

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 2017

Adventure Under Sail

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Adventure Under Sail

Trustees' Report

The trustees (who are also 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 applicable law and regulations.

Objectives and activities

The purpose of the charity is set out in the objects contained in the company's memorandum 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.

The aims of the charity are to offer people the opportunity to improve their lives through the experience of sail training on the T. S. Pelican of London. Our aims fully reflect the purposes for which the charity was set up.

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 guidance contained in 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 stronger and more resilient for its primary purpose of continuing to provide opportunities for people to learn and develop through sailing on the T. S. Pelican of London. The strategies we used to meet these objectives included:

The staffing structure was strengthened.

The structure of the ship was thoroughly reviewed and assessed, and several improvements made costing over £100K to improve the ships future reliability and sustainability.

Ongoing risk assessment associated with operational matters.

Providing bursaries for young people to sail on the T. S. Pelican of London.

Developing new partnerships and strategic alliances with other charitable organisations who work with young people, particularly those who come from socially excluded backgrounds, and to offer educational programmes which best respond to their life situations.

A particular objective of the charity is to broaden the scope of its work with young people from all backgrounds in order to give more opportunities to participate in the charity's activities, which in turn will grow the income base to ensure that it is sustainable into the future. We have entered into 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.

Adventure Under Sail

Trustees' Report

In all, nearly 400 people sailed on the T S Pelican between May 2016 and April 2017 on 23 voyages including day sails. More than half were trainees and we ran 7 exclusive youth voyages. The remainder were a mix of day-sails and adult voyages on which youth trainees also participated. Once again, due to technical issues The Pelican was forced to return to Sharpness Drydock over winter, where issues with steering problems are currently being addressed. We have introduced a continuous improvement programme to identify potential issues and invest in maintenance to improve the ships reliability.

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 on Public Benefit. 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.

Plans for future periods

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements. During the subsequent 2017-18 financial year the charity has continued to:

Undertake its annual survey of the vessel and drawn up a long term maintenance plan.

Work with other charities, local authorities and educational establishments who work with young people from socially excluded backgrounds to develop the educational experience offered.

Winter alongside in Sharpness Drydock from October 2017 to February 2018 to address the steering problems, reduce cost, carry out maintenance and build an appropriate programme.

Promote the ship to new audiences.

Work in partnership with other organisations promoting 'adventure' activities.

Targeted advertising - Being more responsive to our service-users and customers.

Refresh its website and social media presence to be more responsive to current trends and market demands.

Recognising the charities key objectives, we have identified an opportunity for TS Pelican to work in the Irish Sea focusing on activities with Liverpool, Belfast and Dublin. With a significantly larger population, higher level of deprivation and unemployment, the opportunity to operate voyages should be improved. In addition the support we have received from the main ports and cities has been extremely positive and welcoming. For the 2018/19 season there may be potential for The Pelican to be based from Liverpool.

Furthermore, considerable time has been invested in developing key partnerships with Liverpool, Dublin and Belfast and their associated youth development organisations. Through these partnerships we expect to grow a more sustainable voyage programme for future years which will in turn deliver better outcomes for young people.

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 14 April 2004 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.

Adventure Under Sail

Trustees' Report

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. The board currently has two trustees and are actively seeking new members. They intend to undertake a recruitment process in order to build the board to six to eight people providing the skills and experience needed by the charity, with more emphasis on an understanding of youth development and local knowledge or resident in the North West.

Financial review

During this financial year the charity committed over £100K to expenditure on repairs and improvements to the ship, in particular replacing the sewage treatment plant and the calorifiers, all to increase its reliability. This contributed to a deficit of income over expenditure during the year of £310. The trustees are confident that their planned strategies going forward will secure further funding to confirm long term sustainability..

We continue to form strategic alliances and partnerships with other organisations operating in the voluntary sector, increasing the range of services and beneficiaries of the charity, and in particular to provide sail training opportunities to young people from socially deprived backgrounds, which in turn will increase its income for services provided. We have also benefitted from financial support in the way of bursary funding for voyages, which will contribute to our financial sustainability over coming years.

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 2017/18 year is around £666,115, and therefore the target is to hold a total of £100,000 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 £952,158 (2016 £952,468). The total free reserves at the year-end were £12,824 (2016 £9,664).

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. 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.

