



# UKSA

Sea. Change.

## Annual report & accounts

# 2020/21

For the Financial Year ending 31 January 2021

Registered Charity Number: 299248  
Registered in England & Wales: 02251024  
Patron: HRH The Princess Royal

[uksa.org](http://uksa.org)



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## Reference and administrative details

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### Patron

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HRH The Princess Royal

### Founders

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Noel and Sylvia Lister

### Trustees

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Kevin George	Chair of the Board
Richard Stokes CBE	Vice Chair
Sir Anthony Greener	
Claire Locke	
David Lister, MBE	Founder Trustee
Debra Price	
Marc Giraudon	
Richard Palmer	
Samantha Axtell	
Ole Bettum	
Dawn Haig-Thomas	(Resigned 25 Sept 2020)

### Company Secretary

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Simon Hamilton

### Senior Managers

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Ben Willows	Chief Executive
Simon Hamilton	Director of Finance & Business Services
Julia Hutchison	Director of Sales & Marketing
Chris Frisby	Director of Training & Operations
Tanya Brookfield	Director of Fundraising & Development

### Auditors

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Crowe UK LLP, Aquis House, 49-51 Blagrove Street, Reading, Berkshire, RG1 1PL, United Kingdom.

### Bankers

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NatWest plc. 107 St. James' Square, Isle of Wight, PO30 1XH, United Kingdom.

### Solicitors

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Bates, Wells & Braithwaite London, 2-6 Cannon Street, London, EC4M 6YH, United Kingdom.

### Registered Office

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Arctic Road, Cowes, Isle of Wight, PO31 7PQ, United Kingdom.

### Registered Company Number

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02251024 (England & Wales)

### Registered Charity Number

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299248

### Accreditations \ Licenses

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British Accreditation Council  
(for independent further and higher education)  
UK Independent College accreditation  
RYA Accreditation  
MCA Accreditation  
ISO 9001 Registered  
Adventure Activities Licensing Service  
Visit England

### Contact Details

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## Report from the Chief Executive and the Chair of Trustees

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(left) Ben Willows, UKSA Chief Executive.  
(right) Kevin George, Chair of Trustees

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Our purpose as a charity is to inspire and support children and young people to broaden their horizons through our life enhancing water-based adventures, education and training for careers at sea. We support our students to believe in themselves by providing a hand up not a handout. Our professional education, mentoring and training pathways create exciting long-term maritime career opportunities empowering our students to succeed for themselves, their communities and society.

UKSA started the 2020/21 financial year with every expectation of it being among the most successful and productive years in its 33-year history. Building on the improving financial performance, operational efficiency and impact of the previous two years, and having secured the largest single donation in its history, the charity was rising to meet the ambitions set out in its strategic plan. Having already invested in buildings and the training fleet, UKSA was poised to achieve the increasing positive outcomes for its beneficiaries that the preceding years had promised.

Instead, the story of 2020 was for UKSA, along with much of the world economy, one of surviving the challenges of a global pandemic. However, looking back, we did a lot more than just survive. Covid-19 impacted us financially having been closed for 5 out of the 12 months of the year. The Board and Executive team decided that UKSA should use its unencumbered asset base to restructure the balance sheet, by taking a £1.5m loan with our bank, creating a strategic cash reserve, as detailed more fully in the Financial Report below. Having come through this period of adversity, we are now financially more resilient, have a new and exciting strategy and even greater sense of confidence in our future.

As well as rising to the challenges posed by the pandemic, we can count many notable successes. In the strangest of years, we passed some important milestones and laid strong foundations for the future.

At the start of the year, following the commitment by the TK Foundation of US\$1.9 Million, the Trustees gave the go-ahead for the initial stage of procurement for the new accommodation build project.

The chosen procurement route was a two stage Design & Build tender process. At the first stage, working with our procurement consultants, we invited tenders from several island and mainland-based contractors. Three contractors were chosen to present to our selection panel in February 2020. Based on this interview and their overall approach and pricing, we selected a preferred contractor to move to the second stage of the tender process, developing a more detailed design and costing.

This decision was made shortly before the country moved into the first period of lockdown. Although our initial focus was on the direct challenges we faced as a result of the pandemic, UKSA remained fully committed to the project as an essential part of our strategic vision for the future. Covid has disrupted supply chains and tested workflows across the entire economy, and the construction industry is no exception, but our contractor and their professional team have likewise remained fully engaged. Although there was some interruption to the procurement process, we received final designs and costings in the latter part of November 2020 and the Board gave its approval in December, with contracts being signed before the year end on 29 January 2021.

The confidence to go ahead with this project, the largest single contract that UKSA has ever entered into, was supported by our notable successes in capital fundraising. Following on the success of the transformational commitments by TK Foundation and Whirlwind Charitable Trust, we agreed further significant capital grants with, among others, The Bradbury Foundation, Oakley Capital, the Ocean Family Foundation and the Peter Dubens Foundation. Discussions and funding commitment with other funders, notably the Garfield Weston Foundation and a significant private funder, although concluded after the balance sheet date, were progressing well at the point that the Board approved the contract.

The recognition of over £2.5 Million of restricted income from donations in the Statement of Financial Activities, in a year in which we incurred a deficit on unrestricted funds of (£0.840 Million) reflects a decisive vote of confidence by our funders and donors in UKSA's future.

The construction of the new 136 bed facility is now underway and when open in May 2022, will enable UKSA to offer our programmes to 3,000 more young people every year.

During the year, as set out below, we revaluated our strategic priorities, making them fit for purpose in a changed world, ensuring that the needs of our beneficiaries are at the forefront of plans. We have re-focussed on five core objectives; to widen the horizons and outlook of children, to offer a greater depth of support and assistance to enable our careers students to access the jobs market successfully, to establish UKSA as a centre of excellence for maritime training to progress careers at sea, to build financial resilience and to strengthen our asset base both in respect of physical assets and our human capital – our people.

Central to this strategy is to build a bridge between the work that we do with school children and our careers programmes aimed at young adults, creating in young people aged 14 to 18 a greater awareness of the opportunities available in the maritime industries, and helping them to develop the life skills they will need to pursue those opportunities. This initiative, which is intended to be funded such that the cost to the beneficiaries is minimal, is called our Sea.Change Foundation programme. Despite the restrictions of Covid, we launched with a successful pilot programme during the October 2020 half-term break for 10 island-based youngsters. We have gained strong support from partners such as the leading yacht broker Edmiston, the Prince's Trust and the E-Act multi-academy trust.

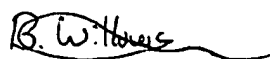
To support this and other initiatives we have launched a significant fundraising effort, the Sea.Change Fund. This will be an overarching fund, designated to support all our current programmes for young people.

The establishment of our partnership with Edmiston was one of the highlights of the year. Not only are they supporting the Sea.Change Foundation programme, but they are working with us to directly address the lack of diversity in the Superyacht sector. Supported by the Edmiston Foundation, we have launched an Edmiston Crew Training Programme to be delivered in June of 2021. Based on an extended and enhanced 5-week version of our standard 3-week Crew Trainer programme, this will be aimed specifically at young people from the most disadvantaged backgrounds, helping them to forge careers in the yachting industry.

Covid made us look carefully at how we provide professional training, and consider alternatives to the fully residential, classroom-based training model. When we reopened in August 2020, we were still unable to use our classrooms for teaching. Students remained in their accommodation, learning from an instructor a short distance away in a newly and quickly established broadcast suite in our Training Centre and meeting outside as permitted by the rules then in force. We have now assembled three such suites and invested in the infrastructure to support them and on-line teaching of both RYA Shorebased and MCA modules is here to stay.

During the year we worked with British Marine, Seacat and Williams Shipping to develop our work boat apprenticeship programme, for launch during National Apprenticeships Week at the beginning of February 2021. This initiative will extend our reach by looking outside UKSA's traditional focus on yachts and watersports, at a growing and innovative sector of the UK maritime industry.

The 2020/21 financial year was challenging due to the unprecedented impact of the Covid pandemic. However, UKSA, through the adversity of the devastating impact of the pandemic has strengthened its financial position and launched the largest capital project in its history supported by over £3.5m of fundraising. In refocussing the strategy for the charity for the post pandemic world, we developed maritime distance learning and launched the Sea.Change Foundation programme to encourage young people to embark on maritime careers.



Ben Willows, Chief Executive



Kevin George, Chair of Trustees

## Aims, objectives and values

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### Report of the trustees

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of UK Sailing Academy (hereinafter 'UKSA') for the year ended 31 January 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP), applicable to charities (effective 1 January 2015), and have had regard to the general guidance provided by the Charity Commission on public benefit in ensuring that its aims and objectives comply with section 17(5) of the Charities Act 2011 and are for the public benefit.

### Aims and objectives

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UKSA is a youth training charity, which aims to inspire and support children and young people to broaden their horizons through our life enhancing water-based adventures, education and training for careers at sea.

Our objectives, as defined by our Articles of Association, are:

1. To advance the education and physical, mental and spiritual development of children (or young persons under the age of 25) by providing or assisting in providing facilities for training in sailing and seamanship for those who have need of such facilities by reason of poverty or social or economic circumstances (so that they may grow to full maturity as individuals and members of society);
2. To provide or assist in the provision of facilities for the recreation and other leisure time occupation of the general public, and in particular facilities for watersports and outdoor activities in the interests of social welfare and with the object of improving their conditions of life;
3. To advance the education of the public in all aspect of maritime activities and in particular in matters relating to: (a) the promotion of personal safety (b) the prevention of accident (c) navigation (d) engineering (e) seamanship (f) stability and construction of boats (g) communication at sea (h) maritime law (i) business and interpersonal skills;
4. To promote community participation in healthy recreation through the provision of sailing facilities.

Every 3-5 years, UKSA develops a strategy to deliver on these objectives in light of the current needs of our primary beneficiaries and UKSA's operating capacity. This is outlined and reported on in more detail in the Strategic Report below.

