

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 2018**

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**SAIL TRAINING INTERNATIONAL**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**Trustees**

D Prothero (Canada)  
J Cheshire (UK), Chairman  
E Corwin (Norway)  
M Henstock (Australia)  
R MacDonald (UK)  
L Maekler (Germany)  
C Possollo (Portugal)  
P Van Ommen (Netherlands)  
L Westerberg (Sweden)

**Company registered number**

04686048

**Charity registered number**

1096846

**Registered office**

Charles House  
Gosport Marina  
Mumby Road  
Gosport  
Hampshire  
PO12 1AH

**Company secretary**

G Brown (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

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**FOR THE YEAR ENDED 31 MARCH 2018**

**Advisers (continued)**

**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 2018**

The Trustees are pleased to present their report together with the Financial Statements of the Charity for the period ended 31 March 2018.

**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, 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.

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 fulfillment 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.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**Events in 2017**

During the year Doug Prothero announced his intention to stand down as Chairman with effect from January 2018 and he was succeeded by Jonathan Cheshire whose appointment was ratified by the Members.

Keith Robinson, Company Secretary, passed away in January 2018 and the Trustees wish to acknowledge the enormous contribution he made not only to Sail Training International but to sail training in general over many years. 2018 also saw the death of Christian Bickert, a director of our trading subsidiary and a very willing volunteer. His passing and contribution are also acknowledged by the Trustees.

During 2017 there were two successful series of Tall Ships Races. The annual European Tall Ships Race Series visited 5 ports in Sweden, Finland, Lithuania and Poland and the Rendez-Vous 2017 Tall Ships Regatta which celebrated the 150th Anniversary of the Confederation of Canada and involved ports in the United Kingdom, Portugal, Bermuda, USA, Canada and France.

Directly through the Events organised by our trading companies in 2017;

- over 5,000 young people between 15 and 25 participated in a sail training experience. This was a 25% increase over the previous year
- over 16,000 people sailed on a tall ship, which was double the number in 2016
- young trainees participated from 49 countries, not only from the countries of the host ports but also from as far afield as Brazil, Eritrea, China and Kazakhstan. In 2016, the equivalent number was 44.
- 153 vessels from 28 nations took part
- Approximately 8.6 million visitors in aggregate viewed the Tall Ships in the 10 host ports, which was more than double the number in 2016 (4.2 million).

We hold a Trans-Atlantic event such as RDV 2017 approximately once every ten years and its impact is shown in the significant increases in some of the numbers especially visitors; sailors and trainees. The numbers excluding those for RDV 2017 were comparable with the previous year.

**Current Events and Plans**

During 2018, we are organising Events in Western Europe and the Far East.

The European Events will involve host ports in United Kingdom, Ireland, France, Denmark, Norway and The Netherlands and the SCF Far East Regatta will visit South Korea and Russia.

During the year the Trustees commenced a major review of the Charity's objectives after extensive consultation with our stakeholders. This strategy will be finalised during the 2018/19 year and will be used to review progress in subsequent years.

During the year steps were taken to ensure GDPR compliance.

**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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**TRUSTEES' REPORT (continued)**  
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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 on our races, continues to provide a high number of local young trainees. In 2017 the ten host ports provided for 747 young people to participate in our events, with Szczecin alone providing 185 trainees. Each host port finds its own way to meet their commitment to the scheme and we estimate that the bursary programme as a whole has an equivalent bursary value in excess of Euros 378,000.

The Charity also funds and operates a **Host Country Bursary Scheme**, administered with the assistance of those Member organisation whose countries will be involved in the events in each year. The Charity invites applications for support by individuals, supported by the relevant member organisation. In 2017 a total of 67 young people from the host countries benefited from this targeted support and an aggregate of approximately £27,000 was disbursed under the scheme.

**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 their own for many years. The Sultanate has for the past 6 years funded a dedicated bursary scheme administered by the Charity with a worldwide reach which in 2017 provided funding to enable 93 trainees from 23 countries to gain a place on Tall Ships participating in our events.

**Rendez-Vous 2017 Legacy Fund**

As part of the agreement for Rendez-Vous 2017 a legacy fund has been created to provide sail training opportunities for young Canadians. The fund appears 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.

Our 2017 International Conference during the period was held in November in Bordeaux. Representatives from 21 of our Member countries attended and in aggregate there were 344 delegates, from 33 countries and over 72 sail training organisations of one sort or another 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 Tall Ships for participation not only in our Events but generally on ships throughout the world. In 2017/18 20,800 unique trainee enquiries were referred to ship operators. At Events managed or approved by the Charity we organise Sail on Board stands through which

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we are able to promote the new website to the general public attending the Event. Traffic to the website has increased 400% over 2016.

## **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.

There have been a number of studies in this area.

An international study commissioned by the Charity in 2007 from the University of Edinburgh to assess the value of sail training found measurable improvements in social confidence and the ability to work with others and that these benefits were sustained over time after the voyage had ended. Another international study conducted by the University of Otago in New Zealand reported that:

*"Sharing the pleasures, hardships and camaraderie that develop out of life at sea has a profound impact on strengthening character, fortitude and confidence. The importance of mutual respect, perseverance, responsibility and teamwork towards others and nature presents a great sense of existence, self-discovery and accomplishment."*

A further study by the University of Sydney found that sail training succeeds in fostering networks and alliances which are the basis of the development of social capital. It also found that it achieves this in a shorter more concentrated programme than other similar schemes.

