

Registered number: 04686048
Charity number: 1096846

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020

Trustees

J Cheshire (UK), Chairman
E Corwin (Norway)
D Galpin (UK)
M Henstock (Australia)
J Hughes (USA) (appointed 11 September 2019)
A Ledwidge-O'Brien (UK)
R MacDonald (UK)
R Mimbacas (Spain)
P Van Ommen (Netherlands)
L Westerberg (Sweden)
L Weweler (Germany)

Company registered number

04686048

Charity registered number

1096846

Registered office

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

Company secretary

A James (UK)

Chief Executive

G Brown (UK)

Independent auditors

James Cowper Kreston
Chartered Accountants and Statutory Auditor
9th Floor
The White Building
1-4 Cumberland Place
Southampton
Hampshire
SO15 2NP

Bankers

Lloyds TSB plc, 20 High Street, Gosport, Hampshire, PO12 1DE

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

Solicitors

Sherrards Solicitors LLP, 1-3 Pemberton Row, London, EC4A 3BG

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Trustees are pleased to present their report together with the Financial Statements of the Charity for the period ended 31 March 2020.

1. Objectives and Public Benefit

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

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

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

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

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

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

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

2. Events and Related Activities

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

Each year the involvement of Tall Ships from all over the world in our events provides the most visible example of the practical fulfilment of our objectives in four complementary ways:

- They create opportunities for young people to experience sailing on a Tall Ship and the personal development such an experience can offer,
- They promote international friendship and understanding through cultural and sports activities in host ports and welcoming large numbers of visitors to the ships,
- They generate funds both for the participating Tall Ships and for the Charity to use for bursary funding or research, and

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

Events in 2019

During 2019 there were two successful events;

1. The Liberty Tall Ships Regatta working in partnership with L'Armada 2019. The regatta saw an international fleet of Tall Ships race from Rouen in France, to The Hague, in The Netherlands. Coinciding with the 75th Anniversary of D-Day and the liberation of occupied territory in Northwestern Europe, the Liberty Tall Ships Regatta 2019 echoed the theme of international friendship and understanding.

2. The annual European Tall Ships Races took place in the North Sea and visited four ports in Denmark (Aalborg and Aarhus) and Norway (Fredrikstad and Bergen).

Directly through the Events organised by our trading companies in 2019:

- Over 4,000 young people participated in a sail training experience. This was an 11% increase from the previous year.
- 536 young people were given free or subsidised places through host ports or our own direct funding.
- The young trainees participating were made up of 60 nationalities. In 2018 the equivalent number was 35.
- 87 vessels took part in our events, 68 in the Tall Ship Races and 19 in the Liberty Regatta. In 2018 the equivalent number was 83.
- Approximately 5.95 million visitors in aggregate viewed the Tall Ships in the 6 host ports which was approximately 50% higher than the number in 2018 (3.9 million)

Current Events and Plans

Two events had been scheduled for 2020, The Tall Ships Races 2020 and the SCF White Sails of Peace Tall Ships Regatta, but unfortunately the Coronavirus pandemic has disrupted the events calendar.

Following extensive discussions, with our Host Port partners in Lisbon, Cadiz, A Coruna and Dunkerque, the Tall Ships fleet and all relevant bodies, over the impact of the Coronavirus (COVID 19) pandemic, the decision has been made to postpone The Tall Ships Races 2020 until 2021.

The Tall Ships Race 2021 is due to take place in the Baltic Sea from the 27th of June to the 3rd of August 2021 involving the 5 ports of Klaipeda, Turku, Tallin, Mariehamn and Szczecin. It has been decided that the postponed Tall Ships Race 2020 will take place following this between 12th August and 12th September 2021 following a revised course from Dunkerque through A Coruna, Lisbon and Cadiz.

