

REGISTERED IN ENGLAND AND WALES NUMBER: 00567460

CHARITY NUMBER: 314229



**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**28 FEBRUARY 2022**

# **TALL SHIPS YOUTH TRUST**

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# TALL SHIPS YOUTH TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 28 FEBRUARY 2022

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

<b>Charity Number</b>	314229
<b>Company Number</b>	00567460
<b>Principal Office</b>	2A The Hard, Portsmouth, PO1 3PT
<b>Vice-Patrons</b>	Admiral of the Fleet the Lord Boyce KG GCB OBE DL Mr I A Carruthers Mr P Coleman Mr D de Laszlo DL Lord Grade CBE Lord Greenway Mr M Le May Mr J Lennox Mr O Michaelson Mr D Tydeman Mr T Vokos Mrs C Williams
<b>Trustees</b>	Mr D Aisher, Chairman Mr N Andrews Mrs E Bradshaw Mr J Brown (Appointed 17 December 2021) Mr P D'Ornano Mr S Edwards Mr N Jones (Resigned 10 May 2021) Mr A Martyn (Appointed 17 December 2021) Mr P McDanell Rear Admiral R Melly Miss K Nazarin Mr M Wippell (Resigned 31 May 2021)
<b>Chief Executive</b>	Mr A Floyd (Appointed 18 October 2021) Rear Admiral R Leaman-Grey CB OBE (Resigned 14 August 2021)
<b>Company Secretary</b>	Mr P Taylor
<b>Auditors</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 2022

### Chairman's Introduction

Throughout our second year of operating in a Covid environment in 2021/22, I continue to be inspired by all our voyagers, team, stakeholders, and supporters. From the resilience shown and enjoyment had by our young people on their voyages, to the dedication and flexibility of our supporters. The constantly changing environment has created many new opportunities for learning, development, and personal achievement.

While our residential voyage programme was unable to commence fully until July 2021 due to government restrictions, since then we have maintained our focus on enabling young people (from 12 to 25 years), often from disadvantaged backgrounds, to realise their true capabilities through experiences at sea with us. Our voyage focus on their personal development, social development, and practical life skills, is designed to equip them with the skills and confidence needed to achieve their full potential in life. Many of our voyages support young people to consider sea-going careers in the maritime sector in the UK. The outdoor learning environment at sea is unique as our voyagers are responsible for their fellow crew, their home as well as themselves!

Our adult voyagers of all backgrounds (from 18 to 80 years) form a critical part of our work. They provide much needed income to support our work, alongside our fundraising. Often our adult voyagers are young people returning who are seeking further challenges and adventure, as well as supporters who want to develop and learn while contributing to our mission. Many of them are people who wish to make a positive contribution to the development of young people in the UK by becoming volunteers and long-term supporters.

In the year ended 28<sup>th</sup> February 2022, a total of 1,209 voyagers sailed with us (despite only 8-months of residential voyaging). Of these, 712 were young people, 533 of whom were from disadvantaged backgrounds. Our broad definition of disadvantaged ensures that we are able to reach and support as many young people as possible, supported by appropriate funding. Across the UK, we aim to reach as many young people in disadvantaged circumstances as we can, ensuring that our voyages are inclusive, adventurous and challenging.

We continued to focus on our sustainable financial position to support our work and despite government support during Covid ending in September 2021, we achieved positive trading income through our voyages with careful management of costs. We also exceeded our revised fundraising target for the year. We cleared an effective proportion of existing loans and debts (from the legacy of our previous sailing vessels) and, while there was a minor operating loss before depreciation for the year, we continue to build a strong financial platform for the future. Our current fleet of four 72ft ocean going vessels and one 55ft Ketch was appropriately maintained and continues to be a very effective support for our purpose and mission.

The above achievements are to be commended in such a challenging year and I would like to thank all our off-shore and on-shore team, volunteers, donors, partners, Trustees and Vice-Patrons for their incredible support and dedication throughout this period. Of particular note is the ongoing support of the Aiken family. Mike Aiken was a former Trustee and lifelong supporter of the Trust, who sadly passed away in 2019. The family's continued support has ensured a more sustainable financial position for the Trust into the future.

As we progress through 2022, alongside delivering our mission, we are creating our new strategy for 2023 to 2028. Alastair Floyd, our new CEO who joined us in October 2021, is leading this work. This new strategy will build on the significant achievements for young people in the UK from previous years. Our focus will continue in the areas of care and development of young people, broadening the Tall Ships Youth Trust community, building our operational capability, and creating our sustainable financial future. Ultimately, we seek to significantly increase our reach and impact across the UK.

We will be sharing our strategy and plans over the coming months, and I'd be delighted if you too could find ways to contribute to the development and success of this work.

David Aisher  
Chair of Trustees, Tall Ships Youth Trust

# TALL SHIPS YOUTH TRUST

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

### HISTORY

Our **Vision** is a society where all young people have the opportunity to develop their full life potential.

Our **Charitable Mission** is to enable disadvantaged young people to fulfil their life potential through experiences at sea, and by breaking down the barriers they face in society.

Although our charitable mission is based on giving life-changing experiences to young people from disadvantaged backgrounds, we accept young people of all abilities and backgrounds, based around the values of **inclusion, adventure, and excellence**.

➤ **Inclusion** Diversity of our beneficiaries, staff, volunteers and donors is of vital importance to us, and we want everybody who touches the charity to feel included, respected and valued.

➤ **Adventure** Sailing, working and volunteering for Tall Ships should be an adventure; we thirst for challenge, excitement, innovation, and new learning. We challenge the status quo.

➤ **Excellence** In everything we do, we seek to be the 'best of the best'; youth development, sea safety and safeguarding, connecting with our supporters and voyagers, collaborating with our partners and ensuring the compliance of our fundraising practices.

Our **Purpose** is to increase young people's life chances and well-being by supporting them to develop their independent living skills, build self-esteem and aspirations, embrace a healthier, more active lifestyle, and get involved in volunteering. We do this using ocean-going 'residential youth centres'. The Trust's current fleet comprises four 72ft ocean going yachts, and a 55ft ketch. The development of young people – particularly those who are in disadvantaged circumstance – is central to everything we do, and we are proud of our reputation amongst education and youth work professionals for delivering effective, high-quality services to young people.

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

### OUR BENEFICIARIES

Our young people have had an extremely challenging second year in the Covid environment. They are often in unsafe, unhappy, or constantly changing environments. They often do not have positive adult relationships, nor positive adult role models in their lives. Their social isolation and educational disruption have worsened, which has affected the mental health and wellbeing of many.