In 2017 the Charity has set aside funds for further research and has invited researches to submit applications towards current and future research projects.

## **6. Financial review**

The consolidated income of the charity and its wholly owned trading subsidiaries amounted to £1,478,421 (2017: £1,744,257). Expenditure during the period amounted to £1,659,227 (2017: £1,592,223). At the consolidated level this resulted in a reduction in reserves of £180,806 (2017: increase in reserves of £152,034). Reserves at the year-end stood at £966,883 (2017: £1,147,689). For a breakdown of reserves between unrestricted and restricted funds please refer to note 21 of the Financial Statements.

Overall our trading activities made a small surplus of £23,310. This resulted from our main trading subsidiary Tall Ships Races International Limited, which is responsible for running most of our events, generating a loss of £93,449. This loss arose primarily from the change in income recognition on our long-term contracts which is explained below. Our other active trading subsidiary Tall Ships International Limited, which was responsible for running the RDV 2017 Tall Ships Regatta, generated a surplus of £116,759 of which £116,564 has been paid to the Charity by way of Gift Aid.

Our principal source of income during the period comes, as in prior years, from sponsorship income and Host Port fees drawn from long term contracts for our events. Following a review of the underlying cost profile related to these contracts throughout the period of our events, the Trustees decided with the agreement of the Members to amend the income recognition profile on these long-term event contracts such that a lower percentage of the income is recognised in the preparation years and higher in the year of the event. This change resulted in a reduction in the current year income in Tall Ships Races International Limited and explains the loss reported in that company. A note is included in the accounts on this change in recognition of host port fee income.

Despite the smaller surplus from the trading activities compared to prior years, the Trustees decided, with the



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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. The major item of incremental charitable expenditure being the investment in our greatly enhanced Sail on Board brand and website to help promote sail training to young people around the world.

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

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

There are plans for events in place for the period to 2021, with a total of 24 ports involved. These events include Regattas in Europe, the Black Sea and 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 to increase sponsorship and additional income through philanthropic funding and charitable donations. The focus will be on global initiatives that promote the development of better international relations through interaction between young people and to inform and educate potential donors of the benefits of sail training for this purpose.

### **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 our sponsor, SCF Sovcomflot, a large Russian shipping company, has been particularly successful. They initially provided sponsorship for the Black Sea Tall Ships Regatta in 2014 and subsequently signed a new support agreement for a second Tall Ships Regatta in the Black Sea which took place in September 2016.

Sovcomflot are also the title sponsor in relation to the Far East Tall Ships Regatta 2018 centred on Vladivostok.

We have also continued to obtain sponsorship for our International Conference with the City of Bordeaux providing assistance with the Conference in November 2017.

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

### **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.

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**FOR THE YEAR ENDED 31 MARCH 2018**

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.

#### **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, 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.

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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.

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. Candidates will also generally attend a Trustees Meeting as an observer prior to their appointment being made.

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.

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 coordinating the activities and achievement of the business plan and budget approved by the Trustees. He is in regular contact with the Chairman and with the Company Secretary concerning contractual and regulatory matters and attends all Trustees meetings and meetings of the subsidiary boards.

#### **Committees and Working Groups**

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. A majority of members hold no position relating to the Charity and 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.

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**FOR THE YEAR ENDED 31 MARCH 2018**

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 to STI Youth and a Trustee is responsible for liaison between the Trustees and STI Youth Council. The Chairman of STI Youth reports directly to each International Council meeting.

During the year a Port Advisory Group was established to act as conduit for the Charity and its trading company to receive input on its activities relating to its 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 reserves 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 number 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.

**Tall Ships International Limited** is responsible for other races and events the charity organises or is involved with worldwide, including consultancy contracts. It has had responsibility for the Rendez-vous 2017 Event.

**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.

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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.

This report was approved by the Trustees, in their capacity as company directors, on 22/9/18 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'G Brown', written over a dotted line.

**G Brown,**  
**Company Secretary**

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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 charity') and its subsidiaries (the 'group') for the year ended 31 March 2018 set out on pages 15 to 37. 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 2018 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.

**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.

**SAIL TRAINING INTERNATIONAL**  
**(A Company Limited by Guarantee)**

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

**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 the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent Charity 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 Charity 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 Group Strategic Report.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Charity 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**

**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.

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



Louise Hallsworth FCA (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

9th Floor  
The White Building  
1-4 Cumberland Place  
Southampton  
Hampshire  
SO15 2NP

Date:

