

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 2022

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Trustees' Report	2 - 9
Independent Auditors' Report on the Financial Statements	10 - 13
Consolidated Statement of Financial Activities	14
Consolidated Balance Sheet	15
Charity Balance Sheet	16
Consolidated Statement of Cash Flows	17
Notes to the Financial Statements	18 - 38

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Trustees

J Cheshire (UK), Chairman
E Corwin (Norway)
D Galpin (UK)
M Henstock (Australia)
J Hughes (USA)
A Ledwidge-O'Brien (Ireland)
R MacDonald (UK) (resigned 31 March 2022)
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 officer

G Brown (UK) - resigned 30 April 2021
A James (UK) - appointed Chief Operating Officer 30 April 2021

Independent auditors

James Cowper Kreston
Chartered Accountants and Statutory Auditors
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

Paris Smith, 1 London Road, Southampton, SO15 2AE

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees are pleased to present their report together with the Financial Statements of the Charity for the period ended 31 March 2022.

The year has again been very difficult for the Charity and its trading subsidiaries due to the global pandemic, which required all our planned events for a second year to be cancelled or postponed. The Charity has continually assessed the impact of the pandemic and updated its financial forecasts and projections accordingly throughout the year and subsequent to the year end. The forecasts have been rigorously stress-tested in house and supported by external financial advice on going-concern status.

The support of the Charity's stakeholders throughout this period, particularly the 2021 host ports, has been key to navigating through this difficult period.

Agreement was reached with the ports for the 2021 Tall Ships Race to mutually cancel the event. As part of the negotiation these ports were granted automatic inclusion in the Tall Ships Race 2024 at a discounted host port fee. This allowed us to recognise the full port income for the Tall Ships Race 2021 without incurring some of the race costs and was a major factor in the improved financial results in the year.

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 lifestyle 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, tolerance, and 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.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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, continues 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 three 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 generate funds both for the participating Tall Ships and for the Charity to use for bursary funding or research, and
- 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 2021

The two planned events for 2020 the Tall Ships Race 2020 (Magellan Elcano) and the Far East Regatta 2020 were both postponed to 2021 to run after the planned Tall Ships Race 2021 in agreement with all related parties. Unfortunately, due to the restrictions imposed by the global pandemic it was not possible for any of the three events to proceed in 2021.

This decision was taken in partnership with the participating ports and sponsors.

Fundraising

The Charity does not employ dedicated fundraising staff. Hitherto the principal source of income is that generated by the subsidiaries through races and regattas. However, the loss of all trading income during the pandemic highlighted our over-dependence on a single funding stream. Trustees have therefore started to approach philanthropic sources for donations direct to the Charity.

Applications to several foundations have produced some results. In particular, the Beaulieu Beaufort Foundation made a grant of £10,000 received in June 2021, which was crucial in supporting our liquidity while negotiations with the host ports were under way. Other general donations contributed nearly £5,000, and the Royal Navy of Oman made its usual annual grant of €50,000 to our restricted funds for support to individual trainees and sail training operators.

3. Support for individuals and sail training operators

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 on our races, continues to provide a high number of local young trainees. Each host port finds its own way to meet their commitment to the scheme and we estimate that in an average year the Host Port bursary programme as a whole has an equivalent bursary value in excess of Euros 750,000 (Euros 378,000).

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

John E Burnett Bursary Fund

The John E. Burnett Bursary was launched for the first time in 2021, providing £10,000 in funding for disabled people of any age to take part in a Sail Training voyage. The bursary was set up following the kind support of the estate of John E. Burnett, a supporter of access to Sail Training. The funds have been fully spent giving 14 trainees a sail training experience.

Rendez-Vous 2017 Legacy Fund

The Canada Legacy Fund was not utilised in 2021 as the decisions on funding projects was delayed due to the Covid pandemic.

Two projects have been approved and will proceed in 2022 with financial support from the Canada Legacy Fund.

Bytown Brigantine has received \$15,000CAN to develop and execute a 5-week programme for 20 young people. The program will develop interpersonal, leadership and employability skills as well as traditional sailing skills.