### Values

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Our Values reflect the type of charity that we want to be; one that loves what we do, has a passion for sharing it and wants to inspire as many people as possible through our work. They apply to all our employees, beneficiaries, trustees and beneficiaries, supporters and volunteers alike:

- Challenge, have fun and smile
- We take care of ourselves, those around us and this place
- Be part of who we are and help others do the same
- Tell the truth, hear the truth, act truthfully
- "If not you, who? If not now, when?"

## Strategic report – public benefit

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### Report of the trustees

In reviewing our aims and objectives and planning our future activities, we have referred to and complied with the duty in section 17 of the Charities Act 2011 relating to having due regard for the Charity Commission's published general guidance on public benefit. The Trustees and Executive Team have considered carefully how planned activities will contribute to UKSA charitable purposes and be for the public benefit.

### Young people in need

#### Meeting the attainment & skills gap

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Even before the current Coronavirus pandemic gripped the world, UKSA believed that all young people had a need; to be inspired, to have their horizons broadened or simply to have barriers to opportunity removed.

Millions of children growing up in the UK are facing a challenging start to life. A quarter of children and young people live in poverty; many experience violence, abuse, and neglect; obesity and mental health problems are mounting; and many face additional barriers due to having a disability and / or additional needs. Research has found that those facing these types of challenges from an early age, experience worse outcomes in later life. UKSA believes passionately in inspiring and supporting children and young people to broaden their horizons through our life enhancing water-based adventures, education, and training for careers at sea.

Sadly, we know that so many of these children and young people were already missing out on life-changing opportunities because schools, local authorities and parents simply could not afford to pay for them. The current COVID-19 crisis and resulting impact, including the closing of schools for many months, has only exacerbated the fragility of these young peoples' mental health and further driven a reliance on 'screen time' and social media through this period of forced isolation. Our outdoor learning programmes on the water are the antithesis to this and these children and young people will need UKSA now more than ever and our education partners like the E-ACT Academies are eagerly awaiting the opportunity to return to us.

Prior to this current crisis, according to the Prince's Trust, young people's wellbeing was already at its lowest in over a decade. In their 2019 State of the Nation report, the Department for Education found that children with special educational needs, children from more deprived backgrounds and children in need, were reported as more likely to experience low wellbeing and emotional difficulties than their peers. Furthermore, the Education Policy Institute's Education in England Annual Report 2019 found that, in England, young people eligible for the pupil premium were, on average, 18 months behind their peers in terms of academic attainment by the time they reached their GCSE's. In some places, including the Isle of Wight, this gap was as much as 24 months.

In addition, those young people considering their futures and approaching school leaving age have also been greatly affected. Youth unemployment is predicted to hit 1 million with many young people losing jobs and a reduction in the number of opportunities available to them (Resolute Foundation).

The current crisis may reduce the employment chances of lower-skilled young adults leaving education by more than a third, even years down the line. In addition, the Resolution Foundation's research predicted that youth unemployment would top 1 million by the end of 2020.

In January 2019, the UK Government launched Maritime 2050, the first ever long-term strategy to support and grow the marine sector. Its aim is to promote careers and diversity in the industry and, ultimately, to close the critical skills gap which 30% of marine companies have reported within their businesses. Developing people and key skills is a vital element in the Maritime sector, more specifically the growing superyacht sector also faces a shortfall of 55,000 crew in the next five years. UKSA is working with education establishments and employers to provide alternative learning environments, pathways and training programmes which lead to jobs, particularly within the rapidly growing superyacht industry.

Sadly, schools, youth and adult groups and other community organisations and families were not able to benefit from participation in outdoor adventurous activity and/or vocational training for most of 2020. The effects of this loss are potentially devastating as such activities are known to support personal and social development, improved health & well-being and better educational and employment outcomes.

In short, evidence supports the fact that outdoor education programmes run by organisations like UKSA can have a real and positive impact on the lives of young people. We want to ensure that the children who need it most, can participate in adventure learning programmes with us, gain essential life skills and have the chance to catch up with their peers and fulfil their potential. Research UKSA have undertaken demonstrates that many of these children return here for further qualifications with some then moving into a career in the maritime sector.

## Strategic report – public benefit

### Report of the trustees

## How we can help

UKSA welcomes young people from the age of 6 to broaden their horizons and experience water-based adventures, as well as providing training and qualifications to enable them to embark upon a career in the maritime industry. The goal for many of our careers students is to work in a practical, skills-based industry; maybe they did not thrive in traditional education, or perhaps they just want to do a job where they can pass on their love of sailing and watersports to others. For some, their goal may be to become a Skipper or Master of a vessel, or it could be a combination of some or all of these ambitions.

UKSA's unique learning environment means that young people can be inspired by the extensive range of students and staff we have onsite. From kids getting their first chance to try watersports, to candidates gaining qualifications to be Masters of Vessels up to 3000gt and everything in between, young people can learn about the vast array of opportunities the maritime industry has on offer and gain qualifications to enable them to achieve their goals. In the financial year ending 31 January 2020, we opened our doors to more than 10,000 individuals, over 80% of whom were under 25. The programmes we ran can be broadly split into three main areas:

## Schools, Youth Groups and Youth Development Programmes

### 6-16 year olds

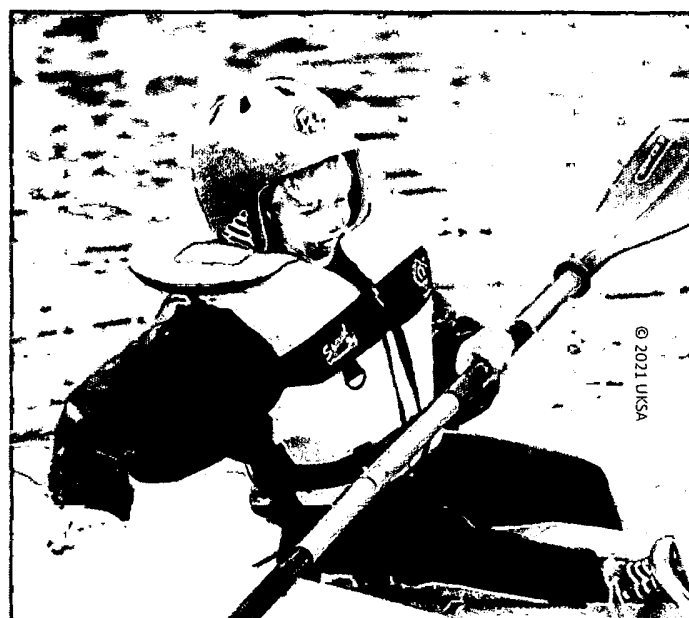
In a normal year, from April through to October we offer residential and non-residential activity programmes for schools and youth groups. Schools visit us from all over the UK, some from the most deprived areas of the country. In 2019 we were visited by nearly 8,000 youngsters all having an adventure away from home on and off the water but at the same time learning life skills, being challenged and often being inspired to see the world in a new way. In 2020, these programmes were drastically curtailed by Covid – only 133 pupils and teachers visited UKSA before operations were suspended on site on 23 March. However, we retained bookings and ended the year with strong interest in our 2021 programmes.

Our "Leave No Child Behind" campaign is intended to ensure that additional funding is in place to support children from disadvantaged areas whose families cannot otherwise afford to send them on these trips. As well as our schools and groups programmes, we run several funded programmes specifically aimed at young people who need a helping hand, whether they are disengaged from mainstream education, find it hard to enter employment or are just going through a difficult period in their lives.

Our school's activity goes to the heart of what UKSA offers, and the transformation that we make to children's lives is often immediately apparent.

"The children had the most amazing time! I had a bit of a 'moment' out on the water when one of my boys (who finds life quite difficult and rarely smiles) was giggling away! Honestly- it was such a beautiful moment! I haven't heard him laugh before so I found it a bit emotional."

Ellen Hicks, Y6 Teacher, St Blasius CofE Primary (2019)





## Strategic report – public benefit

### Report of the trustees

## Careers (16+ years)

Our careers offering covers three areas

### Further Education - 16 to 18 years

Focussing on a pathway to employment in the maritime sector, we offer a 2-year NCFE Level 3 Diploma in Adventurous Outdoor Activities as well as a Maritime Foundation programme. Although Covid disrupted every programme in 2020 to some extent, our 2019/20 FE offering was completed through remote learning while our 2020/21 programme started in September, and is expected to finish on schedule in May 2021.

From 2021 we will also be offering work boat apprenticeships in association with local maritime organisations, Sea Cat Services and Williams Shipping.

### Yachting Careers – 18+ years

Centred on training students for their first job in the maritime sector. UKSA offers extensive full time training programmes providing pathways into maritime employment in the professional yachting and Superyacht sectors including, our flagship Superyacht Cadetship programme (a structured 4-year programme involving five phases of UKSA training and work placements) leading to the MCA Officer of the Watch 3000gt qualification).

### Watersports Careers

The Watersports Academy is aimed at young people aged 18-25 enabling them to gain the qualifications they need to work as an instructor and guarantees those who successfully complete the programme two summer seasons employment at UKSA, as well as opening job opportunities to them around the world.



## Maritime and Coastguard Agency (MCA) Professional Training

### 18+ years

UKSA is the biggest single site provider of MCA Yacht and Deck Training in the world. We are recognised throughout the yacht industry as a world-class provider of the training that mariners need to progress their careers and achieve seniority and high levels of competence.

We believe our work is unique for the following reasons:

We enable young people from any background and without the financial means, to have the opportunity to take part in potentially life changing activities: from attending a residential activity trip, progressing onto a development or education programme through to being supported by UKSA or one of our partners into a life-long maritime career.

The sheer range of both on and off the water-based training and education, encouraging, supporting and inspiring young people of all ages, abilities and backgrounds: Extending from a 6-year-old coming to one of our Summer camps through to an 18-year-old embarking on our Professional Cadetship course, to an experienced maritime professional seeking to gain Officer and Master qualifications.

Commitment to our training programmes to provide tangible pathways to young people into maritime employment. Many students return to complete additional qualifications with us and, in time, contact us to place new students on their boats.

We support our students throughout their whole career and time when at sea. We work with students on their CV's, put them forward for jobs, prepare them for interviews; they are free to contact us anytime for advice on their career.

