

Adventure Under Sail

**Annual Report and Financial Statements
Year Ended 30 April 2018**

Company registration number: 06569266

Charity registration number: 1124276

Adventure Under Sail

Contents

Trustees' Report	1 to 5
Statement of Trustees' Responsibilities	6
Independent Examiner's Report	7 to 8
Statement of Financial Activities	9 to 10
Balance Sheet	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 to 24

Adventure Under Sail

Trustees' Report

Reference and Administrative Details

Trustees	K Heenan S Thorrington
Secretary	Miss K Heenan
Senior Management Team	R Robson, Operations Manager A Ragboume, Chief Executive Officer
Principal Office	The Ferry Terminal The Quay Weymouth Dorset DT4 8DX
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 Chartered Accountants Towngate House 2 - 8 Parkstone Road Poole Dorset BH15 2PW

Adventure Under Sail

Trustees' Report

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 ship's 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.
- Undertake the annual survey of the vessel and draw up a long-term maintenance plan.

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.

Between May 2017 and April 2018 over 200 young people sailed on 15 voyages with the Pelican. These were all trainees on a mixture of sponsored and non-sponsored voyages. Despite the introduction of a continuous improvement programme and significant investment in maintenance to improve the ship's reliability, a serious steering issue forced the Pelican to return to the Shipyard in October 2017 for extensive repairs; this effectively ruled out a winter programme. The opportunity was taken whilst in Drydock to once again review all future risks, re-paint the hull and undergo extensive upgrades to ensure the Pelican was fit for purpose for the following 18 months.

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

Primarily, our plans for 2018-19 are to continue with our established partners, building up wholesale voyages around the Irish Sea in the summer and a winter programme between October and April. We are in discussions with a number of parties over winter opportunities and this will hold the key to AUS's financial sustainability. In particular, we are planning a Trans-Atlantic voyage with 30 youngsters on an educational adventure through a German partner Ocean College.

Financially, our target is to reduce the reliance on donations and increase the value of chartered voyages, sponsorship and grants. Through the implementation of a planned maintenance system, costs should be more consistent and predictable.

Adventure Under Sail

Trustees' Report

A priority for the forthcoming year is to pre-book voyages further in advance and contract out services.

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.

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. The charity is a member of the Association of Sail Training Organisations and Sail Training International.

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. Despite actively seeking new trustees, and interviewing potential candidates, we have still not increased the trustee board number. This process is ongoing, and we feel positive about finding new trustees this coming year.

Induction and training of trustees

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

Financial review

During this financial year the charity committed over £100k to expenditure on repairs and improvements to the ship, in particular refurbishment of the steering system and one of the cabins. This contributed to a deficit of income over expenditure during the year of £134,571.

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 17 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 whilst it generates new income streams and funding. Whilst the charity has relied on donations to cover the income deficit, trustees are confident that their planned strategies going forward will secure further funding to confirm long term sustainability.

Adventure Under Sail

Trustees' Report

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.

Since the end of the 2017/18 Financial year, Ocean College have entered into a partnership to operate a winter voyage, commencing in October 2018. This combined with significant advanced voyages in the summer season of 2019 and the plans for ongoing winter voyages with Ocean College allow AUS to forecast a balanced budget and diminishing reliance on individual benefactors.

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 2018/19 year is around £765,000 and therefore the target is £127,000 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 £804,944 (2017 £952,158). The total free reserves at the year-end were (£112,650) (2017: £8,364).

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.

The annual report was approved by the trustees of the charity on 6/12/18 and signed on its behalf by:


S Thorington
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:

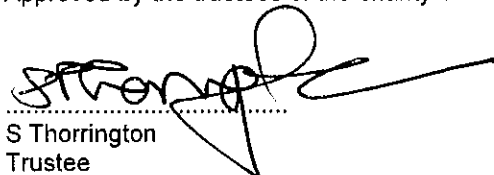
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed 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 6/12/18 and signed on its behalf by:


S Thorington
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 2018.

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 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 ICAEW, which is one of the listed bodies.

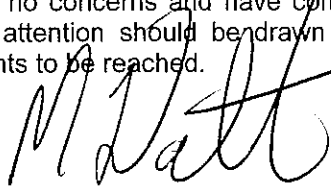
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

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

Independent Examiner's Report

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.



Michael Bath BSc FCA (a Director of) PKF Francis Clark

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

18 December 2018

Adventure Under Sail

Statement of Financial Activities for the Year Ended 30 April 2018 (Including Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
Income and Endowments from:				
Donations and legacies	3	357,313	3,939	361,252
Charitable activities	4	83,285	-	83,285
Investment income	5	148	-	148
Total Income		<u>440,746</u>	<u>3,939</u>	<u>444,685</u>
Expenditure on:				
Charitable activities	6	<u>(579,256)</u>	<u>-</u>	<u>(579,256)</u>
Total Expenditure		<u>(579,256)</u>	<u>-</u>	<u>(579,256)</u>
Net (expenditure)/income		<u>(138,510)</u>	<u>3,939</u>	<u>(134,571)</u>
Net movement in funds		(138,510)	3,939	(134,571)
Reconciliation of funds				
Total funds brought forward		<u>952,158</u>	<u>-</u>	<u>952,158</u>
Total funds carried forward	18	<u>813,648</u>	<u>3,939</u>	<u>817,587</u>