Nova Scotia Sea School has received \$10,000CAN. The 'Back to Sea' project is meant to serve as a COVID recovery response and effort to engage with and mobilize vulnerable youth to participate in Sea School programs in 2022. This project will have 3 key elements that include: 1) Partnership development with youth service agencies; 2) Direct programming for onboarding new participants, leadership development and youth employment and 3) Training and resource development for instructional staff on mental health, healthy boundaries and responses.

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.

The Youth Development Fund returned in 2021 using funding from the Royal Navy of Oman and offered £25,000 in funding to support several projects fostering youth development. We received 20 high quality applications and were delighted to award funding to Portugal's NSTO Aporvela, UK Sail Training organisations CatZero, Offshore and Ocean Youth Trust South, and Italian not-for-profit organisation Vela Tradizionale. These funds appear under restricted funds within the Charity's accounts.

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.

During 2021 there was no possibility to hold an in-person conference, but both the Charity and the Youth Council held virtual conferences that proved both popular and successful.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

5. Research

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.

The activities of the Charity therefore include participation in, and some funding for, research projects. Through its members and the Tall Ships participating in its events, the Charity is well placed to assist in gathering data for such projects.

Drawing on the success of the first round, applications for the STI Research Grant Fund increased three-fold in 2019 and the successful applicants University of Otago and Grand Banks filed their respective Research reports in 2020.

Due to the Pandemic no new grants were authorised during 2021.

6. FINANCIAL REVIEW

The consolidated income of the charity and its wholly owned trading subsidiaries amounted to £864,253 (2021: £497,951). Income increased considerably year over year due to reaching agreement with the 2021 host ports on the cancellation of TSR2021 which allowed the income to be recognised. Expenditure during the period amounted to £675,136 (2021: £698,399). At the consolidated level this resulted in an increase in reserves of £189,117 (2021: reduction in reserves £200,448). Reserves at the year-end stood at £440,137 (2021: £251,020).

The unrestricted reserves amounted to £279,036 at year end which would meet the first criteria established in the reserves policy and partially the second level.

Overall, our trading activities had a surplus of £300,916 (2021: £67,346 deficit).

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. This income was maintained even though no events took place through reaching agreements with both host port cities and main sponsor. The cost base reduction in 2020 improved the 2021 financial results.

Considering the cancellation of the events and the reduction in the cost base the Trustees regard the results achieved as the best that could be achieved in the second year impacted by the global pandemic.

Enthusiasm among the sail training community for our events remains strong. The Trustees and Chief Executive can look ahead to Tall Ships Races and other events planned for the next few years and to identify opportunities which may become available and any major operational and strategic challenges that may arise.

These events include Races in the North Sea, the Iberian Sea, and the Baltic Sea. 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.

Post Balance Sheet Events

The planned 2022 Tall Ships Race has gone ahead successfully with the fleet being welcomed by large crowds in all the four ports. The host ports were Aalborg and Esbjerg in Denmark and the Belgian port of Antwerp and Harlingen in the Netherlands.

Looking further ahead two events will take place in 2023. The 2023 Tall Ships Race has five ports contracted and agreement has been reached with the postponed 2020 Tall Ships Race (Magellan Elcano) ports of A Coruna, Lisbon and Cadiz with the addition of Falmouth.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Sponsorship

Our relationship with SCF Sovcomflot, a large Russian shipping company, has been suspended.

After it was mutually agreed the 2021 Far East Regatta could not proceed due to the Covid pandemic SCF proposed suspending the sponsorship agreement until March 2023 with an ambition of running the Far East Regatta in September 2023 coinciding with the Eastern Economic Forum and SCF's 50th anniversary. As part of this sponsorship suspension a reconciliation of income and costs was completed. This agreement was in place prior to the Russian invasion of Ukraine. Dialogue with SCF subsequently has been minimal.

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 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 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 ramifications of the pandemic and the need to postpone the planned events has brought to reality this identified risk.

The Trustees have recently reviewed the Charity's reserves policy and 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).
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 will prioritise rebuilding the unrestricted reserves over the next 2 years to meet as a minimum the first two criteria set out above.

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 and the effects of the Covid outbreak 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.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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.

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, South Africa, Spain, Sweden, United Kingdom and United States of America.

In light of the Russian invasion of Ukraine the membership voted to suspend Russia as a member.