Throughout our voyages, participants are set challenging but achievable goals which requires them to apply new skills in a new environment, taking them outside their comfort zone. This generates a sense of achievement that increases levels of self-confidence and self-esteem. Their voyaging experience is also an intense social interaction – sharing living space, communal sleeping areas and eating meals together. The result can be deep, lasting friendships and connection to their peers, based on patience, respect and tolerance. Achieving tasks and sharing challenges together creates a stronger sense of team and community – something which many participants have never had.

# TALL SHIPS YOUTH TRUST

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

### IMPACT

Our work and impact measurement framework are based on the Association of Sail Training Organisation's Theory of Change. Survey responses from 74% of the young people who sailed with us on a residential voyage during 2021/22 indicate:

- 96% reported improved team working skills
- 95% said they are now able to manage their feelings better
- 94% believed the voyage improved their communication skills
- 93% reported improved confidence and self-esteem
- 91% said it improved their leadership skills
- 90% said they had made new friends during the voyage
- 89% said they felt the experience had improved their problem-solving skills
- 81% said the voyage has made them think more about their personal safety
- 85% said they felt the skills they had learnt during the voyage would help them at school and improved their employability
- 79% said they felt fitter and healthier after their voyage
- 99% enjoyed the experience and had fun
- 99% would recommend the voyage to a friend

Feedback we have received from parents, carers and teachers demonstrate that there are also indirect benefits for home and school environments. Family life is easier as young people become more independent, help out around the house more willingly and have better relationships with siblings. In schools, they become more attentive, more willing to get involved and they find it easier to relate to their peers. The feedback below is from young people in disadvantaged circumstances and their leaders. Often, they provide the strongest voice about our work.

**Martin Smith, Head of PE at Stepney Green Maths, Computing & Science College:** "Our voyage was the boys first residential since Covid and it's just what they've been missing – adventure! The experience Tall Ships Youth Trust offers is completely unlike anything else. It's been great to see the growth in the boys' personal confidence and their teamwork. Some of them are new to the school and have only known each other a very short time. This week has helped them to build on their friendships. This voyage has opened their eyes to STEM (science, technology, engineering and maths) at sea. We always hear about mechanical engineering and it's nearly always to do with cars but why not a boat? Out on the open water they can see first-hand how innovation has changed the way we sail. We had a practical discussion about innovation and the comparisons between a traditional sextant and today's smart phone for use in navigation. This type of learning brings it all to life and has real impact. They take away life-long memories."

**Steve Waygood, Careers Adviser at Newent Community School & Sixth Form:** "I first became aware of Tall Ships Youth Trust around 4 years ago, when a group of 20 students from my previous school took part in a voyage. The long-term benefit has been incredible in all respects including their academic and personal performance, they feel good about themselves, and they are better people. A sustained benefit to them, the school and society, so thanks to all the Tall Ships team for all you do."

**Keaen Lambert (18):** "This past week sailing Challenger 2 has been a fantastic opportunity. It's really shown me what I can do, and I've learnt so much about the navigation system, helming, checking for wind direction and making sure the sails are in the correct positions. It's highly important projects like these are open to young people like me who otherwise wouldn't be able to access sail training. Before taking part, I was looking to join the Army as a driver but now I definitely want to do something more on the marine side."

A week learning to sail and bonding as a real-life crew was just the most fantastic adventure for all involved. Vital and excellent programmes such as those provided by Tall Ships, are needed more than ever to help young people re-establish themselves and build their self-confidence after such a difficult and bewildering time."

# TALL SHIPS YOUTH TRUST

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

### ACHIEVEMENTS AND PERFORMANCE

#### Youth Development

During the period covered by this report, government restrictions on outdoor education remained in place and curtailed our residential voyage programme up to June 2021. From the period July 2021 to February 2022, 712 young people developed on a Tall Ships voyage, of which 533 were from disadvantaged backgrounds.

During this period, we have had numerous groups from across the UK on our programme. These include pupil referral units, private, state and special educational needs schools, youth projects, young carers, YMCA supported living, uniformed organisations, youth offending teams and Youth Zones.

#### Fleet Activity and Maintenance

Our fleet comprises four 72ft Challengers and a 55ft Ketch. Our planning ensured that our vessels were effectively utilised following the lifting of restrictions from June 2021. 113 voyages and 13,000 voyage miles were completed (compared to 6,000 in the previous year, impacted by Covid).

Our maintenance schedule was also enhanced to take advantage of the additional time that our vessels were alongside. This included keel removal and refit on Challenger 3 and hull welding work to Challengers 3 and 4. We completed a 5-year survey on Challenger 1, with surveys on the remaining three Challengers scheduled for 2022 and early 2023. Our ongoing investment in our fleet will ensure that our vessels remain fit for purpose over the coming years.

The maintenance work on our vessels has only been possible thanks to funds received from our donors and is supported by a devoted and enthusiastic team of volunteers who have given hundreds of free hours to help the operations team complete this essential work.

#### Safeguarding

During this period, there were two safeguarding concerns reported. In both cases, the young people's voyage ended early for safety reasons, with support from parents or attending youth workers. The remaining voyagers and crew were able to successfully complete their voyage.

#### Awareness Raising and Communications

We regularly generated awareness about our work in regional and national media outlets. Our return to young people voyaging and stories about our beneficiaries were picked up by BBC Radio, BBC Breakfast, ITV News, Daily Express and the sailing press. Notable coverage included our launch of the LifeChanger appeal, official charity partnership of the British Classic Regatta and our Fastnet campaign with record-breaking youth participant, Zoe D'Ornano.

In February, we re-launched the Tall Ships Youth Trust website. The site has been completely revamped with an enhanced user experience, more impacting visuals and messaging, and critical functions added to improve our fundraising processes. This is a vital platform for donor engagement and for communicating with all users. Since launch, we have increased visitors by 100% compared to the same period for last year.

Our social media engagement and reach has increased significantly this year, driven by innovative and impacting content featuring our beneficiaries.

# TALL SHIPS YOUTH TRUST

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

### Fundraising

Covid continued to impact our income generation activities. Despite the challenging economic environment, and through the innovation and hard work of our team, we were able to achieve voyage income of 74% of the most recent comparable year (2019/20), despite operating for only 8 months of the year in an uncertain environment for our clients. Our fundraising income achieved 100% of 2019/20 – again a significant achievement when fundraising for the shorter period.

The Trust raised a total of £1,045k from voyages and bursaries and £851k from other fundraising sources such as institutional funders, individuals, corporates and legacies. This figure includes £516K raised from 145 grant making trusts and foundations – the highest total to date.

