

Company registration number: 06569266

Charity registration number: 1124276

# Adventure Under Sail

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 April 2020

# Adventure Under Sail

## Contents

Reference and Administrative Details	1
Trustees' Report	2 to 12
Statement of Trustees' Responsibilities	13
Statement of Financial Activities	16 to 17
Balance Sheet	18 to 19
Statement of Cash Flows	20
Notes to the Financial Statements	21 to 32

# Adventure Under Sail

## Reference and Administrative Details

<b>Trustees</b>	K Heenan
	J Dover
	J Nicklen
	S Williams
	N Warren-Green
	N Lambert
<b>Secretary</b>	Miss K Heenan
<b>Senior Management Team</b>	A Ragbourne, Chief Executive Officer
<b>Principal and Registered Office</b>	Sharpness Shipyard & Drydock Sharpness Berkeley Gloucester GL13 9UD
<b>Company Registration Number</b>	06569266
<b>Charity Registration Number</b>	1124276
<b>Bankers</b>	The Co-operative Bank Central Commercial Branch PO Box 250, Skelmerdale WN8 6WT
<b>Independent Examiners</b>	PKF Francis Clark Chartered Accountants Towngate House 2 - 8 Parkstone Road Poole Dorset BH15 2PW

# Adventure Under Sail

## Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 30 April 2020.

### Trustees

K Heenan

S Thorrington (resigned 30 April 2020)

J Dover (appointed 18 October 2019)

J Nicklen (appointed 18 October 2019)

S Williams (appointed 18 October 2019)

N Warren-Green (appointed 20 November 2020)

N Lambert (appointed 20 November 2020)



# Adventure Under Sail

## Trustees' Report

A trainee in recovery, when asked how her voyage on Pelican of London had impacted her life, said: "It was life-changing. It gave me a sense of self-worth and a purpose in life." Today she is 2 years, 6 months, and 4 days clean and pursuing a career in the industry. [Sail Training Ireland Trainee, 2017].

"I am more self-confident and express my opinion more clearly. I am more open and hardened about difficult situations. Besides, I always feel the need to do something. I am clearer about what I want and more sensitive about our environment." [Ocean College Trainee 2018/19].

## Objectives and Activities

The purpose of the charity is set out in the objects contained in the company's Memorandum and Articles of association:

"To educate people through the provision of sailing or sailing related activities and other training so as to develop their physical, mental and social capabilities so that they grow to full maturity as individuals and members of society and their conditions may be improved."

In 2012 AUS became the owner of the tall ship Pelican of London by way of a charitable donation, an ocean-going sail training ship equipped for off-shore, expeditionary voyages, specifically designed to give young people an exciting, exacting and exhilarating seafaring experience. It is a 45-metre three-masted square-rigged tall ship, one of only two operated by UK charities. It has accommodation for up to 35 students and 13 crew and volunteers. We offer a variety of voyage programmes from 7 days to 6 months, sailing in the UK, Europe, Atlantic and Caribbean. We sail for 48 weeks every year - around the UK and Europe from April to October, and in the autumn and winter period on 6-month transatlantic voyages. Our sailing programme is agreed 12-24 months in advance. Our core strategic objectives are:

- Using sail training programmes enabling young people mainly in the age range of 15-25 to discover their abilities, values, passions and responsibilities in situations that offer adventure, challenge and the unexpected.
- Offering unique 'Maritime Careers' opportunities to learn about life on-board, safety at sea, seamanship, navigation, engineering, teamwork and much more. Participants may already be apprentices or this may be their first step towards a career within the maritime sector.
- Offering voyages for studying 'Ocean Science', changes to the marine environment and climate to young people who care passionately about safeguarding the planet.
- Working to ensure that voyages are open to young people from all backgrounds by seeking to subsidise costs for those that cannot pay.
- Expanding sail training capacity and specialist voyages over the next five years, to meet increasing demand.

Working with partners we now offer two types of voyage to pursue our three themes of **Sail Training**, **Maritime Careers**, and **Ocean Science**:

- Bespoke voyages for periods ranging from a minimum of 7 days up to 2 months between April and October
- 6-month educational Autumn/Winter voyages between October and April when the ship becomes a classroom for up to 35 young people (32 until alterations were completed in 2020 increasing capacity) with teachers and mentors

# Adventure Under Sail

## Trustees' Report

**Sail Training:** the ship is specifically designed to give young people an exciting, exacting and exhilarating seafaring experience. They work as part of a team using perseverance, initiative and leadership to experience life at sea in diverse conditions, making new friends, building confidence and resilience, all valuable skills to improve their job prospects and equip them for life. Sail training takes components of other land-based outdoor adventure activities - such as overcoming challenges to achieve goals, working as a team, being isolated from the outside world and learning new skills - and combines them with factors, risks, that can potentially make the impacts stronger. The specific challenges and unique physical environment of sail training can result in a very distinctive experience, with potentially life changing impacts. Activities are grouped broadly into three categories: self-knowledge and personal development; knowledge and learning; and social skills.