Adventure Under Sail

Statement of Financial Activities for the Year Ended 30 April 2018 (Including Income and Expenditure Account)

	Note	Unrestricted funds £	Total 2017 £
Income and Endowments from:			
Donations and legacies	3	474,717	474,717
Charitable activities	4	115,717	115,717
Investment income	5	1	1
Total Income		<u>590,435</u>	<u>590,435</u>
Expenditure on:			
Charitable activities	6	<u>(590,745)</u>	<u>(590,745)</u>
Total Expenditure		<u>(590,745)</u>	<u>(590,745)</u>
Net expenditure		<u>(310)</u>	<u>(310)</u>
Net movement in funds		(310)	(310)
Reconciliation of funds			
Total funds brought forward		<u>952,468</u>	<u>952,468</u>
Total funds carried forward	18	<u>952,158</u>	<u>952,158</u>

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

The funds breakdown for 2017 is shown in note 18.

Adventure Under Sail

Balance Sheet

30 April 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	926,298	939,334
Current assets			
Stocks	13	2,500	2,500
Debtors	14	17,685	33,285
Cash at bank and in hand		<u>20,213</u>	<u>69,228</u>
		40,398	105,013
Creditors: Amounts falling due within one year	15	<u>(149,109)</u>	<u>(92,189)</u>
Net current (liabilities)/assets		<u>(108,711)</u>	<u>12,824</u>
Net assets		<u>817,587</u>	<u>952,158</u>
Funds of the charity:			
Restricted funds		3,939	-
Unrestricted income funds			
Unrestricted funds		<u>813,648</u>	<u>952,158</u>
Total funds	18	<u>817,587</u>	<u>952,158</u>

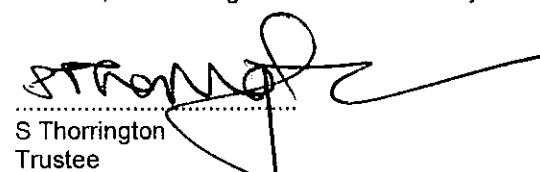
For the financial year ending 30 April 2018 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 9 to 24 were approved by the trustees, and authorised for issue on and signed on their behalf by:


S Thorington
Trustee

Company Registration Number: 06569266

Adventure Under Sail

Statement of Cash Flows

Year Ended 30 April 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash expenditure		(134,571)	(310)
Adjustments to cash flows from non-cash items			
Depreciation		32,899	37,472
Investment income	5	<u>(148)</u>	<u>(1)</u>
		(101,820)	37,161
Working capital adjustments			
Decrease in debtors	14	15,600	10,450
Increase in creditors	15	17,436	25,463
Decrease in deferred income		<u>(20,516)</u>	<u>(7,820)</u>
Net cash flows from operating activities		<u>(89,300)</u>	<u>65,254</u>
Cash flows from investing activities			
Interest receivable and similar income	5	148	1
Purchase of tangible fixed assets	12	(19,863)	(37,752)
Sale of tangible fixed assets		<u>-</u>	<u>3,750</u>
Net cash flows from investing activities		(19,715)	(34,001)
Cash flows from financing activities			
Repayment of loans and borrowings	15	<u>60,000</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		(49,015)	31,253
Cash and cash equivalents at 1 May		<u>69,228</u>	<u>37,975</u>
Cash and cash equivalents at 30 April		<u>20,213</u>	<u>69,228</u>

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

Adventure Under Sail

Notes to the Financial Statements

Year Ended 30 April 2018

1 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.

2 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 £.

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 17 and donations towards its running costs, particularly during the winter season. The Trustees have written confirmation that this funding will continue at a level sufficient to enable the charity to continue as a going concern.

Adventure Under Sail

Notes to the Financial Statements

Year Ended 30 April 2018

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.

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.

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.

Adventure Under Sail

Notes to the Financial Statements

Year Ended 30 April 2018

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 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) 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.

Adventure Under Sail

Notes to the Financial Statements

Year Ended 30 April 2018

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 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

Year Ended 30 April 2018

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	General £	£	£	£
Donations and legacies;				
Donations	357,313	-	357,313	474,717
Grants, including capital grants;				
Grants from other charities	-	3,939	3,939	-
	<u>357,313</u>	<u>3,939</u>	<u>361,252</u>	<u>474,717</u>

4 Income from charitable activities

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Primary purpose trading	<u>83,285</u>	<u>83,285</u>	<u>115,717</u>

5 Investment income

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>148</u>	<u>148</u>	<u>1</u>

