

# JUBILEE SAILING TRUST

changing lives

**JUBILEE SAILING TRUST (TENACIOUS) LIMITED**

Report and Financial Statements

Year Ended

31 March 2017

Registered Charity Number: 1081658

Company number: 04019273

**JUBILEE SAILING TRUST (TENACIOUS) LIMITED**

**Annual Report and Financial Statements for the year ended 31 March 2017**

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# JUBILEE SAILING TRUST (TENACIOUS) LIMITED

## Reference and administrative details

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**Board of Directors and Trustees**

Tom Stewart  
James Crill

**Chief Executive**

Duncan Souster

**Honorary Secretary**

Malcolm Entwistle

**Registered office**

12 Hazel Road  
Woolston  
Southampton  
SO19 7GA

**Bankers**

National Westminster Bank PLC  
PO Box 315  
High Street  
Southampton  
SO14 2BF

**Solicitors**

Hill Dickinson LLP  
Irongate House  
Dukes Place  
London  
EC3A 7HX

**Independent Auditors**

Fiander Tovell Limited  
Stag Gates House  
63/64 The Avenue  
Southampton  
SO17 1XS

**Company Number**

04019273

**Charity Number**

1081658

## **JUBILEE SAILING TRUST (TENACIOUS) LIMITED**

### **Report of the Board of Directors for the year ended 31 March 2017**

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Jubilee Sailing Trust (Tenacious) Limited ("JST T Limited") is a subsidiary charity of the main charity, Jubilee Sailing Trust ("JST" charity registered number 277810). The main parent charity, JST, prepares a consolidated report and accounts including JST T Limited. The charitable objective is to enable physically disabled and able-bodied people to share the challenging and integrating experience of crewing a sailing tall ship at sea.

This report and accounts includes only the statutory information relating to this subsidiary charity, and does not fully reflect the overall charity's objectives and operations. A fuller understanding of the operations of the JST group as a whole can be gained from the consolidated report and accounts.

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

JST T Limited is a registered charity (no. 1081658) and is a company limited by guarantee (no. 04019273). The principal objective of this subsidiary charity is to own and operate a tall ship in support of the overall objectives of the parent charity. The objective has been achieved through the operation of "Tenacious" throughout the year.

The Directors, who are also Trustees of the parent charity, and other administrative details, are set out on page 2 of this report.

The Trustees of the parent charity are responsible for the governance of the group as a whole, with day to day decision making delegated to the CEO. The company operates in accordance with the group policies regarding the recruitment, appointment, induction and training of new Trustees and the setting of remuneration for key management personnel.

Risk is managed at a group level with the principal risks being the group's capital debt burden and the operational risks associated with the running of a tall ship.

#### **Financial review and reserves**

The overall income of this charity, JST T Limited, is up by £346,000 on 2016 (excluding the subvention from the parent charity). The operating costs are down by £4,000 on 2016. The operating loss and net decrease in funds for the year is £1,295,000 (2016: £1,522,000) before subvention. After subvention, the charity shows a net increase in funds of £1,689,000 (2016: £1,522,000 decrease).

This charity receives financial support from its parent charity, and from its fellow subsidiary charity. Further information regarding going concern can be found in note 1b.

The company does not maintain reserves. Where possible, reserves are maintained by the parent charity.

#### **Performance, achievements and plans for the future**

The company's performance is satisfactory in difficult circumstances. The company will continue to operate in support of the parent charity's objectives.

#### **Public Benefit**

The Directors have had due regard to guidance published by the Charity Commission on public benefit and are confident that the charitable company meets the requirements.



**JUBILEE SAILING TRUST (TENACIOUS) LIMITED**

**Report of the Board of Directors for the year ended 31 March 2017**

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**Auditors**

The auditors, Fiander Tovell Limited, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

**Statement of Trustees' Responsibilities**

The Trustees (who are also directors of Jubilee Sailing Trust (Tenacious) Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

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

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

This report was approved by the Trustees on 14/12/17



James Crill  
Director

## **JUBILEE SAILING TRUST (TENACIOUS) LIMITED**

### **Independent Auditors Report to the Members of Jubilee Sailing Trust (Tenacious) Limited**

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We have audited the financial statements of Jubilee Sailing Trust (Tenacious) Limited for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Board of Directors to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



**JUBILEE SAILING TRUST (TENACIOUS) LIMITED**

**Independent Auditors Report to the Members of Jubilee Sailing Trust (Tenacious) Limited**

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**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017, and of its 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.

