>(731,530)</u>	<u>(334,479)</u>
		<u>373,869</u> =====	<u>611,089</u> =====	<u>798,034</u> =====	<u>1,217,415</u> =====

The financial statements were approved by the Trustees on 21 July 2022.



David Aisher
Chairman of the Board

Charity Number: 314229 Company Number: 00567460

The accompanying accounting policies and notes form an integral part of these financial statements.

TALL SHIPS YOUTH TRUST

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 28 FEBRUARY 2022

	28/2/2022	28/2/2021
	Group	Group
	£	£
Cashflow from operating activities		
Net cashflow from operations See Below	<u>(165,225)</u>	<u>361,350</u>
Total cashflow from operating activities	<u>(165,225)</u>	<u>361,350</u>
Cashflow from investing activities		
Interest received	2,317	2,179
Sale proceeds from disposal of fixed assets	-	32,900
Payments to acquire fixed assets	<u>(5,748)</u>	<u>(48,360)</u>
Total cashflow on Investing activities	<u>(3,431)</u>	<u>(13,281)</u>
Cash from financing activities		
Repayments of borrowing	(223,649)	(42,831)
Finance raised	<u>250,000</u>	-
Net cash provided by (used in) financing activities	<u>26,351</u>	<u>(42,831)</u>
Net Increase/(decrease) in cash and cash equivalents	<u>(142,305)</u>	<u>305,238</u>
Cash and cash equivalents at 1 March 2021	<u>546,294</u>	<u>241,056</u>
Cash and cash equivalents at 28 February 2022	<u>403,989</u> =====	<u>546,294</u> =====
Cash and cash equivalents consist of:		
Cash at bank and in hand	<u>403,989</u>	<u>546,294</u>
Cash and cash equivalent at 28 February 2022	<u>403,989</u> =====	<u>546,294</u> =====
Reconciliation of income to net cashflow from operations:		
	28/2/2022	28/2/2021
	£	£
Net income resources	(237,220)	40,359
Depreciation charges	136,629	128,622
Investment income	(2,317)	(2,179)
Change in value of investments	(238)	(247)
Loss on disposal of fixed asset	-	100
(Increase)/decrease in stocks	(192)	517
(Increase)/decrease in debtors	(74,215)	235,679
Increase/(decrease) in creditors	<u>12,328</u>	<u>(41,501)</u>
Net cash outflow from operations	<u>(165,225)</u> =====	<u>361,350</u> =====

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2022

ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

General Information and Basis of Accounting

Tall Ships Youth Trust is a charitable company limited by guarantee, registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office, together with the objects of the Charity are given in the charity information on pages 1 and 4 respectively of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. 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 United Kingdom issued in October 2019 (FRS 102), the Charities Act 2011, Companies Act 2006, and UK Generally Accepted Accounting Practice.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

Going Concern

The Charity's revenues derive principally from various forms of donations and voyage income. Both sources of income were impacted by Covid-19 related restrictions. The residential sailing program was suspended in April 2020 and recommenced in July 2021.

The Charity has an operating subsidiary, Tall Ships Limited, which runs the voyage programme. Tall Ships Limited had a net liability at the year's end of £977,769 (2021 - £1,159,933). This net liability includes the pension deficit of £178,183 (2021 - £240,355). Accordingly, the Charity provides ongoing financial support to Tall Ships Limited of £746,690 (2021 - £980,810) by way of an inter-company loan which it has confirmed it will not seek repayment within the next 12 months.

The Charity has a deficit of assets making up the unrestricted funds, as explained in note 21. This stems from the sale of the brig in 2017 for considerably less than had been expected. The charity continues to focus on correcting this deficit.

Since the end of pandemic restrictions, voyage income picked up and fundraising remains encouraging. However, since the year end, there has been a worsening of the general economic climate and the situation in Ukraine – evidenced by a steep rise in inflation, energy costs and interest rates. In the future, this may impact negatively on future voyage revenues and / or donations. Any significant increases in Covid cases may also cause timing deferral of some voyage income.

The situations described above therefore create a material uncertainty about the timing and level of cash flow and the future financial position of the Charity.

In order to monitor the financial position of the Charity, the Charity's Finance Committee continues to meet on a regular basis to evaluate and develop strategies to minimise non-essential expenditure, develop fundraising income and review cash flow forecasts. The Charity has reduced costs in all areas whilst resuming the full voyage programme. The Charity has taken advantage of the Government's support measures. These include the coronavirus job retention scheme to protect cash flows and future employment capabilities and a CBILS loan offer from the Charity's bank. Additionally, following the year end, a significant loan of £150k has been forgiven. This will contribute directly to the Charity's reserves in the current financial year ending February 2023.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2022

In light of the above, the Trustees have a reasonable expectation that the Charity will continue in operational existence for the foreseeable future and, accordingly, the accounts are prepared on the going concern basis.

Basis of Consolidation

The group financial statements consolidate those of the charity and of its subsidiary undertaking. The results of the charity's trading subsidiary, Tall Ships Limited, have been consolidated on a line by line basis. Surpluses or deficits on intra-group transactions are eliminated in full.

A separate statement of financial activities and income and expenditure account for the charity itself are not presented because the charity was taken advantage of the exemptions afforded by the Companies Act 2006.

Comparative Information

The comparative figures for the Consolidated Statement of Financial Activities have been amended to reflect the change in the way the Trust accounts for certain funding relating to voyages. Designated or restricted income is recognised when the grant or funds are originally received and not again when the voyage occurs.

FUND ACCOUNTING

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

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

Endowment funds represent those assets which must be held permanently by the charity. Expendable Endowments permit the Charity to spend the capital sum on suitable capital projects with the permission of the donor. Income arising on the endowment funds can be used in accordance with the objects of the charity and is transferred to the general funds. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the relevant fund. The purpose and use of each expendable endowment fund is set out in the notes to the financial statements.

INCOME RECOGNITION POLICIES

Donations and Gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed performance restrictions, in which case recognition is deferred until the pre-condition has been met.

Legacies are recognised as receivable once probate has been granted, notification has been received and sufficient information is available to make a realistic assessment of the value.

Intangible income is valued and included in income to the extent that it represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure. Voluntary help is not included as income.

Life subscriptions are counted in full when received. The charity has changed its policy in the period on the recognition of annual membership fees and recognise them on a cash basis where previously they have been recognised over the period to which they relate. This is explained in note 18.

Donations and any associated income tax recoveries when donated under gift aid are credited as income when the amounts are received.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2022

Activities for Generating Funds

Revenue from activities such as special fundraising events is recognised in the period in which the activity or event occurs.

Investment income

Investment income is recognised when receivable.

Incoming Resources from Charitable Activities

Revenue from voyage fees is recognised in the period in which the voyage commences.

Grants Receivable

Income from Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Grants for the purchase of fixed assets are initially credited to restricted incoming resources when receivable. On completion of the purchase or construction of the fixed asset towards which the grant was receivable, where grant restrictions permit, the assets are treated as unrestricted, with a corresponding transfer of funds.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes details of the costs in relation to fundraising events, following up donations, and seeking voluntary contributions and donations from supporters, and available sources;
- Expenditure on charitable activities includes the costs of the charity's work with young people, sailing trips and other residential activities including all planning activities, maintenance of the Charity's assets, preparation and follow up; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Allocation of Support Costs

Support costs are those that assist the work of the charity, but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Charity's main base in Portsmouth. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises and other overheads have been allocated on a basis relating to use and the proportion of staff time incurred on those matters.

The analysis of these costs is included in note 6.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2022

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation, net of depreciation. Depreciation is calculated on all tangible fixed assets to write down the cost or valuation less estimated residual value by annual instalments over their expected useful lives. The periods generally applicable are: -

Yachts	15 years
Computers and Office Equipment	5 years
Display and Exhibition Equipment	5 years

FOREIGN CURRENCIES

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

INVESTMENTS

Assets held for investment purposes are included at market value.

Traded securities are valued at the mid-point quotation in the Stock Exchange Daily List. Other investment assets are included at the Trustees' best estimate of market value. Donated shares that come with a requirement that they be held for a fixed period are included in the Balance Sheet at a value assessed by the Trustees at the date of receipt. This value is then reviewed by the Trustees at each balance sheet date.

STOCKS

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition.

Provision is made for damaged, obsolete and slow-moving stock where appropriate.

DEBTORS

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

CREDITORS

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.

RETIREMENT BENEFITS

Defined Contribution Scheme

The pension costs charged in the period represent the amount of the contributions payable to the scheme in respect of the accounting period.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2022

Defined Benefit Scheme

Some former employees of the Trust's active subsidiary, Tall Ships Limited, were members of a multi-employer scheme. Tall Ships Limited is unable to identify its share of the underlying assets and liabilities of this scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement Benefits', accounts for it as if it were a defined contribution scheme.

LEASED ASSETS

Operating lease agreements

Rentals payable and receivable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

TAXATION

No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by HM Revenue & Customs to the extent that these funds are applied to Charitable objects.

FINANCIAL ASSETS AND LIABILITIES

The Trust only has financial assets and financial 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.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

1. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2021 As restated £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total Funds 28/2/2021 As restated £
Income and Endowments from:				
Donations and legacies	827,387	358,487	-	1,185,874
Investments	246	1,933	-	2,179
Government grants	70,824	-	-	70,824
Charitable activities	<u>87,446</u>	<u>-</u>	<u>-</u>	<u>87,446</u>
Total income	985,903 =====	360,420 =====	- =====	1,346,323 =====
Expenditure on:				
Raising funds	305,662	-	-	305,662
Charitable activities	<u>719,662</u>	<u>280,640</u>	<u>-</u>	<u>1,000,302</u>
Total expenditure	1,025,324 =====	280,640 =====	- =====	1,305,964 =====
Net movement in funds	(39,421)	79,780	-	40,359
Transfer between funds	(83,853)	83,853	-	-
Fund balances brought forward at 1 March 2020	<u>(333,134)</u>	<u>852,732</u>	<u>51,132</u>	<u>570,730</u>
Fund balances carried forward At 28 February 2021	(456,408) =====	1,016,365 =====	51,132 =====	611,089 =====

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	28/2/2022 £	28/2/2021 £
Donations	369,623	409,568	779,191	1,117,563
Legacies	9,100	6,571	15,671	25,556
Membership	<u>38,603</u>	<u>-</u>	<u>38,603</u>	<u>42,755</u>
	417,326 =====	416,139 =====	833,465 =====	1,185,874 =====

Of the comparative donations figure £358,487 was in respect of restricted funds.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

3. INCOME FROM CHARITABLE ACTIVITIES

	28/2/2022	28/2/2021
	£	£
Gross voyage fees	1,045,366	309,974
Less bursaries utilised from funds	<u>(619,477)</u>	<u>(222,528)</u>
	425,889	87,446
	=====	=====

4. NET INCOME FROM ACTIVITIES OF SUBSIDIARIES

The Charity's only active subsidiary is Tall Ships Limited. A summary of its results for the period is set out below:-

	28/2/2022	28/2/2021
	£	£
Turnover-voyage fees	1,045,365	309,974
Government grants	17,381	45,077
Operating costs	<u>(867,755)</u>	<u>(656,963)</u>
Operating Profit/(loss)	194,991	(301,912)
Finance costs	<u>(12,827)</u>	<u>(18,512)</u>
Net profit/(loss)	182,164	(320,424)
	=====	=====

The net assets and liabilities of the active subsidiary are:

	28/2/2022	28/2/2021
	£	£
Current assets	62,474	89,532
Creditors: amounts falling due within one year	<u>(1,040,243)</u>	<u>(1,249,465)</u>
Total net liabilities	<u>(977,769)</u>	<u>(1,159,933)</u>
Aggregate of share capital and reserves	(977,769)	(1,159,933)
	=====	=====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