## Strategic report – financial review

### Report of the trustees

The financial performance of the charity in the financial year and the position at the end of January 2021 were dominated by two themes. The first was, of course, the Covid pandemic, the interruption that it caused to our income streams, and the steps we had to take to protect the charity and secure its future. The second is the progress made with the capital accommodation building project, both in terms of the stages of the project itself and in respect of the success of our fundraising efforts. Our SOFA tells the story; on the one hand showing an operating deficit in respect of unrestricted activity, and on the other, a surplus in respect of restricted fund-raised income for our capital project.

The results for the financial year were severely impacted by the interruption to normal business caused by the Covid-19 pandemic. UKSA's response to this crisis was swift and effective, seeking to reduce expenditure, manage cash flow and make full use of any available government support, in particular the Job Retention Scheme. We were one of the first organisations in the UK to successfully secure funding through a CBILS loan.

When we closed in March 2020, we retained our careers and professional students and relationships with partners and reopened successfully in August 2020, albeit under reduced capacity due to COVID restrictions. We then operated our education, careers, and professional training courses through to the lock down in January 2021, where in line with most education facilities, we suspended training on site. We reopened on 1 March 2021, once again carefully but rapidly returning to as close to full capacity as Covid constraints would allow.

From August 2020 to January 2021, UKSA was the only RYA and MCA professional training centre in UK that was able to operate these types of training courses, and this was due to the way in which we operated our strict COVID student and staff bubbles policies and social distancing systems on our site. We kept in very close direct contact with Public Health England and the Isle of Wight Environmental Health department, which have supported our COVID risk assessments and have used UKSA as an example of good practice of how manage staff and students social distancing, symptoms checking and COVID risk assessments.

Despite this, we were in effect completely closed for five out of the twelve months of the year, and working under significant restrictions for a further five. Normal operations were only possible in February and three weeks of March 2020. Our Schools and Groups programme for 2020, which was budgeted to generate £1.6 Million of income, was cancelled in its entirety, schools having been closed and certainly not permitted to organise trips of any sort.

It was inevitable therefore that UKSA would make an operating loss for the year. The Board and the Executive Team concluded that the charity's interests would be best served by taking two difficult but significant decisions.

The first was that UKSA would have to reduce headcount, at least for a time, to reflect the reality of a lower level of activity. In June 2020 we entered a consultation process with a number of permanent staff, a process which resulted in 16 out of 96 posts being made redundant, along with agreed reductions in working hours which reduced full time equivalent headcount by a further 5 posts.

The second was that, to ensure financial resilience and mitigate the extent to which the projected loss would increase negative reserves, UKSA should use its unencumbered asset base to restructure the balance sheet, creating a strategic cash reserve. We were also aware that the short-term £750k unsecured CBILS loan that we had taken on to provide liquidity in May, would be repayable over five years from May 2021. Unless re-financed, this would be a burden on cash flow at a time when we would need our resources to recover from the effects of the pandemic. We therefore sought a £1.5 Million long term loan from two potential lenders, secured on our property assets. National Westminster Bank plc was supportive of our plans and understanding of our needs, and we agreed heads of terms in November, with completion and draw down taking place in January.



## Strategic report – financial review

### Report of the trustees

The table below highlights the operating deficit that UKSA incurred in the 2020/21 financial year, after reporting a steadily improving operating performance over the preceding years.

	2016/17	2017/18	2018/19	2019/20	2020/21
	£000's	£000's	£000's	£000's	£000's
Total Surplus per SOFA	117	27	104	294	1,670
Less: Donated capital income (Net)	(375)	(105)	(101)	(139)	(2,374)
Less: Income from investments	(1)	(1)	(2)	(2)	(1)
Operating Surplus / (Deficit)	(259)	(79)	1	153	(705)

Our normal comparisons with the previous year are meaningless of course. As is shown in Note 3 to the Financial Statements below, total charitable income was less than 50% of the 2019/20 figure and all activity areas were significantly impacted by closure and by restricted operations.

UKSA Trading Ltd is a wholly owned subsidiary that carries out commercial activities on behalf of the Charity, such as an on-site bar, various corporate events, swimming pool hire, B&B accommodation, vending machines and marina berthing. These sources of income were interrupted or curtailed by the effects of the pandemic – the bar for example was closed on March 22nd and had not reopened a year later and the pool has remained closed except for sea survival training. There have been no corporate events and we have not, for safety reasons, been able to accommodate visitors on a B&B basis. Note 4 to the financial statements shows that income from UKSA Trading was less than a quarter of the amount earned in the previous year.

#### Looking Ahead:

These financial statements are prepared on a going concern basis. The Trustees, supported by the Executive Team, have considered the reserves and net asset position. Although this has been a most challenging year, the restructuring of the balance sheet referred to above has given the charity a strategic reserve of cash to ensure that it will be able to meet its obligations as they fall due under any reasonably foreseeable circumstances.

At the same time, the overall forward bookings position is positive. Careers and MCA bookings significantly better at the end of March 2021 than they were going into the first lockdown period last year, or in March 2019 and demand for our products remains strong. Schools and Groups remain keen to visit us if they are allowed to travel in 2021, and we are holding provisional bookings in excess of £1.3 Million. At the time of writing, we are expecting school visits to start at UKSA in mid-June 2021.

Our success in capital fundraising, and the start of our capital accommodation project, gives us a strong indication of our ability to generate support for our objectives from the funding community.

#### Reserves:

The balances and movements in funds along with the amounts held at the year-end are detailed in note 23 to the Financial Statements. Transfers between reserves represent the application of restricted and designated funds to capital projects, funded programmes and bursaries.

#### Unrestricted Reserves:

The unrestricted general fund ("free reserves") is positive for the first time since the 2012/13 financial year. This is a direct result of the decision to borrow against our asset base, and hold the cash in reserve.

#### Restricted Reserves:

Restricted funds are held to support revenue expenditure and can only be used in accordance with donors' directions, further details of the funds and their intended use are to be found in Note 24 to these accounts.

#### Reserves Policy:

The Trustees are content to hold the equivalent of one month's unrestricted expenditure in free reserves. At current levels of activity, this would be equivalent to about £0.6m. Free reserves are currently £0.3m due to the investment activity and operating deficits in previous years. Through a combination of organic growth in income generating improved free cash flows, and long-term finance secured on assets, the charity has plans in place to achieve free reserves balance of £0.6m in the future to give more resilience to financial risks including fluctuations in income.

#### Investment Policy:

The Trustees assessed the working capital requirements of the charity, and the liquid funds were deemed to be sufficient to meet the short-term cash flow requirements of the charity but not at a level to place funds in longer term investments. Whenever possible, reserve funds are held in notice accounts to maximise income from interest with minimal risk.

## Strategic report – future developments

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### Report of the trustees

The Coronavirus pandemic has highlighted the need for charities such as UKSA to remain clear about their purpose and communicate their case for support effectively. Our strategic focus has continued to evolve through this period and in many ways has become sharper, considering not just what we do and why we do it, but also thinking about the things that we should not do, or do less of.

Over the last decade UKSA has become involved in a variety of initiatives with varying degrees of success, though always with the best of intentions. It has operated sites across the UK and in various places overseas. At times it has worked hard to be a youth development charity, working with some of the hardest to reach young people in society possibly at the expense of its wider maritime core, while at others it has seemed to put expending activity ahead of charitable purpose. The learnings gained lead us to believe that we should concentrate on the areas where we can excel and achieve the most impact, and not try to be all things to all people. We must extend our reach by growing our offering of water-based adventures for children while increasing the depth of our maritime education and training programmes to support careers at sea. These are the core pillars of our charitable purpose, and go back to our founding principles. We also recognise the need for a robust bridge of support and guidance between these two pillars.

In doing this we must also recognise the importance of maintaining financial discipline and the need to invest in our assets and infrastructure, including that most valuable asset, our people. We also recognise that we may not be able to serve those with complex needs or highly challenging behaviours, or those with drug dependencies. Such beneficiaries impose a disproportionate drain on the organisation's resources, relative to the impact that we can achieve on their lives, and there are other charities better able to meet their needs until they are ready to benefit from what we have to offer.

### Priority 1 Extended Reach

#### Water based adventures for children

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Our objective is to broaden the horizons and outlook of children attending UKSA, with the goal of increasing assisted places for a residential visit from schools with 50%+ pupil premium by 2025/26. We will target beneficiaries in the age groups 6 to 16 years, particularly those in need of confidence and life skills and those who need extra support. To do this we will increase outreach to drive awareness in schools and multi-academy trusts (MATs) with high rates of pupil premium especially in coastal communities. We will target minimum residential stays of 3-days to increase the intensity and time available to work with children and incorporate a module that provides an understanding of the opportunities in the maritime sector to all young people attending UKSA. Our intended impact is on their personal development, improving behaviour in the classroom and awareness of the marine environment.

### Priority 2 Maritime Depth

#### Education and training for careers at sea

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Our objective is to deepen our offering and levels of support and assisted places for our Careers programmes with the goal of increasing entry points to the maritime sector and improving career pathways. We will target beneficiaries aged 16+, especially those who may not otherwise be able to access maritime programmes and those seeking a career in the maritime industry or an alternative to university. Strengthening our profile within the Department for Transport's Maritime 2050 initiative, we will build relationship with key industry bodies and develop new training products and wider employment pathways. Our tactics will include developing student support, welfare, mentoring, and employment preparation, producing quality candidates for the sector. Our impact will be to increase personal development and opportunities for first job employment.

## Linking Priorities 1 and 2

### The Sea.Change Foundation Programme

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We will generate increased interest in maritime courses and career opportunities in the maritime sector by introducing a 5-day residential course during school holidays for 14- to 18-year-olds. Our tactics will be to partner with schools, MATs and other youth charities to identify the most deserving students and with funders to ensure that the cost to participants is minimal so that we can reach those that would not otherwise have the opportunity to take up training in maritime. Our impact will be to create a greater awareness of the opportunities in maritime and the likelihood of young people opting for maritime studies and a potential career, as well as personal development and confidence. A successful pilot programme was run in October 2020 in partnership with the Prince's Trust.