**Going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1(b) to the financial statements concerning the charitable company's ability to continue as a going concern, which is dependent upon the support of the parent charity and fellow members of the group, which in turn is dependent on the continued support of the group's bank, other creditors and its supporters and donors.

These conditions, along with the other matters explained in note 1(b) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and the charitable company's ability to continue in operation. The financial statements do not include the adjustments that would result in the event the company was unable to continue as a going concern. In view of the significance of this matter, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

**Opinion on other matter 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' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

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' Annual Report.



**Paul Meacher FCA (Senior statutory auditor)**

**for and on behalf of Fiander Tovell Limited**  
**Chartered Accountants and Registered Auditors**  
Stag Gates House  
63/64 The Avenue  
Southampton  
SO17 1XS

Date: 19 Dec 2017

**JUBILEE SAILING TRUST (TENACIOUS) LIMITED**

**Statement of Financial Activities (including Income & Expenditure Account)  
for the year ended 31 March 2017**

	<b>Unrestricted Funds 2017 £</b>	<b>Unrestricted Funds 2016 £</b>
<b>Income and endowments from:</b>		
<i>Charitable activities:</i>		
Voyage fees	773,191	611,939
Appearance fees	188,165	-
<i>Other trading activities:</i>		
Merchandising income	28,934	13,749
Other fundraising income	-	19,026
<i>Other:</i>		
Subvention from Jubilee Sailing Trust	2,984,660	-
<b>Total incoming resources</b>	<b>3,974,950</b>	<b>644,714</b>
<b>Expenditure on:</b>		
<i>Raising funds:</i>		
Fund raising and publicity costs	235,779	124,784
Merchandising costs	17,703	5,508
	<b>253,482</b>	<b>130,292</b>
<i>Charitable activities:</i>		
Tenacious operating and support costs	1,845,187	1,909,953
Tenacious depreciation	108,644	108,644
Interest payable	78,381	17,581
	<b>2,032,212</b>	<b>2,036,178</b>
<b>Total resources expended</b>	<b>4 2,285,694</b>	<b>2,166,470</b>
<b>Net income/(expenditure) for the year/Net incoming/(outgoing) resources</b>	<b>1,689,256</b>	<b>(1,521,756)</b>
(Losses)/Gains on revaluation of tangible fixed assets	-	-
<b>Net movement in funds for the year</b>	<b>1,689,256</b>	<b>(1,521,756)</b>
<b>Fund balance at 1 April 2016</b>	<b>(1,689,256)</b>	<b>(167,500)</b>
<b>Fund balance at 31 March 2017</b>	<b>-</b>	<b>(1,689,256)</b>

All items dealt with in arriving at the net movement in funds for 2017 and 2016 relate to continuing operations. The company has no recognised gains or losses in 2017 and 2016, other than those included in the net movement in funds for the year, and therefore, no separate statement of total recognised gains and losses is presented.



# JUBILEE SAILING TRUST (TENACIOUS) LIMITED


Balance sheet at 31 March 2017

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	8	<u>4,038,671</u>	<u>4,147,315</u>
<b>Current assets</b>			
Stocks	9	32,940	34,395
Debtors due within one year	10	14,587	33,795
Debtors due after more than one year	10	-	-
Cash at bank and in hand		<u>29,731</u>	<u>5,287</u>
		<u>77,258</u>	<u>73,477</u>
Creditors: amounts falling due within one year	11	(224,381)	(921,512)
<b>Net current (liabilities)/ assets</b>		<u>(147,123)</u>	<u>(848,035)</u>
<b>Total assets less current liabilities</b>		<b>3,891,548</b>	<b>3,299,280</b>
Creditors: amounts falling due after more than one year	12	(3,891,548)	(4,988,536)
<b>Net assets</b>		<u>-</u>	<u>(1,689,256)</u>
<b>Unrestricted funds</b>		<u>-</u>	<u>(1,689,256)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the Small Companies Regime within part 15 of the Companies Act 2006.