5. ANALYSIS OF EXPENDITURE

	Direct costs	Support costs	28/2/2022	28/2/2021
	£	£	£	£
Cost of raising funds:				
Fundraising costs	315,739	12,837	328,576	303,765
Allocation of governance costs (see below)	<u>-</u>	<u>963</u>	<u>963</u>	<u>1,897</u>
	315,739	13,800	329,539	305,662
	=====	=====	=====	=====
Charitable activities				
Ship related costs	636,893	-	636,893	440,439
Depreciation and impairment	136,630	-	136,630	128,622
Loss on disposal of fixed asset	-	-	-	100
Allocation of governance costs (see below)	40,675	-	40,675	33,650
Interest payable and similar finance charges	1,952	-	1,952	1,933
Other voyage and support expenses	<u>303,828</u>	<u>83,037</u>	<u>386,865</u>	<u>395,558</u>
	1,119,978	83,037	1,203,015	1,000,302
	=====	=====	=====	=====
Restricted funds			364,754	280,640
Unrestricted funds			<u>838,261</u>	<u>719,662</u>
			1,203,015	1,000,302
			=====	=====

6. SUPPORT AND GOVERNANCE COSTS

	28/2/2022	28/2/2021	Method	Governance	Charitable Activities	Fundraising Activities
	£	£		£	£	£
Payroll and HR	7,804	7,610	Total resources	117	6,127	1,560
Property costs	18,983	27,284	Total resources	285	14,901	3,797
Office costs	9,576	14,960	Total resources	144	7,517	1,915
IT and Website	17,899	14,513	Total resources	268	14,051	3,580
Marketing	32,651	33,528	Direct activities	-	32,651	-
Other	<u>9,924</u>	<u>4,748</u>	Total resources	<u>149</u>	<u>7,790</u>	<u>1,985</u>
	96,837	102,643		963	83,037	12,837
	=====	=====		===	=====	=====
At 28 February 2021				1,897	81,297	19,449
				===	=====	=====

Governance costs (included above)

	Support	Charitable	28/2/2022	28/2/2021
	£	£	£	£
Auditors remuneration	40,675	-	40,675	33,650
Administrative expenses	<u>-</u>	<u>963</u>	<u>963</u>	<u>1,897</u>
	40,675	963	41,638	35,547
	=====	===	=====	=====
At 28 February 2021	33,650	1,987		
	=====	=====		

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

7. OTHER COSTS

	28/2/2022	28/2/2021
	£	£
The surplus is stated after charging:		
Auditors' remuneration		
Audit services	23,000	19,000
Under-provision	8,635	11,650
Non-audit services	<u>9,040</u>	<u>6,000</u>
	40,675	36,650
Depreciation	136,629	128,622
Operating lease rentals	13,652	10,020
	=====	=====

8. EMPLOYEES

Employee costs during the period were as follows:

	28/2/2022	28/2/2021
	£	£
Wages and salaries	576,364	527,812
Social security costs	52,983	53,371
Other pension costs	<u>40,447</u>	<u>22,194</u>
	669,794	603,377
	=====	=====

Included in the wages and salaries are non-statutory/non-contractual severance payments totalling £34,200 (2021: £Nil).

The average number of full time equivalent employees during the period were as follows:

	28/2/2022	28/2/2021
	Number	Number
Management and administration	14	14
	==	==

The average number of employees based on head count was 17 (2021: 16).

The total costs attributable to senior management personnel amounted to £270,734 for the year to 28 February 2022 (2021: £232,656). Senior management personnel comprise the Chief Executive Officer, Finance Director, and the Fundraising and Marketing Director. The emoluments of higher paid employees fell within the following ranges:

	28/2/2022	28/2/2021
	Number	Number
£60,001 to £70,000	-	1
£70,001 to £80,001	1	-
£80,001 to £90,001	1	-
£110,001 to £120,000	-	1
	==	==

9. PAYMENTS TO TRUSTEES AND CONNECTED PERSONS

No Trustee received remuneration in the period, directly or indirectly, from either the charity or an institution or company controlled by the charity.

Expense reimbursements for travel and subsistence were not paid to Trustees during the year (2021: £nil) and there were no expenses paid on behalf of a trustee.

Trustee indemnity insurance paid on behalf of Trustees and officers in the year was £4,960 (2021: £3,369)

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

10. SURPLUS/(DEFICIT) OF EXPENDITURE OVER INCOME

The consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary – Tall Ships Limited, which operates voyages. Details of the results of the trading subsidiary are set out in note 5.

The summary financial performance of the Charity alone was:

	28/2/2022	28/2/2021
	£	As restated
		£
Income		
Income from donations and legacies	833,465	1,271,944
Other income	-	-
Government grants	16,282	25,747
Investment income	<u>2,317</u>	<u>2,179</u>
Total income	<u>852,064</u>	<u>1,299,870</u>
Expenditure		
Raising funds	(326,006)	(305,050)
Charitable activities	(945,439)	(634,038)
Total expenditure	<u>(1,271,445)</u>	<u>(939,088)</u>
Net income for the year	(419,381)	360,782
Total funds brought forward on 28 February 2021	<u>1,217,415</u>	<u>856,633</u>
Total funds carried forward at 28 February 2022	<u>798,034</u> =====	<u>1,217,415</u> =====

11. TANGIBLE FIXED ASSETS

Consolidated and Tall Ships Youth Trust

	Yachts	Computers, Fixtures & Equipment	Total
	£	£	£
Cost or valuation:			
At 1 March 2021	1,856,120	129,640	1,985,760
Additions in year	<u>-</u>	<u>5,748</u>	<u>5,748</u>
At 28 February 2022	<u>1,856,120</u> =====	<u>135,388</u> =====	<u>1,991,508</u> =====
Depreciation:			
At 1 March 2021	624,492	73,981	698,473
Provided in the period	123,741	12,888	136,629
Depreciation eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 28 February 2022	<u>748,233</u> =====	<u>86,869</u> =====	<u>835,102</u> =====
Net book amount at 28 February 2022	<u>1,107,887</u> =====	<u>48,519</u> =====	<u>1,156,406</u> =====
Net book amount at 28 February 2021	<u>1,231,628</u> =====	<u>55,659</u> =====	<u>1,287,287</u> =====

The Yachts are given as security against a number of loans included in creditors. The net book value of yachts given as security was £ 1,063,204 (2021: £1,181,218).

The Challenger Yachts are included above at a net book value of £265,800 based on a professional valuation in 2016. They were professionally valued on 15 August 2020 at £350,000 each.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

11. FIXED ASSETS (continued)

The figures stated above for cost or valuation in respect of Yachts comprise assets at:

	£
Cost	1,094,928
Valuation	<u>761,192</u>
	1,856,120
	=====

If certain fixed assets had not been re-valued, they would have been included on the historical cost basis at the following amounts:

	Yachts £ 28/2/2022	Yachts £ 28/2/2021
Cost	1,094,928	1,094,928
Accumulated depreciation	<u>(918,502)</u>	<u>(845,507)</u>
Net book amount at 28 February 2022	<u>176,426</u>	<u>249,421</u>
	=====	=====

12. DEBTORS

	Consolidated		Tall Ships Youth Trust	
	28/2/2022	28/2/2021	28/2/2022	28/2/2021
	£	£	£	£
Amounts owed by group undertakings	-	-	193,084	427,205
VAT recoverable	20,530	16,125	8,133	12,909
Other debtors	22,724	50,121	19,648	48,454
Prepayments	<u>22,992</u>	<u>30,201</u>	<u>20,314</u>	<u>22,759</u>
	66,246	96,447	241,179	511,327
	=====	=====	=====	=====

13. CURRENT ASSET INVESTMENTS

	Consolidated		Tall Ships Youth Trust	
	28/2/2022	28/2/2021	28/2/2022	28/2/2021
	£	£	£	£
UK investments – COIF Funds	<u>5,823</u>	<u>5,585</u>	<u>5,823</u>	<u>5,585</u>
	5,823	5,585	5,823	5,585
	=====	=====	=====	=====

Unlisted investments have been invested in COIF units, held in the name of a supporter's branch, and are at market value.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Tall Ships Youth Trust	
	28/2/2022	28/2/2021	28/2/2022	28/2/2021
	£	£	£	As restated £
Loans from Trustees and funders	140,560	200,500	140,560	200,500
Payments received on account	149,293	197,445	149,293	197,445
Trade creditors	142,499	46,937	35,547	36,842
Social Security and other taxes	16,328	75,485	16,328	75,485
Deferred income	18,459	-	18,459	-
Other creditors and accruals	<u>114,362</u>	<u>132,990</u>	<u>12,943</u>	<u>39,783</u>
	581,501	653,357	373,130	550,055
	=====	=====	=====	=====

Loans from Trustees and funders are secured by fixed charges over the Trust's vessels (see note 11).

The bank loan is secured on fixed and floating charges over the assets of the charity.

Deferred income relates to income in respect of future events.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		Tall Ships Youth Trust	
	28/2/2022	28/2/2021	28/2/2022	28/2/2021
	£	£	£	£
Loans from Trustees and funders	430,000	515,000	430,000	515,000
Other Creditors and accruals	85,183	165,355	-	-
Bank loan	<u>171,291</u>	<u>-</u>	<u>171,291</u>	<u>-</u>
	686,474	680,355	601,291	515,000
	=====	=====	=====	=====

Loans from Trustees and funders are secured by fixed charges over the Trust's vessels (see note 11).

The bank loan is secured on fixed and floating charges over the assets of the charity.

Included within other creditors is the pension deficit owed by Tall Ships Limited (see note 20).

16. ENDOWMENT FUNDS

	Michael Crocker £	Nova Scotia £	Lord Burnham £	Total £
At 1 March 2021 and at 28 February 2022	13,277	12,952	24,903	51,132
	=====	=====	=====	=====

The Michael Crocker fund was set up in memory of a yachtsman murdered in February 1982. The income is for contributions to voyage fees for pupils of Henley College. The Nova Scotia fund was set up in memory of trainees who died on the sailing ship "Marques" which sank off Bermuda during the 1984 American Tall Ships race. The income is shared with the American Sail Training Association and is to support a voyage berth. The Lord Burnham fund was set up in his memory following his death in June 1993. Income is for contributions to Voyage fees aboard the Trust's ships for trainees ideally, but not exclusively, from Eastern Europe.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

17. RESTRICTED FUNDS

	Balance at 1/3/2021 £	Income £	Expenditure £	Transfer £	Balance at 28/2/2022 £
International fund	195,197	1,952	-	-	197,149
Legacy fund	262,500	6,571	-	(28,604)	240,467
Other specific funds	<u>558,668</u>	<u>409,568</u>	<u>(364,754)</u>	<u>3,604</u>	<u>607,086</u>
Total restricted funds	1,016,365 =====	418,091 =====	(364,754) =====	(25,000) =====	1,044,702 =====

The Specific Funds are donations made to the Trust to be used for specified purposes. At 28 February 2022 there were 341 separate funds (2021: 340). The Trust is reviewing the ongoing obligations of restricted funds.

The International Fund is restricted within the accounts of the Trust for the support of international sail training activities.

The legacy fund is monies received to be used for youth trip voyages in the North Devon, North-West Somerset and Exmoor National Park areas.

The transfer between funds relates to the allocation between restricted and designated voyage funds.

