

REGISTERED IN ENGLAND AND WALES NUMBER: 00567460

CHARITY NUMBER: 314229



**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**28 FEBRUARY 2025**

# TALL SHIPS YOUTH TRUST

## CONTENTS

FOR THE YEAR ENDED 28 FEBRUARY 2025

	<b>Pages</b>
Reference and Administrative Details	<b>2</b>
Report of the Trustees and Strategic Report	<b>3 – 15</b>
Independent Auditors' Report	<b>16 – 20</b>
Consolidated Statement of Financial Activities	<b>21</b>
Balance Sheets	<b>22</b>
Consolidated Statement of Cash flows	<b>23</b>
Principal Accounting Policies	<b>24–27</b>
Notes to the Financial Statements	<b>28 – 40</b>

# 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.

<b>Charity Number</b>	314229
<b>Company Number</b>	00567460
<b>Principal Office</b>	2A The Hard, Portsmouth, PO1 3PT
<b>Vice-Patrons</b>	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
<b>Trustees</b>	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)
<b>Chief Executive</b>	Mr A Floyd
<b>Company Secretary</b>	Mr P Taylor
<b>Auditor</b>	Moore (South) LLP 9 St John's Place Newport Isle of Wight PO30 1LH
<b>Bankers</b>	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.

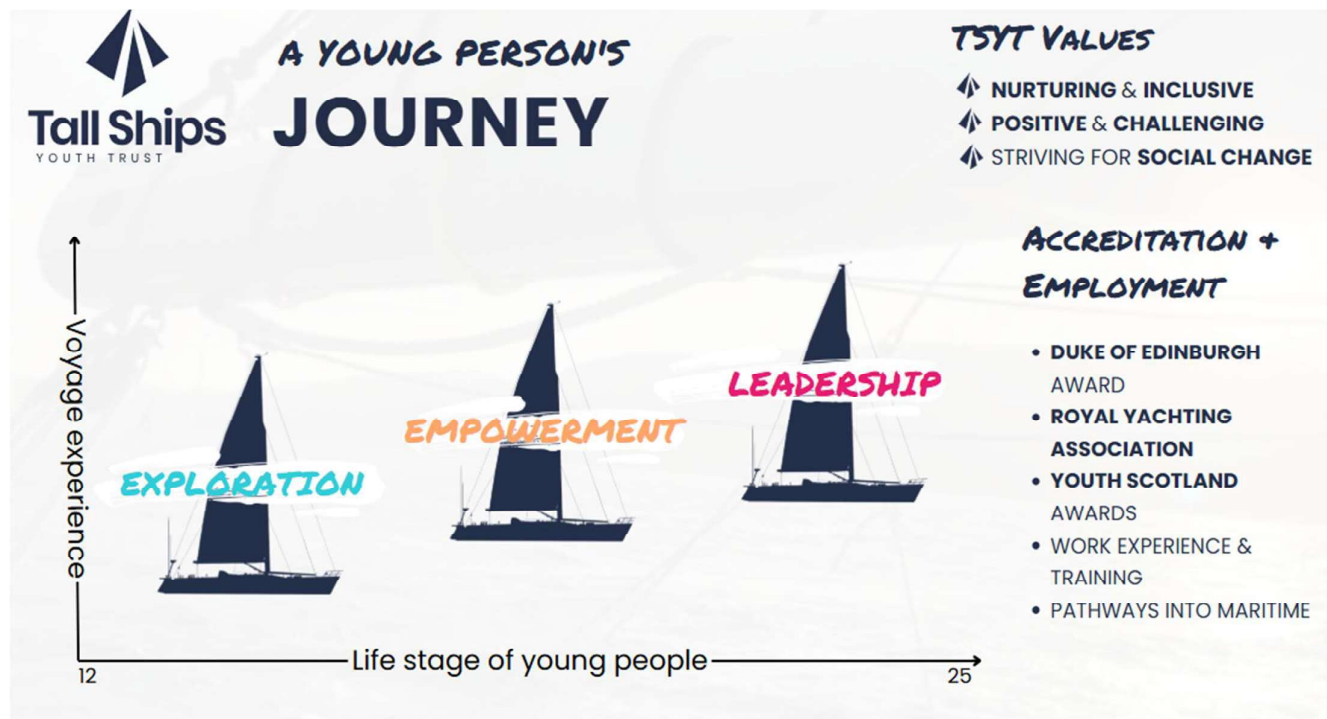
Our **Values** reflect our changing culture as a team, as a charity and as a society:

- **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:

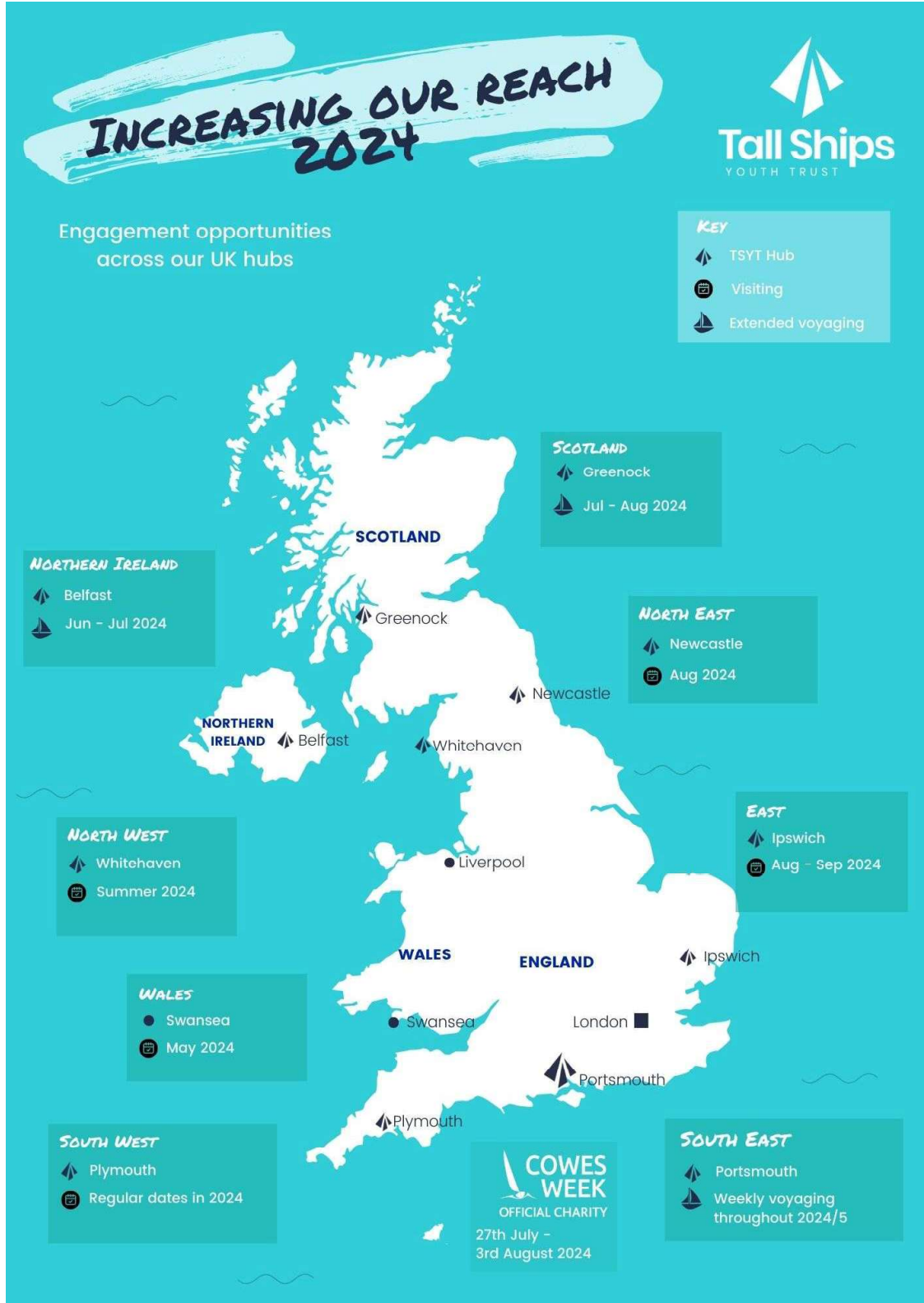
1. **Young Person's Journey through the three-voyage programme** (represented in the visual below). Working towards 80 Exploration, 15 Empowerment and 10 Leadership voyages annually.