In October 2021, we launched our capital fundraising 'LifeChanger' appeal to increase our capacity. We are aiming to raise at least £1.5m to purchase an additional 70-80ft vessel and fund three years' of running costs. We are currently in the 'quiet stage' of the appeal, which involves identifying and cultivating prospects behind the scenes.

A huge thank to all the supportive grant making trusts and foundations, companies, individuals and members who continue to fund our work. We would like to say a special thank you to John Lyon's Charity, St James's Place Charitable Foundation, Lloyd's Register Foundation, Worshipful Company of Shipwrights, The Clare Foundation and our corporate fundraising partners Saltus and Barratt Developments for their long-standing support.

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

### Volunteers

The Trust offers young people who sail with us for 3-nights or more a pathway into volunteering, giving them the opportunity to support others and work towards nationally accredited maritime qualifications. For those who want it, this can lead to a career at sea or in the maritime industry.

We are one of the largest issuers of Royal Yachting Association (RYA) certificates in the UK, issuing more than 500 during 2021/22. Most of the young people who sail with us have no sailing experience, but by the end of their voyage, the majority will have earned their RYA Start Yachting certificate, with many also going on to achieve their Competent Crew certificate. This is the first step in the RYA training scheme. There are a range of courses in this series for young volunteers. We currently offer development up to Watch Leader level and then signpost young people to other organisations to progress with their qualifications. Many of our existing volunteers and freelance crew began their journey with us as beneficiaries and so have lived experience of what our programme offers.

During 2021/22, 88 young people received a recommended to return to train as a young Watch Leader or Watch Assistant.

### Duke of Edinburgh's Award

We are also an Approved Activity Provider for the Duke of Edinburgh (DofE) awards scheme; all voyages of four nights or more qualify for the DofE Gold Residential and Bronze, Silver, and Gold Expeditions element of the award. During 2021/22, 107 young people achieved their DofE Gold Residential award and 24 achieved their Gold Expedition award.



# TALL SHIPS YOUTH TRUST

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

### RISK REVIEW

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

#### Personnel

Insufficient number of competent and trained staff. Insufficient number of seagoing volunteers. Inability to attract and retain staff, with competitive remuneration and hybrid working conditions. Volunteer branches not performing. Loss of key members of staff threatens effective operations management.

#### Funding

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

#### Operational

Death or serious accident to crew, staff or the public whilst operating the vessels. Defects prevent vessel sailing. Incident at sea damages a vessel. Illness or medical incident prevents vessel sailing. Certification failure of a vessel threatens programme. Head Office closure due to an incident.

#### Reputational

Safeguarding incident with beneficiary, voyager, or crew member. Incident at sea leading to bad publicity. Failure of IT system security. GDPR Breach.

#### Developmental

New Appeal fails to meet target. New ship project to increase capacity fails to deliver.

#### Covid

A review covering the various aspects of risks affected by the Covid virus has been conducted. These risks include staff or visitors passing the virus on to others, and the considerable human and financial impact. Ongoing monitoring requirement.

For all these risks, and their elemental constituents, mitigation has been put in place. Our Finance, Risk and Audit Committee regularly review our Risk Register, to ensure appropriate mitigation measures are in place and monitored. Fundraising, the pension fund deficit (which could increase over time if other fund members become insolvent) and Personnel are considered to be uncertain and therefore higher risk. The residual risk at 28 February 2022 for the other risk areas is assessed to be "low".

### ENVIRONMENTAL POLICY

To coordinate the Trust's efforts in reducing its carbon footprint and our overall impact on the environment we have set up a Sustainability Working Group. The group consists of our CEO, representatives from our onshore and offshore teams. As well as looking at how we reduce our impact across our organisation and voyages, the group is looking at partnership working with local organisations across the UK as we seek to share best practice and implement change across the country.

# TALL SHIPS YOUTH TRUST

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

### STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

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

During the year, we have been pleased to appoint Andy Martyn and Julian Brown to the Trustee Board. They bring significant and broad banking and finance experience to the Trust. One further Trustee is to be co-opted onto the Board during 2022. We say goodbye with sincere thanks to Nigel Jones. Nigel provided significant financial expertise and strong leadership to the work of the Finance Committee, particularly during the recent challenges as a result of Covid.

One further Trustee is expected to be co-opted onto the Board during 2022.

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

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

# TALL SHIPS YOUTH TRUST

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

### FINANCIAL REVIEW

During the year the Trust generated overall income of £1,295,334 (2021 - £1,346,323). The majority £833,465 (2021 - £1,185,874) being donations, legacy income and membership income from supporters. Direct voyage fees of £425,889 (2021 - £87,446) were received from the re-started voyage programme, and combined with restricted bursary funds of £619,477 (2021 - £222,528) resulting in £1,045,366 voyage income (2021 - £309,974) for the trading subsidiary Tall Ships Limited to run voyages throughout the year. Tall Ships Limited generated a surplus in the year of £182,164 returning to profitability following the 2021 deficit of £(320,424). The loss was wholly attributable to the inability to run voyages during the pandemic.

The consolidated group result for the year was a deficit on general funds of £290,557 (2021 - £39,421), reduced by a surplus on restricted voyage funds of £53,337 (2021 - £79,780).

The Trust changed its policy on recognising members subscriptions from across the period to which the membership relates to a cash basis. This resulted in a prior period adjustment – an uplift of general funds of £17,674. In addition, the revaluation reserve was reviewed and a change made to correct the write down of the revaluation over the remaining life of the yachts concerned. This reduced the revaluation reserve to £433,730 and can be seen in note 18 to these accounts.

Overall, the unrestricted funds deficit increased to £721,965 (2021 - £456,408), however the restricted and bursary funds grew from £1,016,365 to £1,044,702. There was no change in the small balance of endowment funds. The group net asset position was therefore £373,869 – (2021 - £611,089), and the Trust entity position declined from £1,217,415 to £798,034. The overall cash flow position was a reduction in cash balances of £142,305 (2021 - increase of £305,238).

### FUTURE FINANCIAL PROSPECTS AND RESERVES POLICY

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

We continue to repay historic loan debts following the disposal of the brig and have restructured repayment plans over longer terms. In addition, we have been successful in one substantial loan debt of £150k being waived since the year end, which will significantly contribute to the balance sheet for 2022/23.

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

Together with the Life Changer Appeal to raise £1.5m for an additional vessel to increase our capacity and to meet the demand for our services, we will be in a stronger and more sustainable financial position going forward.

Our new Strategic Plan is under development and will be in place next year, covering the 5-year period 2023-2028. We have a strong and diverse Board of Trustees and competent, trained and motivated on-shore and off-shore staff, led by a CEO experienced in fundraising and commercial business.