Year to 28 February 2021 comparative period

	Balance at 1/3/2020 £	Income £	Expenditure £	Transfer £	Balance at 28/2/2021 £
International fund	193,264	1,933	-	-	195,197
Legacy fund	262,500	-	-	-	262,500
Other specific funds	<u>396,968</u>	<u>358,487</u>	<u>(280,640)</u>	<u>83,853</u>	<u>558,668</u>
Total restricted funds	852,732 =====	360,420 =====	(280,640) =====	83,853 =====	1,016,365 =====

18. UNRESTRICTED FUNDS AND PRIOR PERIOD ADJUSTMENT

Consolidated

	General Reserve £	Revaluation Reserve £	Total £
At 1 March 2020 (as previously reported)	(975,305)	624,497	(350,808)
Prior period adjustment – membership income (see below*1)	17,674	-	17,674
Prior period adjustment – revaluation reserve (see below*2)	<u>89,433</u>	<u>(89,433)</u>	-
As restated	(868,198)	535,064	(333,134)
Income	985,903	-	985,903
Expenditure	(1,025,324)	-	(1,025,324)
Transfer designated to restricted voyage funds	(83,853)	-	(83,853)
Transfer between funds revaluations	<u>50,667</u>	<u>(50,667)</u>	-
At 28 February 2021	(940,805)	484,397	(456,408)
Income	877,243	-	877,243
Outgoing resources	(1,167,800)	-	(1,167,800)
Transfer designated to restricted voyage funds	25,000	-	25,000
Transfer between funds	<u>50,667</u>	<u>(50,667)</u>	-
At 28 February 2022	(1,155,695) =====	433,730 =====	(721,965) =====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

- The charity changed its policy on the recognition of members' income, such that annual memberships are now recognised on receipt, rather than deferred and released over the period to which it relates.
- The transfer between revaluation and general reserves reflects the reduction in the reserve as the assets are depreciated. The prior period adjustment reflects a correction of the amount transferred from the revaluation to match the depreciation and economic lives of the yachts concerned.

18. UNRESTRICTED FUNDS AND PRIOR PERIOD ADJUSTMENT (continued)

Tall Ships Youth Trust	General Reserve £	Revaluation Reserve £	Total £
At 1 March 2020 (as previously reported)	(689,402)	624,497	(64,905)
Prior period adjustment – membership income (see above*1)	17,674	-	17,674
Prior period adjustment – revaluation reserve (see above*2)	89,433	(89,433)	-
As restated	(582,295)	535,064	(47,231)
Income	939,450	-	939,450
Expenditure	(658,448)	-	(658,448)
Transfer designated to restricted voyage funds	(83,853)	-	(83,853)
Transfer between funds revaluations	50,667	(50,667)	-
At 28 February 2021	(334,479)	484,397	149,918
Income	433,973	-	433,973
Expenditure	(906,691)	-	(906,691)
Transfer designated to restricted voyage funds	25,000	-	25,000
Transfer between funds	50,667	(50,667)	-
At 28 February 2022	(731,530)	433,730	(297,800)
	=====	=====	=====

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Consolidated at 28 February 2022				
Tangible fixed assets	1,156,406	-	-	1,156,406
Current assets	(505,980)	1,044,702	51,132	589,854
Current liabilities	(685,916)	-	-	(685,916)
Creditors: due after more than one year	(686,475)	-	-	(686,475)
	(721,965)	1,044,702	51,132	373,869
	=====	=====	=====	=====
Tall Ships Youth Trust at 28 February 2022				
Tangible fixed assets	1,156,406	-	-	1,156,406
Current assets	(375,369)	1,044,702	51,132	720,465
Current liabilities	(477,546)	-	-	(477,546)
Creditors: due after more than one year	(601,291)	-	-	(601,291)
	(297,800)	1,044,702	51,132	798,034
	=====	=====	=====	=====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

Year to 28 February 2021 comparative period	£	£	£	£
	As restated			As restated
Consolidated at 28 February 2021				
Tangible fixed assets	1,287,287	-	-	1,287,287
Current assets	(409,983)	1,016,365	51,132	657,514
Current liabilities	(653,357)	-	-	(653,357)
Creditors: due after more than one year	<u>(680,355)</u>	<u>-</u>	<u>-</u>	<u>(680,355)</u>
	(456,408)	1,016,365	51,132	611,089
	=====	=====	=====	=====
Tall Ships Youth Trust at 28 February 2021				
Tangible fixed assets	1,287,287	-	-	1,287,287
Current assets	(72,314)	1,016,365	51,132	995,183
Current liabilities	(550,055)	-	-	(550,055)
Creditors: due after more than one year	<u>(515,000)</u>	<u>-</u>	<u>-</u>	<u>(515,000)</u>
	149,918	1,016,365	51,132	1,217,415
	=====	=====	=====	=====

Most restricted donations are to cover, in part, the costs of a voyage and most of the costs of voyages are spent in advance, starting with buying a boat and having the organisation to run the trips. The above note shows a notional allocation of assets between restricted and unrestricted. These assets are not segregated. The analysis shows that after allocating assets to restricted funds, there is a deficit of assets represented by other unrestricted funds. This situation has existed since the sale of the brig in the year to February 2018 for considerably less than had been expected. The charity is focused on correcting this situation.

20. PENSIONS

Defined contribution scheme

The group makes contributions towards individual pension schemes for the benefit of employees. The assets of these schemes are administered by Trustees in funds independent from those of the Tall Ships Youth Trust and its subsidiary companies. Contributions made during the period are disclosed in note 8.

Defined benefit scheme

A number of former employees of the Trust's subsidiary Tall Ships Limited ("TSL") have belonged to an industry wide pension scheme. The Trustees of the scheme have advised TSL that part of the scheme is in deficit and it is apportioning the deficit between participating employers. Interest is accruing on the residual of the 2009 and 2012 pension scheme deficits and a payment plan is in operation. At the period end the balance outstanding was £178,183 (2021 - £240,355).

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

21. LEASING COMMITMENTS

At the reporting date, the Trust had the following minimum future lease commitments:

	28/2/2022		28/2/2021	
	Land & Buildings £	Other £	Land & buildings £	Other £
Within one year	25,000	12,853	25,000	13,386
Between two and five years	<u>95,833</u>	<u>27,314</u>	-	<u>38,935</u>
	<u>120,833</u>	<u>40,167</u>	<u>25,000</u>	<u>52,321</u>
	=====	=====	=====	=====

22. RELATED PARTY TRANSACTIONS

Loans

Included within the figures in notes 14 and 15 is £150,000 (2021: £156,500) from Trustees and related parties, which are part of the secured charge on fixed assets (see note 11). See note 24 as subsequent to the year end this balance was waived.

The aggregate donations from Trustees to the charity during the year was £12,595 (2021: £10,506).

The aggregate Trustee membership subscriptions during the year were £5,790 (2021: £610)

23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Group balances

	28/2/2022 £	28/2/2021 £
Financial assets at amortised cost	557,483	618,121
Financial liabilities at amortised cost	<u>(1,015,041)</u>	<u>(1,136,267)</u>
Net financial liabilities	<u>(457,558)</u>	<u>(518,146)</u>
	=====	=====

The Charity's financial assets comprise investments and cash and bank balances. Financial liabilities include trade creditors, loans, accruals and other creditors.

24. Post-balance sheet events

Subsequent to the year end, an outstanding loan of £150,000 (see note 22) has been waived and therefore is no longer due for repayment.

Tall Ships Youth Trust

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TALL SHIPS YOUTH TRUST

England & Wales - Charity number 314229

Accounts

REGISTERED IN ENGLAND AND WALES NUMBER: 00567460

CHARITY NUMBER: 314229



REPORT AND ACCOUNTS

FOR THE YEAR ENDED

28 FEBRUARY 2021

TALL SHIPS YOUTH TRUST

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FOR THE YEAR ENDED 28 FEBRUARY 2021

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TALL SHIPS YOUTH TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 28 FEBRUARY 2021

Tall Ships Youth Trust is a company limited by guarantee and a registered charity.

Charity Number	314229
Company Number	00567460
Principal Office	2A The Hard, Portsmouth, PO1 3PT
Vice-Patrons	Admiral of the Fleet the Lord Boyce KG GCB OBE DL Mr I A Carruthers Mr P Coleman Mr D de Laszlo DL Lord Grade CBE Lord Greenway Mr M Le May Mr J Lennox Mr O Michaelson Mr D Tydeman Mr T Vokos Mrs C Williams
Trustees	Mr D Aisher, Chairman Mr N Andrews Mrs E Bradshaw (appointed 18 December 2020) Mr P D'Ornano Mr S Edwards Mr N Jones (Resigned 10 May 2021) Mr P McDanell Rear Admiral R Melly Miss K Nazarin Mr M Wippell (Resigned 31 May 2021)
Chief Executive	Mr A Floyd (Appointed 18 October 2021) Rear Admiral R Leaman-Grey CB OBE (Resigned 14 August 2021)
Company Secretary	Mr P Taylor
Auditors	Moore (South) LLP 9 St John's Place Newport Isle of Wight PO30 1LH
Bankers	Clydesdale Bank Plc Gatwick Business and Private Banking Centre 5 Peveril Court 6-8 London Road Crawley West Sussex RH10 8JE

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

Chairman's Introduction

There is no doubt that 2020/21 was one of the more challenging years in the Trust's recent history. As was the case for many charities, the Covid pandemic severely affected our operations and our ability to deliver our charitable mission.

Young people from disadvantaged backgrounds have been disproportionately impacted by the pandemic. Education has been disrupted and employment and life prospects have been severely affected.

Unfortunately, despite the massively increased need for our life-changing youth development work, the Government's lockdown measures meant we were unable to run residential voyages from the end of March 2020 and this continued throughout the 2020-21 financial year. We therefore had to prioritise reducing our overheads whilst working to sustain our fundraising income. Our vessels were laid up for most of the year, and the continued uncertainty with regard to restart dates made it difficult for staff, crew, as well as the young people we seek to help.

However, I am pleased to report that, despite this disruption, we remain well placed to resume our mission. As a result of prudent cost saving measures, coupled with innovation and dedication from our fundraisers, we have managed to report another financial surplus for the year. At the time of writing, we are now fully operational in terms of residential sailing and have all our staff and crews back in place.

Since the financial year-end, we have said goodbye to our CEO, Rear Admiral Richard Leaman-Grey, who served the Tall Ships Youth Trust between May 2017 and August 2021. Taking over at a time of significant financial challenge, the Trust generated operating surpluses for three years in a row under his leadership, whilst still maintaining the number of disadvantaged young people that we support each year until Covid hit. Richard carried out his duties with commitment and passion and played a key role in helping the charity to continue to support young people to reach their potential in life.

We are pleased to welcome Alastair Floyd as Richard's replacement as CEO. Alastair has had 15 years in the culture and charity sectors after having spent 20 years in the Royal Marines, RAF and leading roles in UK defence.

We have much to feel positive about in the foreseeable future. Our financial position is stable, our donors are passionate about our mission, and we are well set to scale up our supporter base and demonstrate our unique achievements to a national audience. We are also committed to increasing our fleet capacity, to respond to the increased demand. We will do this by seeking to take on an additional vessel of a similar size to those that we already have, as this model has proved to be the most efficient. However, this will require us to grow our fundraising capacity, notably through the new "LifeChanger Appeal" which launched in October 2021. Alastair Floyd is well placed to help us in this regard.

Finally, I would like to thank all our staff, sailing crew, volunteers, donors, partners, trustees and vice patrons for their incredible support and dedication throughout this year. The fact that we are again able to deliver a vital service to our beneficiaries - despite all the challenges caused by the pandemic - is because of each and every one of you.

David Aisher
Chair of Trustees, Tall Ships Youth Trust

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

HISTORY

Tall Ships Youth Trust, formerly known as The Sail Training Association, is the UK's oldest and largest sail training charity dedicated to the personal development of young people aged 12 to 25 years.

Formed in 1956, more than 120,000 trainees have sailed over 2 million nautical miles on our vessels. The Trust has built a peerless reputation for delivering outstanding results with young people, most of whom have had an extremely challenging start to their lives.