Following three hugely successful events in 2014, 2016 and 2018, we were thrilled to get the opportunity to once again work with Sovcomflot to present the SCF White Sails of Peace Tall Ships Regatta 2020. The event, scheduled to be held in August and September, will bring the world famous Tall Ships Fleet back to the Pacific Rim and the Eastern Economic Forum (EEF) in Vladivostok, Russia. The SCF White Sails of Peace Tall Ships Regatta 2020 will see ships from around the world visiting Vladivostok, Russia, and a number of surrounding ports in Japan and South Korea. The event is sure to provide a unique spectacle to the region in a way that only the Tall Ships Fleet can.

At the time of writing discussions are ongoing with Sovcomflot with regard to whether the event can proceed this year due to the pandemic. As the EEF is an annual event a postponement to 2021 is a viable option.

Fundraising

The Charity does not employ dedicated fundraising staff. The principle source of income is that generated by the subsidiaries through races and regattas. Exceptions to this are a donation of €50,000 per annum for bursaries from the Sultanate of Oman and occasional amounts in the form of legacies and donations.

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3. Bursaries

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

Our **Host Port Bursary** scheme whereby host ports commit, in their contracts with us, to provide funding for young people, in their area, to sail on board Tall Ships participating in our races, continues to provide a high number of local young trainees. In 2019 the four host ports for TSR 2019 provided for 496, (934 from nine host ports in 2018) young people to participate in our events. The breakdown of host port trainees was 150 from Aalborg, 162 from Fredrikstad, 100 from Bergen and 84 from Aarhus. Each host port finds its own way to meet their commitment to the scheme and we estimate that the Host Port bursary programme as a whole has an equivalent bursary value in excess of Euros 550,000 (GBP £500,000)

The Charity has previously also funded a **NSTO Bursary Scheme**, administered with the assistance of those Member organisations whose countries were involved in the events in each year. In 2019 This Bursary was used for a project run by Sail Training Association Netherlands, and in future years will be replaced by the Youth Development Fund (see below)

Sultanate of Oman Bursary Scheme

The Charity is privileged to have enjoyed long term support from the Sultanate of Oman, which has operated a Tall Ship of its own for many years. The Sultanate has for the past 8 years funded a dedicated bursary scheme administered by the Charity with a worldwide reach. In 2019 it funded 100 trainees from 20 countries to gain a place on Tall Ships participating in our events.

Rendezvous 2017 Legacy Fund

As part of the agreement for Rendezvous 2017 a legacy fund was created to provide sail training opportunities for young Canadians and during the year it was agreed to fund three projects for the benefit of young Canadians. Brigantine Incorporated, based in Kingston Ontario, have been awarded \$10,000 Canadian dollars to help develop a new sail training program for young people including at risk youth. Ecomaris from Montreal have been awarded \$10,000 for their "Cosmic Plankton" program in which Sail Training aspects will be combined with environmental education and Tall Ships Canada Association has been awarded \$5,000 for its project "TSCA-ASTO International Exchanges" to bring young people from Canada to the UK to participate in Sail Training with European young people.

The fund appears under restricted funds within the Charity's accounts.

The total number of trainees that benefited from a Sail Training International related Bursary was 536 which represents approximately 13% of the young trainees taking part in our events.

4. Promotion of Sail Training Worldwide

International Conferences:

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

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

Our 2019 International Conference was held in December in Antwerp. Representatives from 21 of our Member countries attended and in aggregate there were over 300 delegates, from 32 countries. Over 50 sail training

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organisations were represented.

All the members of the Charity are National Sail Training Organisations (NSTOs), which are also not-for-profit organisations, and the Charity supports its international members in developing sail training in their own countries.

The Charity also promotes sail training activities to the public through its website SailonBoard.com which is dedicated to assisting young people to find berths on recognised sail training Tall Ships for participation not only in our Events but generally on ships throughout the world. In 2019/20 16,001 unique trainee enquiries were referred to ship operators. At events managed or approved by the Charity we organise Sail on Board stands through which we are able to promote the new website to the general public attending the Event. Traffic to the website has increased by 8% from 2018.