**Maritime Careers:** we offer up to four berths on most voyages for those considering a Maritime Career, during which a Maritime Careers voyage trainees learn about life on-board, safety at sea, seamanship, helming a vessel, working aloft, navigation, engineering, rigging and splicing, sail repair and much more. Most importantly they work as a team within a routine environment of 'watches' and are challenged to undertake new tasks, all of which provides personal development that will be of benefit in maritime careers, or indeed in any career path chosen. While gathering sea time, qualifications and work experience, trainees will be learning skills to benefit them in any employment in the industry. They are given advice on sea time, qualifications and career routes, and leave with a letter of reference and training record book to support any future employment application. We can offer further development opportunities through shore-based career mentoring and networking days, and more time volunteering on board. Trainees are also offered discounted rates on Maritime Coastguard Agency (MCA) courses through our partners.

**Ocean Science:** the United Nations has declared a Decade of Ocean Science for Sustainable Development, running from 2021 to 2030. Many of today's young people care passionately about action to safeguard the planet, protecting our oceans, and mitigating the effects of climate change. Scientific understanding of the ocean's responses to the many anthropological pressures is fundamental to delivering this. AUS are developing a number of partnerships with Universities, Chambers of Commerce and Local Authorities to create an alternative learning platform, providing an exciting classroom for young people who may not be easily engaged by orthodox approaches. We have worked with scientists from the University of Plymouth to create a programme based on solutions to marine based environmental challenges. We enable young people to experience the oceans and coastlines in a way that would not otherwise be possible, exploring amazing habitats, learning why they are important, and showing the impact of humanity on our seas. Many who sail with us have never even visited the coast, let alone sailed or observed life below the waves.

Young people aged 15-25 are living, learning and negotiating transitions to adulthood and independence in an increasingly complex and challenging world, in which they face greater levels of choice and opportunity, but also unprecedented uncertainty and risk. This calls for empowered, resilient young people to play an active role in navigating these paths. There is substantial and growing evidence that developing social and emotional capabilities supports the achievement of positive life outcomes, including educational attainment, employment and health. Capabilities such as resilience, communication, and negotiation are also increasingly cited as being the foundations of employability.

The personal development of young people and their ability to contribute to society is a key strategic objective of all UK Governments, and the current policy framework clearly identifies needs - for example raising educational attainment levels and developing character - to which sail training is a highly effective and direct response with significant short, medium, and long-term social impact.

# **Adventure Under Sail**

## **Trustees' Report**

There is a wealth of independent research on the benefits and social impact of sail training which demonstrates clearly that it results in short and long term benefits in developing the character of young people, their resilience, confidence and independence, all contributing to improved educational achievement, are valued by employers, and which enable children to thrive, grow and mature into adults making a positive contribution to society.

We work in strategic partnership with charities and community organisations, education providers, vocational trainers, port authorities and local councils. In Summer 2020 we launched our 5-year Development Plan which is downloadable from our website, and sets out how we wish to significantly enhance delivery and add value to our core objectives and outcomes by developing our Ocean Science and Maritime Careers training offers and working in partnership with owners of other vessels.

As members of the global sail training family we do not work in isolation. We are a member of the Association of Sail Training Organisations (ASTO), the UK's National Sail Training Organisation which supports the UK Sail Training industry, and who in turn are a member of Sail Training International (STI), representing the UK's sail training sector and facilitating international exchanges.

