



**THE SAIL TRAINING ASSOCIATION
(STA)**
(A company limited by guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
29 FEBRUARY 1996

COMPANY NUMBER 567460

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

FINANCIAL STATEMENTS

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THE SAIL TRAINING ASSOCIATION
(a company limited by guarantee)
(Registered as a Charity No.314229)

Patron:

His Royal Highness The Prince Philip Duke of Edinburgh K.G.

Vice Patrons:

Captain D.E. Bromley-Martin, R.N.
W.F. Cartwright, C.B.E.
M.A.C. Drummond, OBE, D.L., J.P.
Kapitan z.S.A.D. Hans Engel
Admiral Sir Charles Madden, Bart., G.C.B., D.L.
Colonel R.G.F. Scholfield
B A Stewart

Council:

President: Sir Robin Knox-Johnston C.B.E., R.D.
Vice President: Lord Greenway
Vice Admiral Sir George Vallings, K.C.B.
Mrs. J M Bielak
Mr P. Creek
Brigadier P.R. Duchesne, O.B.E.
Mr B.M. Evans
Commodore G. R. Cooper RD, FNI, RNR
Sir Michael Harrison, Bt, JP
Mr. J. A. Hornby
Captain P.W. Love
Mr. P. J. H. Scott
Mr. I.W. Fairclough
Mrs. J. A. Fairey
Colonel D. E. King, OBE
Mrs. S. Williams
Mr. J. C. Parkes, CBE
Mr. E.B. Lincoln, DC
Mr. A. C. Salvesen
Mr. J.C. Douglas
Mr. D. H. Langridge
Mr. C. R. J. Lee, RD

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

REPORT OF THE COUNCIL

The Council present their report together with the audited accounts for the year ended 29 February 1996.

Principal activities

The principal activities of the Association have continued to be the provision of facilities for young people to go to sea in our Schooners and the organisation of sail training races to bring together young people of all nations.

Results

There was a deficit for the year amounting to £88,659. The deficit has been deducted from reserves.

This deficit arose primarily as a result of the cost of the 28 year refit of Malcolm Miller, which has ensured that the vessel can operate for another five years.

Charity Restructure

On 1 March 1995 a restructuring of the Association has taken place.

The operations of the Schooners and the Tall Ships Races are now devolved upon two limited companies, which are wholly owned subsidiaries of the Sail Training Association.

The operation of the Schooners and related activities was taken over by STA Tall Ships Limited (previously Schooner Trading Limited). The race management has come under control of a separate subsidiary company, International STA Limited.

The organisation of the Tall Ships race in the year 2000 is dealt with by Tall Ships 2000 Limited, a 100% subsidiary company of International STA Limited.

The Council

The current members of the Council, are listed on page 1. All served throughout the year. Mr B A Stewart was a council member until 13 June 1995 when he was elected a vice patron. Mr D M Ramsden was a council member until 9 September 1995 when he resigned.

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

REPORT OF THE COUNCIL

Responsibilities of the Council for the financial statements

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the profit or loss of the association for that period. In preparing those financial statements, the Council are required to :

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

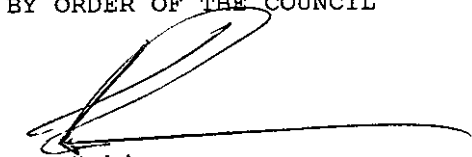
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The Council are responsible for keeping proper accounting records, for safeguarding the assets of the association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Grant Thornton offer themselves for reappointment in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE COUNCIL



K M Robinson
Secretary
17 June 1996

**REPORT OF THE AUDITORS TO THE MEMBERS OF
THE SAIL TRAINING ASSOCIATION**

We have audited the financial statements on pages 5 to 18 which have been prepared under the accounting policies set out on page 9 and 10.

Respective responsibilities of the council and auditors

As described on page 3 the Council are responsible for the preparation of the financial statements.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.


Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Association and the group at 29 February 1996 and of the result of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
PORTSMOUTH