Youth Development Fund

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

There were 4 successful applications in 2019 assessed against a criteria based around STI's underlying core values. The winners were:

Sail Training Association Latvia: €8,400 - This programme aims to engage with young people from remote Latvian areas bringing them meaningful leisure activities that will improve the level of inclusivity within Sail Training. It aims to establish long-term collaboration networks with municipalities, youth centres, and Non-Governmental Organisations and social service providers in different regions helping them to reach even wider youth audiences.

Leeuwin Ocean Adventure Foundation Limited: €5,000 - This programme takes young men and women from severely drought affected areas to participate in a seven day voyage on the Sail Training Ship *Leeuwin II* sailing from Albany to Fremantle. Leeuwin Ocean Adventure works and has a long fruitful relationship working with schools, local governments and community groups to provide programmes accessible to young people from financially disadvantaged rural and remote backgrounds.

Sail Training Association of Queensland: €5,000 – They will undertake an eight day voyage for a combined group of 22 Japanese and Australian youths. By bringing together young people from different cultures, this voyage will offer the benefits of a traditional sailing experience and help those taking part to develop an understanding of foreign cultures. This is an opportunity not readily available for two island nations.

Challenge Wales: €6,600 – This involves six one and a half day accredited voyages aimed at disadvantaged 14 – 25 year olds and those struggling to enter the workforce. Each trainee will have an opportunity to gain accreditation in teamwork (through Agored Cymru), to make new friends and develop confidence through Sail Training activities. The programme will include numerous teamwork activities, provide life skills training and provide environmental education, including a focus on understanding the issues surrounding single use plastics.

5. Research STI is funding currently

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

In an effort to support this international community, and to promote further research, Sail Training International launched the STI Research Grant Fund (£20,000) with the first successful applicants announced in 2018. Three studies were funded in part or in whole and two of those studies presented their findings at the annual conference 2019. Leeuwin Ocean Adventure Foundation presented on their project 'What does sail training do for youth?' and the Universities of Barcelona and Aberdeen presented on 'Sailing as a way of life'.

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Drawing on the success of the first round, applications for the STI Research Grant Fund have increased three-fold in 2019 demonstrating the growing interest in sail training as an exciting field of study. The successful applicants were received from University of Otago and Grand Banks.

6. Financial Review

The consolidated income of the charity and its wholly owned trading subsidiaries amounted to £964,807 (2019: £1,319,509). Expenditure during the period amounted to £1,215,960 (2019: £1,564,293). At the consolidated level this resulted in a reduction in reserves of £251,153 (2019: reduction in reserves £244,784). Reserves at the year-end stood at £470,946 (2019: £722,099). For a breakdown of reserves between unrestricted and restricted funds please refer to note 18 of the Financial Statements.

Overall our trading activities made a surplus of £102,517 (2019: £219,985). The Trustees decided, with the approval of the Members, to continue with a modest increase in the level of expenditure on charitable activities recognising this would be funded from the Charity's reserves hence the overall reduction in reserves of £251,153.

The TSRIL Board unanimously agreed to retain the surplus of £102,517 in the trading company this year as opposed to making a gift aid payment to the charity. The decision was taken to allow the subsidiary to maintain funds that will be required to contribute towards financial expenditure commitments in 2020/21.

Our principal source of trading income during the period comes, as in prior years, from sponsorship income and Host Port fees drawn from long term contracts for our events.

Taking into account this change the Trustees regard the results achieved as satisfactory.

Enthusiasm among the sail training community for our events remains strong. This was evident in the way they came together to seek and find a solution to the disruption caused to the 2020 program by the Covid-19 global pandemic.

There are plans for events in place for the period to 2023, with a total of 21 ports involved. These events include Races in the North Sea, the Iberian Sea and the Baltic Sea along with a Regatta in the Far East. We are encouraged by the ongoing support for our events from host ports which continue to consider our events to be a worthwhile economic proposition for them and their communities as well as promoting the involvement of young people in sail training.

Nevertheless, the Trustees' strategic plans include devoting resources via its subsidiary trading company to increase sponsorship income for its events and thereby increase the Gift Aid income to the Charity.