VISION, MISSION, VALUES AND PURPOSE

Our **Vision** is a society where all young people have the opportunity to develop their full life potential.

Our **Charitable Mission** is to enable disadvantaged young people to fulfil their life potential through experiences at sea, and by breaking down the barriers they face in society.

Although our charitable mission is based on giving life-changing experiences to disadvantaged young people, we accept young people of all abilities and backgrounds, based around the values of **inclusion, adventure, and excellence**.

- **Inclusion** Diversity of our beneficiaries, staff, volunteers and donors is of vital importance to us, and we want everybody who touches the charity to feel included, respected and valued.
- **Adventure** Sailing, working and volunteering for Tall Ships should be an adventure; we thirst for challenge, excitement, innovation, and new learning. We challenge the status quo.
- **Excellence** In everything we do, we seek to be the 'best of the best'; youth development, sea safety and safeguarding, connecting with our supporters and voyagers, collaborating with our partners and ensuring the compliance of our fundraising practices.

Our **Purpose** is to increase young people's life chances and well-being by supporting them to develop their independent living skills, build self-esteem and aspirations, embrace a healthier more active lifestyle, and get involved in volunteering. We do this using ocean-going 'residential youth centres'. The Trust's current fleet comprises four 72ft ocean going yachts, and a 46ft ketch. The development of young people – particularly those who are disadvantaged – is central to everything we do, and we are proud of our reputation amongst education and youth work professionals for delivering effective, high quality services to young people.

In reviewing the Trust's aims, objectives and planned activities, the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

OUR BENEFICIARIES

It's widely accepted that young people from disadvantaged backgrounds do not always have the same opportunities in life as their more affluent peers and can often feel that they are being defined only by their circumstances. In addition, the impact of Covid and subsequent government restrictions relating to the pandemic have been particularly severe on them.

Many of our beneficiaries had to spend lockdown in unsafe or unhappy environments, often in cramped conditions and with no access to outside space. They have been socially isolated and the disruption to their education is unprecedented. Consequently, the mental health of many of these young people has deteriorated significantly.

A Tall Ships voyage equips young people with life skills and confidence which can be transferred to their everyday lives to help them overcome their problems and thrive. Our highly professional and empathetic crew give them support and encouragement and this helps them to be able to demonstrate their true potential, which gives them a real sense of worth and will help them to move on from the pandemic in a positive way.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

IMPACT

We work with very diverse groups of people, from all over the country. They are often referred to us by third-party youth organisations including special needs schools, pupil referral units, youth offending teams, youth projects and children's services. Working in this way ensures a continuum of care for the young people, beyond their Tall Ships experience.

Disadvantaged and disabled young people now represent 75% of the young people we work with. Some of the challenges these young people face include learning, physical or mental difficulties; behavioural, emotional or social difficulties. In addition, some are young carers; from ethnically diverse backgrounds; not in employment, education or training, or on the cusp of or already involved in the criminal justice system.

We are meticulous about measuring the impact of our voyages. Post-voyage evaluations carried out in 2019 from our young people indicate:

- 96% reported improved team working skills as a result of their voyage
- 94% reported improved communication skills
- 93% reported increased confidence and self-esteem
- 91% reported improved problem-solving skills
- 90% reported improved leadership skills
- 93% felt they were able to manage their own feelings better

Youth workers, employers, parents, teachers tell us¹ the impact on voyagers from their perspective is:

- Better concentration and more attentive
- Increased ability to learn
- More willing to work hard and take on responsibility
- Better communication
- Increased employability

Although we were unable to run residential voyages during much of 2020-21, we know from previous surveys undertaken in 2019 that our work is impactful. A survey of 665 young people showed that a remarkable 97% of our young voyagers have gone into or are still in Education, Employment or Training.

Jo Bradley-Fortune, Director of Corporate Development and Fundraising, Notts YMCA: "In 2019 we took 8 groups of young people totalling over 70 in number that worked together to circum-navigate the British Isles. The young people were from a range of backgrounds and ages from across Newark – the 23rd most deprived local authority in the country. The young people said it was 'life changing, amazing, scary, challenging, wonderful'. To witness these young people, who see every day as a challenge, becoming emboldened, brave and resilient young people in just a matter of days was incredible.

Graham Blair, Head of Campus, Mayesbrook Park School, an alternative provision school. "Our first trip with Tall Ships Youth Trust was two years ago and it proved what a difference your voyages make. Following the four-night voyage, five out of seven of the students who attended went back into mainstream school. The experience instils trust and responsibility in the young people. It's often their first time away from home and the first time they've been given trust and responsibility, which raises their expectations, and they work as a team with routine and structure. It gives them a sense of purpose".

Jane O'Sullivan, Enrichment Manager – Engagement, George Green's School: "Our school is a large secondary school in East London with really high indicators of disadvantage. During this awful Coronavirus crisis, students and their families are struggling with traumatic levels of illness, domestic violence, mental health problems, overcrowding and poverty. The voyages build a sense of adventure, resilience and possibility for our students, which they would never usually be able to access in their day to day lives. I have been lucky enough to accompany two group voyages with the Trust, and on both occasions the experience has been truly thrilling and memorable for all the young people. I've been a youth worker for over twenty years and it's probably the best expedition/adventure trip I've ever taken kids on, (and believe me, I've been on a few...!).

¹ Source: Professionals' feedback questionnaires 2019/2020

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

A week learning to sail and bonding as a real-life crew was just the most fantastic adventure for all involved. Vital and excellent programmes such as those provided by Tall Ships, are needed more than ever to help young people re-establish themselves and build their self-confidence after such a difficult and bewildering time.”

ACHIEVEMENTS AND PERFORMANCE

Youth Development

Throughout the period covered by this report, the impact of Covid significantly impacted our ability to deliver our transformational residential youth work with young people. Government restrictions on outdoor education remained in place and curtailed our residential voyage programme from the end of March 2020 for the remainder of the financial year. We were however, when not in lockdown, permitted to offer occasional day sails and were able to take 114 people to sea, of whom 71 were from a disadvantaged background.

Fleet Activity and Maintenance

Our fleet comprises four 72 ft Challengers and a 46 ft Ketch.

Because of Covid Government regulations, our vessels have remained in port at Gunwharf Quays for most of the year, with the exception of the occasional day sail, when permitted.

We made best use of this operational pause by carrying out essential fleet maintenance including new rigging which was installed on all five vessels as well as essential hull repairs. Safety remains paramount to our operation, and we will continue to maintain our vessels to the highest standards. Trustees monitor our safety policy and receive a detailed operational safety report at each Board meeting.

The work on the vessels has only been possible thanks to funds received from our donors and supported by a devoted and enthusiastic team of volunteers who have given hundreds of free hours to help the operations team completing the essential work.

Safeguarding

During this reporting period there were no safeguarding issues. Our Safeguarding policies and procedures were externally audited by a safeguarding professional practitioner in August 2020. Also we were able to continue to offer our online child protection and safeguarding training modules to all head office, volunteer and freelance sailing team staff.

Awareness raising and communications

Despite the communications team being furloughed for most of the financial year, we managed to engage with multiple media outlets and continued showcasing our work to national audiences.

We joined forces with a number of other national outdoor education providers to raise awareness of the sector’s Covid challenges and impact on beneficiaries. Our campaigning work with Government to give us the green light to start residential sailing again was picked up by the BBC, The Times, The Telegraph, industry publications and many local outlets.

We continue to make strides with our digital communications. Content has been relaunched with a focus on short-burst, user-generated content and testimonials of our beneficiaries. Our social media follower numbers continue to grow and engagement rates remain above the industry average according to the Social Media Benchmark Report 2020.

Our customers, sailing team, donors and volunteers were engaged with regularly, including updates on how the charity was navigating our way through the Covid crisis.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

Fundraising

The Covid pandemic significantly impacted our fundraising plans. Sailing restrictions severely reduced our voyage income and social restrictions meant we had to cancel several fundraising events. However, we managed to keep raising vital funds from multiple other sources.

The Trust raised a total of £219k in the year from voyages and bursaries and a significant £1,125k in other fundraising. Included in this total, 'sustainable' fundraising raised £504k from 137 grant making trusts and foundations and £268k from over 1,000 individuals, including £155k from our hugely successful Calmer Waters Covid cash appeal. Legacies totalled £26k. We were strongly supported by the Association of Sail Training Organisations (ASTO) who contributed £147k towards our cause, and we also received a further £112k from various individuals and £68k from supporters towards various key projects such as our replacement CRM system.

We are immensely grateful to all the generous individuals, supportive institutions and members who have helped us through the Covid pandemic.

Due to the impact of Covid, and the urgent need to meet the increased demand for our services, our 'New Flagship Appeal', which commenced in 2018, is in the process of being relaunched. The aim of the appeal was to increase our sea-going capacity by raising at least £5m in order to purchase and refit a new schooner type flagship vessel, while also reducing our liabilities and establishing a bursary fund. However, the appeal was launched in a pre-Covid world, and none of us could have predicted what 2020 would bring. The impact of the pandemic on our beneficiaries and supporters has been significant, meaning that fundraising for large capital projects in the current climate is extremely challenging. Therefore, after much consideration, our Trustees took the decision to modify the appeal in order to increase our sea-going capacity as quickly as possible. It will be officially relaunched in October 2021, under the new name of the 'LifeChanger Appeal'. The aim of the appeal will be to raise at least £1.5m in order to purchase and refit a 70-80ft vessel, and cover three years' running costs, including bursaries for 750 disadvantaged young people and administration costs.

The Tall Ships Youth Trust is a signed-up member of the Fundraising Regulator, and Trustees are satisfied that the charity's fundraising methods are compliant with both the current regulations and best practice. The Trust is committed to ensuring ethical fundraising practices, and Trustees regularly confirm this is the case. We received zero complaints this year about our fundraising.

Partnerships

We continue to work in partnership with the 1851 Trust on our 'STEM and the Sea Project'. The project, which has been generously funded by the Lloyds Register Foundation, aims to inspire the next generation of marine engineers by enabling 30 young people a year to participate in a 'STEM' (science, technology, engineering and maths), voyage.

Looking forward, we will continue to build links with like-minded charities and commercial companies to support fundraising objectives.

Infrastructure

We were grateful to receive grants from the Gosling Foundation and ASTO to upgrade our CRM database after the existing provider informed us that our current CRM would not be supported from February 2021. The migration was completed on target and the upgrade has improved our data management processes. Voyage bookings, customer records and donor details are saved directly into our database in a GDPR compliant way without the need for manual intervention and the processing of paper-based forms. It also means that, for the first time, we are able to sign up members and regular donors online, via direct debit.

Volunteers

The Trust has many dedicated and loyal volunteers who generously gave over their free time to support our mission and we remain extremely grateful for their efforts – especially during the peak of the pandemic.

We will focus on building up our shore-based volunteers around the country once Covid restrictions have eased, likely later in 2022.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

Tall Ships Academy

The Trust's training programme gives young people a path from their first experience to volunteering on the Trust's vessels and, for those who wish it, a nautical career. On average, around 14% of young people are normally recommended to come back as Volunteer Crew every year. The objectives of the Academy and its training programme are:-

“to offer young people more options for enhancing their management skills and earn formal qualifications; to add value and enjoyment to their sailing experience as Volunteer Crew by increasing their knowledge, skills and confidence; and to support the Trust's aim of maintaining best practice.”

The programme formalises the existing on-board training for our Volunteer Crew – working with young people, vessel familiarisation, safety and safeguarding training – and adds to it the syllabus of the RYA Watch Leader Certificate.