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 the year there was no change in either the Trustee Board or the subsidiary Boards of Directors.

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 can 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.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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.

The Charity has established rules for the better management and governance of the organisation, known as the 'Red Book'. This was extensively reviewed and updated during the year and a new version agreed by the Members.

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 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.

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 three 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 Committee for each race series to provide advice on maritime and safety issues. Its objectives are set by the Trustees of the Charity.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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 has been dormant throughout the year.

Sail on Board is currently a dormant company.

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 of 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.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
A James
Company Secretary
Date: 27/9/22

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

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 2022 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 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 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

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

Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

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

Michael Bath BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditors

9th Floor

The White Building

1-4 Cumberland Place

Southampton

Hampshire

SO15 2NP

Date:

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations	4	15,917	40,671	56,588	61,496
Charitable activities	5	695,451	-	695,451	386,623
Other trading activities	6	112,084	-	112,084	5,498
Investments	7	130	-	130	540
Other income	8	-	-	-	43,794
Total income		823,582	40,671	864,253	497,951
Expenditure on:					
Charitable activities	10	606,396	68,740	675,136	698,399
Total expenditure		606,396	68,740	675,136	698,399
Net income/(expenditure)		217,186	(28,069)	189,117	(200,448)
Transfers between funds	21	8,607	(8,607)	-	-
Net movement in funds		225,793	(36,676)	189,117	(200,448)
Reconciliation of funds:					
Total funds brought forward		53,243	197,777	251,020	451,468
Net movement in funds		225,793	(36,676)	189,117	(200,448)
Total funds carried forward		279,036	161,101	440,137	251,020

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 38 form part of these financial statements.

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

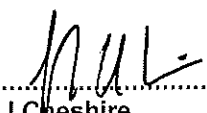
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	25,320	37,376
Current assets			
Debtors	18	119,270	251,294
Cash at bank and in hand		1,679,498	1,338,261
		<u>1,798,768</u>	<u>1,589,555</u>
Current liabilities	19	(708,558)	(950,511)
Net current assets		<u>1,090,210</u>	639,044
Total assets less current liabilities		<u>1,115,530</u>	676,420
Creditors: amounts falling due after more than one year	20	(675,393)	(425,400)
Total net assets		<u><u>440,137</u></u>	<u><u>251,020</u></u>
Charity funds			
Restricted funds	21	161,101	197,777
Unrestricted funds	21	279,036	53,243
Total funds		<u><u>440,137</u></u>	<u><u>251,020</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: 27/9/22

The notes on pages 18 to 38 form part of these financial statements.

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

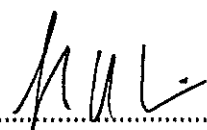
CHARITY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	25,320	37,376
Investments	17	3	3
		<u>25,323</u>	<u>37,379</u>
Current assets			
Debtors	18	475	468
Cash at bank and in hand		337,975	252,992
		<u>338,450</u>	<u>253,460</u>
Current liabilities	19	(40,156)	(55,423)
Net current assets		<u>298,294</u>	<u>198,037</u>
Total net assets		<u><u>323,617</u></u>	<u><u>235,416</u></u>
Charity funds			
Restricted funds	21	161,096	197,777
Unrestricted funds	21	162,521	37,639
Total funds		<u><u>323,617</u></u>	<u><u>235,416</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: 27/9/22

The notes on pages 18 to 38 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	23	341,107	115,248
Cash flows from investing activities			
Dividends, interests and rents from investments		130	540
Purchase of tangible fixed assets		-	(7,436)
Net cash provided by/(used in) investing activities		130	(6,896)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		341,237	108,352
Cash and cash equivalents at the beginning of the year		1,338,261	1,229,909
Cash and cash equivalents at the end of the year	24	1,679,498	1,338,261

The notes on pages 18 to 38 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 2022

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 October 2019), 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.

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.

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.

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. The effect of the pandemic has resulted in all events in both the 2020 and 2021 financial period being either cancelled or postponed.

The Company has continually assessed the impact of the pandemic and updated its financial forecasts and projections accordingly throughout the financial year. The financial forecasts, which take into account the charity's high fixed cost base and also the fact that host ports typically confirm their participation 3 to 4 years before the date of a race, have been stress-tested in house coupled with receiving external financial advice regarding going concern status.