Sponsorship

To date we have been successful in contracting a sponsor for some, but not all, of our regattas and continue to seek a sponsor for The Tall Ships Races.

Our relationship with SCF Sovcomflot, a large Russian shipping company, continues to be successful. They have sponsored 3 events to date (Black Sea Tall Ships Regatta in 2014 and 2016 and the Far East Tall Ships Regatta 2018 centred on Vladivostok). A second edition of this event is contracted to take place in 2020 with plans to visit ports in South Korea, Japan as well as Vladivostok.

The Trustees have reviewed the longer-term viability of the Charity in the light of the Gift Aid income from its trading subsidiaries. This in turn is dependent upon the prospective host port fee income and contracted sponsorship income relating to events. Though recognising that sponsorship income is uncertain and volatile, the Trustees are confident in securing adequate income for the next three years.

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FOR THE YEAR ENDED 31 MARCH 2020

Risk Management and Reserves

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

By their very nature the Tall Ships Races take place in international waters and could be subject to political and other events outside our control. The Boards of the trading subsidiaries and the Trustees therefore consider political and strategic risks when making decisions to organise events (particularly in new sea areas) and keep such issues under careful review on a regular basis.

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

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

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

The Trustees are always mindful of the fact that the Charity operates in a changing environment which is sensitive to shifts in international relations and economic success in different cities and regions. With this in mind they will review annually the need to designate funds to cover short term reductions in funding, necessary changes to operational activities or organisational infrastructure and the transition to new funding arrangements which have an impact on short term cash flow.

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

In light of the global Covid-19 Pandemic, disrupting the 2020 schedule, significant reductions will be made in staff and overhead costs in the new financial year. The staff reduction of four employees will be achieved with a redundancy program in quarter one of 2020/21.

External legal and accounting advice has been sought to ensure both the Trading Company and the Charity are fully compliant with legislation regarding solvency.

Investment Powers and Policy

Under its constitution, the Charity has the power to make any investment which the Trustees see fit. The Trustees, having regard to the risk and liquidity requirements of organising races and events and to the reserves policy, have operated a prudent policy of keeping balances in a range of mainly short-term instruments selected to generate the best returns, consistent with security.

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FOR THE YEAR ENDED 31 MARCH 2020

7. Structure, Governance and Management

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

Sail Training International / the Charity

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

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

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

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

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

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

The Trustees also appoint the Boards of Directors of the trading subsidiaries and set the terms of reference for other Committees and working groups. During 2019 the Trustees invited Jan Reier Arends, Bjørg Johnsrud Western, and Jan Van der Burg to join as board members officially starting their board roles in September 2019.

Two longstanding directors, Knut Western and Terry Davies resigned as directors of the trading company in 2019. Knut had been a director since 2006 and had also served as Chairman and Event Chairman. Terry Davies joined the board in 2015 having formerly been a trustee as well as a director of other companies within the group. The Trustees would like to thank them both for their significant contributions over many years.

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

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

Many of the candidates for appointment as a Trustee will have a pre-existing connection with or knowledge of sail training but candidates are only put forward after the Trustees and the Company Secretary are satisfied that they understand their responsibilities and duties as a Trustee of a UK Charity. New Trustees are provided with such information as they require with the process and topics being tailored to each individual's background experience and knowledge. Trustees and Directors have access to the Company Secretary and from time to time receive additional training through attendance at workshops and seminars at International Conferences. During the year the Trustees appointed Diana Gilpin, Aoife Ledwidge O'Brien, Raul Mimbacas, and Jill Hughes as Trustees. All four were re-elected by Members at the AGM.

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

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

Committees, Working Groups and Volunteers

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

The **Governance and Audit Committee** represents Members' interests by providing oversight of the accounting and other systems and policies of the Charity and its trading subsidiaries. The Committee has independent access to the auditors, and to the staff and records of the Charity and its subsidiaries. The Committee includes at least one independent person who is either a Trustee or chief executive of another UK Charity operating in a different field, to provide objectivity and external experience.