Duke of Edinburgh's Award

Our Youth & Volunteer Manager is qualified to assess young people for their Duke of Edinburgh's Award Expedition. Due to Covid, no Duke of Edinburgh expeditions were carried out this year. Under normal circumstances, the groups pay for this assessment service, and it is a valuable addition to our offering. Some planned expeditions have been rescheduled for 2021/22.

RISK REVIEW

The major operational, reputation and financial risks to which the Trust is exposed, as identified by the Board, have been reviewed and systems established to mitigate those risks. They fall into six categories, as described below:

Personnel

Insufficient number of competent and trained staff. Insufficient number of seagoing volunteers. Volunteer branches not performing. Loss of key members of staff threatens effective operations management.

Funding

Cashflow insufficient to operate the charity. Charity's net assets insufficient to cover restricted funds (note 21). Asset-to-loan ratio inadequate. Voyage income and routine fundraising and special initiatives fails to meet targets. Pension fund repayments exceed our capacity to pay.

Operational

Death or serious accident to crew, staff or the public whilst operating the vessels. Defects prevent vessel sailing. Incident at sea damages a vessel. Illness or medical incident prevents vessel sailing. Certification failure of a vessel threatens programme. Head Office closure due to an incident.

Reputational

Safeguarding incident with beneficiary, voyager, or crew member. Incident at sea leading to bad publicity. Failure of IT system security. GDPR Breach.

Developmental

New Capital Appeal fails to meet target. New ship project to increase capacity fails to deliver.

Covid (new in 2020-21)

A review covering the various aspects of risks affected by the Covid virus has been conducted. These risks include staff or visitors passing the virus on to others, and the considerable human and financial impact.

For all these risks, and their elemental constituents, mitigation has been put in place. Fundraising including the new LifeChanger Appeal, the pension fund deficit (which could increase over time if other fund members become insolvent), volunteers, and the winter voyages as a result of Covid are considered to be uncertain and therefore higher risk. The residual risk at 28 February 2021 for the other risks is assessed to be “low” or “moderate”.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

ENVIRONMENTAL POLICY

The Trust continues in its efforts to reduce its carbon footprint and our overall impact on the environment. Increasing use of teleconferences, Teams and Zoom have reduced travel costs, and we remain conscious of the need to re-cycle, and avoid wasting non-renewable energy. In addition, the transition to a new CRM system has enabled the charity to incorporate paperless fundraising processes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Tall Ships Youth Trust is a charitable company limited by guarantee. The governing documents are its Memorandum and Articles of Association. For the purposes of Company Law, the Trustees listed on page 2 are the directors of the company and are elected by resolution of the company at a general meeting. The company is administered under the control of the Trustees, sitting as a Board, who have general control of and responsibility for the strategic direction of the Trust and its subsidiary companies, and delegate day-to-day responsibility to the Executive team.

In recent years, we have opened our membership schemes which had been closed to new members since 2003. We hope to attract new people to take an active role in the Trust, including voting rights, and we have created several tiers of membership levels including life memberships, and we now have 636 Members who are active and engaged.

The trading operations of the Trust are devolved to its wholly owned subsidiary, Tall Ships Limited. As well as appointing directors to the subsidiary company, the Board can establish other committees to deal with different aspects of the Trust's work, as necessary.

Trustees are conscious of the ACEVO/NCVO/Charity Commission sponsored 'Code of Charity Governance' and have been applying considerable effort towards full compliance. In terms of leadership, the board have reviewed our desired skill sets and begun a process of board renewal. The nominations, screening and selection process for new Trustees is managed on the Board's behalf by a Nomination and Remuneration Committee consisting of four Trustees including the Chairman and Vice Chairman. Candidates are invited to meet at least two Members of the Committee and the Chief Executive. All new Trustees also receive a full briefing on the Trust's financial performance, business plans and key issues, and meet key employees. On conclusion of this process, the Committee recommend candidates to the Board which decides on the appointment and, if successful, co-opts the individual until the next AGM at which their appointment is ratified by the members.

The Trust has an induction programme for Trustees. In normal times, the programme includes visits to the Trust's main operating bases (vessels), introduction to new youth initiatives, coverage of the charity's aims and how they are being fulfilled, the role and duties of the Trustees, company and charity law and governance, and financial and risk management.

We are keen to promote a spirit of openness within the charity – between Trustees, Executives, Beneficiaries, Volunteers and Supporters. We look forward to meeting some of our new members at the next meeting, potentially again to be a virtual one.

During the year, we formally ratified the appointment of Emma Bradshaw as a trustee. We say goodbye with sincere thanks to Bob Evans for his loyal and invaluable service to the charity during his ten-year tenure, and, since the year-end, to Mark Wippell who provided significant expertise particularly during the recent challenges as a result of Covid.

A member of the board has also recently undertaken a review of our operational maintenance plan (particularly safety-related activity), to ensure we are compliant, and we have minimised the risk to young people, crews, and to our reputation.

We delegate responsibility to the Finance, Risk and Audit Committee for reporting to the Board about financial matters including the forecast cash flows. The Committee considers the financial statements, meets regularly with the Chief Executive and Finance Director, and oversees the appointment of the external auditors, and reviews their findings.

Day-to-day management of the Trust is delegated to the Chief Executive, who oversees our small but extremely professional, committed, and hard-working team at Head Office and the crews which have achieved such remarkable success over the last few years with such limited resources. We thank all who gave of their resources, time, and expertise to support the Trust during this year of turmoil. We will need you all, more than ever, in the months and years ahead.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

FINANCIAL ANALYSIS

Clearly during the past year, Covid has had a significant effect on our results. For most of the year, we were unable to sail, with just a handful of day sail voyages undertaken. Fleet costs were correspondingly lower although we were required to complete various maintenance projects to the vessels, in particular rigging replacements. Fundraising income, despite the pandemic, performed extremely well with grant making trusts and foundations and individual giving close to prior year's figures. Overheads were kept under control, largely due to decisions on furloughing of staff. Overall this year, we achieved a surplus of £40k.

In terms of cashflow, we have maintained a positive position throughout the year. We have continued with our loan repayment obligation with some agreed deferrals, including to the Merchant Navy Officers Pension Fund (MNOFF). We end the year with an underlying bank balance of £472k, excluding the amount held in the capital appeal for the replacement yacht.

	Notes (see below)	y/e Feb 2021	y/e Feb 2020
Number of voyagers		Number	Number
Disadvantaged young people		71	754
Other young people		5	245
Adults		<u>38</u>	<u>623</u>
Total	1	<u>114</u>	<u>1,622</u>
Selected Financial results		£'000	£'000
Voyage income – bursaries		131	693
– Direct payments		<u>88</u>	<u>758</u>
– total		219	1,451
Direct fleet costs (excl. fleet depreciation)		<u>(243)</u>	<u>(776)</u>
Net Operating surplus/(deficit)	2	(24)	675
Overheads	3	<u>(868)</u>	<u>(937)</u>
Operating deficit before fundraising	4	(892)	(262)
Fundraising	5		
Individual and Regular giving		1,100	928
Legacies		26	291
Capital appeal		<u>62</u>	<u>164</u>
Total fundraising		1,188	1,383
Less: bursaries given for specific voyages		<u>(131)</u>	<u>(693)</u>
Net donations		<u>1,057</u>	<u>690</u>
Operating surplus		165	428
Fleet depreciation		(125)	(142)
Asset write down		<u>-</u>	<u>(75)</u>
Net income for the period	6	<u>40</u>	<u>211</u>

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

Notes to the Financial Analysis

1. Number of voyagers

Due to Covid, we were only able to run a small number of day sail voyages. Numbers taken to sea was 114, 71 of whom were disadvantaged young people.

2. Net Operating surplus/(deficit)

Due to the above, fleet income was correspondingly low, matched by low fleet costs. We did, however, continue to ensure that the vessels were maintained to a very high standard in preparation for the green light to sail again. The necessary rigging replacement on all vessels was completed. We utilised volunteers wherever possible for some of this work.

3. Overheads

Overheads were kept under control, with savings in some areas through negotiated cost waivers, cutbacks and deferrals. Marketing costs were kept to the minimum. Certain staff replacements were delayed, and we instigated reduced staff hours and pay where possible. The Government furlough scheme was utilised with significant savings made. Our average staff levels of 14 remains low. We also replaced the obsolete CRM system during the year which was fully funded by our donors.

4. Operating deficit before fundraising

Operating deficit before fundraising has increased to £892k.

5. Fundraising

The key success in fundraising was achieving such a high proportion of last year's income, despite the pandemic. GMTs raised £504k, 95% of prior year. Other individual giving raised a further £268k, including £155k from our hugely successful Calmer Waters cash appeal, plus legacies of £26k. We were also strongly supported by ASTO who contributed a significant £147k towards our cause. A further £112k from various high-level donors and £68k from supporters was also raised towards various key projects such as our replacement CRM system.

A total of £1,188k was raised this year against £1,383 last year (which included a single legacy of £262k). Various Trusts also agreed to release their previously restricted donations to core funds, to support the charity through the crisis. A total of £177k was agreed to be transferred during the year. In addition, donors to the "New Flagship Appeal" also released sums totalling £90k towards core costs.

We are extremely grateful to all these organisations and individuals for helping TSYT during this period.

6. Net Income for the period

Both cash from operating activities and net income were positive for the year to 28 February 2021. Despite Covid, we have once again realised a net income surplus for a third year in a row, this year £40k.

FUTURE FINANCIAL PROSPECTS AND RESERVES POLICY

We continued to be adversely affected by Covid until July 2021 when we were able to resume residential voyages. We are now able to plan for the future assuming a return to normal occupancy rates.

Given the pressure that Covid has created on our cashflow, and in order to manage our way through the next few years, the trustees agreed to taking out a £250k CBILS loan through Clydesdale Bank which will be repaid in equal instalments over 5 years. We believe this puts us on a stronger footing and allows us to concentrate on our core mission. We thank Clydesdale for their support and assistance in getting us over the line in terms of approvals for the loan.

In the autumn of 2021, it is planned to re-launch the capital appeal with a new focus in response to the urgent needs following Covid. We aim to raise sufficient funds to acquire a second-hand Challenger-sized vessel and to complete a refit to enable our youth work to be undertaken and to cover the first three years of running costs. We have a very strong, high profile, and determined appeal committee to lead on this initiative.

Our membership scheme has been reopened and we are developing plans to increase our engagement with our supporters and volunteers.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

The Trustees' long-term objective is to build the Trust's reserves to protect our charitable mission against unexpected events. The Trustees have therefore set a medium-term goal of building available liquid assets of unrestricted funds to meet any potential gap between income and expenditure, to build sufficient assets to cover restricted funds and to such level that unrestricted funds return to positive balance.

The Trust will continue to make progress in terms of the number of young people we take to sea, particularly those who are disadvantaged, our net operating income, and also our fundraising capacity.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of Tall Ships Youth Trust for the purposes of company law) are responsible for preparing the Trustees' 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). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

In so far as each of the Trustees are aware: -

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Moore (South) LLP have expressed their willingness to continue in office, and a resolution for their reappointment for the next financial year will be put to the Annual General Meeting.

ON BEHALF OF THE TRUSTEES



David Aisher
Chairman of the Board of Trustees

Dated: 23 November 2021

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2021

Opinion

We have audited the consolidated financial statements of Tall Ships Youth Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 28th February 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 parent company's affairs as at 28th February 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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.

Material uncertainty relating to going concern

We draw your attention to the going concern accounting policy on page 20 in the financial statements. As a result of the on going effect of Covid-19, the restrictions have impacted on the group's ability to receive funding and accurately forecast the timing of cash flows.

These events indicate that a material uncertainty exists that may cast significant doubt on the groups ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of the audit or

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2021

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and their environment obtained in the course of the audit, we have not identified material misstatements in Directors' Report, included in 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 accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's financial statements are not in agreement with the accounting records; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the consolidated financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirements to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees, who are also the directors of the charitable parent 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the trustees are responsible for assessing the groups and charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent 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 consolidated financial statements.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2021

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company and the group.