# 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.



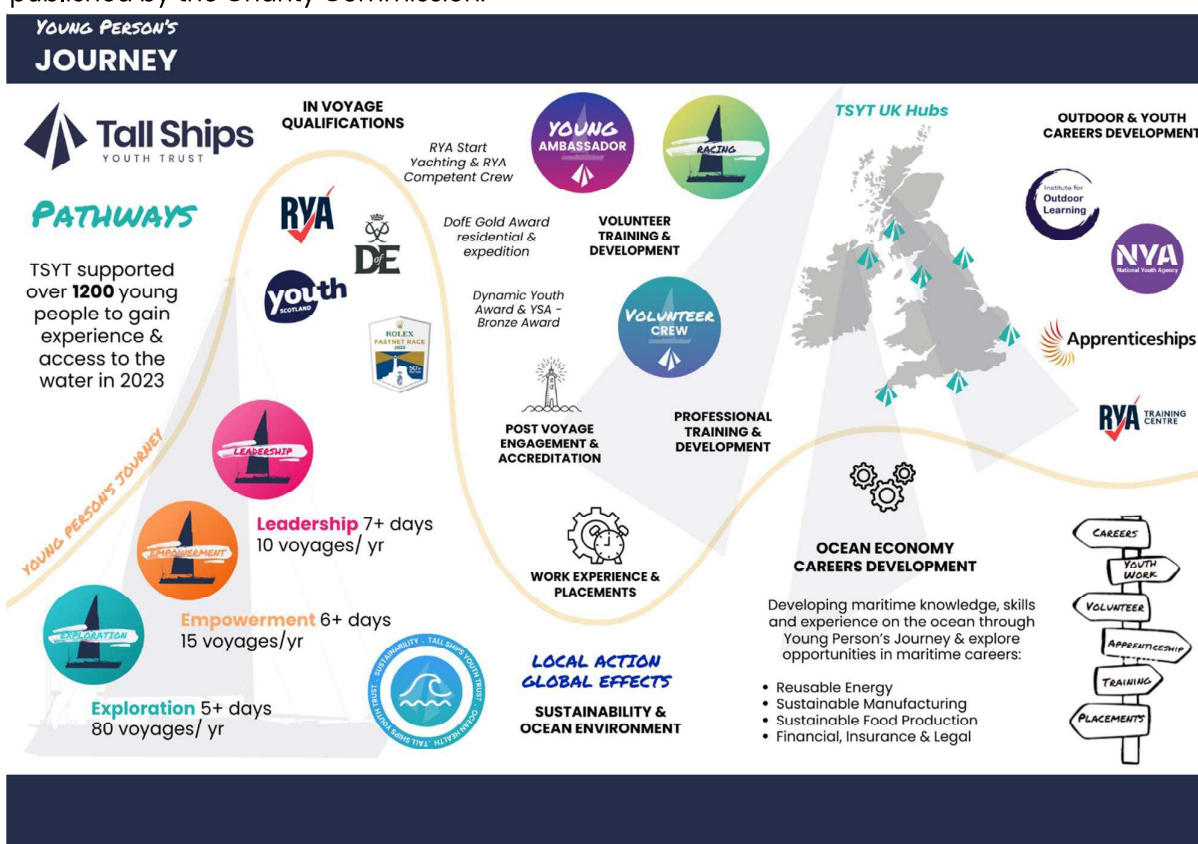
# TALL SHIPS YOUTH TRUST

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

3. **Development pathways for our crews, volunteers and Portsmouth Hub team** resulted in three Mates progressing to Skipper and three Watch Leaders progressing to 2<sup>nd</sup> 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-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

The young people on our three-voyage 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

# TALL SHIPS YOUTH TRUST

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

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 vessel s (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.