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

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

# TALL SHIPS YOUTH TRUST

## REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2022

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

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

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

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

### Auditors

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

ON BEHALF OF THE TRUSTEES



David Aisher  
Chairman of the Board of Trustees

Dated: 21 July 2022

# TALL SHIPS YOUTH TRUST

## REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2022

### Opinion

We have audited the consolidated financial statements of Tall Ships Youth Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 28<sup>th</sup> February 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable parent company's affairs as at 28<sup>th</sup> February 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Material uncertainty relating to going concern

We draw your attention to the going concern accounting policy on page 20 in the financial statements, which indicates that the group incurred a net deficit of £237,220 during the year ended 28 February 2022 and, as of that date, has a deficit of assets making up unrestricted funds of £1,155,695. As stated in the accounting policy, these events and conditions, along with the other matters as set out, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

### Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# TALL SHIPS YOUTH TRUST

## REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2022

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the charitable parent company and their environment obtained in the course of the audit, we have not identified material misstatements in Directors' Report, included in the Trustees' Report.

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 11 the trustees, who are also the directors of the charitable parent company for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# TALL SHIPS YOUTH TRUST

## REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2022

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

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

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

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Revenue recognition was also identified as part of our audit planning as a significant risk to the audit. Although the processing and recording of transactions is straight forward, there is the risk that revenue might not be recognised within the correct accounting period.
- Some income received is restricted in its use and a significant risk was identified regarding the correct classification of income between restricted and unrestricted funds and that the expenditure against this income was in line with any specified restrictions.
- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and we considered the most significant to be the Companies Act 2006, the Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact of Covid-19 on the operations of the charitable company and adapted our audit approach accordingly. We enquired and obtained evidence to support

# TALL SHIPS YOUTH TRUST

## REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2022

the going concern assumption in the preparation of the financial statements and dovetailed this with knowledge gained from our audit work

- The consolidated financial statements of the group incorporate the results of the subsidiary company. Moore (South) LLP are auditors to the whole group and the same approach has been adopted to the subsidiary company as is appropriate to that entity.

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

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

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

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

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

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

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

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



# TALL SHIPS YOUTH TRUST

## REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 28 FEBRUARY 2022

### Use of our report

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



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

9 St Johns Place  
Newport  
Isle of Wight  
PO30 1LH

Dated: 10 August 2022

# TALL SHIPS YOUTH TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2022

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds Year to 28/2/2022	Total Funds Year to 28/2/2021
	<u>Note</u>	2022 £	2022 £	2022 £	2022 £	2021 £
<b>Income and Endowments from:</b>						
Donations and legacies	2	417,326	416,139	-	833,465	1,185,874
Investments		365	1,952	-	2,317	2,179
Government grants		33,663	-	-	33,663	70,824
Charitable activities	3	<u>425,889</u>	<u>-</u>	<u>-</u>	<u>425,889</u>	<u>87,446</u>
<b>Total income</b>		<u>877,243</u>	<u>418,091</u>	<u>-</u>	<u>1,295,334</u>	<u>1,346,323</u>
<b>Expenditure on:</b>						
Raising funds	5	329,539	-	-	329,539	305,662
Charitable activities	5	<u>838,261</u>	<u>364,754</u>	<u>-</u>	<u>1,203,015</u>	<u>1,000,302</u>
<b>Total expenditure</b>		<u>1,167,800</u>	<u>364,754</u>	<u>-</u>	<u>1,532,554</u>	<u>1,305,964</u>
<b>Net movement in funds</b>		(290,557)	53,337	-	(237,220)	40,359
Transfer between funds		25,000	(25,000)	-	-	-
Fund balances brought forward At 1 March 2021		<u>(456,408)</u>	<u>1,016,365</u>	<u>51,132</u>	<u>611,089</u>	<u>570,730</u>
<b>Fund balances carried forward At 28 February 2022</b>		<u>(721,965)</u> =====	<u>1,044,702</u> =====	<u>51,132</u> =====	<u>373,869</u> =====	<u>611,089</u> =====

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

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

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

# TALL SHIPS YOUTH TRUST

## BALANCE SHEETS

FOR THE YEAR ENDED 28 FEBRUARY 2022

	<u>Note</u>	Consolidated		Tall Ships Youth Trust	
		28/2/2022	29/2/2021	28/2/2022	28/2/2021
		£	As Restated £	£	As Restated £
<b>Fixed assets</b>					
Tangible assets	11	1,156,406 =====	1,287,287 =====	1,156,406 =====	1,287,287 =====
<b>Current assets</b>					
Stocks		9,380	9,188	250	250
Debtors	12	66,246	96,447	241,179	511,327
Investments	13	5,823	5,585	5,823	5,585
Cash at bank and in hand		<u>403,989</u>	<u>546,294</u>	<u>368,797</u>	<u>478,021</u>
		485,438	657,514	616,049	995,183
<b>Creditors: amounts falling due within one year</b>	14	<u>(581,501)</u>	<u>(653,357)</u>	<u>(373,130)</u>	<u>(550,055)</u>
<b>Net current assets/(liabilities)</b>		<u>(96,063)</u>	<u>4,157</u>	<u>242,919</u>	<u>445,128</u>
<b>Total assets less current liabilities</b>		1,060,343	1,291,444	1,399,325	1,732,415
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(686,474)</u>	<u>(680,355)</u>	<u>(601,291)</u>	<u>(515,000)</u>
		<u>373,869</u> =====	<u>611,089</u> =====	<u>798,034</u> =====	<u>1,217,415</u> =====
<b>Capital funds</b>					
Endowment funds	16	51,132	51,132	51,132	51,132
<b>Income funds</b>					
Restricted funds	17	1,044,702	1,016,365	1,044,702	1,016,365
Revaluation reserve	18	433,730	484,397	433,730	484,397
Other unrestricted funds	18	<u>(1,155,695)</u>	<u>(940,805)</u>	<u>(731,530)</u>	<u>(334,479)</u>
		<u>373,869</u> =====	<u>611,089</u> =====	<u>798,034</u> =====	<u>1,217,415</u> =====

The financial statements were approved by the Trustees on 21 July 2022.