### **Ensuring our work delivers our aims**

The trustees review aims, objectives and activities each year to ensure they remain focused on our stated purposes. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each activity and the benefits they have brought to those groups of people we are set up to help. The Charity Commission's guidance on public benefit is considered when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

### **Achievements and Performance**

Our objectives for the year were to continue to strengthen and develop the governance of the charity, making it more resilient for its primary purpose of continuing to provide opportunities for people to learn and develop through sailing on the TS Pelican of London. The strategies we used to meet these objectives included:

- Continue to work with other charities, local authorities and educational establishments who work with young people from socially excluded backgrounds to develop the educational experience offered.
- Identify and recruit new permanent crew members to strengthen our cohort of experience and ensure adequate crew rotation over 48 weeks of sailing
- Recruit new trustees to strengthen governance
- Work in partnership with other organisations promoting environmental and educational activities to pilot our Ocean Science and Maritime Careers voyage programmes.
- Continue to maintain and develop a social media presence as the market matures
- Sail for around 48 weeks in the year
- Continue to maintain and improve the physical condition of the ship to ensure fitness for purpose for a 48-week sailing, in partnership with the MCA and Sharpness Shipyard and Drydock.
- Ongoing risk assessment associated with operational matters.
- Providing bursaries for young people to sail on the TS Pelican of London.

We continued to work in close partnership with Ocean College to deliver our 6-month transatlantic voyage from October 2019 to April 2020, and with Sail Training Ireland to deliver voyages in the Irish Sea from June to August 2019, focusing on activities with partners in Liverpool, Belfast and Dublin.

# Adventure Under Sail

## Trustees' Report

A particular objective of the charity is always to seek opportunities to broaden the scope of its work with young people from all backgrounds, which in turn grow the income base to ensure that it is sustainable into the future. We continue to have partnership discussions with other charitable and not-for-profit organisations specifically for these purposes. We believe that these strategies will underpin our aims of engaging more young people in the highest possible experience of learning and development through adventure sail training. This delivers public benefit by improving the lives of those young people and the contribution that they make to society beyond.

Between May 2019 and April 2020, 437 young people, of whom over 25% came from challenging and complex behavioural backgrounds often involving substance and/or alcohol misuse or with mental health or well-being needs, sailed on voyages with the Pelican, including the 6-month transatlantic adventure. These were all trainees on a mixture of sponsored and non-sponsored voyages. Since we made a significant change to our business model in 2017 we have seen a substantial increase in the numbers seeking to sail with us.





# Adventure Under Sail

## Trustees' Report

	Spring and Summer 2018	Autumn and Winter 2018/19	Spring and Summer 2019	Autumn and Winter 2019/20
Number of trainees who sailed	270	32	405	32
Number of berth days sailed	1,834	5,792	3,700	5,760
Percentage of capacity full	57%	100%	84%	100%

We successfully completed our second autumn/winter transatlantic voyage in partnership with Ocean College, when 32 students and 3 teachers joined us on a 6-month adventure between October 2019 and April 2020. The voyage started in Bordeaux, France where it was also due to end, but during March 2020 the impact of the covid-19 pandemic meant that we re-routed the students back to Cuxhaven in Germany. Until they reached the Azores from Bermuda in February 2020 the students were living in blissful ignorance of the global pandemic, only becoming directly aware when the ship arrived in the Azores and was unable to dock. However, we were able to stock with supplies and fuel thanks to our strong local relationships. Friends and families met the students on safe arrival in Germany. We consolidated our positive reputation within the sail training industry for reliability, professionalism and consistent delivery of a comprehensive sail training programme. Month on month we continue to receive more enquiries about delivering sail training programmes, and our winter programme with Ocean College has delivered a significant ongoing positive profile.

On 30th April 2020 Mr S Thorrington resigned as a trustee after eight years' voluntary service to become the employed Development and Partnerships Manager, adding much needed capacity to pursue new income streams as we seek to achieve greater self-sustainability, and to support the CEO with governance and executive management. Mrs J Nicklen became interim chair of trustees until February 2021, when the board will be re-electing officers for the forthcoming years.

### Public Benefit

The Trustees have given due regard to public benefit when planning the charity's activities, in accordance with the Charity Commission's Guidance. The previous paragraphs set out our activities, achievements and performance during the year, which are directly related to the objects and purposes for which the Charity exists. The Charity achieved its principal objects and purposes through the provision of sailing related activity and other training. These benefits are directly related to the aims of the Charity and are fully compliant with the Charity Commission Principles on Public Benefit.

## Adventure Under Sail

### Trustees' Report



# Adventure Under Sail

## Trustees' Report



# Adventure Under Sail

## Trustees' Report

### Plans for future periods and recent activity

Upon return from the 6-month voyage in April 2020 and because of the pandemic our entire 2020 Spring and Summer sailing programme was cancelled, which was to have been our strongest yet, with earned income in the six months forecast at £305K (compared to £272K in 2019 and £110K in 2018), and another 450/500 young people sailing with us. However as a result of the Covid-19 pandemic all voyages were cancelled, but we have ensured sustainability by cutting costs, furloughing staff, receiving extra grants of over £130K and a UK Government-backed bounceback loan of £50K. The financial climate had changed suddenly almost overnight.