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

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

The **Port Advisory Group** acts as conduit for the Charity and its trading company to receive input on its activities and events from this important stakeholder group.

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

Subsidiary Companies

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

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

The remuneration for the CEO and other key employees is set by the Trustees having taken account of the ACEVO survey of executive pay awards, the current Cost of Living and other relevant indices. A majority of the directors of the trading subsidiaries are unpaid volunteers.

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

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Tall Ships International Limited is responsible for other races and events the charity organises or is involved with worldwide that involve North America, including consultancy contracts. As there are no events under contract that fall into this category the company remains dormant.

8. Financial Statements

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

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are aware of the Charity Commission's Governance Code and are reviewing the Charity's governance in light of the code.

So far as the Trustees are aware:

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

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

Signed by order of the Trustees



A. James

Company Secretary

Registered Office:

Charles House
Gosport Marina
Mumby Road
Gosport
Hampshire
PO12 1AH

Approved by the Trustees on2020

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

Opinion

We have audited the financial statements of Sail Training International (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 of the parent charitable company's affairs as at 31 March 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAIL TRAINING INTERNATIONAL
(CONTINUED)

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the 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 requirement to prepare a Strategic Report.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 04686048

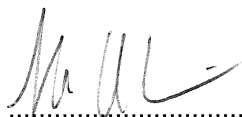
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	42,977	15,808
		<u>42,977</u>	<u>15,808</u>
Current assets			
Debtors	15	268,951	231,735
Cash at bank and in hand		1,229,909	1,485,481
		<u>1,498,860</u>	<u>1,717,216</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(290,264)	(678,733)
Net current assets		<u>1,208,596</u>	<u>1,038,483</u>
Total assets less current liabilities		<u>1,251,573</u>	<u>1,054,291</u>
Creditors: amounts falling due after more than one year	17	(800,105)	(332,192)
Total net assets		<u><u>451,468</u></u>	<u><u>722,099</u></u>
Charity funds			
Restricted funds	18	184,608	185,568
Unrestricted funds	18	266,860	536,531
Total funds		<u><u>451,468</u></u>	<u><u>722,099</u></u>

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
J Cheshire
Chairman

Date:

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 04686048


CHARITY BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	42,977	15,808
Investments	14	3	5
		<u>42,980</u>	<u>15,813</u>
Current assets			
Debtors	15	46,288	65,534
Cash at bank and in hand		595,321	660,866
		<u>641,609</u>	<u>726,400</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(316,161)	(20,114)
		<u>325,448</u>	<u>706,286</u>
Net current assets		<u>368,428</u>	<u>722,099</u>
Total net assets		<u><u>368,428</u></u>	<u><u>722,099</u></u>
Charity funds			
Restricted funds	18	184,608	185,568
Unrestricted funds	18	183,820	536,531
		<u>368,428</u>	<u>722,099</u>
Total funds		<u><u>368,428</u></u>	<u><u>722,099</u></u>

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


.....
J Cheshire
Chairman

Date:

The notes on pages 18 to 34 form part of these financial statements.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	(215,569)	(435,807)
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(40,003)	(3,295)
	<hr/>	<hr/>
Net cash used in investing activities	(40,003)	(3,295)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(255,572)	(439,102)
Cash and cash equivalents at the beginning of the year	1,485,481	1,924,583
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u>1,229,909</u>	<u>1,485,481</u>

The notes on pages 18 to 34 form part of these financial statements

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

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

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

1.2 Basis of consolidation

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

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

The Charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The income and expenditure account for the year dealt with in the accounts of the Charity was £353,671 deficit (2019: £338,234 deficit).

1.3 Going concern

The directors have considered the impact of the global Covid-19 pandemic on the ability of the Company to continue trading for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements and updating financial projections and performing rigorous stress testing on these projections in respect of income and the Company's supply chain. Based on this review and taken together with existing financing facilities the directors believe that the financial statements have been prepared appropriately on the going concern basis.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group 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 Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

1.5 Income

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

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

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

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

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

Any income from donations received by the charity is recognised in the period in which they are received.