22.10.2018



**SAIL TRAINING INTERNATIONAL**  
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018**

|  | Note | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|--|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>INCOME FROM:</b>  |      |                                    |                                  |                             |                             |
| Donations and legacies   | 4    | 7,644                              | 214,951                          | 222,595                     | 50,227                      |
| Charitable activities  | 7    | 1,036,737                          | -                                | 1,036,737                   | 1,114,253                   |
| Generating funds   | 5    | 213,392                            | -                                | 213,392                     | 570,815                     |
| Investments  | 6    | 5,697                              | -                                | 5,697                       | 8,962                       |
| <b>TOTAL INCOME</b>  |      | <b>1,263,470</b>                   | <b>214,951</b>                   | <b>1,478,421</b>            | <b>1,744,257</b>            |
| <b>EXPENDITURE ON:</b>   |      |                                    |                                  |                             |                             |
| Charitable activities  | 8    | 1,599,003                          | 60,224                           | 1,659,227                   | 1,592,223                   |
| <b>TOTAL EXPENDITURE</b>   |      | <b>1,599,003</b>                   | <b>60,224</b>                    | <b>1,659,227</b>            | <b>1,592,223</b>            |
| <b>NET INCOME / (EXPENDITURE) BEFORE<br/>OTHER RECOGNISED GAINS AND<br/>LOSSES</b> |      | <b>(335,533)</b>                   | <b>154,727</b>                   | <b>(180,806)</b>            | <b>152,034</b>              |
| <b>NET MOVEMENT IN FUNDS</b>   |      | <b>(335,533)</b>                   | <b>154,727</b>                   | <b>(180,806)</b>            | <b>152,034</b>              |
| <b>RECONCILIATION OF FUNDS:</b>  |      |                                    |                                  |                             |                             |
| Total funds brought forward  |      | 1,103,762                          | 43,927                           | 1,147,689                   | 995,655                     |
| <b>TOTAL FUNDS CARRIED FORWARD</b>   |      | <b>768,229</b>                     | <b>198,654</b>                   | <b>966,883</b>              | <b>1,147,689</b>            |

The notes on pages 19 to 37 form part of these financial statements.

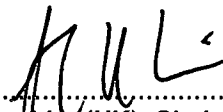
**SAIL TRAINING INTERNATIONAL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 04686048**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2018**

|  | Note | £                | 2018<br>£             | As restated<br>2017<br>£ |
|--|------|------------------|-----------------------|--------------------------|
| <b>FIXED ASSETS</b>  |      |                  |                       |                          |
| Tangible assets  | 15   |                  | 25,611                | 27,066                   |
| <b>CURRENT ASSETS</b>  |      |                  |                       |                          |
| Debtors  | 17   | 124,733          | 345,868               |                          |
| Cash at bank and in hand                                       |      | 1,924,583        | 2,265,818             |                          |
|  |      | <u>2,049,316</u> | <u>2,611,686</u>      |                          |
| <b>CREDITORS: amounts falling due within one year</b>          | 18   | <u>(839,844)</u> | <u>(968,163)</u>      |                          |
| <b>NET CURRENT ASSETS</b>                                      |      |                  | <u>1,209,472</u>      | <u>1,643,523</u>         |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                  | <u>1,235,083</u>      | <u>1,670,589</u>         |
| <b>CREDITORS: amounts falling due after more than one year</b> | 19   |                  | <u>(268,200)</u>      | <u>(522,900)</u>         |
| <b>NET ASSETS</b>  |      |                  | <u><u>966,883</u></u> | <u><u>1,147,689</u></u>  |
| <b>CHARITY FUNDS</b>   |      |                  |                       |                          |
| Restricted funds   | 21   | 198,654          | 43,927                |                          |
| Unrestricted funds   | 21   | 768,229          | 1,103,762             |                          |
| <b>TOTAL FUNDS</b>   |      |                  | <u><u>966,883</u></u> | <u><u>1,147,689</u></u>  |

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

The financial statements were approved and authorised for issue by the Trustees on 22/01/18 and signed on their behalf, by:

  
 .....  
**J Cheshire (UK), Chairman**

The notes on pages 19 to 37 form part of these financial statements.

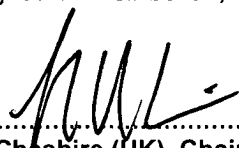
**SAIL TRAINING INTERNATIONAL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 04686048**

**CHARITY BALANCE SHEET**  
**AS AT 31 MARCH 2018**

|   | Note | £                | 2018<br>£        | £                | 2017<br>£        |
|---|------|------------------|------------------|------------------|------------------|
| <b>FIXED ASSETS</b>                                   |      |                  |                  |                  |                  |
| Tangible assets                                       | 15   |                  | 25,611           |                  | 27,066           |
| Investments   | 16   |                  | 2                |                  | 2                |
|   |      |                  | <u>25,613</u>    |                  | <u>27,068</u>    |
| <b>CURRENT ASSETS</b>                                 |      |                  |                  |                  |                  |
| Debtors   | 17   | 281,753          |                  | 154,028          |                  |
| Cash at bank  |      | 987,249          |                  | 973,606          |                  |
|   |      | <u>1,269,002</u> |                  | <u>1,127,634</u> |                  |
| <b>CREDITORS:</b> amounts falling due within one year | 18   | (234,282)        |                  | (6,818)          |                  |
| <b>NET CURRENT ASSETS</b>                             |      |                  | <u>1,034,720</u> |                  | <u>1,120,816</u> |
| <b>NET ASSETS</b>                                     |      |                  | <u>1,060,333</u> |                  | <u>1,147,884</u> |
| <b>CHARITY FUNDS</b>                                  |      |                  |                  |                  |                  |
| Restricted funds                                      | 21   |                  | 198,657          |                  | 43,927           |
| Unrestricted funds                                    | 21   |                  | 861,676          |                  | 1,103,957        |
| <b>TOTAL FUNDS</b>                                    |      |                  | <u>1,060,333</u> |                  | <u>1,147,884</u> |

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

The financial statements were approved and authorised for issue by the Trustees on 22/01/18 and signed on their behalf, by:

  
 .....  
 J Cheshire (UK), Chairman

The notes on pages 19 to 37 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 2018**

|  | Note | 2018<br>£               | 2017<br>£               |
|--|------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>            |      |                         |                         |
| Net cash (used in)/provided by operating activities    | 23   | <u>(330,601)</u>        | <u>228,668</u>          |
| <b>Cash flows from investing activities:</b>           |      |                         |                         |
| Purchase of tangible fixed assets                      |      | <u>(10,634)</u>         | <u>(15,759)</u>         |
| <b>Net cash used in investing activities</b>           |      | <u>(10,634)</u>         | <u>(15,759)</u>         |
| <b>Change in cash and cash equivalents in the year</b> |      | <b>(341,235)</b>        | 212,909                 |
| Cash and cash equivalents brought forward              |      | <u>2,265,818</u>        | <u>2,052,909</u>        |
| <b>Cash and cash equivalents carried forward</b>       | 24   | <u><u>1,924,583</u></u> | <u><u>2,265,818</u></u> |

The notes on pages 19 to 37 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 2018**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), 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 Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006.