The financial statements were approved by the Board and authorised for issue on: 14/12/17

by:

  
James Crill, Director  
Company No. 04019273

**1 Accounting policies**

**Charity Information**

Jubilee Sailing Trust (Tenacious) Limited is a charitable company established under a Memorandum and Articles of Association and registered with the Charity Commission and Companies House in England and Wales. The principal address is 12 Hazel Road, Woolston, Southampton, SO19 7GA. The charity is a public benefit entity.

*a) Basis of preparation*

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets as detailed in note 1g and have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (SORP2015) issued in July 2014, the Companies Act 2006, the Charities Act 2011 and applicable accounting standards.

As the company is a charity, the wording of the statutory formats required by the Companies Act 2006 has been appropriately amended in order to give a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The company has taken advantage of the reduced disclosure framework exemption. The parent entity is Jubilee Sailing Trust, a charity registered in England and Wales. Jubilee Sailing Trust prepare group financial statements and copies can be obtained from 12 Hazel Road, Woolston, Southampton, SO19 7GA. The company has taken advantage of exemption from the following disclosures: statement of cash flows, financial instruments and key management personnel remuneration.

*b) Going concern*

The company received further support from its parent charity during the year. The Directors have taken steps to improve the financial performance although income levels since the balance sheet date, and projected operational cash flows, indicate that the company will remain under financial pressure for the foreseeable future.

The company is dependent on the continued support of the bank, fellow members of the group, other creditors and supporters and donors. The Directors consider that they have this support, and that the company will continue to operate as a going concern. The financial statements have been prepared on the basis that the company is a going concern and do not include the adjustments that would result in the event of the lenders or principal creditors removing their continued support and current credit and working capital facilities.

*c) Company status*

The company is a company limited by guarantee. The members of the company are the Trustees of the parent charity, Jubilee Sailing Trust, including James Crill and Tom Stewart. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.



Notes to the Financial Statements for the year ended 31 March 2017

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**1 Accounting policies continued***d) Resources expended*

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Support costs are those costs (including overheads) incurred in support of expenditure on the objects of the charity. Support costs have been allocated first between charitable activity and governance. The overhead element has then been apportioned between charitable activity and governance based on staff time. The allocation of overhead and support costs is analysed in note 4 (b).

*e) Incoming resources*

Merchandising income represents the funds received during the year from the sale of promotional goods. Voyage fees represent the amounts invoiced for voyages which commenced in the accounting period. Voyage deposits received in advance are deferred until the commencement of the voyage. Subvention from the Jubilee Sailing Trust represents funds received from the parent in support of the charitable activities of the subsidiary.

*f) Governance costs*

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

*g) Tangible fixed assets and depreciation*

Tenacious is stated at valuation in accordance with FRS 102. Depreciation following a revaluation is provided on a straight line basis at 2.5% per annum. The costs of refits are charged against revenue as incurred.

All other fixed assets costing over £3,000 are capitalised and are stated at cost or, if donated, at insured value, less accumulated depreciation. Depreciation is calculated so as to write off the cost of fixed assets over their expected useful economic lives on a straight line basis, at annual rates varying between 10% and 25%.

Subsequent expenditure that enhances the economic benefits of the asset in excess of its previously assessed value is capitalised.

*h) Foreign currency*

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the Statement of Financial Activities.

*i) Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis.



**1 Accounting policies continued**

*j) Debtors*

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

*k) Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts.

*l) Creditors and provisions*

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

*m) 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.

*n) Pension costs*

The charity participates in independent pension schemes for employees based on defined levels of contributions. The assets of the schemes are held separately from those of the charity. Pension costs represent the contributions payable by the charity during the period.

Some employees are members of the Merchant Navy Officers Pension Fund (MNOFP), a multi-employer scheme. The fund member is the Jubilee Sailing Trust Limited, the fellow subsidiary company. Provision is made for deficit contributions agreed to be made under a payment instalment arrangement.