## Strategic report – future developments

### Report of the trustees

#### Priority 3 Career Progression

##### Professional Development within Careers at Sea

Our objective is to establish UKSA as a centre of excellence for maritime training and career progression, with a goal of increasing the number and range of courses students attend. We will target beneficiaries aged 18+ who already work in the maritime sector and wish to advance their careers, enabling job retention within the sector and career progression. Our tactic will be to build relations with key industry bodies, employers and previous UKSA graduates. We will develop new training products and develop existing ones, creating a platform for experienced graduates and industry professionals to provide industry guidance and mentoring to UKSA's younger students.

#### Priority 4 Financial Resilience

Our objective is to ensure financial resilience by achieving and maintaining free reserves equivalent to 3-months' operational expenditure, approximately £1.5 Million. We will do this by consistently delivering operating surpluses in line with budgets from now through to 2025/26. We will underpin all our work by sticking to our golden rule. We will achieve maximum market-led pricing on any places we sell regardless of how they are funded and only fund assisted places from external sources; grants, donations and partnerships. We will not use operational surpluses to fund, subsidise or discount assisted places.

Our aim will be to raise unrestricted funds to improve our free reserves position, moving away from programme restricted funding, seeking wider grants that we can allocate to where UKSA and its beneficiaries need it the most. A key element of this effort is the establishment of our Sea.Change Fund, to support all our programmes for young people.

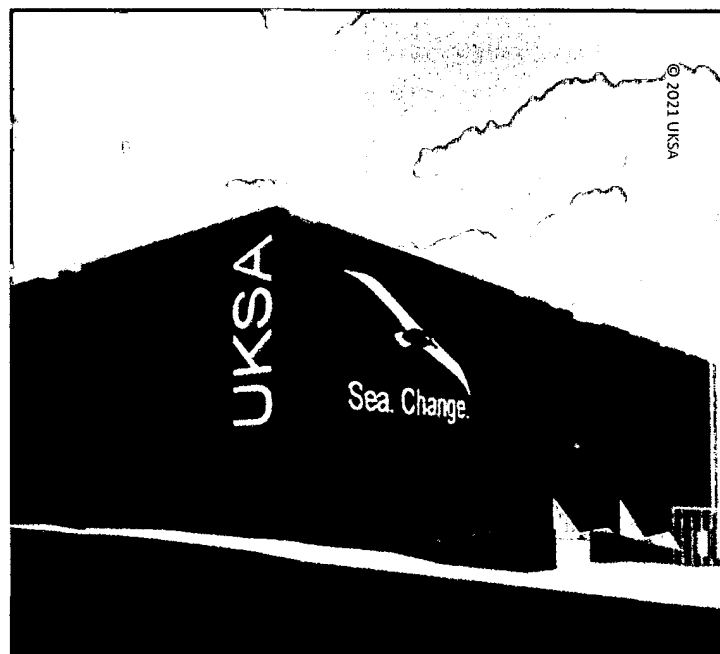
#### Priority 5 Enhanced Operations and Infrastructure

Our objective is to have the people and assets in place to deliver the strategic plan. We will do this by implementing our people strategy, by continuing to invest in our site, our training fleet and our infrastructure including IT.

Our people strategy is built upon being a modern, inclusive and forward-thinking place to work, with a culture that reflects our values. A key part of this is to support and nurture the leaders that UKSA will need tomorrow, initiating a leadership programme to give our managers the learnings and tools they need.

With the new accommodation build now underway, delivering this inspiring and transformative project on time, on budget and to the standard needed is central to our investment programme. However, there are other investments that we need to make in our site and our systems to ensure they do not fall behind. In 2021 we will be dredging our marina and slipway areas, painting the exterior of our main building and investing in our customer and accounting software. We are also progressing well with our plans to establish a storage and launching facility in East Cowes, to reduce the amount of towing in the river, increase the amount of time that can be spent on activity in the Watersports area and improving safety.

Finally, we are planning over the coming 18 to 24 months to revitalise our commitment to sustainability after a period when disposable items such as masks, tests, gloves and plastic bottles of sanitiser have been all around us. This is an area that needs more research and development.



## Strategic report – risk review

### Report of the trustees

The charity operates formal risk management processes at the top of which is the Operational Risk Sub-Committee (ORSC) which meets quarterly. ORSC considers all main risk areas apart from financial risk, which is a matter for the Finance Sub-Committee (FSC) and risks arising out of the Capital Build project which are the responsibility of the Capital Development Sub-Committee (CDSC) in the first instance. It is chaired by a Trustee and comprises two other Trustees as well as members of the Executive Team. The sub-committee also considers any reported incidents in detail. Summaries of the sub-committee's discussions are presented to the main Board at its quarterly meetings.

A summary of the major risks to the charity is held on a detailed risk register that identifies which scores the operational, financial, governance, compliance and external risks evaluates the measures that are in place to mitigate them. The risk register is a regularly updated by management and is reviewed by the ORSC.

The predominant operational or reputational risks for the charity are the health and safety of students taking part in UKSA activities on and off the water and the safeguarding of young people. Monthly Health and Safety meetings are held for both shoreside and water activity risks, both feeding into a monthly Health and Safety management meeting. Leadership is a key element of safety assurance, and a member of the Executive Team chairs all such meetings. Here too, external expertise is brought in where necessary to supplement the broad spectrum of risk assurance activities.

Stringent operating procedures are in place to minimise the risk of accidents while undertaking activities at UKSA and all instructors undergo a mandatory and rigorous induction programme followed up with regular training. Daily operational meetings are held to assess risk for each day's activities and take into account group ability, type of activity and location. This, together with the high level of monitoring from national governing bodies and statutory authorities helps to ensure that safety is paramount at UKSA.

UKSA has a Designated Safeguarding Officer within the Executive Team and holds monthly safeguarding meetings with key staff to review practices and policies. All staff, Trustees and volunteers receive appropriate levels of training in safeguarding for young people and adults deemed to be at risk. A robust safeguarding policy is in place and external expertise is sought where necessary.

The charity has a robust critical incident response plan, which was developed with the support and input of the ORSC and our external consultants, Pharos Response. Pharos is an organisation, which specialises in risk and reputation management in the education, youth, travel and adventure sectors, who we encountered through working with the National Citizenship Service. Since January 2020 Pharos Response has been retained to provide 24/7 incident support.

ORSC has offered vital support to the Executive Team in managing the considerable operational risks around Covid-19.

Financial Risk is a matter for FSC. The charity's main income is derived from maritime training. The main financial risk is a significant downturn in business activity leading to an interruption in sold or fundraised income. The suspension of activities caused by Covid-19 was clearly such an interruption.

The steps that have been taken to mitigate this risk are discussed in the Financial Review above. FSC made the response to this threat its primary focus throughout the pandemic. Reconstituted temporarily as the FSC Covid-19 Response Group with the addition of the Chair of Trustees and one further trustee to provide additional fundraising expertise, the sub-committee supported the Executive Team and the Board throughout the crisis.

The CDSC has oversight in the first instance of the risks associated with the new build accommodation project. The risks fall into two broad categories:

- project risk, notably around Health & Safety, compliance with planning and other regulations, unforeseen complications in the ground, supplier issues etc. and
- business risk, that the project over-runs and this has an impact on bookings and capacity, or that additional costs are incurred.

Should the project risk or business risks associated with the build project change materially, CDSC would immediately inform ORSC or FSC respectively.

## Strategic report – our approach to fundraising

### Report of the trustees

UKSA is a member of the Fundraising Regulator and is committed to the highest standards in fundraising. At all times we will ensure that we are respectful, open, honest and accountable to our supporters and the public. All UKSA's fundraising activities must comply with the Fundraising Regulator's Code of Fundraising Practice for the UK and UKSA adheres to the Code's requirement on handling any breaches of the Code or complaints about UKSA's fundraising activities. There have been no such breaches or complaints reported in the year to 31 January 2021, or subsequently. We adhere to the requirements related to the General Data Protection Regulation (GDPR) in our fundraising practices. We also have a fundraising policy which works alongside our safeguarding and volunteering policies which sets out our approach to protecting our beneficiaries and supporters.

UKSA is a medium sized charity that takes a long term, supporter-led relationship fundraising approach to its activities, principally raising funds from Trusts and Foundations, Companies, Individuals, Partnerships and funds from statutory and government agencies. It also raises funds through online campaigns, community events and activities.

The small UKSA fundraising team is led by an experienced Director of Fundraising and Development. The Chief Executive, wider management team, Trustees and volunteers also play a significant role in raising funds for the Charity. All partnerships with third parties are managed in line with the Code of Fundraising Practice, including contracting, reporting and managing their fundraising activities. Furthermore, where a third party is used UKSA asks that the third party adheres to the provisions in the Code of Fundraising Practice where relevant.

As noted in the Structure Governance and Management section below, during the year, the Board established a new Future Income Sub-committee to combine the roles of the Fundraising Working Group and Business Development Working Group. The objective of this sub-committee is to ensure that all new income generating activity, whether from charitable activities or from fundraising is carried out in a way that is consistent with UKSA's overall strategic priorities.

We have harnessed the insights that we have gained through the successful completion of the Capital Fundraising Programme, which has succeeded through a strong and concise beneficiary led, benefit focused narrative. Alongside this, we have had the confidence to be ambitious in our fundraising ask.

We have spent time with both the FISC and the fundraising team to develop an overall fundraising approach to fundraising which is to simplify our positioning, narrative and campaigns while elevating the level of support we are seeking. We want to ensure consistency and move away from the restrictive, programme focussed funding of the past. To do this we are aligning our message across three pillars:

- Our place in society – providing social change, personal development and employment through water-based activities for those young people who need it the most
- Our environment – having facilities and assets that create a leading, world class learning and training environment for our beneficiaries
- Our financial resilience – ensuring that we are a self-sustaining charity able to deliver excellence to beneficiaries for generations to come.