Adventure Under Sail

Trustees' Report

Reference and Administrative Details

Trustees	K Heenan S Thorrington M Knight (Resigned 18 October 2016)
Secretary	Miss K Heenan
Senior Management Team	R Butler, Chief Executive Officer (Sept 15 - Aug 16) R Robson, Operations Manager A Ragbourne, Chief Executive Officer (Appointed Oct 16)
Principal Office	Unit 6 Basepoint Business Centre 15 Jubilee Close Weymouth Dorset DT4 7BS
Company Registration Number	06569266
Charity Registration Number	1124276
Bankers	The Co-operative Bank Central Commercial Branch PO Box 250, Skelmerdale WN8 6WT
Independent Examiner	PKF Francis Clark PKF Francis Clark Chartered Accountants Towngate House 2 - 8 Parkstone Road Poole Dorset BH15 2PW

Adventure Under Sail

Trustees' Report

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 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 27 January 2018 and signed on its behalf by:

S Thorrington
Trustee

Adventure Under Sail

Independent Examiner's Report to the trustees of Adventure Under Sail

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 April 2017.

Responsibilities and basis of report

As the charity's trustees of the 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 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 11 the charity is heavily reliant on the financial support of a benefactor and whilst his written support has been obtained until March 2018 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 ICAEW, which is one of the listed bodies.

Adventure Under Sail

Independent Examiner's Report to the trustees of Adventure Under Sail

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)].

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.

Nicholas J Love FCA FCCA
PKF Francis Clark

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

29 January 2018

Adventure Under Sail

Statement of Financial Activities for the Year Ended 30 April 2017 (Including Income and Expenditure Account)

	Note	Unrestricted funds £	Total 2017 £	Total 2016 £
Income and Endowments from:				
Donations and legacies	2	474,717	474,717	367,993
Charitable activities	3	115,717	115,717	127,761
Investment income	4	1	1	123
Other income	5	-	-	1,100
Total Income		<u>590,435</u>	<u>590,435</u>	<u>496,977</u>
Expenditure on:				
Charitable activities	6	<u>(590,745)</u>	<u>(590,745)</u>	<u>(594,293)</u>
Total Expenditure		<u>(590,745)</u>	<u>(590,745)</u>	<u>(594,293)</u>
Net expenditure		<u>(310)</u>	<u>(310)</u>	<u>(97,316)</u>
Net movement in funds		(310)	(310)	(97,316)
Reconciliation of funds				
Total funds brought forward		<u>952,468</u>	<u>952,468</u>	<u>1,049,784</u>
Total funds carried forward	19	<u><u>952,158</u></u>	<u><u>952,158</u></u>	<u><u>952,468</u></u>

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

The funds breakdown for 2016 is shown in note 19.

Adventure Under Sail
(Registration number: 06569266)
Balance Sheet as at 30 April 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	939,334	942,804
Current assets			
Stocks	13	2,500	2,500
Debtors	14	33,285	43,735
Cash at bank and in hand		69,228	37,975
		105,013	84,210
Creditors: Amounts falling due within one year	15	(92,189)	(74,546)
Net current assets		12,824	9,664
Net assets		952,158	952,468
Funds of the Charity:			
Unrestricted income funds			
Unrestricted income funds		952,158	952,468
Total funds	19	952,158	952,468

For the financial year ending 30 April 2017 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 8 to 21 were approved by the trustees, and authorised for issue on 27 January 2018 and signed on their behalf by:

S Thorrington
Trustee

Adventure Under Sail

Statement of Cash Flows for the Year Ended 30 April 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash expenditure		(310)	(97,316)
Adjustments to cash flows from non-cash items			
Depreciation		37,472	30,286
Investment income	4	<u>(1)</u>	<u>(123)</u>
		37,161	(67,153)
Working capital adjustments			
Increase in stocks	13	-	(543)
Decrease in debtors	14	10,450	45,404
Increase in creditors	15	25,463	8,567
Decrease in deferred income		<u>(7,820)</u>	<u>(4,861)</u>
Net cash flows from operating activities		<u>65,254</u>	<u>(18,586)</u>
Cash flows from investing activities			
Interest receivable and similar income	4	1	123
Purchase of tangible fixed assets	12	(37,752)	(38,090)
Sale of tangible fixed assets		<u>3,750</u>	<u>-</u>
Net cash flows from investing activities		<u>(34,001)</u>	<u>(37,967)</u>
Net increase/(decrease) in cash and cash equivalents		31,253	(56,553)
Cash and cash equivalents at 1 May		<u>37,975</u>	<u>94,528</u>
Cash and cash equivalents at 30 April		<u><u>69,228</u></u>	<u><u>37,975</u></u>

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 2017

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 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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 £.