*o) Irrecoverable VAT*

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

**2 Critical accounting estimates and judgements**

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

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

*Key sources of estimation uncertainty*

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

*Ship Valuations*

The charitable company's tall ship is shown in the financial statements at valuation. The trustees engage professional specialist valuers to value the ships and the valuations are based on their advice. The valuation is an estimate based on various factors as shown in note 8.

*MNOPF Multi-Employer Defined Benefit Scheme*

Provision is made for the agreed contributions to the deficit on the MNOPF multi-employer defined benefit scheme. The deficit is an estimate based on calculations and valuations made by independent actuaries.

**3 Donated goods, facilities and services**

From our valued supporters around the world the parent charity, JST, received £195,000 in donations in kind in the year. Examples of the support we have received throughout the year include ship services and equipment such as berthing fees, insurance and navigational equipment. We have also received support for office services and equipment such as new office printers.

Our volunteer branch community (nearly 1,000 strong) provides us with invaluable support across the world helping to raise awareness of our work, fundraising, providing expert assistance in the office and with the maintenance of our ships. Volunteers also play a key role delivering our mission as Watch Leaders, Bosun's Mates and Cook's Assistants.

**JUBILEE SAILING TRUST (TENACIOUS) LIMITED**

**Notes to the financial statements for the year ended 31 March 2017**

**4 (a) Total resources expended**

	Staff Costs	Depreciation	Other Direct Costs	Other Allocated Costs	Total 2017	Total 2016
	£	£	£	£	£	£
Fundraising & publicity costs	-	-	77	235,702	235,779	124,784
Merchandising costs	-	-	17,703	-	17,703	5,508
Tenacious operating costs	459,754	108,644	704,296	681,137	1,953,831	2,018,597
Interest payable (see note 9a)	-	-	78,381	-	78,381	17,581
	<u>459,754</u>	<u>108,644</u>	<u>800,457</u>	<u>916,839</u>	<u>2,285,694</u>	<u>2,166,470</u>

Fundraising and publicity costs relate to fundraising for donations and gifts, and to communicating the charitable aims of the company. Other allocated costs were incurred on behalf of Jubilee Sailing Trust (Tenacious) Limited by Jubilee Sailing Trust Limited, a fellow subsidiary and recharged to this company.

**(b) Allocation of support costs and overheads**

The breakdown of support and overhead costs and how these were allocated between Governance and Charitable Activities (Ship operating costs) is shown in the table below. All have been allocated on a 'time spent' basis.

Cost type	Total Allocated	Governance	Ship Operating Costs
	£	£	£
Staff costs	268,346	15,675	252,671
Office rental and costs	14,606	850	13,756
Communication costs	6,388	372	6,016
Insurance	3,636	212	3,424
Depreciation	1,241	72	1,169
Other	290,364	41,599	248,765
	<u>584,581</u>	<u>58,780</u>	<u>525,801</u>

Governance costs include audit fees of £4,700 (2016: £4,575) and amounts payable to the auditors for other services of £490 (2016: £475).



# JUBILEE SAILING TRUST (TENACIOUS) LIMITED

## Notes to the financial statements for the year ended 31 March 2017

### 5 Staff costs for the year are analysed as follows:

Staff costs for the year are analysed as follows:

	2017	2016
	£	£
Agency staff	451,484	417,769
Pension contributions	8,270	-
	<u>459,754</u>	<u>417,769</u>

No employee earned more than £60,000 in either year.

The above amounts are in respect of staff employed by a third party but provided to Jubilee Sailing Trust Limited under a contract for the provision of staff.

As the charitable company has no directly employed staff, there are no employee numbers to be disclosed for either year.

### 6 Trustees' remuneration

None of the Trustees received any emoluments in either period. No expenses were reimbursed to the trustees (2016: None).

Trustee indemnity insurance of £1,643 (2016: £1,590) has been paid by Jubilee Sailing Trust Limited, recharged to Jubilee Sailing Trust (Tenacious) Limited and is included within governance costs.