The primary campaign will be focused on the Society pillar, with a fundraising target of £1.4m to endow the Sea.Change Fund, to support deserving 6–16-year-olds onto our watersports adventures (Leave no Child Behind), alongside providing funding for 16–25-year-olds to access our careers programmes (Brighter Futures). The bridge between these two audiences will be raising funding to support a target of 500 14–18-year-olds onto the Sea.Change Foundation programme. The environment pillar will focus on the continued ask for investment in our assets with a target of £750K. Finally, we will be working up a legacy strategy to ensure that we are financially self-sustaining for the next 30 years.



## Structure, governance, and management

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### Report of the trustees

UKSA is controlled by its Memorandum and Articles of Association and is incorporated as a company limited by guarantee, as defined by the Companies Act 2006. The charity is administered by a Board of unpaid Trustees who are also directors for the purposes of the Companies Act 2006. At the end of January 2021, there were nine Trustees. Other than the Founding Member Trustee, Trustees serve for three years, with the possibility of election for a second three-year term. Only under exceptional circumstances are further terms considered, to be reviewed annually thereafter. A third of the Board retires by rotation annually.

The Chair of Trustees has a maximum set term of three years and the Chair can serve a maximum of two such terms. There is an agreed and documented selection process to either re-appoint the existing Chair or select a new Chair, which takes place every three years. The nominations committee comprising three to five Trustees will conduct the selection process.

The Board meets at least four times a year. Trustees are responsible for the appointment of the Chief Executive, to whom day-to-day management of the organisation is delegated. Trustees work with the Executive Team to develop a long-term strategic plan, progress against which is reviewed with them at annual strategy and development meetings. The Board also reviews and approves the Executives' annual business plan and budget. At quarterly Governance meetings, the Board addresses governance matters and assesses the charity's performance with the Executive Team. Additionally, the Chief Executive holds regular conference calls with the Board on any matters arising.

The Board has established a number of standing Sub-Committees to provide specific oversight, advice and recommendations. Sub-Committees are made up of at least two Trustees, as well as Executive Team members and external advisors as required.

- The Finance Sub-Committee monitors the effectiveness of the charity's financial controls and reporting, considers key areas of financial risk and compliance, reviews the audit process and has a key role in the control of planning, investments and pensions;
- The Capital Development Sub-Committee ensures appropriate governance and project management is in place for UKSA's site development projects.
- The Operational Risk Sub-Committee, which monitors all areas of risk to the charity other than financial risk, reviews incident reports and scrutinises the risk management system.
- The Pay and Remuneration Committee was re-established in September 2020 and reviews the remuneration and benefits for UKSA employees and makes recommendations to the Board with regard to criteria for pay awards and benchmarking. It did not meet in the financial year 2020/21 due to COVID.
- The Future Income Sub-Committee was established in the 2020/21 financial year to combine the roles of the Fundraising and Business Development working groups, to ensure consistency of focus and approach across all Course Delivery and Fundraised streams of income.
- The board has also appointed the Vice Chair – Richard Stokes – to lead on Governance. In 2020 the Trustees undertook a skills audit. The audit was undertaken as part of the succession plan for the board to ensure we have the right experience across the board to govern the charity.

On behalf of the board and UKSA's beneficiaries we would like to express our sincere thanks to Dawn Haig Thomas who resigned from the board in September 2020, following the conclusion of her two three-year terms.



## Statement of Trustees' responsibilities

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### Report of the trustees

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charity's website. Legislation in England/Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

In so far as we are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## Auditors

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The auditors will be proposed for appointment in accordance with the Companies Act 2006 at the AGM of the Board.

In approving the Report of the Trustees, the Trustees are also approving the Strategic Report included here in their capacity as company directors.

## On behalf of the board



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Kevin George, Chair of Trustees

Date: 24 June 2021

# Independent auditors report to the members of the U K Sailing Academy

## Opinion

We have audited the financial statements of UK Sailing Academy ('the charitable company') and its subsidiary ('the group') for the year ended 31 January 2021 which comprise Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 January 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## Independent auditors report to the members of the U K Sailing Academy (continued)

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## Independent auditors report to the members of the U K Sailing Academy (continued)

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### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context were Charity Commission legislation, health and safety legislation, General Data Protection Regulation (GDPR), Royal Yachting Association (RYA) regulation and Maritime and Coastguard Agency (MCA)/International Association of Marine Investigators (IAMI) regulations.


Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law,



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Janette Joyce  
Senior Statutory Auditor

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Date: 28 June 2021

For and on behalf of Crowe U.K. LLP  
Statutory Auditor  
Reading

## Consolidated statement of financial activities for the year ended 31 January 2021

(Incorporating income and expenditure account)

		Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2020/21 £000's	TOTAL 2019/20 £000's
<b>INCOME FROM:</b>					
Donations, Legacies and Grants	2	108	2,511	2,619	541
Charitable Activities	3	2,970	-	2,970	6,085
Trading Activities	4	59	-	59	261
Government Support	5	758	-	758	-
Investments	6	1	-	1	2
Other	7	3	-	3	12
Total income		<u>3,899</u>	<u>2,511</u>	<u>6,410</u>	<u>6,901</u>
<b>EXPENDITURE ON:</b>					
Raising funds:					
Trading Activities	4	48	-	48	134
Expenditure on raising funds	8	139	1	140	186
Charitable Activities	9	4,552	-	4,552	6,287
Total expenditure		<u>4,739</u>	<u>1</u>	<u>4,740</u>	<u>6,607</u>
Net (expenditure)/income		(840)	2,510	1,670	294
Transfers between funds	23	(11)	11	-	-
Net movement in funds		<u>(851)</u>	<u>2,521</u>	<u>1,670</u>	<u>294</u>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		4,385	265	4,650	4,356
TOTAL FUNDS CARRIED FORWARD	23	<u>3,534</u>	<u>2,786</u>	<u>6,320</u>	<u>4,650</u>

### Continuing operations

All of the charity's activities are continuing. There were no gains or losses other than those shown above.

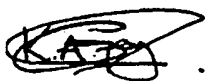
Full comparatives for the year to 31 January 2020 are shown in note 28.

## Group balance sheet for the year ended 31 January 2021

	Notes	Unrestricted Funds General £000's	Trading £000's	Restricted Funds £000's	TOTAL 2020/21 £000's	TOTAL 2019/20 £000's
<b>FIXED ASSETS</b>						
Property, equipment and training fleet	22	4,709	-	-	4,709	4,937
		<u>4,709</u>	<u>-</u>	<u>-</u>	<u>4,709</u>	<u>4,937</u>
<b>CURRENT ASSETS</b>						
Stocks	16	155	1		156	205
Debtors: Amounts falling due after more than one year	17	237	-	-	237	293
Debtors: Amounts falling due within one year	17	801	2	1,606	2,409	736
Cash at bank and in hand	18	1,600	1	1,180	2,781	656
		<u>2,793</u>	<u>4</u>	<u>2,786</u>	<u>5,583</u>	<u>1,890</u>
<b>CREDITORS</b>						
Amounts falling due within one year	19	(2,335)	(4)	-	(2,339)	(2,128)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>458</u>	<u>-</u>	<u>2,786</u>	<u>3,244</u>	<u>(238)</u>
<b>TOTAL ASSETS</b>		<u>5,167</u>	<u>-</u>	<u>2,786</u>	<u>7,953</u>	<u>4,699</u>
<b>CREDITORS</b>						
Amounts falling due after more than one year	20	(1,633)	-	-	(1,633)	(49)
<b>NET ASSETS</b>		<u>3,534</u>	<u>-</u>	<u>2,786</u>	<u>6,320</u>	<u>4,650</u>
<b>FUNDS</b>						
<i>Unrestricted funds;</i>						
Designated tangible fixed asset fund (net of secured bank loan)					3,209	4,937
Designated capital fund					-	121
Unrestricted general funds					325	(673)
					<u>3,534</u>	<u>4,385</u>
<i>Restricted funds;</i>						
Restricted bursary funds					407	265
Restricted capital fund					2,379	-
					<u>2,786</u>	<u>265</u>
<b>TOTAL FUNDS</b>					<u>6,320</u>	<u>4,650</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 24 June 2021

And were signed on its behalf by:



Kevin George  
Chair of Trustees

Registered Company Number: 02251024

## Charity balance sheet for the year ended 31 January 2021

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2020/21 £000's	TOTAL 2019/20 £000's
<b>FIXED ASSETS</b>					
Property, equipment and training fleet	22	4,709	-	4,709	4,937
		4,709	-	4,709	4,937
<b>CURRENT ASSETS</b>					
Stocks	16	155	-	155	203
Debtors: Amounts falling due after more than one year	17	237	-	237	293
Debtors: Amounts falling due within one year	17	805	1,606	2,411	734
Cash at bank and in hand	18	1,600	1,180	2,780	651
		2,797	2,786	5,583	1,881
<b>CREDITORS</b>					
Amounts falling due within one year	19	(2,339)	-	(2,339)	(2,119)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<b>458</b>	<b>2,786</b>	<b>3,244</b>	<b>(238)</b>
<b>TOTAL ASSETS</b>		<b>5,167</b>	<b>2,786</b>	<b>7,953</b>	<b>4,699</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	20	(1,633)	-	(1,633)	(49)
<b>NET ASSETS</b>		<b>3,534</b>	<b>2,786</b>	<b>6,320</b>	<b>4,650</b>
<b>FUNDS</b>					
23					
<i>Unrestricted funds;</i>					
Designated tangible fixed asset fund (net of secured bank loan)				3,209	4,937
Designated capital fund				-	121
Unrestricted general funds				325	(673)
				3,534	4,385
<i>Restricted funds;</i>					
Restricted bursary funds				407	265
Restricted capital fund				2,379	-
				2,786	265
<b>TOTAL FUNDS</b>				<b>6,320</b>	<b>4,650</b>

The surplus for the financial year 2020/21 dealt with in the financial statements of the parent charity was £1,670k (2019/20: £294k).