**1.2 Basis of consolidation**

The financial statements consolidate the accounts of Sail Training International and all of its subsidiary undertakings ('subsidiaries').

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 £34,388 (2017 - £106,990).

**1.3 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 Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The 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 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.4 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.

**1.5 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.

**SAIL TRAINING INTERNATIONAL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.6 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 estimates of time and costs spent in relation to the activities of the Charity and each trading subsidiary.

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £250 are capitalised.

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 carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                    |   |   |
|--------------------|---|---|
| Office equipment   | - | 5 years straight line                         |
| Computer equipment | - | 3 years straight line                         |
| Bicycles           | - | Depreciated over 1 year from date of purchase |

**1.8 Investments**

Investments in subsidiaries are valued at cost less provision for impairment

**1.9 Operating leases: the group as lessee**

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

**1.10 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.11 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**SAIL TRAINING INTERNATIONAL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.12 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.

**1.13 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.

**1.14 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.

**1.15 Creditors 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 within interest payable and similar charges.

**1.16 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.17 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet 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 Statement of Financial Activities.



**SAIL TRAINING INTERNATIONAL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.18 Pensions**

**Defined Contribution Scheme**

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

**The Defined Benefit Pension Plan**

During the year the Group closed their defined benefit plan held for certain employees. The fund was open for the duration of the prior year.

The liability recognised in the Balance Sheet was the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date.

Discount rates were determined using market yields on corporate bonds that had terms approximating to the estimated period of the future payments. The fair value of plan assets was measured in accordance with the FRS 102 fair value hierarchy.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions were charged or credited to the Statement of Comprehensive Income.

The cost of the defined benefit plan, recognised in profit or loss as employee costs.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Consolidated Statement of Financial Activities as a 'finance expense'.

**SAIL TRAINING INTERNATIONAL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**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 1.4 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 AND LEGACIES**

|                              | <b>Unrestricted<br/>funds<br/>2018<br/>£</b> | <b>Restricted<br/>funds<br/>2018<br/>£</b> | <b>Total<br/>funds<br/>2018<br/>£</b> | <b>Total<br/>funds<br/>2017<br/>£</b> |
|------------------------------|--|--|---------------------------------------|---------------------------------------|
| Donations                    | 7,644  | 47,462                                     | 55,106                                | 50,227                                |
| Legacies                     | -  | 167,489                                    | 167,489                               | -                                     |
|                              | <hr/>  | <hr/>                                      | <hr/>                                 | <hr/>                                 |
| Total donations and legacies | 7,644  | 214,951                                    | 222,595                               | 50,227                                |
|                              | <hr/>  | <hr/>                                      | <hr/>                                 | <hr/>                                 |
| Total 2017                   | 3,449  | 46,778                                     | 50,227                                |                                       |
|                              | <hr/>  | <hr/>                                      | <hr/>                                 |                                       |

**SAIL TRAINING INTERNATIONAL**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**5. INCOME FROM GENERATING FUNDS**

|                    | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|--------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Other income       | 13,392                             | -                                | 13,392                      | 9,621                       |
| Sponsorship income | 200,000                            | -                                | 200,000                     | 561,194                     |
|                    | <u>213,392</u>                     | <u>-</u>                         | <u>213,392</u>              | <u>570,815</u>              |
| Total 2017         | <u>570,815</u>                     | <u>-</u>                         | <u>570,815</u>              |                             |

**6. INVESTMENT INCOME**

|               | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|---------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank interest | 5,697                              | -                                | 5,697                       | 8,962                       |
|               | <u>5,697</u>                       | <u>-</u>                         | <u>5,697</u>                |                             |
| Total 2017    | <u>8,962</u>                       | <u>-</u>                         | <u>8,962</u>                |                             |

**7. INCOME FROM CHARITABLE ACTIVITIES**

|                                  | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
|----------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Organisation of Tall Ships Races | 960,563                            | -                                | 960,563                     | 1,014,358                   |
| Annual conference                | 76,174                             | -                                | 76,174                      | 99,895                      |
|                                  | <u>1,036,737</u>                   | <u>-</u>                         | <u>1,036,737</u>            | <u>1,114,253</u>            |
| Total 2017                       | <u>1,114,253</u>                   | <u>-</u>                         | <u>1,114,253</u>            |                             |

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**8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

|                   | Activities<br>undertaken<br>directly<br>2018<br>£ | Support<br>costs<br>2018<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|-------------------|---|-------------------------------|--------------------|--------------------|
| Tall Ships Races  | 1,175,618   | 120,009                       | 1,295,627          | 1,322,924          |
| Conference        | 129,022   | -                             | 129,022            | 106,797            |
| Project costs     | 167,283   | -                             | 167,283            | 106,658            |
| Governance costs  | 67,295  | -                             | 67,295             | 55,844             |
| <b>Total 2018</b> | <b>1,539,218</b>                                  | <b>120,009</b>                | <b>1,659,227</b>   | <b>1,592,223</b>   |
| <b>Total 2017</b> | <b>1,524,895</b>                                  | <b>67,328</b>                 | <b>1,592,223</b>   |                    |