The support of the Company's stakeholders throughout this period, particularly the 2021 Tall Ships host ports, has been key to navigating through this difficult period.

Based on this review and taken together with existing financing facilities the directors believe that the financial statements have been prepared appropriately using the going concern basis.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

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.

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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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.

Distributions of Gift Aid from the subsidiary to the parent charity are recognised in the parent charity's own financial statements when they are approved by the directors of the subsidiary.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made. Grants offered subject to conditions which have not been met at the year end are accrued as expenditure and held within liabilities.

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.

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 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.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.9 Tangible fixed assets and depreciation (continued)

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

1.10 Investments

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

1.11 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.

1.12 Debtors

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

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.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

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.

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.

Critical accounting estimates and assumptions:

Payment for regatta events is typically received several years in advance of the races taking place. Management have reviewed the pattern of activity and costs incurred relative to the date of a race, based on historical data, in order to determine the most appropriate basis for recognising revenue. Revenue is recognised in the accounts in line with the pattern of the costs incurred by the company relative to the period of each race on the following basis:

In the year of the race	65% of contracted income
One year before the race	25% of contracted income
Two years before the race	5% of contracted income
Three years before the race	5% of contracted income

Where payment is only received two years in advance of a race, 10% is recognised in that year.

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.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Income from donations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	15,917	40,671	56,588	61,496
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2021	2,814	58,682	61,496	
	<u> </u>	<u> </u>	<u> </u>	

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Organisation of Tall Ships Races	695,436	695,436	386,623
Recharged costs	15	15	-
	<u>695,451</u>	<u>695,451</u>	<u>386,623</u>
	<u> </u>	<u> </u>	<u> </u>
Total 2021	386,623	386,623	
	<u> </u>	<u> </u>	

6. Income from generating funds

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other income	3,057	3,057	5,498
Sponsorship income	109,027	109,027	-
	<u>112,084</u>	<u>112,084</u>	<u>5,498</u>
	<u> </u>	<u> </u>	<u> </u>
Total 2021	5,498	5,498	
	<u> </u>	<u> </u>	

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	130	130	540
	<u>130</u>	<u>130</u>	<u>540</u>
Total 2021	540	540	
	<u>540</u>	<u>540</u>	

8. Other income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
CJRS income	-	-	43,794
	<u>-</u>	<u>-</u>	<u>43,794</u>
Total 2021	43,794	43,794	
	<u>43,794</u>	<u>43,794</u>	

9. Analysis of grants

	Grants to Institutions 2022 £	Total funds 2022 £	Total funds 2021 £
Grants to institutions	25,000	25,000	25,000
	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

Further information on grants made to institutions is given as part of the Trustees' report.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Tall Ships Races	528,308	-	528,308	540,427
Charity trading expenses	64,672	-	64,672	101,865
Conference	433	-	433	189
Project costs	-	25,000	25,000	25,240
Bursary costs	-	41,525	41,525	11,328
Governance costs	11,574	-	11,574	19,350
Unrealised movements on foreign exchange on reserves	-	2,215	2,215	-
Receptions	1,409	-	1,409	-
	<u>606,396</u>	<u>68,740</u>	<u>675,136</u>	<u>698,399</u>
Total 2021	<u>661,831</u>	<u>36,568</u>	<u>698,399</u>	

11. Analysis of expenditure on charitable activities

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Organisation of Tall Ships Races	480,964	-	47,344	528,308	540,427
Charity trading costs	45,878	-	18,794	64,672	101,865
Annual conference	433	-	-	433	189
Project costs	-	25,000	-	25,000	25,240
Bursary costs	41,525	-	-	41,525	11,328
Governance costs	11,574	-	-	11,574	19,350
Unrealised movements on foreign exchange on reserves	2,215	-	-	2,215	-
Receptions	1,409	-	-	1,409	-
	<u>583,998</u>	<u>25,000</u>	<u>66,138</u>	<u>675,136</u>	<u>698,399</u>
Total 2021	<u>614,226</u>	<u>-</u>	<u>84,173</u>	<u>698,399</u>	