David Aisher  
Chairman of the Board

Charity Number: 314229 Company Number: 00567460

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

# TALL SHIPS YOUTH TRUST

## STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 28 FEBRUARY 2022

	<b>28/2/2022</b>	<b>28/2/2021</b>
	<b>Group</b>	<b>Group</b>
	<b>£</b>	<b>£</b>
<b>Cashflow from operating activities</b>		
Net cashflow from operations                      See Below	<u>(165,225)</u>	<u>361,350</u>
<b>Total cashflow from operating activities</b>	<u>(165,225)</u>	<u>361,350</u>
<b>Cashflow from investing activities</b>		
Interest received	2,317	2,179
Sale proceeds from disposal of fixed assets	-	32,900
Payments to acquire fixed assets	<u>(5,748)</u>	<u>(48,360)</u>
<b>Total cashflow on Investing activities</b>	<u>(3,431)</u>	<u>(13,281)</u>
<b>Cash from financing activities</b>		
Repayments of borrowing	(223,649)	(42,831)
Finance raised	<u>250,000</u>	-
Net cash provided by (used in) financing activities	<u>26,351</u>	<u>(42,831)</u>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<u>(142,305)</u>	<u>305,238</u>
Cash and cash equivalents at 1 March 2021	<u>546,294</u>	<u>241,056</u>
Cash and cash equivalents at 28 February 2022	<u>403,989</u>	<u>546,294</u>
	=====	=====
<b>Cash and cash equivalents consist of:</b>		
Cash at bank and in hand	<u>403,989</u>	<u>546,294</u>
Cash and cash equivalent at 28 February 2022	<u>403,989</u>	<u>546,294</u>
	=====	=====
<b>Reconciliation of income to net cashflow from operations:</b>		
	<b>28/2/2022</b>	<b>28/2/2021</b>
	<b>£</b>	<b>£</b>
Net income resources	(237,220)	40,359
Depreciation charges	136,629	128,622
Investment income	(2,317)	(2,179)
Change in value of investments	(238)	(247)
Loss on disposal of fixed asset	-	100
(Increase)/decrease in stocks	(192)	517
(Increase)/decrease in debtors	(74,215)	235,679
Increase/(decrease) in creditors	<u>12,328</u>	<u>(41,501)</u>
<b>Net cash outflow from operations</b>	<u>(165,225)</u>	<u>361,350</u>
	=====	=====

# TALL SHIPS YOUTH TRUST

## PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2022

### ACCOUNTING POLICIES

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

#### **General Information and Basis of Accounting**

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

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom issued in October 2019 (FRS 102), the Charities Act 2011, Companies Act 2006, and UK Generally Accepted Accounting Practice.

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

#### **Going Concern**

The Charity's revenues derive principally from various forms of donations and voyage income. Both sources of income were impacted by Covid-19 related restrictions. The residential sailing program was suspended in April 2020 and recommenced in July 2021.

The Charity has an operating subsidiary, Tall Ships Limited, which runs the voyage programme. Tall Ships Limited had a net liability at the year's end of £977,769 (2021 - £1,159,933). This net liability includes the pension deficit of £178,183 (2021 - £240,355). Accordingly, the Charity provides ongoing financial support to Tall Ships Limited of £746,690 (2021 - £980,810) by way of an inter-company loan which it has confirmed it will not seek repayment within the next 12 months.

The Charity has a deficit of assets making up the unrestricted funds, as explained in note 21. This stems from the sale of the brig in 2017 for considerably less than had been expected. The charity continues to focus on correcting this deficit.

Since the end of pandemic restrictions, voyage income picked up and fundraising remains encouraging. However, since the year end, there has been a worsening of the general economic climate and the situation in Ukraine – evidenced by a steep rise in inflation, energy costs and interest rates. In the future, this may impact negatively on future voyage revenues and / or donations. Any significant increases in Covid cases may also cause timing deferral of some voyage income.

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

In order to monitor the financial position of the Charity, the Charity's Finance Committee continues to meet on a regular basis to evaluate and develop strategies to minimise non-essential expenditure, develop fundraising income and review cash flow forecasts. The Charity has reduced costs in all areas whilst resuming the full voyage programme. The Charity has taken advantage of the Government's support measures. These include the coronavirus job retention scheme to protect cash flows and future employment capabilities and a CBILS loan offer from the Charity's bank. Additionally, following the year end, a significant loan of £150k has been forgiven. This will contribute directly to the Charity's reserves in the current financial year ending February 2023.

# TALL SHIPS YOUTH TRUST

## PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2022

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

### **Basis of Consolidation**

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

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

### **Comparative Information**

The comparative figures for the Consolidated Statement of Financial Activities have been amended to reflect the change in the way the Trust accounts for certain funding relating to voyages. Designated or restricted income is recognised when the grant or funds are originally received and not again when the voyage occurs.

## **FUND ACCOUNTING**

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

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

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

## **INCOME RECOGNITION POLICIES**

### **Donations and Gifts**

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

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

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

Life subscriptions are counted in full when received. The charity has changed its policy in the period on the recognition of annual membership fees and recognise them on a cash basis where previously they have been recognised over the period to which they relate. This is explained in note 18.

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

# TALL SHIPS YOUTH TRUST

## PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2022

### Activities for Generating Funds

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

### Investment income

Investment income is recognised when receivable.

### Incoming Resources from Charitable Activities

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

### Grants Receivable

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

Grants for the purchase of fixed assets are initially credited to restricted incoming resources when receivable. On completion of the purchase or construction of the fixed asset towards which the grant was receivable, where grant restrictions permit, the assets are treated as unrestricted, with a corresponding transfer of funds.

## RESOURCES EXPENDED

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

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

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

### Allocation of Support Costs

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

The analysis of these costs is included in note 6.

# TALL SHIPS YOUTH TRUST

## PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2022

### TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

### FOREIGN CURRENCIES

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

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

### INVESTMENTS

Assets held for investment purposes are included at market value.

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

### STOCKS

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

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

### DEBTORS

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

### CREDITORS

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

### RETIREMENT BENEFITS

#### Defined Contribution Scheme

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



# TALL SHIPS YOUTH TRUST

## PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2022

### Defined Benefit Scheme

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

### LEASED ASSETS

#### Operating lease agreements

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

### TAXATION

No corporation tax has been provided in these accounts because the income of the charity is within the exemption granted by HM Revenue & Customs to the extent that these funds are applied to Charitable objects.