Adventure Under Sail

Notes to the Financial Statements

Year Ended 30 April 2018

6 Expenditure on charitable activities

	Total 2018 £	Total 2017 £
Purchases	1,736	1,573
Wages and salaries	305,204	254,884
Staff NIC (Employer's)	21,077	14,754
Staff pensions	4,090	-
Staff training	79	1,500
Rent and rates	6,007	9,448
Light, heat and power	1,455	1,606
Insurance	13,373	14,935
Repairs and renewals	67,170	126,014
Ship costs	68,467	78,074
Telephone and fax	3,090	2,030
Computer software and maintenance	2,226	4,442
Printing, postage and stationery	1,829	2,616
Trade subscriptions	62	339
Sundry expenses	2,473	1,412
Cleaning	11	21
Motor expenses	1,400	355
Travel and subsistence	20,458	9,344
Advertising	3,286	3,129
Consultancy fees	13,033	16,151
Professional indemnity insurance	3,538	4,110
Bad debts written off	-	50
Bank charges	1,243	1,219
Depreciation	32,899	37,472
Governance (note 7)	5,050	1,517
Loss on disposal	-	3,750
	579,256	590,745

Adventure Under Sail

Notes to the Financial Statements

Year Ended 30 April 2018

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Independent examiner's fee	5,050	5,050	1,517
	<u>5,050</u>	<u>5,050</u>	<u>1,517</u>

8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2018 £	2017 £
Loss on disposal of tangible fixed assets	-	3,750
Depreciation of fixed assets	32,899	37,754
Independent examiner's fee	<u>5,050</u>	<u>1,517</u>

9 Trustees remuneration and expenses

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

S Thorrington

£892 (2017: £854) of expenses were reimbursed to S Thorrington 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

Year Ended 30 April 2018

10 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	305,205	254,884
Social security costs	21,077	14,754
Pension costs	4,090	-
	<u>330,372</u>	<u>269,638</u>

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

	2018 No	2017 No
Average employees	<u>12</u>	<u>12</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 £62,494 (2017 - £44,766).

11 Taxation

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

Adventure Under Sail

Notes to the Financial Statements

Year Ended 30 April 2018

12 Tangible fixed assets

	Ship engine and equipment £	Computer Equipment £	Tall ship £	Communication equipment £	Total £
Cost					
At 1 May 2017	70,967	1,125	1,000,000	25,000	1,097,092
Additions	<u>19,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,863</u>
At 30 April 2018	<u>90,830</u>	<u>1,125</u>	<u>1,000,000</u>	<u>25,000</u>	<u>1,116,955</u>
Depreciation					
At 1 May 2017	7,383	375	125,000	25,000	157,758
Charge for the year	<u>7,524</u>	<u>375</u>	<u>25,000</u>	<u>-</u>	<u>32,899</u>
At 30 April 2018	<u>14,907</u>	<u>750</u>	<u>150,000</u>	<u>25,000</u>	<u>190,657</u>
Net book value					
At 30 April 2018	<u>75,923</u>	<u>375</u>	<u>850,000</u>	<u>-</u>	<u>926,298</u>
At 30 April 2017	<u>63,584</u>	<u>750</u>	<u>875,000</u>	<u>-</u>	<u>939,334</u>

13 Stock

	2018 £	2017 £
Stocks	<u>2,500</u>	<u>2,500</u>

14 Debtors

	2018 £	2017 £
Trade debtors	-	19,109
Prepayments	11,369	4,815
VAT recoverable	<u>6,316</u>	<u>9,361</u>
	<u>17,685</u>	<u>33,285</u>

Adventure Under Sail

Notes to the Financial Statements

Year Ended 30 April 2018

15 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	54,500	46,345
Other loans	60,000	-
Other taxation and social security	6,309	11,954
Other creditors	9,948	-
Accruals	10,565	5,587
Deferred income	7,787	28,303
	<u>149,109</u>	<u>92,189</u>

16 Commitments

Other financial commitments

A commitment exists to pay Peninsula 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 £913 (2017 - £1,909).

Adventure Under Sail

Notes to the Financial Statements

Year Ended 30 April 2018

17 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.

18 Funds

	Balance at 1 May 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 April 2018 £
Unrestricted funds					
<i>General</i>					
Unrestricted Income Fund	11,524	440,746	(579,256)	13,411	(113,575)
<i>Designated</i>					
Bursary Fund	1,300	-	-	-	1,300
Tangible Fixed Assets	939,334	-	-	(13,411)	925,923
	<u>940,634</u>	<u>-</u>	<u>-</u>	<u>(13,411)</u>	<u>927,223</u>
Total Unrestricted funds	952,158	440,746	(579,256)	-	813,648
Restricted funds					
ASTO Hammond Innes					
Bursary	-	3,939	-	-	3,939
Total funds	952,158	444,685	(579,256)	-	817,587

Adventure Under Sail

Notes to the Financial Statements

Year Ended 30 April 2018

	Balance at 1 May 2016 £	Incoming resources £	Resources expended £	Balance at 30 April 2017 £
Unrestricted funds				
<i>General</i>				
Unrestricted Income Fund	8,364	553,610	(550,450)	11,524
<i>Designated</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>

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.

19 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds
	General £	Designated £	£	£
Tangible fixed assets	375	925,923	-	926,298
Current assets	35,159	1,300	3,939	40,398
Current liabilities	(149,109)	-	-	(149,109)
Total net assets	<u>(113,575)</u>	<u>927,223</u>	<u>3,939</u>	<u>817,587</u>