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Revenue recognition was also identified as part of our audit planning as a significant risk to the audit. Although the processing and recording of transactions is straight forward, there is the risk that revenue might not be recognised within the correct accounting period.
- Some income received is restricted in its use and a significant risk was identified regarding the correct classification of income between restricted and unrestricted funds and that the expenditure against this income was in line with any specified restrictions.
- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and we considered the most significant to be the Companies Act 2006, the Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact of Covid-19 on the operations of the charitable company and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption in the preparation of the financial statements and dovetailed this with knowledge gained from our audit work
- The consolidated financial statements of the group incorporate the results of the subsidiary company. Moore (South) LLP are auditors to the whole group and the same approach has been adopted to the subsidiary company as is appropriate to that entity.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2021

In response to the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed transactions with related parties, in particular the management charges and transactions with group entities;
- reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation; and
- tested a sample of invoices to ensure expenditure was for bona fide expenses and has been appropriately authorised.

In response to the risk of incorrect recognition of income we:

- performed analytical procedures including comparing revenue received to the prior period and to budgets;
- vouched a sample of donations and grants received in the year to supporting documentation; and
- tested a sample of gifts and donations received around the balance sheet date to agree income has been included within the correct accounting period.

In response to the classification of income between restricted and unrestricted we:

- agreed a sample of grants and donations recorded in the nominal ledger to source documentation to ensure any restrictions were correctly identified,
- agreed a sample of expenses incurred to ensure that they had been allocated to the appropriate fund; and
- obtained and reviewed fund analysis workings to ensure that the calculations were correct and agreed to the accounting records.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2021

Use of our report

This report is made solely to the charitable parent 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 parent 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 parent company and the charitable parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sue Lucas (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP
Chartered Accountants
Statutory Auditor

9 St Johns Place
Newport
Isle of Wight
PO30 1LH

Dated: 24 November 2021

TALL SHIPS YOUTH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2021

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds Year to 28/2/2021	Total Funds Year to 29/2/2020
	<u>Note</u>	2021 £	2021 £	2021 £	2021 £	2020 £
Income and Endowments from:						
Donations and legacies	2	827,387	358,487	-	1,185,874	1,382,158
Other trading activities	3	-	-	-	-	11,935
Investments		246	1,933	-	2,179	2,540
Government grants		70,824	-	-	70,824	-
Charitable activities	4	<u>87,446</u>	<u>-</u>	<u>-</u>	<u>87,446</u>	<u>757,578</u>
Total income		<u>985,903</u>	<u>360,420</u>	<u>-</u>	<u>1,346,323</u>	<u>2,154,211</u>
Expenditure on:						
Raising funds	7	305,662	-	-	305,662	337,392
Other trading activities	7	-	-	-	-	11,063
Charitable activities	7	<u>719,662</u>	<u>280,640</u>	<u>-</u>	<u>1,000,302</u>	<u>1,594,802</u>
Total expenditure		<u>1,025,324</u>	<u>280,640</u>	<u>-</u>	<u>1,305,964</u>	<u>1,943,257</u>
Net movement in funds		(39,421)	79,780	-	40,359	210,954
Transfer between funds		(83,853)	83,853	-	-	-
Fund balances brought forward At 1 March 2020		<u>(350,808)</u>	<u>852,732</u>	<u>51,132</u>	<u>553,056</u>	<u>342,102</u>
Fund balances carried forward At 28 February 2021		<u>(474,082)</u>	<u>1,016,365</u>	<u>51,132</u>	<u>593,415</u>	<u>553,056</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

All operations of the Trust and its subsidiaries are classed as continuing.

There was no movement on the endowment funds in either the current or prior year and so no separate income and expenditure account is included.

TALL SHIPS YOUTH TRUST

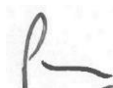
BALANCE SHEET FOR THE YEAR ENDED 28 FEBRUARY 2021

	<u>Note</u>	Consolidated		Tall Ships Youth Trust	
		28/2/2021	29/2/2020	28/2/2021	29/2/2020
		£	£	£	£
Fixed assets					
Tangible assets	13	1,287,287	1,400,549	1,287,287	1,400,549
		-----	-----	-----	-----
Current assets					
Stocks		9,188	9,705	250	250
Debtors	14	96,447	332,126	511,327	310,487
Investments	15	5,585	5,338	5,585	5,338
Cash at bank and in hand		<u>546,294</u>	<u>241,056</u>	<u>478,021</u>	<u>225,990</u>
		657,514	588,225	995,183	542,065
Creditors: amounts falling due within one year	16	<u>(671,031)</u>	<u>(638,374)</u>	<u>(567,731)</u>	<u>(528,155)</u>
Net current assets/(liabilities)		<u>(13,517)</u>	<u>(50,149)</u>	<u>427,452</u>	<u>13,910</u>
Total assets less current liabilities		1,273,770	1,350,400	1,714,739	1,414,459
Creditors: amounts falling due after more than one year	17	<u>(680,355)</u>	<u>(797,344)</u>	<u>(515,000)</u>	<u>(575,500)</u>
		<u>593,415</u>	<u>553,056</u>	<u>1,199,739</u>	<u>838,959</u>
		=====	=====	=====	=====
Capital funds					
Endowment funds	18	51,132	51,132	51,132	51,132
Income funds					
Restricted funds	19	1,016,365	852,732	1,016,365	852,732
Revaluation reserve	20	618,547	624,497	618,547	624,497
Other unrestricted funds	20	<u>(1,092,629)</u>	<u>(975,305)</u>	<u>(486,305)</u>	<u>(689,402)</u>
		<u>593,415</u>	<u>553,056</u>	<u>1,199,739</u>	<u>838,959</u>
		=====	=====	=====	=====

The financial statements were approved by the Trustees on 23 November, 2021



David Aisher
Chairman of the Board



Philip McDanell
Chairman of Finance

Charity Number: 314229 Company Number: 00567460

The accompanying accounting policies and notes form an integral part of these financial statements.

TALL SHIPS YOUTH TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2021

	28/2/2021	29/2/2020
	Group	Group
	£	£
Cashflow from operating activities		
Net cashflow from operations See Below	<u>361,350</u>	<u>179,471</u>
Total cashflow from operating activities	<u>361,350</u>	<u>179,471</u>
Cashflow from investing activities		
Interest received	2,179	2,540
Sale proceeds from disposal of fixed assets	32,900	-
Payments to acquire fixed assets	<u>(48,360)</u>	<u>(10,101)</u>
Total cashflow on Investing activities	<u>(13,281)</u>	<u>(7,561)</u>
Cash from financing activities		
Repayments of borrowing	<u>(42,831)</u>	<u>(90,492)</u>
Net cash provided by (used in) financing activities	<u>(42,831)</u>	<u>(90,492)</u>
Net Increase/(decrease) in cash and cash equivalents	305,238	81,418
Cash and cash equivalents at 1 March 2020	<u>241,056</u>	<u>159,638</u>
Cash and cash equivalents at 28 February 2021	<u>546,294</u>	<u>241,056</u>
	=====	=====
Cash and cash equivalents consist of:		
Cash at bank and in hand	<u>546,294</u>	<u>241,056</u>
Cash and cash equivalent at 28 February 2021	<u>546,294</u>	<u>241,056</u>
	=====	=====
Reconciliation of income to net cashflow from operations:		
	28/2/2021	29/2/2020
	£	£
Net income resources	40,359	210,954
Depreciation charges	128,622	219,981
Investment income	(2,179)	(2,540)
Change in value of investments	(247)	(257)
Loss on disposal of fixed asset	100	-
(Increase)/decrease in stocks	517	773
(Increase)/decrease in debtors	235,679	(242,096)
Increase/(decrease) in creditors	<u>(41,501)</u>	<u>(7,344)</u>
Net cash outflow from operations	<u>361,350</u>	<u>179,471</u>
	=====	=====

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2021

ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

General Information and Basis of Accounting

Tall Ships Youth Trust is a charitable company limited by guarantee, registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office, together with the objects of the Charity are given in the charity information on pages 1 and 4 respectively of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. 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 United Kingdom issued in October 2019 (FRS 102), the Charities Act 2011, Companies Act 2006, and UK Generally Accepted Accounting Practice.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

Going Concern

The charity depends upon cash flow which is raised mainly from various forms of donations and voyage income. Both sources of income have been impacted by Covid-19. The residential sailing program was suspended in mid-April 2020 and recommenced after the end of the financial year. All sources of our fundraising have also been impacted. In response to this, the charity has launched a new appeal and continues to ask for and receive donations from a variety of generous people and organisations. But it remains a challenge.

The Charity has an operating subsidiary which runs the voyage programme. Tall Ships Limited is not solvent, having a net liability at the year-end of £1,159,933 (2020 - £839,509). This net liability includes the pension deficit of £240,355 (2020 - £241,844). The Charity provides financial support to Tall Ships Ltd of £980,810 (2020 - £553,606) by way of an inter-company loan included in the net liabilities, which it has confirmed it will not seek repayment within the next 12 months so long as the company requires it to continue to trade. The Charity continues to manage its group exposure.

The Charity has a deficit of assets making up the unrestricted funds, as explained in note 21, a situation which stems from the sale of the brig in 2017 for considerably less than had been expected. The charity is focussing on correcting this position.

These situations above therefore create a material uncertainty about the future timing and level of cash flow, and the future financial position of the Charity.

To mitigate this, from the start of the pandemic, the Charity's Finance Committee has met on a regular basis to evaluate and actively oversee the situation and develop strategies to minimise non-essential expenditure and develop fundraising income. The charity has reduced costs in all areas, whilst planning for future covid-19 safe voyages. The charity has taken advantage of the Government support measure - the coronavirus job retention scheme to protect cash flows and future employment capabilities, and a CBILS loan offer from the Charity's bank. The finances continue to be reviewed regularly and forecasts amended.

Therefore, due the plans described above, the Trustees have a reasonable expectation that the Charity will continue in operational existence for the foreseeable future and accordingly the accounts are prepared on the going concern basis.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2021

Basis of Consolidation

The group financial statements consolidate those of the charity and of its subsidiary undertaking has drawn up on 28 February 2021. The results of the charity's trading subsidiary, Tall Ships Limited, have been consolidated on a line by line basis. Surpluses or deficits on intra-group transactions are eliminated in full.

A separate statement of financial activities and income and expenditure account for the charity itself are not presented because the charity was taken advantage of the exemptions afforded by the Companies Act 2006.

Comparative Information

The comparative figures for the Consolidated Statement of Financial Activities have been amended to reflect the change in the way the Trust accounts for certain funding relating to voyages. Designated or restricted income is recognised when the grant or funds are originally received and not again when the voyage occurs.

FUND ACCOUNTING

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

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

Endowment funds represent those assets which must be held permanently by the charity. Expendable Endowments permit the Charity to spend the capital sum on suitable capital projects with the permission of the donor. Income arising on the endowment funds can be used in accordance with the objects of the charity and is transferred to the general funds. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the relevant fund. The purpose and use of each expendable endowment fund is set out in the notes to the financial statements.

INCOME RECOGNITION POLICIES

Donations and Gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed performance restrictions, in which case recognition is deferred until the pre-condition has been met.

Legacies are recognised as receivable once probate has been granted, notification has been received and sufficient information is available to make a realistic assessment of the value.

Intangible income is valued and included in income to the extent that it represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure. Voluntary help is not included as income.

Life subscriptions are counted in full when received. Annual membership fees are recognised over the period to which they relate.