The value of services provided by volunteers is not incorporated in these accounts as the economic benefit cannot be measured reliably.

1.6 Expenditure

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

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

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

1.7 Allocated overheads

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

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

1.8 Interest receivable

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

1.9 Taxation

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

The subsidiary companies are liable to corporation tax to the extent that their profits are not gifted to the Charity.

1.10 Tangible fixed assets and depreciation

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

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

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

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

Depreciation is provided on the following bases:

Office equipment	- 5 years straight line
Computer equipment	- 3 years straight line

1.11 Investments

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

1.12 Financial instruments

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

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

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

1.13 Cash at bank and in hand

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

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

1.15 Operating leases: the Group as a lessee

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

1.16 Foreign currencies

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

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

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

1.17 Pensions

Defined Contribution Scheme

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Judgements in applying accounting policies and key sources of estimation uncertainty

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

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Revenue recognition and deferred income

The Group recognises revenue in line with its accounting policy detailed at note 1.3 and where income relates to more than one financial period, it is spread across those periods. Any difference between amounts received and costs incurred is classed as deferred income and the balance is released in the year in which the associated event occurs.

3. Legal status of the charity

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

4. Income from donations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	500	48,283	48,783	48,113
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2019	1,810	46,303	48,113	
	<hr/>	<hr/>	<hr/>	

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Organisation of Tall Ships Races	640,914	640,914	753,248
Annual conference	69,621	69,621	68,085
Recharged costs	699	699	4,222
	<u>711,234</u>	<u>711,234</u>	<u>825,555</u>
Total 2019 as restated	<u>825,555</u>	<u>825,555</u>	

6. Income from generating funds

	Unrestricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Other income	9,050	9,050	2,877
Sponsorship income	190,878	190,878	435,061
	<u>199,928</u>	<u>199,928</u>	<u>437,938</u>
Total 2019 as restated	<u>437,938</u>	<u>437,938</u>	

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	4,862	4,862	7,903
Total 2019	<u>7,903</u>	<u>7,903</u>	

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Analysis of expenditure on charitable activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Organisation of Tall Ships Races	650,356	49,360	699,716	951,797
Charity operating costs	226,777	57,720	284,497	283,942
Annual onference	47,887	-	47,887	117,872
Project costs	59,565	-	59,565	66,726
Bursary costs	71,700	-	71,700	81,894
Governance costs	45,262	3,477	48,739	62,062
	<u>1,101,547</u>	<u>110,557</u>	<u>1,212,104</u>	<u>1,564,293</u>
Total 2019	<u>1,451,895</u>	<u>112,398</u>	<u>1,564,293</u>	

Analysis of support costs

	Tall Ships Races 2020 £	Charity trading activities 2020 £	Governance 2020 £	Total funds 2020 £	Total funds 2019 £
Office costs	26,377	39,701	2,753	68,831	69,568
Postage, printing and communications	17,264	110	724	18,098	18,847
Exchange losses	5,719	5,072	-	10,791	10,887
Loss on disposal of fixed assets	-	-	-	-	363
Depreciation	-	12,837	-	12,837	12,733
	<u>49,360</u>	<u>57,720</u>	<u>3,477</u>	<u>110,557</u>	<u>112,398</u>
Total 2019	<u>81,232</u>	<u>27,644</u>	<u>3,522</u>	<u>112,398</u>	

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Governance costs

	2020 £	2019 £
Legal and professional fees	3,952	10,998
Audit fees	8,000	9,000
Other accounting fees	4,000	9,035
IT costs	1,077	1,102
Staff and support costs	31,710	31,927
	<u>48,739</u>	<u>62,062</u>

10. Net expenditure

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	12,834	12,739
Auditors' remuneration - audit	8,000	9,000
Auditors' remuneration - other services	4,000	5,200
Operating lease rentals	<u>24,674</u>	<u>24,286</u>