### FINANCIAL ASSETS AND LIABILITIES

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

# TALL SHIPS YOUTH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

### 1. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2021 As restated £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total Funds 28/2/2021 As restated £
<b>Income and Endowments from:</b>				
Donations and legacies	827,387	358,487	-	1,185,874
Investments	246	1,933	-	2,179
Government grants	70,824	-	-	70,824
Charitable activities	<u>87,446</u>	<u>-</u>	<u>-</u>	<u>87,446</u>
<b>Total income</b>	985,903 =====	360,420 =====	- =====	1,346,323 =====
<b>Expenditure on:</b>				
Raising funds	305,662	-	-	305,662
Charitable activities	<u>719,662</u>	<u>280,640</u>	<u>-</u>	<u>1,000,302</u>
<b>Total expenditure</b>	1,025,324 =====	280,640 =====	- =====	1,305,964 =====
<b>Net movement in funds</b>	(39,421)	79,780	-	40,359
Transfer between funds	(83,853)	83,853	-	-
Fund balances brought forward at 1 March 2020	<u>(333,134)</u>	<u>852,732</u>	<u>51,132</u>	<u>570,730</u>
<b>Fund balances carried forward At 28 February 2021</b>	(456,408) =====	1,016,365 =====	51,132 =====	611,089 =====

### 2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	28/2/2022 £	28/2/2021 £
Donations	369,623	409,568	779,191	1,117,563
Legacies	9,100	6,571	15,671	25,556
Membership	<u>38,603</u>	<u>-</u>	<u>38,603</u>	<u>42,755</u>
	417,326 =====	416,139 =====	833,465 =====	1,185,874 =====

Of the comparative donations figure £358,487 was in respect of restricted funds.

# TALL SHIPS YOUTH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

### 3. INCOME FROM CHARITABLE ACTIVITIES

	<b>28/2/2022</b>	<b>28/2/2021</b>
	<b>£</b>	<b>£</b>
Gross voyage fees	1,045,366	309,974
Less bursaries utilised from funds	<u>(619,477)</u>	<u>(222,528)</u>
	425,889	87,446
	=====	=====

### 4. NET INCOME FROM ACTIVITIES OF SUBSIDIARIES

The Charity's only active subsidiary is Tall Ships Limited. A summary of its results for the period is set out below:-

	<b>28/2/2022</b>	<b>28/2/2021</b>
	<b>£</b>	<b>£</b>
Turnover-voyage fees	1,045,365	309,974
Government grants	17,381	45,077
Operating costs	<u>(867,755)</u>	<u>(656,963)</u>
Operating Profit/(loss)	194,991	(301,912)
Finance costs	<u>(12,827)</u>	<u>(18,512)</u>
Net profit/(loss)	182,164	(320,424)
	=====	=====

The net assets and liabilities of the active subsidiary are:

	<b>28/2/2022</b>	<b>28/2/2021</b>
	<b>£</b>	<b>£</b>
Current assets	62,474	89,532
Creditors: amounts falling due within one year	<u>(1,040,243)</u>	<u>(1,249,465)</u>
Total net liabilities	<u>(977,769)</u>	<u>(1,159,933)</u>
Aggregate of share capital and reserves	(977,769)	(1,159,933)
	=====	=====

# TALL SHIPS YOUTH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

### 5. ANALYSIS OF EXPENDITURE

	Direct costs	Support costs	28/2/2022	28/2/2021
	£	£	£	£
<b>Cost of raising funds:</b>				
Fundraising costs	315,739	12,837	328,576	303,765
Allocation of governance costs (see below)	<u>-</u>	<u>963</u>	<u>963</u>	<u>1,897</u>
	315,739	13,800	329,539	305,662
	=====	=====	=====	=====
<b>Charitable activities</b>				
Ship related costs	636,893	-	636,893	440,439
Depreciation and impairment	136,630	-	136,630	128,622
Loss on disposal of fixed asset	-	-	-	100
Allocation of governance costs (see below)	40,675	-	40,675	33,650
Interest payable and similar finance charges	1,952	-	1,952	1,933
Other voyage and support expenses	<u>303,828</u>	<u>83,037</u>	<u>386,865</u>	<u>395,558</u>
	1,119,978	83,037	1,203,015	1,000,302
	=====	=====	=====	=====
Restricted funds			364,754	280,640
Unrestricted funds			<u>838,261</u>	<u>719,662</u>
			1,203,015	1,000,302
			=====	=====

### 6. SUPPORT AND GOVERNANCE COSTS

	28/2/2022	28/2/2021	Method	Charitable Fundraising		
				Governance	Activities	Activities
	£	£		£	£	£
Payroll and HR	7,804	7,610	Total resources	117	6,127	1,560
Property costs	18,983	27,284	Total resources	285	14,901	3,797
Office costs	9,576	14,960	Total resources	144	7,517	1,915
IT and Website	17,899	14,513	Total resources	268	14,051	3,580
Marketing	32,651	33,528	Direct activities	-	32,651	-
Other	<u>9,924</u>	<u>4,748</u>	Total resources	<u>149</u>	<u>7,790</u>	<u>1,985</u>
	96,837	102,643		963	83,037	12,837
	=====	=====		===	=====	=====
At 28 February 2021				1,897	81,297	19,449
				===	=====	=====

#### Governance costs (included above)

	Support	Charitable	28/2/2022	28/2/2021
	£	£	£	£
Auditors remuneration	40,675	-	40,675	33,650
Administrative expenses	<u>-</u>	<u>963</u>	<u>963</u>	<u>1,897</u>
	40,675	963	41,638	35,547
	=====	===	=====	=====
At 28 February 2021	33,650	1,987		
	=====	=====		

# TALL SHIPS YOUTH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

### 7. OTHER COSTS

	<b>28/2/2022</b>	<b>28/2/2021</b>
	£	£
The surplus is stated after charging:		
Auditors' remuneration		
Audit services	23,000	19,000
Under-provision	8,635	11,650
Non-audit services	<u>9,040</u>	<u>6,000</u>
	40,675	36,650
Depreciation	136,629	128,622
Operating lease rentals	13,652	10,020
	=====	=====

### 8. EMPLOYEES

Employee costs during the period were as follows:

	<b>28/2/2022</b>	<b>28/2/2021</b>
	£	£
Wages and salaries	576,364	527,812
Social security costs	52,983	53,371
Other pension costs	<u>40,447</u>	<u>22,194</u>
	669,794	603,377
	=====	=====

Included in the wages and salaries are non-statutory/non-contractual severance payments totalling £34,200 (2021: £Nil).

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

	<b>28/2/2022</b>	<b>28/2/2021</b>
	Number	Number
Management and administration	14	14
	==	==

The average number of employees based on head count was 17 (2021: 16).

The total costs attributable to senior management personnel amounted to £270,734 for the year to 28 February 2022 (2021: £232,656). Senior management personnel comprise the Chief Executive Officer, Finance Director, and the Fundraising and Marketing Director. The emoluments of higher paid employees fell within the following ranges:

	<b>28/2/2022</b>	<b>28/2/2021</b>
	Number	Number
£60,001 to £70,000	-	1
£70,001 to £80,001	1	-
£80,001 to £90,001	1	-
£110,001 to £120,000	-	1
	==	==

### 9. PAYMENTS TO TRUSTEES AND CONNECTED PERSONS

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

Expense reimbursements for travel and subsistence were not paid to Trustees during the year (2021: £nil) and there were no expenses paid on behalf of a trustee.