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

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 legacies and in particular the support from a benefactor in respect of the provision of the vessel referred to in note 18 and donations towards its running costs, particularly during the winter season. The Trustees have written confirmation that this funding will continue until March 2018 at a level sufficient to enable the charity to continue as a going concern and have every reason to believe funding will be available beyond this date.

Adventure Under Sail

Notes to the Financial Statements for the Year Ended 30 April 2017

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 and legacies

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.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period in which the condition is fulfilled or the service is provided. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the Charity has unconditional entitlement.

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.

All resources expended are inclusive of irrecoverable VAT.

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 Trustee'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.

Adventure Under Sail

Notes to the Financial Statements for the Year Ended 30 April 2017

Tangible fixed assets

Individual fixed assets costing £500 or more 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

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).

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.

Fund accounting

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity.

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

Adventure Under Sail

Notes to the Financial Statements for the Year Ended 30 April 2017

2 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2017	2016
		£	£
Donations and legacies;			
Donations	474,717	474,717	367,993
	<u>474,717</u>	<u>474,717</u>	<u>367,993</u>

All of the income in the prior year was attributable to unrestricted funds.

3 Income from charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2017	2016
		£	£
Primary purpose trading	115,717	115,717	127,761
	<u>115,717</u>	<u>115,717</u>	<u>127,761</u>

All of the income in the prior year was attributable to unrestricted funds.

4 Investment income

	Unrestricted funds		
	General	Total	Total
	£	2017	2016
		£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	1	1	123
	<u>1</u>	<u>1</u>	<u>123</u>

All of the income in the prior year was attributable to unrestricted funds.

Adventure Under Sail

Notes to the Financial Statements for the Year Ended 30 April 2017

5 Other income

	Total 2017 £	Total 2016 £
Gains on sale of tangible fixed assets for charity's own use	-	1,100

All of the income in the prior year was attributable to unrestricted funds.

6 Expenditure on charitable activities

	Total 2017 £	Total 2016 £
Purchases	1,573	989
Wages and salaries	245,735	263,770
Staff NIC (Employers)	14,754	18,855
Casual wages	9,149	28,683
Staff training	1,500	8
Rent and rates	9,448	9,059
Light, heat and power	1,606	1,945
Insurance	14,935	11,053
Repairs and renewals	126,014	41,804
Ship costs	78,074	117,395
Telephone and fax	2,030	1,986
Computer software and maintenance	4,442	3,002
Printing, postage and stationery	2,616	2,949
Trade subscriptions	339	350
Transfers to other tall ships	-	26,604
Sundry expenses	1,412	1,177
Cleaning	21	30
Motor expenses	355	135
Travel and subsistence	9,344	8,883
Advertising	3,129	3,117
Staff entertaining	-	42
Consultancy fees	16,151	6,889
Professional indemnity insurance	4,110	10,556
Bad debts written off	50	652
Bank charges	1,219	1,242
Depreciation	37,472	30,286
Governance (note 7)	1,517	2,832
Loss on disposal	3,750	-
	<u>590,745</u>	<u>594,293</u>

Adventure Under Sail

Notes to the Financial Statements for the Year Ended 30 April 2017

£588,204 (2016 - £587,593) of the above expenditure was attributable to unrestricted funds and £Nil (2016 - £6,700) to restricted funds.

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds		
	General £	Total 2017 £	Total 2016 £
Independent examiner's fee	1,517	1,517	2,832
	<u>1,517</u>	<u>1,517</u>	<u>2,832</u>

8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2017 £	2016 £
Loss/(profit) on disposal of tangible fixed assets	3,750	(1,100)
Depreciation of fixed assets	37,754	60,572
Independent examiner's fee	<u>1,517</u>	<u>2,832</u>

9 Trustees remuneration and expenses

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

S Thorington

£854 (2016: £946) of expenses were reimbursed to S Thorington 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.

Adventure Under Sail

Notes to the Financial Statements for the Year Ended 30 April 2017

10 Staff costs

The aggregate payroll costs were as follows:

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	254,884	292,453
Social security costs	14,754	18,855
	<u>269,638</u>	<u>311,308</u>

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

	2017 No	2016 No
Average employees	<u>12</u>	<u>14</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 £44,766 (2016 - £48,443).