For several months prior to lockdown we had been in discussion with the University of Plymouth, with whom we have worked in partnership for almost three years, and Darwin 200, a non-profit group looking to commemorate the forthcoming 200th anniversary of Charles Darwin's historic voyage on HMS Beagle. Anticipating the easing of lockdown restrictions with these partners we successfully assembled an 8-week UK circumnavigation Ocean Science voyage in August and September 2020 with a full crew of students, sail trainees and others pursuing maritime careers. There are 25 short videos posted on Youtube if you search "Darwin 200 UK Voyage". In October 2020 the ship departed for its transatlantic 6-month voyage, which has been fully booked since early 2020. Due diligence has been exercised in relation to public health advice to enable both these voyages to take place. By working closely with our partners we became the only tall ship in the UK voluntary sector to sail in 2020.

Because of our strong partner relationships most of the cancelled voyages have been rescheduled for Spring and Summer 2021, such that together with the 6-month autumn/winter voyages in 2020/21 and 2021/22 we now have a full programme through to April 2022. However, we foresee additional measures remaining in place during 2021 meaning some voyages may need to be adjusted to allow for deep cleaning as well as additional testing of trainees for covid-19, all additional costs. We took the opportunity during the inactive period to maintain the ship and undertake some internal remodeling, increasing berth capacity for students from 32 to 35.

Looking further ahead into the medium term, during the 2020 fallow period we re-wrote our 5-year Development Plan, which is available to read if required and is available at the "information" dropdown on our website. In mid-2019 we appointed three new trustees who brought many decades of professional experience from the public, private and charity sectors. In October 2020 we completed a further trustee recruitment process and were joined by two further trustees bringing additional and highly relevant skills and experience from the Naval, Publishing, Marketing and Blue Economy backgrounds. Within the 5-year Plan during 2020/21 we are to

- Take initiatives to achieve financial self-sustainability by increasing earned income and developing new income streams
- establish a friends/membership scheme to encourage regular giving;
- continue to seek sources of funding from charitable trusts and foundations and commercial sponsorship;
- establish an Ambassadors Scheme;
- seek legacy giving;
- improve our Ocean Science offer by installing a donated sensor suite.

# **Adventure Under Sail**

## **Trustees' Report**

### **Structure, Governance and Management**

#### **Governing document**

The organisation is a charitable company limited by guarantee, incorporated on 14 April 2008 and registered as a charity on 31 May 2008. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The liability of the directors is limited.

#### **Organisational structure**

The trust is managed by the Chief Executive in accordance with the policies set out by the trustees. In matters of seamanship and vessel safety the master in command of the vessel has the ultimate decision-making authority having due regard to the standard operating procedures laid down by the charity.

#### **Recruitment and appointment of trustees**

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as directors. Under the requirement of the Memorandum and Articles of Association there is no term provided for the length of time for which trustees are elected to serve. This is an area that will be reviewed by the current trustee board. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

In October 2019 the board appointed three new trustees, and in November 2020 it appointed two more, and after one trustee resignation we now have a board of six, all highly experienced with skills accumulated from decades of work in the public, private and charity sectors.

#### **Induction and training of trustees**

A Trustee Induction Pack summarising a trustee's duties along with the history, operating methods, staffing structure and finances of the trust is presented to all potential candidates. All new trustees are invited to meet with the Chairman and Chief Executive to discuss the role and the organisation.

#### **Financial review**

Partners pay a voyage fee to AUS which achieves around 65%/70% cost recovery, and we rely upon grants, donations and fundraising for the remainder. This ensures that voyages remain affordable to all young people including those from disadvantaged backgrounds, one of our strategic objectives.

In line with our 2017/18 3-year plan and expectations there was a significant improvement in financial performance this year, directly resulting from the changes made to our business model three years ago. Earned income from voyages increased to £552K (£379K in 2018/19) from the full 2019 Spring and Summer sailing programme and the second 6-month Autumn/Winter 2019/20 transatlantic voyage in partnership with Ocean College. Due directly to the pandemic-related cancellations we lost 2020 voyage income and deposits of £23K. We received grants and donations totaling £290K (£331K in 2018/19). Before depreciation of £34.5K this resulted in a net cash deficit overall of £21.4K (EBITDA) which is a substantial improvement on last year's (EBITDA) cash deficit of £67K. Without the voyage cancellations we would have generated a pre-depreciation cash surplus of £8K. After depreciation the deficit was £56K (£103K in 2018/19). We continued to make improvements to the ship with repairs, maintenance and improvements costing £82k. A further interest-free soft loan of £110K from a supporter assisted cashflow as the impacts of the covid-19 pandemic were just becoming apparent.