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Analysis of expenditure on charitable activities (continued)

Analysis of support costs

	Tall Ships Races 2022 £	Charity trading activities 2022 £	Total funds 2022 £	Total funds 2021 £
Office costs	34,450	14,292	48,742	60,104
Depreciation	-	11,986	11,986	12,929
Exchange losses / (gains)	4,319	(7,637)	(3,318)	(735)
Postage, printing and communications	8,575	153	8,728	11,875
	<u>47,344</u>	<u>18,794</u>	<u>66,138</u>	<u>84,173</u>
Total 2021	<u>58,125</u>	<u>26,048</u>	<u>84,173</u>	

12. Governance costs

	2022 £	2021 £
Legal and professional fees	1,862	388
Audit fees	5,349	4,000
Other accounting fees	2,675	2,000
Staff and support costs	1,557	12,213
Travel and subsistence	125	-
Training	-	749
	<u>11,568</u>	<u>19,350</u>

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Net expenditure

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	11,986	12,929
Auditors' remuneration - audit	10,550	8,031
Auditors' remuneration - other services	5,450	4,015
Operating lease rentals	21,726	21,726
	<u> </u>	<u> </u>

14. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	313,074	435,574	33,345	67,947
Social security costs	25,641	37,379	4,928	6,200
Defined contribution pension scheme costs	24,633	37,164	3,067	6,119
	<u>363,348</u>	<u>510,117</u>	<u>41,340</u>	<u>80,266</u>

The above staff costs include £6,118 (2021 £7,947) incurred in respect of staff medical cover.

During the year 1 person (2021: 4 people) were made redundant, the redundancy payment included within wages and salaries totalled £9,635 (2021: £50,216).

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Charitable activities	4	6	-	-
Administration	2	3	1	1
	<u>6</u>	<u>9</u>	<u>1</u>	<u>1</u>

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Staff costs (continued)

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	2	1

The executive management personnel of the parent charity and the Group comprise Trustees, company directors, the Chief Operating Officer and the Commercial Director. The salary costs of the executive management personnel for the year ended 31 March 2022 were £146,275 (2021: £207,495).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, expenses totalling £125 were reimbursed or paid directly to 1 Trustee (2021 - £NIL).

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Tangible fixed assets

Group

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2021	4,760	50,125	54,885
Disposals	-	(2,686)	(2,686)
At 31 March 2022	<u>4,760</u>	<u>47,439</u>	<u>52,199</u>
Depreciation			
At 1 April 2021	3,327	14,182	17,509
Charge for the year	941	11,045	11,986
On disposals	-	(2,616)	(2,616)
At 31 March 2022	<u>4,268</u>	<u>22,611</u>	<u>26,879</u>
Net book value			
At 31 March 2022	<u>492</u>	<u>24,828</u>	<u>25,320</u>
At 31 March 2021	<u>1,433</u>	<u>35,943</u>	<u>37,376</u>

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Tangible fixed assets (continued)

Company

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2021	4,760	50,125	54,885
Disposals	-	(2,686)	(2,686)
At 31 March 2022	<u>4,760</u>	<u>47,439</u>	<u>52,199</u>
Depreciation			
At 1 April 2021	3,327	14,182	17,509
Charge for the year	941	11,045	11,986
On disposals	-	(2,616)	(2,616)
At 31 March 2022	<u>4,268</u>	<u>22,611</u>	<u>26,879</u>
Net book value			
At 31 March 2022	<u>492</u>	<u>24,828</u>	<u>25,320</u>
At 31 March 2021	<u>1,433</u>	<u>35,943</u>	<u>37,376</u>

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. Fixed asset investments (Charity only)

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 April 2021	3
	<hr/>
At 31 March 2022	3
	<hr/> <hr/>
Net book value	
At 31 March 2022	3
	<hr/>
At 31 March 2021	3
	<hr/> <hr/>

18. Debtors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	72,567	222,615	-	-
Other debtors	5,691	15,929	173	210
Prepayments and accrued income	41,012	12,750	302	258
	<hr/>	<hr/>	<hr/>	<hr/>
	119,270	251,294	475	468
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	67,385	47,120	16,746	21,495
Amounts owed to group undertakings	-	-	7,145	6,079
Corporation tax	7,889	-	-	-
Other taxation and social security	-	26,822	-	-
Other creditors	3,554	-	-	-
Accruals and deferred income	629,730	876,569	16,265	27,849
	<u>708,558</u>	<u>950,511</u>	<u>40,156</u>	<u>55,423</u>