Adventure Under Sail

Notes to the Financial Statements for the Year Ended 30 April 2017

11 Taxation

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

12 Tangible fixed assets

	Ship engine and equipment £	Computer Equipment £	Website £	Tall ship £	Communication equipment £	Total £
Cost						
At 1 May 2016	34,340	-	3,750	1,000,000	25,000	1,063,090
Additions	36,627	1,125	-	-	-	37,752
Disposals	-	-	(3,750)	-	-	(3,750)
At 30 April 2017	<u>70,967</u>	<u>1,125</u>	<u>-</u>	<u>1,000,000</u>	<u>25,000</u>	<u>1,097,092</u>
Depreciation						
At 1 May 2016	286	-	-	100,000	20,000	120,286
Charge for the year	<u>7,097</u>	<u>375</u>	<u>-</u>	<u>25,000</u>	<u>5,000</u>	<u>37,472</u>
At 30 April 2017	<u>7,383</u>	<u>375</u>	<u>-</u>	<u>125,000</u>	<u>25,000</u>	<u>157,758</u>
Net book value						
At 30 April 2017	<u>63,584</u>	<u>750</u>	<u>-</u>	<u>875,000</u>	<u>-</u>	<u>939,334</u>
At 30 April 2016	<u>34,054</u>	<u>-</u>	<u>3,750</u>	<u>900,000</u>	<u>5,000</u>	<u>942,804</u>

13 Stock

	2017 £	2016 £
Stocks	<u>2,500</u>	<u>2,500</u>

Adventure Under Sail

Notes to the Financial Statements for the Year Ended 30 April 2017

14 Debtors

	2017 £	2016 £
Trade debtors	19,109	31,885
Prepayments	4,815	8,809
VAT recoverable	9,361	3,041
	<u>33,285</u>	<u>43,735</u>

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	46,345	28,014
Other taxation and social security	11,954	5,655
Accruals	5,587	4,754
Deferred income	28,303	36,123
	<u>92,189</u>	<u>74,546</u>

16 Charity status

The Charity is a Charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the Charity in the event of liquidation.

17 Commitments

Capital commitments

Operating lease expiring within 1 year.

The total amount contracted for but not provided in the financial statements was £2,200 (2016 - £3,000).

Other financial commitments

A commitment exists to pay Peninsular Business Services Ltd £83 per month for HR Support until March 2019.

The total amount of other financial commitments not provided in the financial statements was £1,909 (2016 - £996).

Adventure Under Sail

Notes to the Financial Statements for the Year Ended 30 April 2017

18 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.

19 Funds

	Balance at 1 May 2016 £	Incoming resources £	Resources expended £	Balance at 30 April 2017 £
Unrestricted funds				
<i>Unrestricted general funds</i>				
Unrestricted Income Fund	8,364	553,610	(550,450)	11,524
<i>Unrestricted designated funds</i>				
Bursary Fund	1,300	-	-	1,300
Tangible Fixed Assets	942,804	36,825	(40,295)	939,334
	<u>944,104</u>	<u>36,825</u>	<u>(40,295)</u>	<u>940,634</u>
Total funds	<u>952,468</u>	<u>590,435</u>	<u>(590,745)</u>	<u>952,158</u>

Adventure Under Sail

Notes to the Financial Statements for the Year Ended 30 April 2017

	Balance at 1 May 2015 £	Incoming resources £	Resources expended £	Balance at 30 April 2016 £
Unrestricted funds				
<i>Unrestricted general funds</i>				
Unrestricted Income Fund	106,384	462,637	(556,907)	12,114
<i>Unrestricted designated funds</i>				
Bursary Fund	1,700	-	(400)	1,300
Tangible Fixed Assets	935,000	34,340	(30,286)	939,054
	<u>936,700</u>	<u>34,340</u>	<u>(30,686)</u>	<u>940,354</u>
Total unrestricted funds	<u>1,043,084</u>	<u>496,977</u>	<u>(587,593)</u>	<u>952,468</u>
Restricted funds				
Lottery Awards for All	6,600	-	(6,600)	-
Richard Drax (for Bursary)	100	-	(100)	-
Total restricted funds	<u>6,700</u>	<u>-</u>	<u>(6,700)</u>	<u>-</u>
Total funds	<u><u>1,049,784</u></u>	<u><u>496,977</u></u>	<u><u>(594,293)</u></u>	<u><u>952,468</u></u>

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

Restricted Funds:

Lottery Awards for All - The balance of this fund relates to the creation of a study / examination workbook covering all aspects of sail training.

Richard Drax (for bursary) - A donation from Richard Drax MP to support a young person.

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.

20 Analysis of net assets between funds

	General funds £	Unrestricted funds Designated funds £	Total funds £
Tangible fixed assets	-	939,334	939,334
Current assets	103,713	1,300	105,013
Current liabilities	(92,189)	-	(92,189)
Total net assets	<u><u>11,524</u></u>	<u><u>940,634</u></u>	<u><u>952,158</u></u>