The financial statements were approved and authorised for issue by the Board of Trustees on 24 June 2021

And were signed on its behalf by:



Kevin George  
Chair of Trustees

Registered Company Number: 02251024

# Consolidated statement of cash flow for the year ended 31 January 2021

	Notes	2020/21 £000's	2019/20 £000's
NET CASH PROVIDED BY OPERATING ACTIVITIES	A	813	797
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1	2
Interest paid and fees		(21)	(27)
Purchase of tangible fixed assets		(168)	(545)
		(188)	(570)
CASH FLOWS FROM FINANCING ACTIVITIES			
New secured bank loan received		1,500	-
MANAGEMENT OF LIQUID FUNDS			
Short term deposit account transfers		3	(290)
Increase/(Decrease) in cash in the year	B	2,128	(63)
NOTE A - RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES			
Net income		1,670	294
Depreciation and impairment charges		337	349
Loss on disposal of fixed assets		59	-
Interest received		(1)	(2)
Interest paid and charges		21	27
Decrease/(Increase) in stocks		49	(25)
(Increase)/Decrease in debtors		(1,617)	27
Increase in creditors		295	127
Net cash provided by operating activities		813	797
NOTE B - RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase/(Decrease) in cash in the year		2,128	(63)
(Decrease)/Increase in short term deposits		(3)	290
New loan issued in year		(1,500)	-
Change in net cash		625	227
Net cash at 1 February		656	429
Net cash at 31 January		1,281	656
ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS			
	At 1st Feb 20	Cashflow	At 31st Jan 21
	£000's	£000's	£000's
Cash at bank and in hand	366	2,128	2,494
Short term deposit accounts	290	(3)	287
Loans	0	(1500)	(1500)
Total	656	625	1,281



## Notes to the financial statements for the year ended 31 January 2021

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UK Sailing Academy is an incorporated charity (number 299248) and company (number 02251024) with its registered office at Arctic Road, Cowes, Isle of Wight PO31 7PQ and is incorporated and domiciled in the UK.

### 1 ACCOUNTING POLICIES

#### a) Basis of preparation

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.

UKSA meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### b) Going concern

In their assessment of going concern, the trustees have considered the impact of the COVID-19 pandemic on the charity. Supported by the management team, they have throughout the year considered the cash, reserves and net asset position of the charity. They consider that the going concern basis for the charity is appropriate.

Furthermore, to improve liquidity and financial resilience into the future UKSA has obtained with National Westminster Bank a 21-year term loan secured on the charity's assets.

The trustees are confident that the management team will continue to mitigate financial risks effectively by actively managing liquidity and by carefully controlling income and expenditure.

#### c) Group accounts

The accounts have been consolidated to include the results of the charity's trading subsidiary, which has the same year-end. No separate profit and loss account is presented for UK Sailing Academy as permitted by Section 408 of the Companies Act 2006.

#### d) Income

All income is included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Voluntary income is credited to the income and expenditure account on a received basis, apart from income that covers a specific period of time ending after 31 January 2021, the deferred part of the income being shown within creditors. Income from the charitable activities is recognised on an accruals basis, and income relating to courses which commence after the balance sheet date is deferred to future accounting periods.

Government Support income relates largely to the CJRS (Coronavirus Job Retention Scheme) grant and is accounted for under the performance model as permitted by the Charity SORP. CJRS income is therefore recognised on a straight-line basis over the furlough period for each relevant employee.

## Notes to the financial statements for the year ended 31 January 2021 (continued)

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### e) Expenditure

All expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts. Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure. Support costs are allocated between the activities of the charity on a percentage basis in line with the income and activity levels of those activities.

Included within charitable activity are governance costs. Governance costs are those costs associated with the governance arrangements including external and internal audit and legal advice for Trustees, rather than the day-to-day management of the charity.

### f) Debtors

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

### g) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of 95 days or less from the date of acquisition or opening of the deposit or similar account.

### h) Creditors and provisions

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

### i) Tangible fixed assets

Depreciation is provided on all other tangible fixed assets using the straight-line method designed to write off each asset over its expected useful economic life. It is the company's policy to determine the expected useful life of each asset individually, ranging from 3 to 100 years.

The company reviews its tangible fixed assets on an annual basis and will consider an impairment of those assets where the carrying amount (net book value) of the asset is higher than its recoverable amount; the recoverable amount being defined as the higher of the amount that could be obtained by selling the asset (Net Realisable Value), and the amount that could be obtained by using the asset (Value in Use).

### j) Impairment of buildings

Buildings are held at historic cost. This value is subject to the requirement to test assets for impairment in accordance with section 27 of FRS102.

The company will get a land and buildings valuation done every 3 years to confirm no impairment is required; with a directors' assessment in the interim. The valuation performed this year by Jones Lang LaSalle showed no impairment was required. The next valuation is due for the year ending 31 January 2024.

## Notes to the financial statements for the year ended 31 January 2021 (continued)

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**k) Stocks**

Stocks of bought in goods are stated at the lower of cost and net realisable value. Stocks held include Provisions, Bar, Vending, Merchandise, Clothing and Red Funnel ferry tickets.

Stocks also include inventory items held for free distribution to beneficiaries in furtherance of charitable activities (e.g. Wetsuits, Paddles, Buoyancy Aids etc.). Inventory is written down (impaired) to nil value over a three-year period.

**l) Taxation**

The charity is exempt from corporation tax on its charitable activities. Irrecoverable VAT is recognised as an expense in the Statement of Financial Activities within training and education expenditure. The trading subsidiary has not incurred a tax charge as it gifts all profits to the charity.

**m) Pensions**

The charity does not operate a defined benefit pension scheme. UKSA auto-enrolled eligible employees with the National Employment Savings Trust (NEST) as the provider for its workplace pension. During 2020/21 UK Sailing Academy contributions of £48k (2019/20 £51k) were recognised in the Statement of Financial Activities (see Note 15).

**n) Leased Assets**

Instalments on operating lease contracts are charged on a straight-line basis over the lease life.

**o) Fund Accounting**

**General funds** are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

**Designated funds** comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

The Trustees have designated a fixed asset fund which represents the amount invested in tangible fixed assets to enable the charity to carry out its charitable purposes.

**Restricted funds** are subject to specific conditions laid down by donors as to how they may be used or which have been raised by the charity for particular purposes. The aim and use of each restricted fund are set out in the notes to the financial statements.

**p) Financial instruments**

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Note 22 provides more information in respect of this area.

## Notes to the financial statements for the year ended 31 January 2021 (continued)

q)

### Key judgements and estimates

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Trustees consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.



## Notes to the financial statements for the year ended 31 January 2021 (continued)

2	DONATIONS AND LEGACIES	2020/21	2019/20
		£000's	£000's
	Donations (Revenue)	244	363
	Donations (Capital Gross)	2,375	178
		<u>2,619</u>	<u>541</u>
3	INCOME FROM CHARITABLE ACTIVITIES	2020/21	2019/20
		£000's	£000's
	Youth Development programmes	24	177
	Schools and Groups	17	1,538
	Careers courses for employment	1,634	2,464
	Professional training	790	1,528
	Recreational training	106	296
	Total income for training activities	<u>2,571</u>	<u>6,003</u>
	Student services and site income	124	242
	Lost Deposits	373	67
	Transfer from donations and legacies to training activities income	<u>(98)</u>	<u>(227)</u>
		<u>2,970</u>	<u>6,085</u>

Income in respect of courses that commence after the balance sheet date is deferred and recognised over the period during which the course takes place. An analysis of deferred income is shown below:

	2020/21	2019/20
	£000's	£000's
Gross income from charitable activities	3,057	6,222
Amounts deferred last year that have been released in the current year	1,738	1,601
Amounts deferred to future periods	<u>(1,825)</u>	<u>(1,738)</u>
	<u>2,970</u>	<u>6,085</u>

## Notes to the financial statements for the year ended 31 January 2021 (continued)

### 4 INVESTMENT IN TRADING COMPANY

UK Sailing Academy holds 100% of the share capital of UKSA Trading Limited (registered office – Arctic Road, Cowes, Isle of Wight PO31 7PG – Registered Company No. 06276835) which is responsible for the provision of commercial services on behalf of the charity.

The charity's investment in the trading company was as follows:	2020/21	2019/20
UKSA Trading Limited	1	1

The subsidiary is registered in England and Wales and pays under gift aid its entire profits as computed for corporation tax purposes to the charity. Its results and balance sheet are as follows:

Profit and Loss Account	2020/21 £000's	2019/20 £000's
Turnover	59	261
Cost of Sales	(48)	(134)
Gross Profit	11	127
Administration expenses	(15)	(109)
	(4)	18
Government Support	7	-
Amount payable under gift aid to the charity	(3)	(18)
Retained in subsidiary	-	-
<b>Balance sheet</b>		
Current assets	4	10
Current liabilities	(4)	(10)
	-	-
Share Capital ( <i>Total Share Capital = £1</i> )	-	-

A UKSA members' resolution was passed in 2019 for the purpose of the continuance of the Gift Aiding of the profits of UKSA Trading Limited to UK Sailing Academy annually on the 31st January, until further notice.

The gift aid payment of £3k (2019/20: £18k) and management charge of £15k (2019/20: £109k) paid to UK Sailing Academy has been eliminated upon consolidation.

The Government Support relates to Coronavirus Job Retention Support Scheme income and is shown under this heading on the Statement of Financial Activities.