11. Staff costs

	Group 2020 £	Group 2019 £
Wages and salaries	477,284	492,647
Social security costs	39,657	43,255
Defined contribution pension scheme costs	47,223	45,777
	<u>564,164</u>	<u>581,679</u>

In addition to the above staff costs a further £10,390 (2019: £10,409) was incurred in respect of staff medical cover.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	Group 2020 No.	Group 2019 No.
Charitable activities	9	9
Administration	3	3
	<u>12</u>	<u>12</u>

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

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

The executive management personnel of the parent charity and the Group comprise Trustees, the Chief Executive Officer, Head of Race Directorate, Director of Marketing and Communications and the Commercial Director. The salary costs of the executive management personnel for the year ended 31 March 2020 were £262,929 (2019: £253,269).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, expenses totalling £6,479 were reimbursed or paid directly to 9 Trustees (2019 - £11,890 to 10 Trustees).

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Tangible fixed assets

Group

	Office equipment £	Computer equipment £	Bicycles £	Total £
Cost or valuation				
At 1 April 2019	22,825	24,128	422	47,375
Additions	-	40,003	-	40,003
Disposals	(493)	(15,496)	(422)	(16,411)
At 31 March 2020	<u>22,332</u>	<u>48,635</u>	<u>-</u>	<u>70,967</u>
Depreciation				
At 1 April 2019	15,483	15,662	422	31,567
Charge for the year	4,480	8,354	-	12,834
On disposals	(493)	(15,496)	(422)	(16,411)
At 31 March 2020	<u>19,470</u>	<u>8,520</u>	<u>-</u>	<u>27,990</u>
Net book value				
At 31 March 2020	<u><u>2,862</u></u>	<u><u>40,115</u></u>	<u><u>-</u></u>	<u><u>42,977</u></u>
At 31 March 2019	<u><u>7,342</u></u>	<u><u>8,466</u></u>	<u><u>-</u></u>	<u><u>15,808</u></u>

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

13. Tangible fixed assets (continued)

Company

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2019	22,825	24,128	46,953
Additions	-	40,003	40,003
Disposals	(493)	(15,496)	(15,989)
	<u>22,332</u>	<u>48,635</u>	<u>70,967</u>
At 31 March 2020			
Depreciation			
At 1 April 2019	15,483	15,662	31,145
Charge for the year	4,480	8,354	12,834
On disposals	(493)	(15,496)	(15,989)
	<u>19,470</u>	<u>8,520</u>	<u>27,990</u>
At 31 March 2020			
Net book value			
At 31 March 2020	<u><u>2,862</u></u>	<u><u>40,115</u></u>	<u><u>42,977</u></u>
At 31 March 2019	<u><u>7,342</u></u>	<u><u>8,466</u></u>	<u><u>15,808</u></u>

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 April 2019	5
Write-off	(2)
	<hr/>
At 31 March 2020	3 <hr/>
Net book value	
At 31 March 2020	3 <hr/>
At 31 March 2019	5 <hr/>

15. Debtors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year				
Trade debtors	176,373	163,415	-	-
Amounts owed by group undertakings	-	-	-	23,514
Other debtors	15,940	7,904	2,288	-
Prepayments and accrued income	76,638	60,416	44,000	42,020
	<hr/>	<hr/>	<hr/>	<hr/>
	268,951	231,735	46,288	65,534
	<hr/>	<hr/>	<hr/>	<hr/>

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

16. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	42,734	25,898	14,894	-
Amounts owed to group undertakings	-	-	264,666	4
Corporation tax	19,478	281	-	-
Other taxation and social security	12,783	11,325	-	-
Accruals and deferred income	215,269	641,229	36,601	20,110
	<u>290,264</u>	<u>678,733</u>	<u>316,161</u>	<u>20,114</u>

17. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accruals and deferred income	800,105	332,192	-	-
	<u>800,105</u>	<u>332,192</u>	<u>-</u>	<u>-</u>