**9. SUPPORT COSTS**

|                                      | Tall Ships<br>Races<br>2018<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|--------------------------------------|----------------------------------|--------------------|--------------------|
| Office costs                         | 55,513                           | 55,513             | 57,754             |
| Postage, printing and communications | 20,400                           | 20,400             | 24,745             |
| Exchange losses / (gains)            | 32,006                           | 32,006             | (24,358)           |
| Depreciation                         | 12,090                           | 12,090             | 9,187              |
|                                      | <b>120,009</b>                   | <b>120,009</b>     | <b>67,328</b>      |
| <b>Total 2017</b>                    | <b>67,328</b>                    | <b>67,328</b>      |                    |

**10. GOVERNANCE COSTS**

|                         | Total<br>2018<br>£ | 2017<br>£     |
|-------------------------|--------------------|---------------|
| Legal and professional  | 10,643             | 4,092         |
| Audit fees              | 15,000             | 11,000        |
| Other accounting fees   | 3,000              | 4,877         |
| IT costs                | 933                | 1,037         |
| Staff and support costs | 37,719             | 34,838        |
| <b>Total</b>            | <b>67,295</b>      | <b>55,844</b> |

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**11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - CHARITY**

|                  | Activities<br>undertaken<br>directly<br>2018<br>£ | Support<br>costs<br>2018<br>£ | Total<br>2018<br>£ | 2017<br>£      |
|------------------|---|-------------------------------|--------------------|----------------|
| Tall Ships Races | 101,113   | 196,278                       | 297,391            | 225,927        |
| Conference       | 5,000   | -                             | 5,000              | 3,200          |
| Project costs    | 133,146   | -                             | 133,146            | 96,382         |
| Governance       | 363   | -                             | 363                | 480            |
| Total            | <u>239,622</u>                                    | <u>196,278</u>                | <u>435,900</u>     | <u>325,989</u> |

**12. SUPPORT COSTS - CHARITY**

|                                      | Tall Ships<br>Races<br>2018<br>£ | Total<br>2018<br>£ | 2017<br>£      |
|--------------------------------------|----------------------------------|--------------------|----------------|
| Office costs                         | 170,391                          | 170,391            | 161,694        |
| Postage, printing and communications | 961                              | 961                | 2,695          |
| Exchange losses/(gains)              | 12,837                           | 12,837             | 3              |
| Depreciation                         | 12,089                           | 12,089             | 9,081          |
| Total                                | <u>196,278</u>                   | <u>196,278</u>     | <u>173,473</u> |

**13. NET INCOME / EXPENDITURE**

This is stated after charging:

|   | 2018<br>£ | 2017<br>£ |
|---|-----------|-----------|
| Depreciation of tangible fixed assets:  |           |           |
| - owned by the charitable group         | 12,090    | 9,191     |
| Auditors' remuneration - audit          | 13,400    | 11,000    |
| Auditors' remuneration - other services | 4,200     | 4,877     |
| Operating lease rentals                 | 18,134    | 17,956    |

Auditors' fees for the charity were £5,000 (2017 - £4,150)

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, 9 Trustees received reimbursed expenses of £16,523 (period ended 2017: 8 Trustees were reimbursed £14,619).

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**14. STAFF COSTS**

Staff costs were as follows:

|                       | <b>2018</b>           | <b>2017</b>           |
|-----------------------|-----------------------|-----------------------|
|                       | <b>£</b>              | <b>£</b>              |
| Wages and salaries    | <b>480,093</b>        | 448,686               |
| Social security costs | <b>44,564</b>         | 38,451                |
| Other pension costs   | <b>46,135</b>         | 38,183                |
|                       | <u><b>570,792</b></u> | <u><b>525,320</b></u> |

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

|                       | <b>2018</b>      | <b>2017</b>      |
|-----------------------|------------------|------------------|
|                       | <b>No.</b>       | <b>No.</b>       |
| Charitable activities | <b>9</b>         | 9                |
| Administration        | <b>3</b>         | 3                |
|                       | <u><b>12</b></u> | <u><b>12</b></u> |

The number of higher paid employees was:

|                               | <b>2018</b> | <b>2017</b> |
|-------------------------------|-------------|-------------|
|                               | <b>No.</b>  | <b>No.</b>  |
| In the band £60,001 - £70,000 | <b>1</b>    | 1           |

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 2018 were £293,866 (2017: £271,979).