## Notes to the financial statements for the year ended 31 January 2021 (continued)

5	GOVERNMENT SUPPORT	2020/21 £000's	2019/20 £000's		
	Job Retention & Support Scheme Income	738	-		
	IOW Council LRS Grant	20	-		
		<u>758</u>	<u>-</u>		
	UKSA also received a benefit in kind from the UK Government in the form of CBILS interest paid to NatWest Bank on its behalf of £20k (2019/20: nil).				
6	INVESTMENT INCOME	2020/21 £000's	2019/20 £000's		
	Deposit account interest	1	2		
		<u>1</u>	<u>2</u>		
7	OTHER INCOME	2020/21 £000's	2019/20 £000's		
	Sponsorship Income	-	8		
	Insurance Claims	1	4		
	Miscellaneous Income	2	-		
		<u>3</u>	<u>12</u>		
8	EXPENDITURE ON RAISING FUNDS	2020/21 £000's	2019/20 £000's		
	Fundraising Costs	<u>140</u>	<u>186</u>		
9	EXPENDITURE ON CHARITABLE ACTIVITIES				
		Admin, Sales and Marketing Costs	Total Costs		
	Training Costs	Support Costs			
	2020/21	2020/21	2020/21		
	£000's	£000's	£000's		
	Youth Development programmes	3	-	3	
	Schools and Groups	10	169	140	319
	Careers courses for employment	759	1,477	597	2,833
	Professional training	270	585	305	1,160
	Recreational training	58	138	41	237
		<u>1,100</u>	<u>2,369</u>	<u>1,083</u>	<u>4,552</u>
				Admin, Sales and Marketing Costs	Total Costs
	Training Costs	Support Costs			
	2019/20	2019/20	2020/21	2019/20	
	£000's	£000's	£000's	£000's	
	Youth Development programmes	145	104	37	286
	Schools and Groups	391	733	347	1,471
	Careers courses for employment	1136	1,145	567	2,848
	Professional training	460	486	374	1,320
	Recreational training	140	150	72	362
		<u>2,272</u>	<u>2,618</u>	<u>1,397</u>	<u>6,287</u>

## Notes to the financial statements for the year ended 31 January 2021 (continued)

### 10 SUPPORT, ADMINISTRATION & SALES AND MARKETING COSTS

	2020/21 £000's	2019/20 £000's
Furloughed staff cost	368	-
Depreciation, inventory write down and loss on disposal	450	472
Site costs	407	575
Catering	318	472
Operations and Customer Support	241	293
Yacht, Fleet and Vehicle Maintenance	231	337
VAT	136	219
Other	218	250
Total Support Costs	2,369	2,618
Administration costs	532	583
Sales and Marketing costs	502	814
Redundancy Costs	45	-
Interest Payable	4	-
Totals	3,452	4,015

### 11 GOVERNANCE COSTS

	2020/21 £000's	2019/20 £000's
Company Secretary	9	9
Travel and Subsistence	-	2
Auditors' remuneration	16	15
	25	26

### 12 NET MOVEMENT IN FUNDS

	2020/21 £000's	2019/20 £000's
Net movement in funds is stated after charging:		
Auditors' remuneration for statutory work	16	15
Operating lease rental for IT and vehicles	78	91
Interest paid and charges	21	27
Depreciation - owned assets	287	349
Impairment - Yacht	50	-
Loss on Disposal - Ark Royal Building	59	-

### 13 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 January 2021 (2019/20: £nil). Travelling expenses are reimbursed, if claimed, to trustees. In 2020/21 this was nil (2019/20: £2k).



## Notes to the financial statements for the year ended 31 January 2021 (continued)

### 14 STAFF COSTS

The average number of full-time equivalent staff employed by the charity during the financial year amounted to:

	2020/21 Total No.	2020/21 FTE No.	2019/20 Total No.	2019/20 FTE No.
Directly involved in achieving charitable objectives	101	74	126	110
Management and financial administration of the charity	10	10	11	11
<b>Total</b>	<b>111</b>	<b>84</b>	<b>137</b>	<b>121</b>

The aggregate payroll costs of the above were:

	2020/21 £000's	2019/20 £000's
Wages and salaries	2,265	2,730
Social security	181	214
Pension	48	51
	<b>2,494</b>	<b>2,995</b>

The number of employees whose emoluments exceeded £60,000 was:

	2020/21 No.	2019/20 No.
£60,000 to £69,999	1	2
£70,000 to £79,999	-	-
£80,000 to £89,999	-	1
£90,000 to £99,999	-	-

Employer Pension Contributions for the above individuals were £3k (2019/20:£11k)  
Termination and redundancy payments in the year were £50k (2019/20:Nil).

### 15 EXECUTIVE REMUNERATION

The total remuneration, benefits and pensions paid to the key management personnel in the year was £321k (2020/21: £351k). The key management personnel on the year were the Chief Executive, Director of Finance and Business Services, Director of Sales and Marketing, Director of Operations and Training and Director of Fundraising.

## Notes to the financial statements for the year ended 31 January 2021 (continued)

16 STOCKS	2020/21 £000's	2019/20 £000's
Stocks for resale (trading)	1	2
Inventories (charity)	155	203
Group stocks held	<u>156</u>	<u>205</u>

17 DEBTORS	Group 2020/21 £000's	Group 2019/20 £000's	Charity 2020/21 £000's	Charity 2019/20 £000's
Trade debtors for courses	406	299	404	296
Due from subsidiary undertaking	-	-	4	1
Other debtors	351	443	351	443
Prepayments and accrued income	1,944	313	1,944	313
Bad Debt Provision for Other Debtors	(55)	(26)	(55)	(26)
	<u>2,646</u>	<u>1,029</u>	<u>2,648</u>	<u>1,027</u>

Included within other debtors is a total of £237k (2019/20 £293k) relating to repayable bursary amounts due over 1 year.

Included within accrued income is a total of £1,606k capital income (2019/20 - Nil) relating to funding commitments for a new building started in February 2021.

18 CASH AT BANK AND IN HAND	Group 2020/21 £000's	Group 2019/20 £000's	Charity 2020/21 £000's	Charity 2019/20 £000's
Bank Current Accounts	2,486	362	2,486	362
Bank Deposit Accounts	287	290	286	285
Petty Cash	3	4	3	4
Pre-Paid Expense Cards	5	-	5	-
	<u>2,781</u>	<u>656</u>	<u>2,780</u>	<u>651</u>

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group 2020/21 £000's	Group 2019/20 £000's	Charity 2020/21 £000's	Charity 2019/20 £000's
Trade creditors	199	244	199	238
Social security and other taxes	170	62	170	62
Other creditors	67	26	67	26
Accruals and deferred income	1,903	1,796	1,903	1,793
	<u>2,339</u>	<u>2,128</u>	<u>2,339</u>	<u>2,119</u>

Included within accruals and deferred income is a total of £1,807k (2019/20: £1,689k) relating to amounts invoiced in advance of the commencement of training courses.

Social security and other taxes includes £123k of PAYE and £8k of VAT where the group has taken advantage of Government deferral schemes (2019/20:nil).

## Notes to the financial statements for the year ended 31 January 2021 (continued)

### 20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:

	Group 2020/21 £000's	Group 2019/20 £000's	Charity 2020/21 £000's	Charity 2019/20 £000's
Secured Bank Loan	1,500	-	1,500	-
Social security and other taxes	115	-	115	-
Accruals and deferred income	18	49	18	49
	<u>1,633</u>	<u>49</u>	<u>1,633</u>	<u>49</u>

Social security and other taxes includes £115k of PAYE where the group has taken advantage of Government deferral schemes (2019/20: nil).

The amounts held within accruals and deferred income relate to amounts invoiced in advance of the commencement of training courses £18k (2019/20: £49k) and an accrual for deferred PAYE liability of £115k (2019/20: nil).

The group has a bank loan with Natwest which is secured by a fixed and floating charge over the property and assets of the group. The balance of the loan at 31 January 2021 is £1,500k. The loan has interest charged at 2.44% for the fixed period (60 months) thereafter at 2.09% over base rate for the remaining period. The loan is due for final repayment in January 2042.

The maturity of the bank loan has been analysed as follows:

	Repayments £000	Accumulated Interest £000
Within one year	0	37
1-2 years	95	37
2-5 years	284	102
Greater than 5 years	1,543	246
	<u>1,922</u>	<u>422</u>

In addition, Deferred Income has been analysed as follows:

	Group 2020/21 £000's	Group 2019/20 £000's	Charity 2020/21 £000's	Charity 2019/20 £000's
Deferred income at 1 February	1,738	1,601	1,735	1,596
Applied during the year	(1,738)	(1,601)	(1,735)	(1,596)
Released during the year	1,825	1,738	1,825	1,735
Deferred income at 31 January	<u>1,825</u>	<u>1,738</u>	<u>1,825</u>	<u>1,735</u>

## Notes to the financial statements for the year ended 31 January 2021 (continued)

### 21 FINANCIAL INSTRUMENTS

Financial assets held at amortised cost are trade debtors, other debtors, accrued income, amount owed by group companies and cash held at bank. Note this excludes stocks and prepayments.

Financial liabilities held at amortised cost are trade creditors, accruals, bank loan and amounts owed by group companies. Note this excludes deferred income and social security and other taxes.

Group	2020/21 £000's	2019/20 £000's
Financial assets measured at amortised cost	5,306	1,495
Financial liabilities measured at amortised cost	1,862	377
	2020/21 £000's	2019/20 £000's
Total interest income for financial assets held at amortised cost	1	2
Charity	2020/21 £000's	2019/20 £000's
Financial assets measured at amortised cost	5,307	1,489
Financial liabilities measured at amortised cost	1,862	371
	2020/21 £000's	2019/20 £000's
Total interest income for financial assets held at amortised cost	1	2

## Notes to the financial statements for the year ended 31 January 2021 (continued)

### 22 TANGIBLE FIXED ASSETS

	Assets under course of construction	Freehold land and buildings	Leasehold buildings	Swimming pool	Equipment and Training Aids
	£000's	£000's	£000's	£000's	£000's
<b>COST</b>					
At 1 February 2020	200	3,290	316	200	914
Additions	113	-	-	-	28
Disposals	-	(81)	-	-	-
<b>As at 31 January 2021</b>	<b>313</b>	<b>3,209</b>	<b>316</b>	<b>200</b>	<b>942</b>
<b>DEPRECIATION</b>					
At 1 February 2020	-	298	7	200	668
Charge for year	-	53	19	-	62
Eliminated on disposal	-	(22)	-	-	-
<b>As at 31 January 2021</b>	<b>-</b>	<b>329</b>	<b>26</b>	<b>200</b>	<b>730</b>
<b>NET BOOK VALUE</b>					
<b>As at 31 January 2021</b>	<b>313</b>	<b>2,880</b>	<b>290</b>	<b>-</b>	<b>212</b>
<b>As at 31 January 2020</b>	<b>200</b>	<b>2,992</b>	<b>309</b>	<b>-</b>	<b>246</b>

	Motor vehicles	Yachts and training fleet	Totals
	£000's	£000's	£000's
<b>COST</b>			
At 1 February 2020	19	2,174	7,113
Additions	-	27	168
Disposals	-	(15)	(96)
<b>As at 31 January 2021</b>	<b>19</b>	<b>2,186</b>	<b>7,185</b>
<b>DEPRECIATION</b>			
At 1 February 2020	10	993	2,176
Charge for year	-	153	287
Eliminated on disposal	-	(15)	(37)
Impairment	-	50	50
<b>As at 31 January 2021</b>	<b>10</b>	<b>1,181</b>	<b>2,476</b>
<b>NET BOOK VALUE</b>			
<b>As at 31 January 2021</b>	<b>9</b>	<b>1,005</b>	<b>4,709</b>
<b>As at 31 January 2020</b>	<b>9</b>	<b>1,181</b>	<b>4,937</b>

The disposal in Freehold Land and Buildings related to the demolition of the old Ark Royal building in readiness for a new building in its place.