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

18. Statement of funds

Statement of funds - 2020

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
Unrestricted funds				
General Funds	536,531	916,524	(1,186,195)	266,860
Restricted funds				
Sultan of Oman bursary fund	37,779	44,000	(34,151)	47,628
Ross MacDonald fund	3,911	-	-	3,911
Aalborg Commune fund	2,545	-	(1,278)	1,267
Canadian Legacy fund	141,333	-	(13,814)	127,519
STAG fund	-	4,283	-	4,283
	<u>185,568</u>	<u>48,283</u>	<u>(49,243)</u>	<u>184,608</u>
Total of funds	<u><u>722,099</u></u>	<u><u>964,807</u></u>	<u><u>(1,235,438)</u></u>	<u><u>451,468</u></u>

Statement of funds - 2019

	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
Unrestricted funds				
General Funds	768,229	1,273,206	(1,504,904)	536,531
Restricted funds				
Sultan of Oman bursary fund	36,375	42,020	(40,616)	37,779
Ross MacDonald fund	3,911	-	-	3,911
Aalborg Kommune fund	2,700	4,283	(4,438)	2,545
Canadian Legacy fund	155,668	-	(14,335)	141,333
	<u>198,654</u>	<u>46,303</u>	<u>(59,389)</u>	<u>185,568</u>
Total of funds	<u><u>966,883</u></u>	<u><u>1,319,509</u></u>	<u><u>(1,564,293)</u></u>	<u><u>722,099</u></u>

SAIL TRAINING INTERNATIONAL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

19. Analysis of net assets between funds

Analysis of net assets between funds - 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	42,977	-	42,977
Current assets	1,314,252	184,608	1,498,860
Creditors due within one year	(290,264)	-	(290,264)
Creditors due in more than one year	(800,105)	-	(800,105)
Total	<u>266,860</u>	<u>184,608</u>	<u>451,468</u>

Analysis of net assets between funds - 2019

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	15,808	-	15,808
Current assets	1,531,648	185,568	1,717,216
Creditors due within one year	(678,733)	-	(678,733)
Creditors due in more than one year	(332,192)	-	(332,192)
Total	<u>536,531</u>	<u>185,568</u>	<u>722,099</u>

20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	Group 2019 £
Net income for the period (as per Statement of Financial Activities)	<u>(270,631)</u>	<u>(244,784)</u>
Adjustments for:		
Depreciation charges	12,834	12,739
(Increase) in debtors	(37,216)	(107,005)
Increase/(decrease) in creditors	79,444	(96,757)
Net cash used in operating activities	<u>(215,569)</u>	<u>(435,807)</u>

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21. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	1,229,909	1,485,481

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	1,485,481	(255,572)	1,229,909

22. Pension commitments

The Group operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £45,623 (2019: £44,172). Contributions totalling £Nil (2019: £Nil) were payable to the fund at the balance sheet date and are included in other creditors.

23. Operating lease commitments

At 31 March 2020 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	20,000	22,787	20,000	22,787
Later than 1 year and not later than 5 years	56,667	74,750	56,667	74,750
	76,667	97,537	76,667	97,537

24. Related party transactions

Ross MacDonald, a trustee, made a donation in 2008 to the charity of £10,000 for the provision of bursaries to young people. As at 31 March 2020, £3,911 (2018: £3,911) of this donation remained unspent and is included within restricted reserves.

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25. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Holding
Tall Ships Races International Limited	04894646	100%
Tall Ships International Limited	05025229	100%
Sail On Board Limited	10501077	100%

The financial results of the subsidiaries for the period were:

Names	Income £	Expenditure £	Profit/(Loss) for the period £	Net assets £
Tall Ships Races International Limited	1,064,232	981,192	83,040	83,041
Tall Ships International Limited	-	-	-	1
Sail On Board Limited	-	-	-	1

All subsidiary undertakings are registered at Charles House, Mumby Road, Gosport, Hampshire, United Kingdom, PO12 1AH.