17 JUNE 1996

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 29 FEBRUARY 1996

	1996 £	1995 As restated £
INCOME		
Voyage fees and other ships income	976,878	963,374
Port fees and port contribution	128,756	76,475
Souvenir sales	26,035	13,072
	<u>1,131,669</u>	<u>1,052,921</u>
Foundation for Sports and the Arts	-	54,785
Donations, appeals and subscription	430,842	252,092
Grant from Department of Education	40,000	40,000
Deposit interest	39,705	38,940
Miscellaneous income	15,968	31,874
	<u>1,658,184</u>	<u>1,470,612</u>
OPERATING EXPENDITURE		
Salaries	205,053	174,241
Postage and printing	64,555	73,653
Office space and services	30,132	19,263
Computers	9,200	12,260
Insurance	26,129	14,909
Travel	28,651	50,341
Advertising and publicity	36,119	33,449
Direct ship and races costs	1,025,010	825,896
Bad debts	6,148	1,363
Interest paid and bank charges	16,665	15,262
Audit, legal and consultancy costs	25,627	42,336
Branch costs	8,906	-
Miscellaneous	13,942	10,203
Equipment leases	12,637	10,065
Fundraising	44,524	30,238
New ship costs	95,201	39,051
Gift aid payment to Tall Ships International	98,344	-
	<u>1,746,843</u>	<u>1,352,530</u>
(DEFICIT)/SURPLUS FOR THE YEAR	(88,659)	118,082
Transfer to reserves	(88,659)	118,082
Balance at 1 March 1995	<u>1,251,033</u>	<u>1,132,951</u>
Balance at 29 February 1996	<u>1,162,374</u> =====	<u>1,251,033</u> =====

The accompanying accounting policies and notes form an integral part of these financial statements.

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET AT 29 FEBRUARY 1996

	Note	1996 £	1995 As restated £
Fixed assets			
Tangible assets	7	710,856	703,830
Investments	8	<u>41,723</u>	<u>40,660</u>
		752,579	744,490
Current assets			
Stocks	9	21,589	16,108
Debtors	10	135,711	192,770
Investments	11	496	496
Cash at bank and in hand		<u>694,060</u>	<u>728,237</u>
		851,856	937,611
Creditors: amounts falling due within one year	12	<u>442,061</u>	<u>381,068</u>
Net current assets		<u>409,795</u>	<u>556,543</u>
Total assets less current liabilities		1,162,374	1,301,033
Creditors: amount falling due after more than one year	13	<u>-</u>	<u>50,000</u>
		<u>1,162,374</u>	<u>1,251,033</u>
		=====	=====
Capital and Reserves			
Capital	14	100,000	100,000
Profit and loss reserve	14	317,258	369,775
Revaluation Reserve	14	<u>360,000</u>	<u>360,000</u>
		<u>777,258</u>	<u>829,775</u>
Restricted funds			
Refit reserve	15	182	41,979
Trust fund	15	4,120	4,120
Branches Reserve	15	<u>380,814</u>	<u>375,159</u>
		<u>385,116</u>	<u>421,258</u>
		<u>1,162,374</u>	<u>1,251,033</u>
		=====	=====

The financial statements were approved by the Council on 17 June 1996.


Sir Robin Knox-Johnston CBE RD : President of the Council

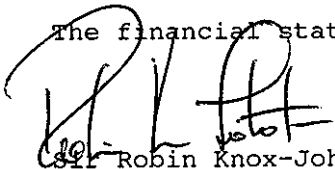
The accompanying accounting policies and notes form an integral part of these financial statements.

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

COMPANY BALANCE SHEET AT 29 FEBRUARY 1996

	Note	1996 £	1995 As restated £
Fixed assets			
Tangible fixed assets	7	700,000	703,830
Investments	8	<u>201,124</u>	<u>40,661</u>
		901,124	744,491
Current assets			
Stock	9	-	16,108
Debtors	10	112,321	219,701
Investments	11	-	496
Cash at bank and in hand		<u>255,700</u>	<u>709,532</u>
		<u>368,021</u>	<u>945,837</u>
Creditors: amounts falling due within one year	12	<u>50,880</u>	<u>372,081</u>
Net current assets		<u>317,141</u>	<u>573,756</u>
Total assets less current liabilities		1,218,265	1,318,247
Creditors: amount falling due after more than one year	13	<u>-</u>	<u>50,000</u>
		<u>1,218,265</u>	<u>1,268,247</u>
		=====	=====
Capital and reserves			
Capital	14	100,000	100,000
Profit and loss reserve	14	377,269	391,109
Revaluation Reserve	14	<u>360,000</u>	<u>360,000</u>
Restricted funds		<u>837,269</u>	<u>851,109</u>
Refit reserve	15	182	41,979
Branches Reserve	15	<u>380,814</u>	<u>375,159</u>
		<u>380,996</u>	<u>417,138</u>
		<u>1,218,265</u>	<u>1,268,247</u>
		=====	=====

The financial statements were approved by the Council on 17 June 1996.


Sir Robin Knox-Johnston CBE RD : President of the Council

The accompanying accounting policies and notes form an integral part of these financial statements.