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**15. TANGIBLE FIXED ASSETS**

| <b>Group</b>          | <b>Office<br/>equipment<br/>£</b> | <b>Computer<br/>equipment<br/>£</b> | <b>Bicycles<br/>£</b>               | <b>Total<br/>£</b> |
|-----------------------|-----------------------------------|-------------------------------------|-------------------------------------|--------------------|
| <b>Cost</b>           |                                   |                                     |                                     |                    |
| At 1 April 2017       | 30,495                            | 43,574                              | 422                                 | 74,491             |
| Additions             | 4,102                             | 6,533                               | -                                   | 10,635             |
| At 31 March 2018      | 34,597                            | 50,107                              | 422                                 | 85,126             |
| <b>Depreciation</b>   |                                   |                                     |                                     |                    |
| At 1 April 2017       | 17,596                            | 29,407                              | 422                                 | 47,425             |
| Charge for the year   | 5,688                             | 6,402                               | -                                   | 12,090             |
| At 31 March 2018      | 23,284                            | 35,809                              | 422                                 | 59,515             |
| <b>Net book value</b> |                                   |                                     |                                     |                    |
| At 31 March 2018      | 11,313                            | 14,298                              | -                                   | 25,611             |
| At 31 March 2017      | 12,899                            | 14,167                              | -                                   | 27,066             |
|                       |                                   |                                     |                                     |                    |
| <b>Charity</b>        |                                   | <b>Office<br/>equipment<br/>£</b>   | <b>Computer<br/>equipment<br/>£</b> | <b>Total<br/>£</b> |
| <b>Cost</b>           |                                   |                                     |                                     |                    |
| At 1 April 2017       |                                   | 30,495                              | 43,574                              | 74,069             |
| Additions             |                                   | 4,102                               | 6,533                               | 10,635             |
| At 31 March 2018      |                                   | 34,597                              | 50,107                              | 84,704             |
| <b>Depreciation</b>   |                                   |                                     |                                     |                    |
| At 1 April 2017       |                                   | 17,596                              | 29,407                              | 47,003             |
| Charge for the year   |                                   | 5,688                               | 6,402                               | 12,090             |
| At 31 March 2018      |                                   | 23,284                              | 35,809                              | 59,093             |
| <b>Net book value</b> |                                   |                                     |                                     |                    |
| At 31 March 2018      |                                   | 11,313                              | 14,298                              | 25,611             |
| At 31 March 2017      |                                   | 12,899                              | 14,167                              | 27,066             |

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**16. FIXED ASSET INVESTMENTS**

| Charity<br>Cost                   | Shares in<br>group<br>undertakings<br>£ |
|-----------------------------------|---|
| At 1 April 2017 and 31 March 2018 | 2                                       |

**17. DEBTORS**

|                                    | <u>Group</u>   |                | <u>Charity</u> |
|------------------------------------|----------------|----------------|----------------|
|                                    | 2018<br>£      | 2017<br>£      | 2018<br>£      |
| Trade debtors                      | 57,785         | 187,939        | -              |
| Amounts owed by group undertakings | -              | -              | 281,753        |
| Other debtors                      | 17,731         | 29,831         | -              |
| Prepayments and accrued income     | 30,259         | 120,194        | 5,548          |
| Deferred tax asset (see note 20)   | 18,958         | 7,904          | -              |
|                                    | <u>124,733</u> | <u>345,868</u> | <u>281,753</u> |
|                                    |                |                | <u>154,028</u> |

**18. CREDITORS: Amounts falling due within one year**

|                                    | <u>Group</u>   |                          | <u>Charity</u> |
|------------------------------------|----------------|--------------------------|----------------|
|                                    | 2018<br>£      | As restated<br>2017<br>£ | 2018<br>£      |
| Trade creditors                    | 62,003         | 89,232                   | -              |
| Amounts owed to group undertakings | -              | -                        | 218,993        |
| Corporation tax                    | -              | 7,904                    | -              |
| Other taxation and social security | -              | 11,104                   | -              |
| Other creditors                    | 9,247          | 40,116                   | -              |
| Accruals and deferred income       | 768,594        | 819,807                  | 15,289         |
|                                    | <u>839,844</u> | <u>968,163</u>           | <u>234,282</u> |
|                                    |                |                          | <u>6,818</u>   |

**19. CREDITORS: Amounts falling due after more than one year**

|                              | <u>Group</u> |                          | <u>Charity</u> |
|------------------------------|--------------|--------------------------|----------------|
|                              | 2018<br>£    | As restated<br>2017<br>£ | 2018<br>£      |
| Accruals and deferred income | 268,200      | 522,900                  | -              |



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**19. CREDITORS: Amounts falling due after more than one year (continued)**

The basis for deferring income has changed in the year and as a result the prior year deferred income balances have been adjusted to reflect this change.

**20. DEFERRED TAXATION**

|                                | <b>Group</b>  |             | <b>Charity</b> |             |
|--------------------------------|---------------|-------------|----------------|-------------|
|                                | <b>2018</b>   | <b>2017</b> | <b>2018</b>    | <b>2017</b> |
|                                | <b>£</b>      | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| At beginning of year           | <b>7,904</b>  | -           | -              | -           |
| Released during the year (P&L) | <b>11,054</b> | 7,904       | -              | -           |
| At end of year                 | <b>18,958</b> | 7,904       | -              | -           |

The deferred taxation balance is made up as follows:

|                               | <b>Group</b>  |             | <b>Charity</b> |             |
|-------------------------------|---------------|-------------|----------------|-------------|
|                               | <b>2018</b>   | <b>2017</b> | <b>2018</b>    | <b>2017</b> |
|                               | <b>£</b>      | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Short term timing differences | <b>1,701</b>  | 7,904       | -              | -           |
| Losses and other deductions   | <b>17,257</b> | -           | -              | -           |
|                               | <b>18,958</b> | 7,904       | -              | -           |