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

	Group 2022 £	Group 2021 £
Deferred income	<u>675,393</u>	<u>425,400</u>

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds	53,243	823,582	(606,396)	8,607	279,036
Restricted funds					
Sultan of Oman bursary fund	58,041	40,671	(62,325)	-	36,387
Ross MacDonald fund	3,911	-	-	-	3,911
Aalborg Commune fund	1,027	-	-	-	1,027
Canadian Legacy fund	116,191	-	(2,215)	-	113,976
STAG fund	8,607	-	-	(8,607)	-
Burnett fund	10,000	-	(4,200)	-	5,800
	197,777	40,671	(68,740)	(8,607)	161,101
Total of funds	251,020	864,253	(675,136)	-	440,137

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds	266,860	439,269	(661,831)	8,945	53,243
Restricted funds					
Sultan of Oman bursary fund	47,628	44,358	(25,000)	(8,945)	58,041
Ross MacDonald fund	3,911	-	-	-	3,911
Aalborg Commune fund	1,267	-	(240)	-	1,027
Canadian Legacy fund	127,519	-	(11,328)	-	116,191
STAG fund	4,283	4,324	-	-	8,607
Burnett fund	-	10,000	-	-	10,000
	184,608	58,682	(36,568)	(8,945)	197,777
Total of funds	451,468	497,951	(698,399)	-	251,020

Restricted funds

Sultan of Oman bursary fund

Support and assist the participation of young people in race events organised by Sail Training International.

Ross MacDonald fund

To be spent in the advancement of sail training on specific items jointly agreed between STI and Ross MacDonald.

Aalborg Kommune fund

To be spent assisting the Sail Training International Youth Council activities promoting and delivering Sail Training.

Canadian Legacy fund

Support and assist the participation of young Canadians in Sail Training.

STAG fund

To be spent assisting the Sail Training International Youth Council activities promoting and delivering Sail Training.

Burnet bursary fund

Support people with a disability of any age to participate in a sail training voyage.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	25,320	-	25,320
Current assets	1,613,622	185,146	1,798,768
Creditors due within one year	(684,513)	(24,045)	(708,558)
Creditors due in more than one year	(675,393)	-	(675,393)
Total	279,036	161,101	440,137

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	37,376	-	37,376
Current assets	1,391,778	197,777	1,589,555
Creditors due within one year	(950,511)	-	(950,511)
Creditors due in more than one year	(425,400)	-	(425,400)
Total	53,243	197,777	251,020

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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

	Group 2022 £	Group 2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	189,117	(200,448)
Adjustments for:		
Depreciation charges	11,986	12,901
Loss on the sale of fixed assets	70	136
Decrease in debtors	132,024	17,657
Increase in creditors	5,825	285,542
Bank interest income	(130)	(540)
Unrealised forex movements	2,215	-
Net cash provided by operating activities	341,107	115,248

24. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	1,679,498	1,338,261

25. Cashflow reconciliation

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	1,338,261	341,237	1,679,498

26. 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 £24,521 (2021: £37,164). There were no outstanding contributions (2021: £Nil) payable to the fund at the balance sheet date.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

27. Operating lease commitments

At 31 March 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	20,000	20,000	20,000	20,000
Later than 1 year and not later than 5 years	16,667	36,667	16,667	36,667
	<u>36,667</u>	<u>56,667</u>	<u>36,667</u>	<u>56,667</u>

28. 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 2022, £3,911 (2021: £3,911) of this donation remained unspent and is included within restricted reserves.

Sail Training Association Germany made an unrestricted donation during the year of £1,664 (2021: £nil). Sail Training Association Germany is a related party due to the directorship of L Weweler in both charities.

SAIL TRAINING INTERNATIONAL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

29. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

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

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Tall Ships Races International Limited	805,897	(258,251)	300,916	116,521
Tall Ships International Limited	-	-	-	1
Sail On Board Limited	-	-	-	1