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 29 FEBRUARY 1996

	1996	1995
	£	As restated £
(Loss)/profit for the year	(88,659)	118,082 =====
Prior year adjustment	<u>357,945</u>	
TOTAL GAINS OR LOSSES		
RECOGNISED SINCE LAST FINANCIAL STATEMENTS	269,286 =====	

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 1996

1 Accounting policies

The principal accounting policies of the group are set out below. They have remained unchanged from the previous year apart from item (j).

(a) The accounts are prepared under the historical cost convention.

(b) Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 29 February 1996. Profits or losses on intra group transactions are eliminated in full.

(c) Income

Income is taken into account when received apart from voyage fees race fees and port contributions, which are accounted for in the year in which the event takes place;

(d) Expenditure

Expenditure is included on an accruals basis.

Expenditure on repairs and maintenance to the schooners is treated as general maintenance, except when this relates to a major refit when it is classified separately.

(e) Tangible fixed assets

Schooners

The Association's two Schooners are stated at estimated open market value.

No depreciation is provided for the following reasons :-

- i) both Schooners were originally gifted to the Association;
- ii) the Association's policy is to provide for the maintenance of the Schooners but not for their replacement out of operating revenue;
- iii) the Association's policy is to obtain market valuations for the Schooners every year, and adjust the value of the Schooners in the accounts accordingly.

Vehicles	-	depreciation is provided at 25% reducing balance.
Other fixed assets	-	expenditure is written off against the appropriate fund in the year payment is made.

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 1996

1 Accounting policies (continued)

(f) Investments are stated at cost.

(g) Stocks of souvenirs are valued at the lower of cost and net realisable value.

Stocks of spares are charged to income and expenditure as they are consumed. Replacement parts held in stock are valued at cost.

(h) Pension costs

Defined contribution scheme

The association contributes to a pension scheme for its administrative employees. Contributions charged against profits represent the amount of contributions payable to the scheme in respect of the accounting period.

Defined Benefit Scheme

The association also contributes to an industry wide pension scheme in respect of members of the schooners permanent crew.

Contribution rates are notified to the association by the trustees and are based on actuarial method and actuarial assumptions designed to provide the anticipated pension costs over the service lives of the members in the scheme.

(i) Finance and operating leases

Assets held under finance leases are included as tangible assets and depreciated over the shorter of the lease term or their useful life. The net obligations relating to finance leases are included as a liability. Costs in respect of operating leases are charged in arriving at the operating deficit.

(j) Branch income and expenditure is brought into these accounts on the basis of the year ended 31 December 1995. (see also note 19).

(k) Government grants

Government grants of a revenue nature are credited to the operating account as they are received.

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 1996

2 (Deficit)/surplus for the year is stated after charging :

	1996 £	1995 £
Interest paid - finance lease	42	552
- other loans	9,510	8,401
Depreciation	10,698	1,227
Auditors remuneration	7,000	6,000
Operating lease rentals - plant and equipment	13,592	18,603
- other	5,850	10,708
Government grants credited	(40,000)	(40,000)
	=====	=====

3 Net interest

	1996 £	1995 £
On bank loans overdrafts and other loans repayable within 5 years otherwise than by instalments	9,510	8,401
Finance charges in respect of finance leases	42	552
	9,552	8,953
Interest receivable and similar income	(40,282)	(38,940)
	30,730	29,987
	=====	=====

4 Staff costs and employees

	1996 £	1995 £
Staff costs during the year		
Wages and salaries	562,068	485,160
Social security	47,063	44,928
Pension Fund contributions	18,917	16,682
	628,048	546,770
	=====	=====

The average number of employees of the company during the year was full-time 29, part-time 3. (1995 full-time 27: part-time 3).

No members of the Council received any remuneration during the year.

5 Taxation

The company, being a registered charity, is not liable for corporation tax in respect of its operations in the year.

6 (Deficit)/surplus for the financial year

The parent company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own operating account in these financial statements.

The group loss for the year of £88,659 includes a loss of £49,981 which is dealt with in the financial statements of the company.