# TALL SHIPS YOUTH TRUST

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

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](http://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 £
<b>Income and Endowments from:</b>						
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>-</u>	<u>-</u>	<u>679,451</u>	<u>781,382</u>
<b>Total income</b>		<u>1,316,392</u>	<u>556,015</u>	<u>-</u>	<u>1,872,407</u>	<u>1,893,250</u>
<b>Expenditure on:</b>						
Raising funds	5	392,517	-	-	392,517	360,721
Charitable activities	5	<u>1,079,273</u>	<u>561,120</u>	<u>-</u>	<u>1,640,393</u>	<u>1,487,020</u>
<b>Total expenditure</b>		<u>1,471,790</u>	<u>561,120</u>	<u>-</u>	<u>2,032,910</u>	<u>1,847,741</u>
<b>Net movement in funds</b>		(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>
<b>Fund balances carried forward At 28 February 2025</b>		<u><b>222,491</b></u> =====	<u><b>825,929</b></u> =====	<u><b>51,132</b></u> =====	<u><b>1,099,552</b></u> =====	<u><b>1,260,055</b></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>	<b>Consolidated</b>		<b>Tall Ships Youth Trust</b>	
		<b>28/2/2025</b>	<b>29/2/2024</b>	<b>28/2/2025</b>	<b>29/2/2024</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	11	1,606,214	1,745,730	1,606,214	1,745,730
		=====	=====	=====	=====
<b>Current assets</b>					
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
<b>Creditors: amounts falling due within one year</b>	14	<u>(607,802)</u>	<u>(500,063)</u>	<u>(492,918)</u>	<u>(359,648)</u>
<b>Net current liabilities</b>		<u>(312,032)</u>	<u>(205,490)</u>	<u>(292,553)</u>	<u>(136,202)</u>
<b>Total assets less current liabilities</b>		1,294,182	1,540,240	1,313,661	1,609,528
<b>Creditors: amounts falling due after more than one year</b>	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>
		=====	=====	=====	=====
<b>Capital funds</b>					
Endowment funds	16	51,132	51,132	51,132	51,132
<b>Income funds</b>					
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 Group £	29/2/2024 Group £
<b>Cashflow from operating activities</b>		
Net cashflow from operations		

# 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

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		2024	2024	2024	Year to 29/2/2024
	Note	£	£	£	£
<b>Income and Endowments from:</b>					
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>
<b>Total income</b>		<u>1,549,545</u>	<u>343,705</u>	<u>-</u>	<u>1,893,250</u>
<b>Expenditure on:</b>					
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>
<b>Total expenditure</b>		<u>1,412,612</u>	<u>435,129</u>	<u>-</u>	<u>1,847,741</u>
<b>Net movement in funds</b>		136,933	(91,424)	-	45,509
Transfer between funds		-	-	-	-
<b>Other recognised gains / (losses)</b>					
Gain on revaluation of fixed assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		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>
<b>Fund balances carried forward At 29 February 2024</b>		<u>377,889</u> =====	<u>831,034</u> =====	<u>51,132</u> =====	<u>1,260,055</u> =====

### 2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	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>554,004</u> =====	<u>1,177,591</u> =====	<u>1,104,351</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 £
<b>Cost of raising funds:</b>		
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
	=====	=====
<b>Charitable activities</b>		
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 £
<b>Support costs</b>	<b>Method</b>				
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
<b>Governance costs</b>					
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	<u>6,893</u>	<u>8,403</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
	=====	=====

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

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

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 Number	29/2/2024 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
	==	==

### 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 £
<b>Income</b>		
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>
<b>Expenditure</b>		
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	-	-
<b>Net income for the year</b>	(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	-	305,000	(100,000)	-	205,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </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>	<u>1,620,204</u>	<u>447,177</u>
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 £
<b>Consolidated at 28 February 2025</b>				
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
	=====	=====	=====	=====
<b>Tall Ships Youth Trust at 28 February 2025</b>				
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 £
<b>Consolidated at 29 February 2024</b>				
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
	=====	=====	=====	=====
<b>Tall Ships Youth Trust at 29 February 2024</b>				
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.