Donations and any associated income tax recoveries when donated under gift aid are credited as income when the amounts are received.

Activities for Generating Funds

Revenue from activities such as special fundraising events is recognised in the period in which the activity or event occurs.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2021

Investment income

Investment income is recognised when receivable.

Incoming Resources from Charitable Activities

Revenue from voyage fees is recognised in the period in which the voyage commences.

Grants Receivable

Income from Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Grants for the purchase of fixed assets are initially credited to restricted incoming resources when receivable. On completion of the purchase or construction of the fixed asset towards which the grant was receivable, where grant restrictions permit, the assets are treated as unrestricted, with a corresponding transfer of funds.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes details of the costs in relation to fundraising events, following up donations, and seeking voluntary contributions and donations from supporters, and available sources;
- Expenditure on charitable activities includes the costs of the charity's work with young people, sailing trips and other residential activities including all planning activities, maintenance of the Charity's assets, preparation and follow up; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Allocation of Support Costs

Support costs are those that assist the work of the charity, but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Charity's main base in Portsmouth. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises and other overheads have been allocated on a basis relating to use and the proportion of staff time incurred on those matters.

The analysis of these costs is included in note 8.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation, net of depreciation. Depreciation is calculated on all tangible fixed assets to write down the cost or valuation less estimated residual value by annual instalments over their expected useful lives. The periods generally applicable are: -

Yachts	15 years
Computers and Office Equipment	5 years
Display and Exhibition Equipment	5 years

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2021

FOREIGN CURRENCIES

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

INVESTMENTS

Assets held for investment purposes are included at market value.

Traded securities are valued at the mid-point quotation in the Stock Exchange Daily List. Other investment assets are included at the Trustees' best estimate of market value. Donated shares that come with a requirement that they be held for a fixed period are included in the Balance Sheet at a value assessed by the Trustees at the date of receipt. This value is then reviewed by the Trustees at each balance sheet date.

STOCKS

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition.

Provision is made for damaged, obsolete and slow-moving stock where appropriate.

DEBTORS

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

CREDITORS

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.

RETIREMENT BENEFITS

Defined Contribution Scheme

The pension costs charged in the period represent the amount of the contributions payable to the scheme in respect of the accounting period.

Defined Benefit Scheme

Some former employees of the Trust's active subsidiary, Tall Ships Limited, were members of a multi-employer scheme. Tall Ships Limited is unable to identify its share of the underlying assets and liabilities of this scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement Benefits', accounts for it as if it were a defined contribution scheme.

LEASED ASSETS

Operating lease agreements

Rentals payable and receivable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2021

TAXATION

No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by HM Revenue & Customs to the extent that these funds are applied to Charitable objects.

FINANCIAL ASSETS AND LIABILITIES

The Trust only has financial assets and financial 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.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

1. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 29/2/2020 £
Income and Endowments from:				
Donations and legacies	687,869	694,289	-	1,382,158
Other trading activities	11,935	-	-	11,935
Investments	627	1,913	-	2,540
Charitable activities	<u>757,578</u>	<u>-</u>	<u>-</u>	<u>757,578</u>
Total income	<u>1,458,009</u>	<u>696,202</u>	<u>-</u>	<u>2,154,211</u>
Expenditure on:				
Raising funds	337,392	-	-	337,392
Other trading activities	11,063	-	-	11,063
Charitable activities	<u>1,132,653</u>	<u>462,149</u>	<u>-</u>	<u>1,594,802</u>
Total expenditure	<u>1,481,108</u>	<u>462,149</u>	<u>-</u>	<u>1,943,257</u>
Net movement in funds	(23,099)	234,053	-	210,954
Fund balances brought forward at 1 March 2019	<u>(327,709)</u>	<u>618,679</u>	<u>51,132</u>	<u>342,102</u>
Fund balances carried forward At 29 February 2020	<u>(350,808)</u>	<u>852,732</u>	<u>51,132</u>	<u>553,056</u>

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	28/2/2021 £	29/2/2020 £
Donations	759,076	358,487	1,117,563	1,046,954
Legacies	25,556	-	25,556	290,816
Membership	<u>42,755</u>	<u>-</u>	<u>42,755</u>	<u>44,388</u>
	<u>827,387</u>	<u>358,487</u>	<u>1,185,874</u>	<u>1,382,158</u>

Of the comparative donations figure £694,289 was in respect of restricted funds.

3. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	28/2/2021 £	29/2/2020 £
Fundraising events	-	-	-	11,935
	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,935</u>

Of the comparative fundraising events £nil was in respect of restricted funds.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

4. INCOME FROM CHARITABLE ACTIVITIES

	28/2/2021	29/2/2020
	£	£
Gross voyage fees	309,974	1,420,511
Less bursaries utilised from funds	(222,528)	(693,430)
Grants (receivable from Associations of Sea Training Organisations for Youth Work)	<u>-</u>	<u>30,497</u>
	87,446	757,578
	=====	=====

5. NET INCOME FROM ACTIVITIES OF SUBSIDIARIES

The Charity's only active subsidiary is Tall Ships Limited. A summary of its results for the period is set out below:-

	28/2/2021	29/2/2020
	£	£
Turnover-voyage fees	309,974	1,451,008
Government grants	45,077	-
Operating costs	<u>(656,963)</u>	<u>(1,203,747)</u>
Operating Profit/(loss)	(301,912)	247,261
Finance costs	<u>(18,512)</u>	<u>(18,847)</u>
Net profit/(loss)	<u>(320,424)</u>	<u>228,414</u>
	=====	=====

The net assets and liabilities of the active subsidiary are:

	28/2/2021	29/2/2020
	£	£
Current assets	89,532	46,160
Creditors: amounts falling due within one year	<u>(1,249,465)</u>	<u>(885,669)</u>
Total net liabilities	<u>(1,159,933)</u>	<u>(839,509)</u>
Aggregate of share capital and reserves	<u>(1,159,933)</u>	<u>(839,509)</u>
	=====	=====

6. BRANCHES

The financial results of the branches of Tall Ships Youth Trust are consolidated into these accounts on the basis of returns as at the year-end submitted by each branch. Branches raised £244 as donations in the year to 28 February 2021 (2020: £267), which is classified as unrestricted income in the accounts.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

7. ANALYSIS OF EXPENDITURE

	Direct costs	Support costs	28/2/2021	29/2/2020
	£	£	£	£
Cost of raising funds:				
Fundraising costs	284,316	19,449	303,765	333,452
Allocation of governance costs (see below)	<u>-</u>	<u>1,897</u>	<u>1,897</u>	<u>3,940</u>
	284,316	21,346	305,662	337,392
	=====	=====	=====	=====
Costs of other trading activities				
Charitable activities	-	-	-	11,063
	===	===	===	=====
Charitable activities				
Ship related costs	440,439	-	440,439	956,892
Depreciation and impairment	128,622	-	128,622	219,981
Loss on disposal of fixed asset	100	-	100	-
Allocation of governance costs (see below)	25,000	-	25,000	16,724
Interest payable and similar finance charges	1,933	-	1,933	1,914
Other voyage and support expenses	<u>322,911</u>	<u>81,297</u>	<u>404,208</u>	<u>399,291</u>
	919,005	81,297	1,000,302	1,594,802
	=====	=====	=====	=====
Restricted funds			280,640	462,149
Unrestricted funds			<u>719,662</u>	<u>1,132,653</u>
			1,000,302	1,594,802
			=====	=====

8. SUPPORT AND GOVERNANCE COSTS

	28/2/2021	29/2/2020	Method	Governance	Charitable Activities	Trading Activities	Fundraising Activities
	£	£		£	£	£	£
Payroll and HR	7,610	6,846	Total resources	114	5,327	-	2,169
Property costs	27,284	19,941	Total resources	409	19,099	-	7,776
Office costs	14,960	12,884	Total resources	151	11,936	-	2,873
IT and Website	14,513	13,911	Total resources	218	10,159	-	4,136
Marketing	33,528	47,782	Direct activities	-	33,528	-	-
Other	<u>4,748</u>	<u>10,592</u>	Total resources	<u>1,005</u>	<u>1,248</u>	<u>-</u>	<u>2,495</u>
	102,643	111,956		1,897	81,297	-	19,449
	=====	=====		=====	=====	=====	=====
At 28 February 2020				3,940	65,819	236	41,961
				=====	=====	=====	=====

Governance costs (included above)

	Support	Charitable	28/2/2021	29/2/2020
	£	£	£	£
Auditors remuneration	-	19,000	19,000	16,724
Under provision prior year	-	6,000	6,000	-
Administrative expenses	<u>1,897</u>	<u>-</u>	<u>1,897</u>	<u>3,940</u>
	1,897	25,000	26,897	20,664
	=====	=====	=====	=====
At 28 February 2020	3,940	16,724		
	=====	=====		

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

9. OTHER COSTS

	28/2/2021	29/2/2020
	£	£
The surplus is stated after charging:		
Auditors' remuneration		
Audit services	19,000	18,000
Non-audit services	<u>6,000</u>	<u>7,000</u>
	25,000	25,000
Depreciation	128,622	145,305
Impairment of asset	-	74,676
Operating lease rentals	10,020	18,606
	=====	=====

10. EMPLOYEES

Employee costs during the period were as follows:

	28/2/2021	29/2/2020
	£	£
Wages and salaries	527,812	557,327
Social security costs	53,371	53,841
Other pension costs	<u>22,194</u>	<u>22,707</u>
	603,377	633,875
	=====	=====

The average number of employees during the period were as follows:

	28/2/2021	29/2/2020
	Number	Number
Management and administration	14	13
	==	==

The total costs attributable to senior management personnel amounted to £232,656 for the year to 28 February 2021 (2020: £217,343). Senior management personnel comprise the Chief Executive Officer, Finance Director, and for part of 2021 the Fundraising and Marketing Director. The emoluments of higher paid employees fell within the following ranges:

	28/2/2021	29/2/2020
	Number	Number
£60,001 to £70,000	1	1
£110,001 to £120,000	1	1
	==	==

11. PAYMENTS TO TRUSTEES AND CONNECTED PERSONS

No Trustee received remuneration in the period, directly or indirectly, from either the charity or an institution or company controlled by the charity.

Expense reimbursements for travel and subsistence were not paid to Trustees during the year (2020: £nil) and there were no expenses paid on behalf of a trustee.

Trustee indemnity insurance paid on behalf of Trustees and officers in the year was £3,369 (2020: £2,679)

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

12. SURPLUS/(DEFICIT) OF EXPENDITURE OVER INCOME

The consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary – Tall Ships Limited, which operates voyages. Details of the results of the trading subsidiary are set out in note 5.

The summary financial performance of the Charity alone was:

	28/2/2021 £	29/2/2020 £
Income		
Income from donations and legacies	1,271,944	1,382,158
Other trading activities	-	11,935
Other income	-	188,447
Government grants	25,747	-
Investment income	<u>2,179</u>	<u>2,540</u>
Total income	1,299,870	1,585,080
Expenditure		
Raising funds	(305,050)	(330,312)
Other trading activities	-	(17,707)
Charitable activities	<u>(634,038)</u>	<u>(1,066,075)</u>
Total expenditure	(939,088)	(1,414,094)
Net income for the year	360,782	170,986
Total funds brought forward on 29 February 2020	<u>838,959</u>	<u>667,973</u>
Total funds carried forward at 28 February 2021	<u>1,199,741</u> =====	<u>838,959</u> =====

13. TANGIBLE FIXED ASSETS

Consolidated and Tall Ships Youth Trust

	Yachts £	Computers, Fixtures & Equipment £	Total £
Cost or valuation:			
At 1 March 2020	2,131,999	81,280	2,213,279
Additions in year	-	48,360	48,360
Disposals in year	<u>(275,879)</u>	<u>-</u>	<u>(275,879)</u>
At 28 February 2021	<u>1,856,120</u> =====	<u>129,640</u> =====	<u>1,985,760</u> =====
Depreciation:			
At 1 March 2020	743,630	69,100	812,730
Provided in the period	123,741	4,881	128,622
Depreciation eliminated on disposal	<u>(242,879)</u>	<u>-</u>	<u>(242,879)</u>
At 28 February 2021	<u>624,492</u> =====	<u>73,981</u> =====	<u>698,473</u> =====
Net book amount at 28 February 2021	<u>1,231,628</u> =====	<u>55,659</u> =====	<u>1,287,287</u> =====
Net book amount at 29 February 2020	<u>1,388,369</u> =====	<u>12,180</u> =====	<u>1,400,549</u> =====

The Yachts are given as security against a number of loans included in creditors. The net book value of yachts given as security was £1,181,218 (2020: £1,299,200).