### 7 Interest Payable

	2017	2016
	£	£
Bank loans	6,131	7,585
Intercompany loans	62,254	-
Other loans	9,996	9,996
	<u>78,381</u>	<u>17,581</u>

# JUBILEE SAILING TRUST (TENACIOUS) LIMITED

Notes to the financial statements for the year ended 31 March 2017

## 8 Tangible fixed assets

	Tenacious	Boats & Spare Engines	Equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2016				
at original cost	-	23,942	-	23,942
at valuation	4,250,000	-	-	4,250,000
	<u>4,250,000</u>	<u>23,942</u>	<u>-</u>	<u>4,273,942</u>
Additions in the year	-	-	-	-
Disposals	-	-	-	-
<b>At 31 March 2017</b>	<u><b>4,250,000</b></u>	<u><b>23,942</b></u>	<u><b>-</b></u>	<u><b>4,273,942</b></u>
<b>Depreciation</b>				
At 1 April 2016	106,250	20,377	-	126,627
Disposals	-	-	-	-
Charge for the year	106,250	2,394	-	108,644
<b>At 31 March 2017</b>	<u><b>212,500</b></u>	<u><b>22,771</b></u>	<u><b>-</b></u>	<u><b>235,271</b></u>
<b>Net book value</b>				
<b>At 31 March 2017</b>	<u><b>4,037,500</b></u>	<u><b>1,171</b></u>	<u><b>-</b></u>	<u><b>4,038,671</b></u>
<b>At 31 March 2016</b>	<u><b>4,143,750</b></u>	<u><b>3,565</b></u>	<u><b>-</b></u>	<u><b>4,147,315</b></u>

Tenacious is pledged as security for the bank loan, as detailed in note 12a. Following repayment of the bank loan, Tenacious was pledged as security for a number of other loans made to the parent entity, Jubilee Sailing Trust.

The company adopts a policy of revaluation of its sailing ship in accordance with FRS 102. A valuation was carried out in July 2015 by Graham Westbrook (independent naval architect and surveyor) who estimated the approximate value of Tenacious at £4,250,000. The basis for the valuation and factors considered were:

1. Ships of similar size and nature available on the open market.
2. Comparison with as near an identical ship whose details are known.
3. The cost to build the ship from new.

### Comparable historical cost for Tenacious:

(a)	Tenacious
	£
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	<u>15,620,213</u>
<b>Depreciation</b>	
At 1 April 2016	4,881,062
Charge for the year	<u>312,404</u>
At 31 March 2017	<u>5,193,466</u>
<b>Net Book Value</b>	
At 31 March 2017	10,426,747
At 31 March 2016	<u>10,739,151</u>

# JUBILEE SAILING TRUST (TENACIOUS) LIMITED

## Notes to the financial statements for the year ended 31 March 2017

### 9 Stocks

These comprise promotional trading goods and bar stock for resale and ship stores.

	2017	2016
	£	£
Cost of stocks recognised as an expense during the year:	<u>137,033</u>	<u>95,128</u>

### 10 Debtors

Debtors: amounts falling due within one year	2017	2016
	£	£
Prepayments and accrued income	<u>14,587</u>	<u>33,795</u>

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

	2017	2016
	£	£
Bank and other loans (see note 12 a,b)	-	670,052
Voyage deposits in advance	181,019	234,592
Accruals and deferred income	43,362	16,868
	<u>224,381</u>	<u>921,512</u>

The amount of secured liabilities falling due within one year is £Nil (2016: £670,052).

Voyage deposits in advance deferred last year have been utilised and recognised as income this year.

### 12 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loan (see note 12a)	-	-
Other loans (see note 12b)	-	833,000
Advances from the Jubilee Sailing Trust (see note 12c)	3,891,548	4,155,536
	<u>3,891,548</u>	<u>4,988,536</u>

The amount of secured liabilities falling due after more than one year is £3,891,548 (2016: £4,988,536).