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**21. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

|                             | Balance at<br>1 April 2017<br>£ | Income<br>£             | Expenditure<br>£          | Balance at<br>31 March<br>2018<br>£ |
|-----------------------------|---------------------------------|-------------------------|---------------------------|-------------------------------------|
| <b>Unrestricted funds</b>   |                                 |                         |                           |                                     |
| General Funds - all funds   | 1,103,762                       | 1,263,470               | (1,599,003)               | 768,229                             |
| <b>Restricted funds</b>     |                                 |                         |                           |                                     |
| Sultan of Oman bursary fund | 38,982                          | 43,107                  | (45,714)                  | 36,375                              |
| Ross MacDonald fund         | 3,911                           | -                       | -                         | 3,911                               |
| Aalborg Kommune fund        | 1,034                           | 4,355                   | (2,689)                   | 2,700                               |
| Canadian Legacy Fund        | -                               | 167,489                 | (11,821)                  | 155,668                             |
|                             | <u>43,927</u>                   | <u>214,951</u>          | <u>(60,224)</u>           | <u>198,654</u>                      |
| Total of funds              | <u><u>1,147,689</u></u>         | <u><u>1,478,421</u></u> | <u><u>(1,659,227)</u></u> | <u><u>966,883</u></u>               |

**STATEMENT OF FUNDS - PRIOR YEAR**

|                             | Balance at<br>1 April 2016<br>£ | Income<br>£             | Expenditure<br>£          | Balance at<br>31 March<br>2017<br>£ |
|-----------------------------|---------------------------------|-------------------------|---------------------------|-------------------------------------|
| <b>Unrestricted funds</b>   |                                 |                         |                           |                                     |
| General Funds - all funds   | 966,329                         | 1,697,479               | (1,560,046)               | 1,103,762                           |
| <b>Restricted funds</b>     |                                 |                         |                           |                                     |
| Sultan of Oman bursary fund | 25,415                          | 42,775                  | (29,208)                  | 38,982                              |
| Ross MacDonald fund         | 3,911                           | -                       | -                         | 3,911                               |
| Aalborg Kommune fund        | -                               | 4,003                   | (2,969)                   | 1,034                               |
|                             | <u>29,326</u>                   | <u>46,778</u>           | <u>(32,177)</u>           | <u>43,927</u>                       |
| Total of funds              | <u><u>995,655</u></u>           | <u><u>1,744,257</u></u> | <u><u>(1,592,223)</u></u> | <u><u>1,147,689</u></u>             |

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**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

|                                     | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets               | 25,611                             | -                                | 25,611                      |
| Current assets                      | 1,850,662                          | 198,654                          | 2,049,316                   |
| Creditors due within one year       | (839,844)                          | -                                | (839,844)                   |
| Creditors due in more than one year | (268,200)                          | -                                | (268,200)                   |
|                                     | <u>768,229</u>                     | <u>198,654</u>                   | <u>966,883</u>              |

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

|                                     | Unrestricted<br>funds<br>As restated<br>2017<br>£ | Restricted<br>funds<br>2017<br>£ | Total<br>funds<br>As restated<br>2017<br>£ |
|-------------------------------------|---|----------------------------------|--|
| Tangible fixed assets               | 27,066  | -                                | 27,066                                     |
| Current assets                      | 2,567,759   | 43,927                           | 2,611,686                                  |
| Creditors due within one year       | (968,163)   | -                                | (968,163)                                  |
| Creditors due in more than one year | (522,900)   | -                                | (522,900)                                  |
|                                     | <u>1,103,762</u>                                  | <u>43,927</u>                    | <u>1,147,689</u>                           |

**23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|  | <b>Group</b>     |
|--|------------------|
|  | 2018<br>£        |
|  | 2017<br>£        |
| Net (expenditure)/income for the year (as per Statement of Financial Activities) | (180,806)        |
|  | 152,034          |
| <b>Adjustment for:</b>   |                  |
| Depreciation charges   | 12,089           |
| Decrease in debtors  | 221,135          |
| (Decrease)/increase in creditors   | (383,019)        |
|  | <u>53,563</u>    |
| <b>Net cash (used in)/provided by operating activities</b>                       | <u>(330,601)</u> |
|  | <u>228,668</u>   |

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**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

|              | <b>2018</b>      | <b>Group</b> |
|--------------|------------------|--------------|
|              | <b>£</b>         | <b>2017</b>  |
|              |                  | <b>£</b>     |
| Cash in hand | <b>1,924,583</b> | 2,265,818    |
| Total        | <b>1,924,583</b> | 2,265,818    |

**25. PENSION COMMITMENTS**

During the year the Group closed their defined benefit plan held for certain employees. The fund was open for the duration of the prior year. The Group participated in a defined benefit scheme via Tall Ships Races (Europe) Limited, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Group to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounted for the scheme as a defined contribution scheme.

During the year the final employee exited the fund and incurred a withdrawal fee of £69,929. The deficit liability on the fund as at 31 March 2017 was £31,777.

The Group continues to 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 £40,535 (2017: £30,380). Contributions totalling £2,843 (2017: £3,052) were payable to the fund at the balance sheet date and are included in other creditors.