The Challenger Yachts are included above at a net book value of £290,000 based on a professional valuation in 2016. They were professionally valued on 15 August 2020 at £350,000 each.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

13. FIXED ASSETS (continued)

The figures stated above for cost or valuation in respect of Yachts comprise assets at:

	£
Cost	1,370,807
Valuation	<u>761,192</u>
	2,131,999
	=====

If certain fixed assets had not been re-valued, they would have been included on the historical cost basis at the following amounts:

	Yachts £ 28/2/2021	Yachts £ 29/2/2020
Cost	1,370,807	1,370,807
Accumulated depreciation	<u>(1,121,386)</u>	<u>(1,029,999)</u>
Net book amount at 28 February 2021	249,421	340,808
	=====	=====

14. DEBTORS

	Consolidated		Tall Ships Youth Trust	
	28/2/2021	29/2/2020	28/2/2021	29/2/2020
	£	£	£	£
Amounts owed by group undertakings	-	-	427,205	-
VAT recoverable	16,125	21,053	12,909	7,084
Other debtors	50,121	299,695	48,454	296,255
Prepayments	<u>30,201</u>	<u>11,378</u>	<u>22,759</u>	<u>7,148</u>
	96,447	332,126	511,327	310,487
	=====	=====	=====	=====

15. CURRENT ASSET INVESTMENTS

	Consolidated		Tall Ships Youth Trust	
	28/2/2021	29/2/2020	28/2/2021	29/2/2020
	£	£	£	£
UK investments – COIF Funds	<u>5,585</u>	<u>5,388</u>	<u>5,585</u>	<u>5,388</u>
	5,585	5,388	5,585	5,388
	=====	=====	=====	=====

Unlisted investments have been invested in COIF units, held in the name of a supporter's branch, and are at market value.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Tall Ships Youth Trust	
	28/2/2021	29/2/2020	28/2/2021	29/2/2020
	£	£	£	£
Loans from Trustees and funders	200,500	206,000	200,500	206,000
Payments received on account	197,445	212,906	197,445	212,906
Trade creditors	46,937	88,439	36,842	23,604
Social Security and other taxes	75,485	15,242	75,485	15,242
Deferred income	17,674	51,574	17,674	51,574
Other creditors and accruals	<u>132,990</u>	<u>64,213</u>	<u>39,785</u>	<u>18,829</u>
	671,031	638,374	567,731	528,155
	=====	=====	=====	=====

Loans from Trustees and funders are secured by fixed charges over the Trust's vessels (see note 13).

Deferred income relates to the proportion of membership income relating to the future period.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		Tall Ships Youth Trust	
	28/2/2021	29/2/2020	28/2/2021	29/2/2020
	£	£	£	£
Loans from Trustees and funders	515,000	575,500	515,000	575,500
Other Creditors and accruals	<u>165,355</u>	<u>221,844</u>	<u>-</u>	<u>-</u>
	680,355	797,344	515,000	575,500
	=====	=====	=====	=====

Loans from Trustees and funders are secured by fixed charges over the Trust's vessels (see note 13).

Included within other creditors is the pension deficit owed by Tall Ships Limited (see note 22).

18. ENDOWMENT FUNDS

	Michael Crocker	Nova Scotia	Lord Burnham	Total
	£	£	£	£
At 1 March 2020	<u>13,277</u>	<u>12,952</u>	<u>24,903</u>	<u>51,132</u>
At 28 February 2021	<u>13,277</u>	<u>12,952</u>	<u>24,903</u>	<u>51,132</u>
	=====	=====	=====	=====

The Michael Crocker fund was set up in memory of a yachtsman murdered in February 1982. The income is for contributions to voyage fees for pupils of Henley College. The Nova Scotia fund was set up in memory of trainees who died on the sailing ship "Marques" which sank off Bermuda during the 1984 American Tall Ships race. The income is shared with the American Sail Training Association and is to support a voyage berth. The Lord Burnham fund was set up in his memory following his death in June 1993. Income is for contributions to Voyage fees aboard the Trust's ships for trainees ideally, but not exclusively, from Eastern Europe.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

19. RESTRICTED FUNDS

	Balance at 1/3/2020 £	Income £	Expenditure £	Transfer £	Balance at 28/2/2021 £
International fund	193,264	1,933	-	-	195,197
Legacy fund	262,500	-	-	-	262,500
Other specific funds	<u>396,968</u>	<u>358,487</u>	<u>(280,640)</u>	<u>83,853</u>	<u>558,668</u>
Total restricted funds	852,732 =====	360,420 =====	(280,640) =====	83,853 =====	1,016,365 =====

The Specific Funds are donations made to the Trust to be used for specified purposes. At 28 February 2021 there were 340 separate funds (2020: 250). The Trust is reviewing the ongoing obligations of restricted funds.

The International Fund is restricted within the accounts of the Trust for the support of international sail training activities.

The legacy fund is monies received to be used for youth trip voyages in the North Devon, North West Somerset and Exmoor National Park areas.

The transfer between funds relates to the allocation between restricted and designated voyage funds.

Year to 29 February 2020 comparative period	Balance at 1/3/2019 £	Income £	Expenditure £	Balance at 29/2/2020 £
International fund	191,351	1,913	-	193,264
Legacy fund	-	262,500	-	262,500
Other specific funds	<u>427,328</u>	<u>431,789</u>	<u>(462,149)</u>	<u>396,968</u>
Total restricted funds	618,679 =====	696,202 =====	(462,149) =====	852,732 =====

20. UNRESTRICTED FUNDS

Consolidated

	General Reserve £	Revaluation Reserve £	Total £
At 1 March 2020	(975,305)	624,497	(350,808)
Incoming resources	985,903	-	985,903
Outgoing resources	(1,025,324)	-	(1,025,324)
Transfer designated to restricted voyage funds	(83,853)	-	(83,853)
Transfer between funds - revaluation	<u>5,950</u>	<u>(5,950)</u>	-
At 28 February 2021	(1,092,629) =====	618,547 =====	(474,082) =====

Tall Ships Youth Trust

	General Reserve £	Revaluation Reserve £	Total £
At 1 March 2020	(689,402)	624,497	(64,905)
Incoming resources	939,450	-	939,450
Outgoing resources	(658,448)	-	(658,448)
Transfer designated to restricted voyage funds	(83,853)	-	(83,853)
Transfer between funds - revaluation	<u>5,950</u>	<u>(5,950)</u>	-
At 28 February 2021	(486,303) =====	618,547 =====	132,244 =====

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Consolidated at 28 February 2021				
Tangible fixed assets	1,287,287	-	-	1,287,287
Current assets	(409,983)	1,016,365	51,132	657,514
Current liabilities	(671,031)	-	-	(671,031)
Creditors: due after more than one year	<u>(680,355)</u>	-	-	<u>(680,355)</u>
	(474,082)	1,016,365	51,132	593,415
	=====	=====	=====	=====
Tall Ships Youth Trust at 28 February 2021				
Tangible fixed assets	1,287,287	-	-	1,287,287
Current assets	(72,314)	1,016,365	51,132	995,183
Current liabilities	(567,731)	-	-	(567,731)
Creditors: due after more than one year	<u>(515,000)</u>	-	-	<u>(515,000)</u>
	132,242	1,016,365	51,132	1,199,739
	=====	=====	=====	=====
Period to 29 February 2020 comparative period				
	£	£	£	£
Consolidated at 29 February 2020				
Tangible fixed assets	1,400,549	-	-	1,400,549
Current assets	(315,639)	852,732	51,132	588,225
Current liabilities	(638,374)	-	-	(638,374)
Creditors: due after more than one year	<u>(797,344)</u>	-	-	<u>(797,344)</u>
	(350,808)	852,732	51,132	553,056
	=====	=====	=====	=====
Tall Ships Youth Trust at 29 February 2020				
Tangible fixed assets	1,400,549	-	-	1,400,549
Current assets	(361,799)	852,732	51,132	542,065
Current liabilities	(528,155)	-	-	(528,155)
Creditors: due after more than one year	<u>(575,500)</u>	-	-	<u>(575,500)</u>
	(64,905)	852,732	51,132	838,959
	=====	=====	=====	=====

Most restricted donations are to cover, in part the costs of a voyage and most of the costs of voyages are spent in advance, starting with buying a boat and having the organisation to run the trips. The above note shows a notional allocation of assets between restricted and unrestricted. These assets are not segregated. The analysis shows that after allocating assets to restricted funds, there is a deficit of assets represented by other unrestricted funds. This situation has existed since the sale of the brig in the year to February 2018 for considerably less than had been expected. The charity is focused on correcting this situation.

22. PENSIONS

Defined contribution scheme

The group makes contributions towards individual pension schemes for the benefit of employees. The assets of these schemes are administered by Trustees in funds independent from those of the Tall Ships Youth Trust and its subsidiary companies. Contributions made during the period are disclosed in note 10.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Defined benefit scheme

A number of former employees of the Trust's subsidiary Tall Ships Limited ("TSL") have belonged to an industry wide pension scheme. The Trustees of the scheme have advised TSL that part of the scheme is in deficit and it is apportioning the deficit between participating employers. Interest is accruing on the residual of the 2009 and 2012 pension scheme deficits and a payment plan is in operation. At the period end the balance outstanding was £240,355 (2020 - £241,844).

23. LEASING COMMITMENTS

At the reporting date, the Trust had the following minimum future lease commitments:

	28/2/2021		29/2/2020	
	Land & Buildings £	Other £	Land & buildings £	Other £
Within one year	25,000	13,386	25,000	22,815
Between two and five years	<u>-</u>	<u>38,935</u>	<u>25,000</u>	<u>35,821</u>
	25,000	52,321	50,000	58,636
	=====	=====	=====	=====

24. RELATED PARTY TRANSACTIONS

During the comparative year, C Lennox, who is the son of J Lennox, the previous chairman of the charity, received remuneration of £Nil (2020: £17,459). The Trustees are of the view that this is at market rate for the job performed.

Loans

Included within the figures in notes 16 and 17 is £156,500 (2020: £172,500) from Trustees and related parties, which are part of the secured charge on fixed assets (see note 13).

	As at 28/2/2021 £	As at 29/2/2020 £
Name		
M Aiken (Dec'd)	-	150,000
R Evans	6,500	12,500
S Hartigan	<u>-</u>	<u>10,000</u>
	6,500	172,500
	=====	=====

The aggregate donations from Trustees to the charity during the year was £10,506 (2020 £38,564).

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Group balances	28/2/2021 £	29/2/2020 £
Financial assets at amortised Cost	618,121	567,143
Financial liabilities at amortised cost	<u>(1,136,267)</u>	<u>(1,171,238)</u>
Net financial liabilities	(518,146)	(604,095)
	=====	=====

The Charity's financial assets comprise investments and cash and bank balances. Financial liabilities include trade creditors, loans, accruals and other creditors.