Trustee indemnity insurance paid on behalf of Trustees and officers in the year was £4,960 (2021: £3,369)

# TALL SHIPS YOUTH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

### 10. SURPLUS/(DEFICIT) OF EXPENDITURE OVER INCOME

The consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary – Tall Ships Limited, which operates voyages. Details of the results of the trading subsidiary are set out in note 5.

The summary financial performance of the Charity alone was:

	<b>28/2/2022</b>	<b>28/2/2021</b>
	<b>£</b>	<b>As restated</b>
		<b>£</b>
<b>Income</b>		
Income from donations and legacies	833,465	1,271,944
Other income	-	-
Government grants	16,282	25,747
Investment income	<u>2,317</u>	<u>2,179</u>
Total income	<u>852,064</u>	<u>1,299,870</u>
<b>Expenditure</b>		
Raising funds	(326,006)	(305,050)
Charitable activities	(945,439)	(634,038)
Total expenditure	<u>(1,271,445)</u>	<u>(939,088)</u>
<b>Net income for the year</b>	(419,381)	360,782
Total funds brought forward on 28 February 2021	<u>1,217,415</u>	<u>856,633</u>
Total funds carried forward at 28 February 2022	<u>798,034</u> =====	<u>1,217,415</u> =====

### 11. TANGIBLE FIXED ASSETS

#### Consolidated and Tall Ships Youth Trust

	<b>Yachts</b>	<b>Computers, Fixtures &amp; Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cost or valuation:			
At 1 March 2021	1,856,120	129,640	1,985,760
Additions in year	<u>-</u>	<u>5,748</u>	<u>5,748</u>
At 28 February 2022	<u>1,856,120</u> =====	<u>135,388</u> =====	<u>1,991,508</u> =====
Depreciation:			
At 1 March 2021	624,492	73,981	698,473
Provided in the period	123,741	12,888	136,629
Depreciation eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 28 February 2022	<u>748,233</u> =====	<u>86,869</u> =====	<u>835,102</u> =====
Net book amount at 28 February 2022	<u>1,107,887</u> =====	<u>48,519</u> =====	<u>1,156,406</u> =====
Net book amount at 28 February 2021	<u>1,231,628</u> =====	<u>55,659</u> =====	<u>1,287,287</u> =====

The Yachts are given as security against a number of loans included in creditors. The net book value of yachts given as security was £ 1,063,204 (2021: £1,181,218).

The Challenger Yachts are included above at a net book value of £265,800 based on a professional valuation in 2016. They were professionally valued on 15 August 2020 at £350,000 each.

# TALL SHIPS YOUTH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

### 11. FIXED ASSETS (continued)

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

	£
Cost	1,094,928
Valuation	<u>761,192</u>
	1,856,120
	=====

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

	Yachts £ 28/2/2022	Yachts £ 28/2/2021
Cost	1,094,928	1,094,928
Accumulated depreciation	<u>(918,502)</u>	<u>(845,507)</u>
Net book amount at 28 February 2022	<u>176,426</u>	<u>249,421</u>
	=====	=====

### 12. DEBTORS

	Consolidated		Tall Ships Youth Trust	
	28/2/2022	28/2/2021	28/2/2022	28/2/2021
	£	£	£	£
Amounts owed by group undertakings	-	-	193,084	427,205
VAT recoverable	20,530	16,125	8,133	12,909
Other debtors	22,724	50,121	19,648	48,454
Prepayments	<u>22,992</u>	<u>30,201</u>	<u>20,314</u>	<u>22,759</u>
	66,246	96,447	241,179	511,327
	=====	=====	=====	=====

### 13. CURRENT ASSET INVESTMENTS

	Consolidated		Tall Ships Youth Trust	
	28/2/2022	28/2/2021	28/2/2022	28/2/2021
	£	£	£	£
UK investments – COIF Funds	<u>5,823</u>	<u>5,585</u>	<u>5,823</u>	<u>5,585</u>
	5,823	5,585	5,823	5,585
	=====	=====	=====	=====

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

# TALL SHIPS YOUTH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Tall Ships Youth Trust	
	28/2/2022	28/2/2021	28/2/2022	28/2/2021
	£	£	£	As restated £
Loans from Trustees and funders	140,560	200,500	140,560	200,500
Payments received on account	149,293	197,445	149,293	197,445
Trade creditors	142,499	46,937	35,547	36,842
Social Security and other taxes	16,328	75,485	16,328	75,485
Deferred income	18,459	-	18,459	-
Other creditors and accruals	<u>114,362</u>	<u>132,990</u>	<u>12,943</u>	<u>39,783</u>
	581,501	653,357	373,130	550,055
	=====	=====	=====	=====

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

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

Deferred income relates to income in respect of future events.

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

	Consolidated		Tall Ships Youth Trust	
	28/2/2022	28/2/2021	28/2/2022	28/2/2021
	£	£	£	£
Loans from Trustees and funders	430,000	515,000	430,000	515,000
Other Creditors and accruals	85,183	165,355	-	-
Bank loan	<u>171,291</u>	<u>-</u>	<u>171,291</u>	<u>-</u>
	686,474	680,355	601,291	515,000
	=====	=====	=====	=====

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

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

Included within other creditors is the pension deficit owed by Tall Ships Limited (see note 20).

### 16. ENDOWMENT FUNDS

	Michael Crocker £	Nova Scotia £	Lord Burnham £	Total £
At 1 March 2021 and at 28 February 2022	13,277	12,952	24,903	51,132
	=====	=====	=====	=====

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



# TALL SHIPS YOUTH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

### 17. RESTRICTED FUNDS

	Balance at 1/3/2021 £	Income £	Expenditure £	Transfer £	Balance at 28/2/2022 £
International fund	195,197	1,952	-	-	197,149
Legacy fund	262,500	6,571	-	(28,604)	240,467
Other specific funds	<u>558,668</u>	<u>409,568</u>	<u>(364,754)</u>	<u>3,604</u>	<u>607,086</u>
Total restricted funds	1,016,365 =====	418,091 =====	(364,754) =====	(25,000) =====	1,044,702 =====

The Specific Funds are donations made to the Trust to be used for specified purposes. At 28 February 2022 there were 341 separate funds (2021: 340). The Trust is reviewing the ongoing obligations of restricted funds.

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

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

The transfer between funds relates to the allocation between restricted and designated voyage funds.