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 1996

7 Tangible assets

The Group

	STS "Sir Winston Churchill" £	STS "Malcolm Miller" £	Fixtures and Fittings £	Motor vehicles £	Total £
Valuation or cost at 1 March 1995	400,000	300,000	12,451	9,066	721,517
Additions	-	-	6,559	11,165	17,724
Valuation or cost at 29 February 1996	400,000	300,000	19,010	20,231	739,241
Depreciation					
Provided at 1 March 1995	-	-	12,451	5,236	17,687
Provided in year	-	-	6,559	4,139	10,698
At 29 February 1996	-	-	19,010	9,375	28,385
Net book value at 29 February 1996	400,000	300,000	-	10,856	710,856
Net book value at 1 March 1995	400,000	300,000	-	3,830	703,830

The Company

	STS "Sir Winston Churchill" £	STS "Malcolm Miller" £	Fixtures and Fittings £	Motor vehicles £	Total £
Valuation or cost at 1 March 1995	400,000	300,000	12,451	9,066	721,517
Disposals	-	-	(12,451)	(9,066)	(21,517)
Valuation or cost at 29 February 1996	400,000	300,000	-	-	700,000
Depreciation					
Provided at 1 March 1995	-	-	12,451	5,236	17,687
Disposals	-	-	(12,451)	(5,236)	(17,687)
At 29 February 1996	-	-	-	-	-
Net book value at 29 February 1996	400,000	300,000	-	-	700,000
Net book value at 1 March 1995	400,000	300,000	-	3,830	703,830

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 1996

7 Tangible assets (continued)

The Schooners are insured for a total of £1,575,000.

The Schooners "Sir Winston Churchill" and "Malcolm Miller" were valued by Messrs. Tier & Adams, professional Yacht Surveyors, on 30 March 1995 at open market valuation.

8 Investments

	The Group		The Company	
	1996	1995	1996	1995
	£	£	£	£
Interest in group undertakings	-	-	159,401	1
Other fixed asset investments	<u>41,723</u>	<u>40,660</u>	<u>41,723</u>	<u>40,660</u>
	41,723	40,660	201,124	40,661
	=====	=====	=====	=====

The interest in group undertakings represents the company's investment in its subsidiary undertakings STA Tall Ships Limited and International STA Limited, companies registered in England. The company hold 100% of the issued ordinary shares of STA Tall Ships Limited which carries on certain trading activities on behalf of the company, and 100% of the issued ordinary shares of International STA Limited which organises Tall Ships races on behalf of the company. International STA also hold 100% of the issued ordinary share capital of Tall Ships 2000 Limited, a company formed to organise the Tall Ships race in the year 2000.

9 Stocks

	The Group		The Company	
	1996	1995	1996	1995
	£	£	£	£
Goods for resale	21,589	16,108	-	16,108
	=====	=====	=====	=====

10 Debtors

	The Group		The Company	
	1996	1995	1996	1995
	£	£	£	£
Trade debtors	36,197	17,042	-	17,042
Amounts owed by group undertakings	-	-	100,000	-
Amounts owed by other undertakings in which the company has a participating interest	-	720	-	27,688
Other debtors	33,574	159,270	10,321	159,233
Prepayments and accrued income	<u>65,940</u>	<u>15,738</u>	<u>2,000</u>	<u>15,738</u>
	135,711	192,770	112,321	219,701
	=====	=====	=====	=====

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 1996

10 Debtors (continued)

Included in the above is the following amount which is due after more than one year.

	The Group		The Company	
	1996	1995	1996	1995
	£	£	£	£
Amounts owed by group undertakings	-	-	100,000	-
	=====	=====	=====	=====

11 Current asset investments

	The Group		The Company	
	1996	1995	1996	1995
	£	£	£	£
Unlisted investments	496	496	-	496
	=====	=====	=====	=====

12 Creditors - amounts falling due within one year

	The Group		The Company	
	1996	1995	1996	1995
	£	£	£	£
Deferred income -				
voyage/port fees	313,684	178,794	-	178,794
Trade creditors	53,404	31,238	1,363	31,238
Amount owed to group undertakings	-	-	33,676	-
Amounts owed to other undertakings in which the company has a participating interest	-	54,617	-	54,617
Sundry creditors	4,721	9,959	-	14,079
Social security and other taxation	39,833	32,093	-	19,386
Pension contributions	5,752	5,538	-	5,538
Accruals	24,667	68,655	15,841	68,255
Finance leases	-	174	-	174
	=====	=====	=====	=====
	442,061	381,068	50,880	372,081
	=====	=====	=====	=====

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 1996

13 Creditors - amounts falling due after more than one year

	1996	The Group 1995	1996	The Company 1995
	£	£	£	£
Loan from Friends of the Sail Training Association	-	50,000	-	50,000
	=====	=====	=====	=====