The analysis of bank and other loans are:

	2017	2016
	£	£
Due within 1 year	-	670,052
Due after 5 years	-	833,000
	<u>-</u>	<u>1,503,052</u>



## JUBILEE SAILING TRUST (TENACIOUS) LIMITED

### Notes to the financial statements for the year ended 31 March 2017

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#### 12 (a) Bank loan:

The charitable company had a loan originally of £4,000,000 taken out in January 1999 and due to mature in April 2016. This loan was secured by a fixed charge over Tenacious and a floating charge over other assets of Jubilee Sailing Trust (Tenacious) Limited. Additionally, a charge was given over Lord Nelson, owned by Jubilee Sailing Trust Limited, as security for the loan and the Jubilee Sailing Trust provided guarantees in respect of the obligations of Jubilee Sailing Trust (Tenacious) Limited. The rate of interest was 0.7% above Base Rate. Prior to April 2012, the total of capital repaid was £3,167,000. The loan capital was then repayable in half-yearly instalments of £25,000 commencing April 2012. The loan was settled in March 2017. The balance outstanding at 31 March 2017 was £Nil (2016: £633,068).

#### (b) Other loans:

JC Newco Limited, a company set up by Mrs J Cator, the Honorary President of Jubilee Sailing Trust made a loan of £850,000 to the Jubilee Sailing Trust (Tenacious) Limited on which interest was charged at a rate of no more than 0.7% over the Bank of England's Base rate.

During the year ended 31 March 2017, the balance outstanding on the loan including accrued interest was forgiven and the amount forgiven has been recognised as voluntary income in the parent entity. The balance outstanding at 31 March 2017 was £Nil (2016: £869,984). This includes accrued interest

(c) The advances from the Jubilee Sailing Trust are secured on the assets of the company and, in the absence of any breach of the terms of the security, are repayable out of the proceeds of sale of any assets so secured. By a Deed of Subordination finalised after the balance sheet date, Jubilee Sailing Trust has agreed that its security ranks behind the security given to National Westminster Bank plc, the Secretary of State for Trade and Industry, The Corporation of Trinity House of Deptford Strond, John Marston, Harry Cator and Elisabeth Thistlethwayte.

#### 13 Related Party Transactions

As a wholly owned subsidiary of Jubilee Sailing Trust, the company is exempt from the requirements to disclose related party transactions with Jubilee Sailing Trust and Jubilee Sailing Trust Limited, a fellow subsidiary, under FRS 102. Other than the loan secured by Mrs J Cator, the Honorary President of Jubilee Sailing Trust, as disclosed in note 12(b) above, there are no other related party transactions, which require disclosure.

#### 14 Controlling Party

The Jubilee Sailing Trust is the company's controlling party. Jubilee Sailing Trust operates from 12 Hazel Road, Woolston, Southampton, SO19 7GA. The charity registration number of Jubilee Sailing Trust is 277810. Jubilee Sailing Trust's principal purpose and activity is the promotion of the integration of able-bodied and physically disabled people through adventure sailing holidays aboard its two square-rigged ships. Copies of the Jubilee Sailing Trust's consolidated financial statements can be obtained from the company's registered office.

## **JUBILEE SAILING TRUST (TENACIOUS) LIMITED**

### **Notes to the Financial Statements for the year ended 31 March 2017**

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#### **15 Pension Costs**

The Jubilee Sailing Trust Limited contributes at varying rates to the Merchant Navy Officers' Pension fund, a pension scheme for qualifying members which incorporates both defined benefit and defined contribution sections. The defined benefit scheme is exempt from the disclosures required under Section 28 of FRS 102 as a multi-employer scheme, because the company is unable to identify its share of the underlying assets and liabilities in the scheme.

Provision is made for the agreed contributions to the deficit under the instalment payment arrangement made in March 2014. The pension contributions paid in the year which reduce the provision and are recharged to Jubilee Sailing Trust (Tenacious) Limited through its intercompany account amounted to £21,000 (2016: £26,500).

#### **16 Contingent Liability**

The company has provided a guarantee and a ship's mortgage on Tenacious for loans made by various parties to the parent entity, Jubilee Sailing Trust. The balance of the loans at 31 March 2017 was £2,272,000 (2016: £Nil).