# **Adventure Under Sail**

## **Trustees' Report**

### **Reserves Policy**

The board has examined the charity's requirement for reserves in the light of the main risks to the organisation. It has established a policy whereby unrestricted funds not committed or invested in tangible fixed assets held by the charity should be the equivalent of two months' projected income. Our projected income for the 2020/21 year, despite the reduced sailing programme resulting from the covid-19 pandemic, is around £790K and therefore the target is around £130K in general funds. The purpose of the reserves is to keep the charity in operation should there be a shortfall in the targeted income. The total of unrestricted reserves at the year-end was £656,927 (2019 £712,737). The total free reserves at the year-end were (£202,130) (2019 (£179,851)).

### **Risk Management**

During the year the trustees reconsidered the major risks to which the Charity is exposed and the procedures currently in place to mitigate these. The management of these and any other risks will be kept under annual review and monitored quarterly by the recently formed Trustees' Governance & Finance sub-committee. The additional risk inherent in ownership of T S Pelican of London is addressed through a ship specific risk management process, with the principal risk of loss covered by insurance.

### **Independent Examiners**

PKF-Francis Clark were reappointed as the charitable company's Independent Examiners during the financial year.

The annual report was approved by the trustees of the charity on 8 January 2021 and signed on its behalf by:

.....  
J Nicklen  
Trustee

# **Adventure Under Sail**

## **Statement of Trustees' Responsibilities**

The trustees (who are also the directors of Adventure Under Sail for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the trustees of the charity on 8 January 2021 and signed on its behalf by:

J Nicklen  
Trustee

# Adventure Under Sail

## Independent Examiner's Report

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 April 2020.

### Responsibilities and basis of report

As trustees of the Charitable Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charitable Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

### Independent examiner's statement

In common with other charities, there is a degree of uncertainty regarding the financial outcome of future years. As stated in the going concern note on page 14 the charity is heavily reliant on the financial support of a benefactor whose written support has been obtained, we understand from the Trustees that they have every reason to believe that this support will continue.

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ACCA, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].



## **Adventure Under Sail**

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....  
Michelle Love FCCA (a Director of) PKF Francis Clark

Chartered Accountants  
Towngate House  
2 - 8 Parkstone Road  
Poole  
Dorset  
BH15 2PW

20 January 2021

## Adventure Under Sail

### Statement of Financial Activities for the Year Ended 30 April 2020 (Including Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	283,106	7,548	290,654
Charitable activities	3	<u>552,094</u>	<u>-</u>	<u>552,094</u>
Total Income		<u>835,200</u>	<u>7,548</u>	<u>842,748</u>
<b>Expenditure on:</b>				
Charitable activities	5	<u>(891,010)</u>	<u>(7,548)</u>	<u>(898,558)</u>
Total Expenditure		<u>(891,010)</u>	<u>(7,548)</u>	<u>(898,558)</u>
Net expenditure		<u>(55,810)</u>	<u>-</u>	<u>(55,810)</u>
Net movement in funds		(55,810)	-	(55,810)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>712,737</u>	<u>2,289</u>	<u>715,026</u>
Total funds carried forward	17	<u><u>656,927</u></u>	<u><u>2,289</u></u>	<u><u>659,216</u></u>

## Adventure Under Sail

### Statement of Financial Activities for the Year Ended 30 April 2020 (Including Income and Expenditure Account)

Comparable figures for the year ended 30th April 2019

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	327,868	3,224	331,092
Charitable activities	3	378,665	-	378,665
Investment income	4	25	-	25
Total income		<u>706,558</u>	<u>3,224</u>	<u>709,782</u>
<b>Expenditure on:</b>				
Charitable activities	5	<u>(807,469)</u>	<u>(4,874)</u>	<u>(812,343)</u>
Total expenditure		<u>(807,469)</u>	<u>(4,874)</u>	<u>(812,343)</u>
Net expenditure		<u>(100,911)</u>	<u>(1,650)</u>	<u>(102,561)</u>
Net movement in funds		(100,911)	(1,650)	(102,561)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>813,648</u>	<u>3,939</u>	<u>817,587</u>
Total funds carried forward	17	<u><u>712,737</u></u>	<u><u>2,289</u></u>	<u><u>715,026</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 17.