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**26. OPERATING LEASE COMMITMENTS**

At 31 March 2018 the total of the Group's future minimum lease payments under non-cancellable operating leases was:

| <b>Group</b>            | <b>Land and buildings</b> |               | <b>2018</b> | <b>Other</b> |
|-------------------------|---------------------------|---------------|-------------|--------------|
|                         | <b>2018</b>               | <b>2017</b>   |             |              |
|                         | <b>£</b>                  | <b>£</b>      | <b>£</b>    | <b>£</b>     |
| <b>Amounts payable:</b> |                           |               |             |              |
| Within 1 year           | 16,287                    | 16,287        | -           | -            |
| Between 1 and 5 years   | 55,287                    | 58,574        | -           | -            |
| After more than 5 years | 10,833                    | 13,000        | -           | -            |
| <b>Total</b>            | <b>82,407</b>             | <b>87,861</b> | <b>-</b>    | <b>-</b>     |

At 31 March 2018 the Charity had annual commitments under non-cancellable operating leases as follows:

| <b>Charity</b>          | <b>Land and buildings</b> |               | <b>2018</b> | <b>Other</b> |
|-------------------------|---------------------------|---------------|-------------|--------------|
|                         | <b>2018</b>               | <b>2017</b>   |             |              |
|                         | <b>£</b>                  | <b>£</b>      | <b>£</b>    | <b>£</b>     |
| <b>Amounts payable:</b> |                           |               |             |              |
| Within 1 year           | 16,287                    | 16,287        | -           | -            |
| Between 1 and 5 years   | 55,287                    | 58,574        | -           | -            |
| After more than 5 years | 10,833                    | 13,000        | -           | -            |
| <b>Total</b>            | <b>82,407</b>             | <b>87,861</b> | <b>-</b>    | <b>-</b>     |

**27. 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 2018, £3,911 (2017: £3,911) of this donation remained unspent and is included within restricted reserves.

**28. PRINCIPAL SUBSIDIARIES**

| <b>Company name</b>                           | <b>Country</b> | <b>Percentage<br/>shareholding %</b> |
|---|----------------|--------------------------------------|
| Tall Ships Races International Limited (TSRI) | UK             | 100                                  |
| Tall Ships International (TSI)                | UK             | 100                                  |
| Tall Ships Races (Europe) Limited (TSRE)      | UK             | 100                                  |
| Tall Ships Overseas Limited (TSO)             | UK             | 100                                  |

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|   | TSRI<br>£       | TSI<br>£         | TSRE<br>£ | TSO<br>£ |
|---|-----------------|------------------|-----------|----------|
| <b>Year ended 31 March 2018</b>         |                 |                  |           |          |
| Turnover                                | 1,061,800       | 461,603          | -         | -        |
| Cost of sales & administration expenses | (1,175,179)     | (344,844)        | -         | -        |
| Net Interest receivable/(payable)       | 972             | -                | -         | -        |
| Corporation tax (payable)               | 18,958          | -                | -         | -        |
|   | <u>(93,449)</u> | <u>116,759</u>   | <u>-</u>  | <u>-</u> |
| Net profit/(loss)                       | (93,449)        | 116,759          | -         | -        |
|   | <u>-</u>        | <u>(116,564)</u> | <u>-</u>  | <u>-</u> |
| Amount gifted to Charity                | -               | (116,564)        | -         | -        |
|   | <u>(93,449)</u> | <u>195</u>       | <u>-</u>  | <u>-</u> |

|   | TSRI<br>£        | TSI<br>£     | TSRE<br>£ | TSO<br>£ |
|---|------------------|--------------|-----------|----------|
| <b>Year ended 31 March 2017</b>         |                  |              |           |          |
| Turnover                                | 1,756,223        | 168,569      | -         | -        |
| Cost of sales & administration expenses | (1,338,582)      | (168,764)    | -         | -        |
| Interest receivable (net of payable)    | 1,596            | -            | -         | -        |
|   | <u>419,237</u>   | <u>(195)</u> | <u>-</u>  | <u>-</u> |
| Net profit/loss                         | 419,237          | (195)        | -         | -        |
|   | <u>(385,996)</u> | <u>-</u>     | <u>-</u>  | <u>-</u> |
| Amount gifted to Charity                | (385,996)        | -            | -         | -        |
|   | <u>33,241</u>    | <u>(195)</u> | <u>-</u>  | <u>-</u> |

**PRINCIPAL SUBSIDIARIES (continued)**

|                                 | TSRI<br>£       | TSI<br>£  | TSRE<br>£ | TSO<br>£ |
|---------------------------------|-----------------|-----------|-----------|----------|
| <b>Year ended 31 March 2018</b> |                 |           |           |          |
| Tangible fixed assets           | 2               | 1         | -         | -        |
| Current assets                  | 993,311         | 288,761   | -         | -        |
| Current liabilities             | (818,561)       | (288,761) | -         | -        |
| Long term liabilities           | (268,200)       | -         | -         | -        |
|                                 | <u>(93,448)</u> | <u>1</u>  | <u>-</u>  | <u>-</u> |

**SAIL TRAINING INTERNATIONAL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

|                                 | TSRI<br>£       | TSI<br>£            | TSRE<br>£       | TSO<br>£        |
|---------------------------------|-----------------|---------------------|-----------------|-----------------|
| <b>Year ended 31 March 2017</b> |                 |                     |                 |                 |
| Tangible fixed assets           | 2               | 1                   | -               | -               |
| Current assets                  | 1,304,303       | 528,633             | 764,150         | 417,549         |
| Current liabilities             | (781,404)       | (528,828)           | (764,149)       | (417,548)       |
| Long term liabilities           | (522,900)       | -                   | -               | -               |
|                                 | <u>1</u>        | <u>(194)</u>        | <u>1</u>        | <u>1</u>        |
| <b>Total</b>                    | <u><u>1</u></u> | <u><u>(194)</u></u> | <u><u>1</u></u> | <u><u>1</u></u> |