### Year to 28 February 2021 comparative period

	Balance at 1/3/2020 £	Income £	Expenditure £	Transfer £	Balance at 28/2/2021 £
International fund	193,264	1,933	-	-	195,197
Legacy fund	262,500	-	-	-	262,500
Other specific funds	<u>396,968</u>	<u>358,487</u>	<u>(280,640)</u>	<u>83,853</u>	<u>558,668</u>
Total restricted funds	852,732 =====	360,420 =====	(280,640) =====	83,853 =====	1,016,365 =====

### 18. UNRESTRICTED FUNDS AND PRIOR PERIOD ADJUSTMENT

#### Consolidated

	General Reserve £	Revaluation Reserve £	Total £
At 1 March 2020 (as previously reported)	(975,305)	624,497	(350,808)
Prior period adjustment – membership income (see below*1)	17,674	-	17,674
Prior period adjustment – revaluation reserve (see below*2)	<u>89,433</u>	<u>(89,433)</u>	-
As restated	(868,198)	535,064	(333,134)
Income	985,903	-	985,903
Expenditure	(1,025,324)	-	(1,025,324)
Transfer designated to restricted voyage funds	(83,853)	-	(83,853)
Transfer between funds revaluations	<u>50,667</u>	<u>(50,667)</u>	-
At 28 February 2021	(940,805)	484,397	(456,408)
Income	877,243	-	877,243
Outgoing resources	(1,167,800)	-	(1,167,800)
Transfer designated to restricted voyage funds	25,000	-	25,000
Transfer between funds	<u>50,667</u>	<u>(50,667)</u>	-
At 28 February 2022	(1,155,695) =====	433,730 =====	(721,965) =====

# TALL SHIPS YOUTH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

- The charity changed its policy on the recognition of members' income, such that annual memberships are now recognised on receipt, rather than deferred and released over the period to which it relates.
- The transfer between revaluation and general reserves reflects the reduction in the reserve as the assets are depreciated. The prior period adjustment reflects a correction of the amount transferred from the revaluation to match the depreciation and economic lives of the yachts concerned.

### 18. UNRESTRICTED FUNDS AND PRIOR PERIOD ADJUSTMENT (continued)

Tall Ships Youth Trust	General Reserve £	Revaluation Reserve £	Total £
At 1 March 2020 (as previously reported)	(689,402)	624,497	(64,905)
Prior period adjustment – membership income (see above*1)	17,674	-	17,674
Prior period adjustment – revaluation reserve (see above*2)	89,433	(89,433)	-
As restated	(582,295)	535,064	(47,231)
Income	939,450	-	939,450
Expenditure	(658,448)	-	(658,448)
Transfer designated to restricted voyage funds	(83,853)	-	(83,853)
Transfer between funds revaluations	50,667	(50,667)	-
At 28 February 2021	(334,479)	484,397	149,918
Income	433,973	-	433,973
Expenditure	(906,691)	-	(906,691)
Transfer designated to restricted voyage funds	25,000	-	25,000
Transfer between funds	50,667	(50,667)	-
At 28 February 2022	(731,530)	433,730	(297,800)
	=====	=====	=====

### 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
<b>Consolidated at 28 February 2022</b>				
Tangible fixed assets	1,156,406	-	-	1,156,406
Current assets	(505,980)	1,044,702	51,132	589,854
Current liabilities	(685,916)	-	-	(685,916)
Creditors: due after more than one year	(686,475)	-	-	(686,475)
	(721,965)	1,044,702	51,132	373,869
	=====	=====	=====	=====
<b>Tall Ships Youth Trust at 28 February 2022</b>				
Tangible fixed assets	1,156,406	-	-	1,156,406
Current assets	(375,369)	1,044,702	51,132	720,465
Current liabilities	(477,546)	-	-	(477,546)
Creditors: due after more than one year	(601,291)	-	-	(601,291)
	(297,800)	1,044,702	51,132	798,034
	=====	=====	=====	=====

# TALL SHIPS YOUTH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

Year to 28 February 2021 comparative period	£ As restated	£	£	£ As restated
<b>Consolidated at 28 February 2021</b>				
Tangible fixed assets	1,287,287	-	-	1,287,287
Current assets	(409,983)	1,016,365	51,132	657,514
Current liabilities	(653,357)	-	-	(653,357)
Creditors: due after more than one year	<u>(680,355)</u>	<u>-</u>	<u>-</u>	<u>(680,355)</u>
	(456,408)	1,016,365	51,132	611,089
	=====	=====	=====	=====
<b>Tall Ships Youth Trust at 28 February 2021</b>				
Tangible fixed assets	1,287,287	-	-	1,287,287
Current assets	(72,314)	1,016,365	51,132	995,183
Current liabilities	(550,055)	-	-	(550,055)
Creditors: due after more than one year	<u>(515,000)</u>	<u>-</u>	<u>-</u>	<u>(515,000)</u>
	149,918	1,016,365	51,132	1,217,415
	=====	=====	=====	=====

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

## 20. PENSIONS

### Defined contribution scheme

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

### Defined benefit scheme

A number of former employees of the Trust's subsidiary Tall Ships Limited ("TSL") have belonged to an industry wide pension scheme. The Trustees of the scheme have advised TSL that part of the scheme is in deficit and it is apportioning the deficit between participating employers. Interest is accruing on the residual of the 2009 and 2012 pension scheme deficits and a payment plan is in operation. At the period end the balance outstanding was £178,183 (2021 - £240,355).

# TALL SHIPS YOUTH TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

### 21. LEASING COMMITMENTS

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

	28/2/2022		28/2/2021	
	Land & Buildings £	Other £	Land & buildings £	Other £
Within one year	25,000	12,853	25,000	13,386
Between two and five years	<u>95,833</u>	<u>27,314</u>	-	<u>38,935</u>
	<u>120,833</u>	<u>40,167</u>	<u>25,000</u>	<u>52,321</u>
	=====	=====	=====	=====

### 22. RELATED PARTY TRANSACTIONS

#### Loans

Included within the figures in notes 14 and 15 is £150,000 (2021: £156,500) from Trustees and related parties, which are part of the secured charge on fixed assets (see note 11). See note 24 as subsequent to the year end this balance was waived.

The aggregate donations from Trustees to the charity during the year was £12,595 (2021: £10,506).

The aggregate Trustee membership subscriptions during the year were £5,790 (2021: £610)

### 23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### Group balances

	28/2/2022 £	28/2/2021 £
Financial assets at amortised cost	557,483	618,121
Financial liabilities at amortised cost	<u>(1,015,041)</u>	<u>(1,136,267)</u>
Net financial liabilities	<u>(457,558)</u>	<u>(518,146)</u>
	=====	=====

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

### 24. Post-balance sheet events

Subsequent to the year end, an outstanding loan of £150,000 (see note 22) has been waived and therefore is no longer due for repayment.

# **Tall Ships Youth Trust**

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