## Adventure Under Sail

(Registration number: 06569266)  
Balance Sheet as at 30 April 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	11	858,131	892,588
<b>Current assets</b>			
Stocks	12	6,000	2,500
Debtors	13	69,566	50,808
Cash at bank and in hand		98,907	84,461
		<u>174,473</u>	<u>137,769</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(37,888)</u>	<u>(55,331)</u>
<b>Net current assets</b>		<u>136,585</u>	<u>82,438</u>
<b>Total assets less current liabilities</b>		994,716	975,026
<b>Creditors: Amounts falling due after more than one year</b>	15	<u>(335,500)</u>	<u>(260,000)</u>
<b>Net assets</b>		<u>659,216</u>	<u>715,026</u>
<b>Funds of the charity:</b>			
<b>Restricted funds</b>		2,289	2,289
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>656,927</u>	<u>712,737</u>
<b>Total funds</b>	17	<u>659,216</u>	<u>715,026</u>

## **Adventure Under Sail**

(Registration number: 06569266)  
Balance Sheet as at 30 April 2020

For the financial year ending 30 April 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 16 to 32 were approved by the trustees, and authorised for issue on 8 January 2021 and signed on their behalf by:

J Nicklen  
Trustee

Company Registration Number: 06569266

## Adventure Under Sail

### Statement of Cash Flows for the Year Ended 30 April 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(55,810)	(102,561)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		34,457	34,832
Investment income	4	-	(25)
		(21,353)	(67,754)
<b>Working capital adjustments</b>			
Increase in stocks	12	(3,500)	-
Increase in debtors	13	(18,758)	(33,123)
Decrease in creditors	14	(35,443)	(25,991)
Decrease in deferred income	15	-	(7,787)
Net cash flows from operating activities		(79,054)	(134,655)
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	4	-	25
Purchase of tangible fixed assets	11	-	(1,122)
Net cash flows from investing activities		-	(1,097)
<b>Cash flows from financing activities</b>			
Loan advance	14	93,500	200,000
Net increase in cash and cash equivalents		14,446	64,248
Cash and cash equivalents at 1 May		84,461	20,213
Cash and cash equivalents at 30 April		98,907	84,461

All of the cash flows are derived from continuing operations during the above two periods.

# **Adventure Under Sail**

## **Notes to the Financial Statements for the Year Ended 30 April 2020**

### **1 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

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.

#### **Basis of preparation**

Adventure Under Sail is a registered charity, registration number 1124276, company number 6569266, registered in the United Kingdom. The address of the charity is given in the reference and administrative details on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees' annual report.

The charity constitutes a public benefit entity as defined by FRS 102.

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

# **Adventure Under Sail**

## **Notes to the Financial Statements for the Year Ended 30 April 2020**

### **Going concern**

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The charity is heavily reliant on donations and grants and in particular the support from a benefactor in respect of the provision of the vessel referred to in note 16 and donations towards its running costs. The Trustees have written confirmation that this funding will continue at a level sufficient to enable the charity to continue as a going concern.

As explained in the trustee report the board have considered the uncertainty relating to the coronavirus pandemic which occurred around the year end and the impact on the charity's operations and finances in the short to medium term. In the opinion of the board, with the support of the Coronavirus Job Retention Scheme, the Coronavirus Business Interruption Loan Scheme, coronavirus grant funding, benefactor support (as referred to above) and proactively managing cash-flow the charity has sufficient working capital to continue to meet its financial obligations and pay its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis. The board have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves held and the additional coronavirus funding received for the charity to be able to continue as a going concern.

### **Income and endowments**

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 the income receivable can be measured reliably.

### **Donations**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

### **Charitable activities**

Charitable activities income derives from the delivery of programmes and events. The charity recognises revenue from sailing programmes on the date the activity is delivered.



# Adventure Under Sail

## Notes to the Financial Statements for the Year Ended 30 April 2020

### Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

### Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

### Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

### 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.

### Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Ship engine and equipment	10 years straight line
Tall ship	40 years straight line
Communication equipment	5 years straight line
Computer Equipment	3 years straight line

# **Adventure Under Sail**

## **Notes to the Financial Statements for the Year Ended 30 April 2020**

### **Stock**

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) method.

### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### **Concessionary loans**

Concessionary loans include those payable to third parties which are interest free or below market rates and are made to advance charitable purposes. All loans are measured at cost, less impairment.

### **Fund accounting**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds and are resources set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

# Adventure Under Sail

## Notes to the Financial Statements for the Year Ended 30 April 2020

### 2 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	General £	£	£	£
Donations and legacies;				
Donations	283,106	-	283,106	327,868
Grants, including capital grants;				
Grants from companies	-	7,548	7,548	3,224
	<u>283,106</u>	<u>7,548</u>	<u>290,654</u>	<u>331,092</u>

### 3 Income from charitable activities

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Primary purpose trading	<u>552,094</u>	<u>552,094</u>	<u>378,665</u>

### 4 Investment income

	Total 2020	Total 2019
	£	£
Interest receivable and similar income;		
Interest receivable on bank deposits	<u>-</u>	<u>25</u>

# Adventure Under Sail

## Notes to the Financial Statements for the Year Ended 30 April 2020

### 5 Expenditure on charitable activities

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Wages, salaries and casual wages	86,095	106,147
Subcontractors	424,764	271,379
Staff NIC (Employer's)	9,692	37,243
Staff pensions	-	4,490
Bad debts	4,050	4,050
Rent and rates	-	3,677
Office costs	4,965	5,463
Insurance	33,397	22,073
Repairs and renewals	81,891	68,938
Ship costs	185,671	208,750
Computer software and maintenance	4,485	2,483
Sundry expenses	157	1,311
Travel and subsistence	23,287	31,090
Legal and professional fees	-	4,090
Bank charges	397	207
Depreciation	34,457	34,832
Governance costs (see note 6)	5,250	10,170
	<u>898,558</u>	<u>816,393</u>

### 6 Analysis of governance and support costs

#### Governance costs

	<b>Unrestricted funds</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
	<b>General £</b>		
Independent examiner's fee	5,250	5,250	5,085
Independent examination fee understated in earlier years	-	-	5,085
	<u>5,250</u>	<u>5,250</u>	<u>10,170</u>

# Adventure Under Sail

## Notes to the Financial Statements for the Year Ended 30 April 2020

### 7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2020 £	2019 £
Depreciation of fixed assets	34,457	34,832
Independent examiner's fee	5,250	10,170

### 8 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

#### S Thorrington

£1,055 (2019: £528) of expenses were reimbursed to S Thorrington during the year.

#### K Heenan

£Nil (2019: £82) of expenses were reimbursed to K Heenan during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

### 9 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
<b>Staff costs during the year were:</b>		
Wages and salaries	86,095	106,147
Social security costs	9,692	11,453
Pension costs	-	4,490
	<u>95,787</u>	<u>122,090</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2020 No	2019 No
Average employees	<u>2</u>	<u>3</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £59,670 (2019 - £71,720).

# Adventure Under Sail

## Notes to the Financial Statements for the Year Ended 30 April 2020

### 10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

### 11 Tangible fixed assets

	Ship engine and equipment £	Computer Equipment £	Tall ship £	Communication equipment £	Total £
<b>Cost</b>					
At 1 May 2019	90,830	2,247	1,000,000	25,000	1,118,077
At 30 April 2020	90,830	2,247	1,000,000	25,000	1,118,077
<b>Depreciation</b>					
At 1 May 2019	23,990	1,499	175,000	25,000	225,489
Charge for the year	9,083	374	25,000	-	34,457
At 30 April 2020	33,073	1,873	200,000	25,000	259,946
<b>Net book value</b>					
At 30 April 2020	57,757	374	800,000	-	858,131
At 30 April 2019	66,840	748	825,000	-	892,588

### 12 Stock

	2020 £	2019 £
Stocks	6,000	2,500

### 13 Debtors

	2020 £	2019 £
Trade debtors	40,342	19,784
Prepayments	27,124	27,609
VAT recoverable	2,100	3,415
	69,566	50,808

# Adventure Under Sail

## Notes to the Financial Statements for the Year Ended 30 April 2020

### 14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	11,988	39,001
Other loans	18,000	-
Other taxation and social security	2,650	5,295
Other creditors	-	5,950
Accruals	5,250	5,085
	<u>37,888</u>	<u>55,331</u>

### 15 Creditors: amounts falling due after one year

	2020 £	2019 £
Other loans	<u>335,500</u>	<u>260,000</u>

### 16 Contingent liabilities

Legal charge over ship 'Pelican of London'

On 26 November 2012 the charity purchased the vessel 'Pelican of London' from Mr Jeremy Watts for the agreed sum of £1m and entered into a loan agreement with the vendor for £1m.