14 Reserves - Unrestricted funds

The Group

	Operating Account £	Capital Account £	Revaluation Reserve £	Total £
Deficit for the year	(88,659)	-	-	(88,659)
Add deficit attributable to restricted funds	<u>119,938</u>	<u>-</u>	<u>-</u>	<u>119,938</u>
	31,279	-	-	31,279
Transfer to restricted funds	<u>(83,796)</u>	<u>-</u>	<u>-</u>	<u>(83,796)</u>
	(52,517)	-	-	(52,517)
Balance at 1 March 1995	<u>369,775</u>	<u>100,000</u>	<u>360,000</u>	<u>829,775</u>
Balance at 29 February 1996	<u>317,258</u>	<u>100,000</u>	<u>360,000</u>	<u>777,258</u>
	=====	=====	=====	=====

The Company

	Operating Account £	Capital Account £	Revaluation Reserve £	Total £
Deficit for the year	(49,982)	-	-	(49,982)
Add deficit attributable to restricted funds	<u>37,317</u>	<u>-</u>	<u>-</u>	<u>37,317</u>
	(12,665)	-	-	(12,665)
Transfer to restricted funds	<u>(1,175)</u>	<u>-</u>	<u>-</u>	<u>(1,175)</u>
	(13,840)	-	-	(13,840)
Balance at 1 March 1995	<u>391,109</u>	<u>100,000</u>	<u>360,000</u>	<u>851,109</u>
Balance at 29 February 1996	<u>377,269</u>	<u>100,000</u>	<u>360,000</u>	<u>837,269</u>
	=====	=====	=====	=====

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 1996

15	Restricted funds	Branches reserve £	New Ship £	Refit reserve £	Trust fund £	Training fund £	Total £
	The Group						
	Income	317,431	94,026	58,974	-	40,000	510,431
	Expenditure	(311,776)	(95,201)	(183,392)	-	(40,000)	630,369
	Surplus/(deficit) for the year	5,655	(1,175)	(124,418)	-	-	(119,938)
	Transfer from unrestricted funds	-	1,175	82,621	-	-	83,796
	Surplus/(deficit) for the year	5,655	-	(41,797)	-	-	(36,142)
	Balance at 1 March 1995	-	-	41,979	-	-	41,979
	Prior year adjustment (note 19)	375,159	-	-	4,120	-	379,279
	At 1 March 1995 as restated	375,159	-	41,979	4,120	-	421,258
	Balance at 29 February 1996	380,814	-	182	4,120	-	385,116
		=====	=====	=====	=====	=====	=====

	The Company	Branches reserve £	New Ship £	Refit reserve £	Training fund £	Total £
	Income	317,431	94,026	-	40,000	451,457
	Expenditure	(311,776)	(95,201)	(41,797)	(40,000)	(488,774)
	Surplus/(deficit) for the year	5,655	(1,175)	(41,797)	-	(37,317)
	Transfer from unrestricted funds	-	1,175	-	-	1,175
	Surplus/(deficit) for the year	5,655	-	(41,797)	-	(36,142)
	Balance at 1 March 1995	-	-	41,979	-	41,979
	Prior year adjustment (note 19)	375,159	-	-	-	375,159
	At 1 March 1995 as restated	375,159	-	41,979	-	417,138
	Balance at 29 February 1996	380,814	-	182	-	380,996
		=====	=====	=====	=====	=====

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 1996

16 Pensions

Defined Benefit Scheme

Pension costs are assessed in accordance with the advice of a qualified independent actuary. The assumptions which have the most significant effect on the results of the valuation are valuation rate of interest 9.5% p.a. increase in earnings 7.0% p.a. equity dividend growth 5.0% p.a. increase in pensions (pre 1978 section 2.5% p.a., post 1978 section nil). The most recent valuation was at 31 March 1993.

The actuarial value of the Fund's assets at that date was sufficient to fully cover the benefits that had accrued to members, after allowing for expected future increases in earnings.

17 Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments at 29 February 1996 or 28 February 1995.

18 Leasing commitments - The Group

Lease payments amounting to £27,355 are due within one year. The commitments to make the payments included in this sum expire as follows:

		1996		1995
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
In one year or less	-	325	-	-
Between one and two years	-	2,360	-	5,948
Between two and five years	-	6,670	-	8,462
In five years or more	<u>18,000</u>	<u>-</u>	<u>5,500</u>	<u>-</u>
	18,000	9,355	5,500	14,410
	=====	=====	=====	=====

THE SAIL TRAINING ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 1996

19 Prior year adjustment

Branch funds have been included within these accounts for the first time. The revised Statement of Recommended Practice for Charities which becomes effective on 1 March 1996, will require branch funds to be included within the Accounts of the Charity.

The prior year figures have been restated to include these branch funds, a subsidiary company - Tall Ships 2000 Limited and a restricted trust fund.

The impact of this is to increase net assets and reserves at 28 February 1995 by £357,945 of which £43,184 relates to the income and expenditure account of that year.