The loan is repayable in one of three ways:

1. Upon such date as the parties agree in writing; or
2. Upon the vessel not being used to fulfil the charitable objectives; or
3. Upon the borrower choosing to redeliver the vessel to the lender

Interest at 3% over Bank of England base rate only accrues on the loan in the event that the vessel is sold to a third party for a sum in excess of the amount paid.

A legal charge (mortgage) is in place dated 26 November 2012 to act as security against the loan.

The underlying intention was that the charity has ownership and use of the vessel in fulfilling its charitable objectives and the loan arrangement was in place to ensure that, should the charity not be viable or wish to cease using the vessel, the asset reverts to the donor and no additional liabilities arise. As such the liability has not been reflected in the Financial Statements as at the present time it is deemed unlikely that the loan will become payable.

The Pelican of London is pledged as security to Mr Jeremy Watts.

## Adventure Under Sail

### Notes to the Financial Statements for the Year Ended 30 April 2020

#### 17 Funds

	Balance at 1 May 2019 £	Incoming resources £	Resources expended £	Balance at 30 April 2020 £
<b>Unrestricted funds</b>				
<i><b>General</b></i>				
Unrestricted Income Fund	(180,403)	835,200	(856,927)	(202,130)
<i><b>Designated</b></i>				
Bursary Fund	1,300	-	-	1,300
Tangible Fixed Assets	891,840	-	(34,083)	857,757
	<u>893,140</u>	<u>-</u>	<u>(34,083)</u>	<u>859,057</u>
<b>Total Unrestricted funds</b>	712,737	835,200	(891,010)	656,927
<b>Restricted funds</b>				
ASTO Hammond Innes Bursary	<u>2,289</u>	<u>7,548</u>	<u>(7,548)</u>	<u>2,289</u>
<b>Total funds</b>	<u>715,026</u>	<u>842,748</u>	<u>(898,558)</u>	<u>659,216</u>



## Adventure Under Sail

### Notes to the Financial Statements for the Year Ended 30 April 2020

	Balance at 1 May 2018 £	Incoming resources £	Resources expended £	Balance at 30 April 2019 £
<b>Unrestricted funds</b>				
<i><b>General</b></i>				
Unrestricted Income Fund	(113,575)	706,558	(773,386)	(180,403)
<i><b>Designated</b></i>				
Bursary Fund	1,300	-	-	1,300
Tangible Fixed Assets	925,923	-	(34,083)	891,840
	<u>927,223</u>	<u>-</u>	<u>(34,083)</u>	<u>893,140</u>
<b>Total unrestricted funds</b>	813,648	706,558	(807,469)	712,737
<b>Restricted funds</b>				
ASTO Hammond Innes Bursary	<u>3,939</u>	<u>3,224</u>	<u>(4,874)</u>	<u>2,289</u>
<b>Total funds</b>	<u>817,587</u>	<u>709,782</u>	<u>(812,343)</u>	<u>715,026</u>

# Adventure Under Sail

## Notes to the Financial Statements for the Year Ended 30 April 2020

The specific purposes for which the funds are to be applied are as follows:

### Restricted Funds:

ASTO Hammond Innes Bursary - Funds set aside to provide sailing opportunities for young people on the Pelican.

### Designated Funds:

Bursary Funds - Funds set aside to provide bursaries to young people.

Tangible Fixed Assets - Funds set aside for the depreciation of fixed assets excluding computer equipment.

## 18 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds
	General £	Designated £	£	£
Tangible fixed assets	374	857,757	-	858,131
Current assets	172,184	-	2,289	174,473
Current liabilities	(147,888)	-	-	(147,888)
Creditors over 1 year	(225,500)	-	-	(225,500)
Total net assets	<u>(200,830)</u>	<u>857,757</u>	<u>2,289</u>	<u>659,216</u>

	Unrestricted funds		Restricted funds	Total funds at 30 April 2019
	General £	Designated £	£	£
Tangible fixed assets	748	891,840	-	892,588
Current assets	134,180	1,300	2,289	137,769
Current liabilities	(55,331)	-	-	(55,331)
Creditors over 1 year	(260,000)	-	-	(260,000)
Total net assets	<u>(180,403)</u>	<u>893,140</u>	<u>2,289</u>	<u>715,026</u>