The impairment in Yachts and Training Fleet relates to an older yacht for sale and is intended to make its net book value close to, or less than, its net realisable value.

## Notes to the financial statements for the year ended 31 January 2021 (continued)

### 23 MOVEMENT IN FUNDS

	At 1 Feb 20 £000's	Net Movement in funds £000's	Transfers between Funds £000's	At 31 Jan 21 £000's
<b>Unrestricted funds</b>				
Fixed assets fund	4,937	(396)	(1,332)	3,209
Designated capital fund	121	-	(121)	-
General fund	(673)	(447)	1,445	325
Trading activities	-	3	(3)	-
	<u>4,385</u>	<u>(840)</u>	<u>(11)</u>	<u>3,534</u>
<b>Restricted funds</b>				
Restricted capital fund	-	2,374	5	2,379
Stephen Thomas Bursary	12	47	(1)	58
Noel Lister Memorial Fund	141	1	74	216
Milo Hanlon Fund	17	1	8	26
Will Black Fund	14	-	-	14
Seafarer's	28	17	3	48
UKSA Assisted Funding	5	-	(5)	-
Polly Birch Fund	48	-	(3)	45
Trinity House Fund	-	70	(70)	-
	<u>265</u>	<u>2,510</u>	<u>11</u>	<u>2,786</u>
<b>TOTAL FUNDS</b>	<u>4,650</u>	<u>1,670</u>	<u>-</u>	<u>6,320</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £000's	Resources expended £000's	Movement in funds £000's
<b>Unrestricted funds</b>			
Fixed asset fund	-	(396)	(396)
Designated capital fund	-	-	-
General fund	3,833	(4,280)	(447)
Trading activities	66	(63)	3
	<u>3,899</u>	<u>(4,739)</u>	<u>(840)</u>
<b>Restricted funds</b>			
Restricted capital fund	2,375	(1)	2,374
Stephen Thomas Bursary	47	-	47
Noel Lister Memorial Fund	1	-	1
Milo Hanlon Fund	1	-	1
Will Black Fund	-	-	-
Seafarer's	17	-	17
UKSA Assisted Funding	-	-	-
Polly Birch Fund	-	-	-
Trinity House Fund	70	-	70
	<u>2,511</u>	<u>(1)</u>	<u>2,510</u>
<b>TOTAL FUNDS</b>	<u>6,410</u>	<u>(4,740)</u>	<u>1,670</u>

## Notes to the financial statements for the year ended 31 January 2021 (continued)

### 23 MOVEMENT IN FUNDS (PRIOR YEAR COMPARATIVES)

	At 1 Feb 19 £000's	Net Movement in funds £000's	Transfers between Funds £000's	At 31 Jan 20 £000's
<b>Unrestricted funds</b>				
Fixed assets fund	4,741	(349)	545	4,937
Designated capital fund	208	139	(226)	121
General fund	(768)	363	(268)	(673)
Trading activities	0	18	(18)	0
	<b>4,181</b>	<b>171</b>	<b>33</b>	<b>4,385</b>
<b>Restricted funds</b>				
Stephen Thomas Bursary	12	10	(10)	12
Noel Lister Memorial Fund	94	41	6	141
Milo Hanlon Fund	16	0	1	17
Will Black Fund	18	0	(4)	14
Seafarer's	18	34	(24)	28
UKSA Assisted Funding	0	2	3	5
Polly Birch Fund	17	36	(5)	48
	<b>175</b>	<b>123</b>	<b>(33)</b>	<b>265</b>
<b>TOTAL FUNDS</b>	<b>4,356</b>	<b>294</b>	<b>0</b>	<b>4,650</b>

Net movement in funds, included in the above are as follows:

	Incoming resources £000's	Resources expended £000's	Movement in funds £000's
<b>Unrestricted funds</b>			
Fixed asset fund	0	(349)	(349)
Capital fund	178	(39)	139
General funds	6,339	(5,976)	363
Trading activities	261	(243)	18
	<b>6,778</b>	<b>(6,607)</b>	<b>171</b>
<b>Restricted funds</b>			
Stephen Thomas Bursary	10	0	10
Noel Lister Memorial Fund	41	0	41
Milo Hanlon Fund	0	0	0
Will Black Fund	0	0	0
Seafarer's	34	0	34
UKSA Assisted Funding	2	0	2
Polly Birch Fund	36	0	36
	<b>123</b>	<b>0</b>	<b>123</b>
<b>TOTAL FUNDS</b>	<b>6,901</b>	<b>(6,607)</b>	<b>294</b>

## Notes to the financial statements for the year ended 31 January 2021 (continued)

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### Unrestricted funds

- A) The fixed asset fund shows the net book value of unrestricted fixed assets. Net movement in funds are represented by the net of profit/ (loss) on disposal, impairment and depreciation £396k (2019/20: £349k). Transfers are represented by a secured bank loan of £1,500k less net capital expenditure £168k, plus profit on disposal £1k.
- B) The Designated capital fund represents funds which are unrestricted but were specifically held for the capital site development works. When these funds are expended, they are capitalised and transferred to the Designated tangible fixed asset fund. Net movement in funds are represented by net donated income of nil in 2020/21 (2019/20: £139k).
- In 2020/21 transfers were represented by capital expenditure of £101k on the new building and £15k on our website. The remainder of £5k was transferred to the Restricted capital fund (2019/20: £226k expenditure on sea bin and site development).
- C) The unrestricted general fund represents funds which are freely available for use by the charity, including those generated from trading activities.
- Net movements in funds are represented by all Income and Expenditure movements not already represented by movements on other reserves of (£444k) (2019/20: £381k). Transfers are the sum of net working capital movements excluding transfers on other reserves of £1,445k (2019/20: (£286k)).
- D) The trading activities fund is represented by the wholly owned subsidiary UKSA Trading Ltd profit / (loss). For the year 2020/21 UKSA Trading Ltd returned a profit of £3k (2019/20: £18k) which was transferred to the UK Sailing Academy's unrestricted general fund in the same year.

### Restricted funds

- A) A restricted Capital Fund was set up in 2015/16 to hold donations that are specifically to fund capital works required.
- In 2020/21 £2,374k net income was received plus a £5k transfer from the Designated capital fund during the year.
- B) The Stephen Thomas Bursary was set up in memory of Stephen Thomas to provide sailing and seamanship experiences for young people between the ages of 16 and 20.
- In 2020/21 (£5k) (2019/20: (£14k)) was transferred to the general fund during the year for this purpose.
- C) The Noel Lister Memorial Fund was set up in memory of Noel (the founder of UKSA) to provide sailing and seamanship experiences for young people.
- In 2020/21 nil was transferred to the general fund during the year for this purpose (2019/20: (£69k)).
- D) The Milo Hanlon Fund was set up in memory of Milo who was a student at UKSA in 2012. The fund provides assistance to young people wishing to undertake professional training for employment.
- In 2020/21 (£4k) was transferred to the general fund during the year for this purpose (2019/20: (£9k)).
- E) The William Black Fund was set up in 2016 in memory of Will. The fund provides financial support to individuals with a desire to enter the maritime sector.
- In 2020/21 nil was transferred to the general fund during the year for this purpose (2019/20: £4k).



## Notes to the financial statements for the year ended 31 January 2021 (continued)

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### Restricted funds continued

- F) The Seafarer's fund was set up in 2017/18. The fund provides assistance to young people wishing to undertake professional training for employment.  
In 2020/21 (£34k) was transferred to the general fund during the year for this purpose (2019/20: (£51k)).
- G) The UKSA Assisted Funding Fund was set up in 2019/20 to provide training for employment for young people.  
In 2020/21 nil was transferred to the general fund during the year for this purpose (2019/20: (£2k)) to provide training for employment for young people.
- H) The Polly Birch fund was set up in 2017/18. This fund was set-up in memory of Polly Birch to provide watersports experiences for school children.  
In 2020/21 (£3k) was transferred to the general fund during the year for this purpose (2019/20: (£5k)).
- I) The Trinity fund was set up in 2011. The fund provides assistance to young people wishing to undertake professional training for employment.  
In 2020/21 (£70k) was transferred to the general fund during the year for this purpose (2019/20: (£110k)).

## Notes to the financial statements for the year ended 31 January 2021 (continued)

### 24 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total funds at 31 Jan 21
	£000's	£000's	£000's	£000's
Fixed assets	-	4,709	-	4,709
Current assets	2,797	-	2,786	5,583
Creditors due in less than one year	(2,454)	-	-	(2,454)
Creditors due in more than one year	(18)	-	-	(18)
Secured Bank Loan	-	(1,500)	-	(1,500)
	<u>325</u>	<u>3,209</u>	<u>2,786</u>	<u>6,320</u>

### ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP (PRIOR YEAR COMPARATIVES)

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total funds at 31 Jan 20
	£000's	£000's	£000's	£000's
Fixed assets	-	4,937	-	4,937
Current assets	1,504	121	265	1,890
Creditors due in less than one year	(2,128)	-	-	(2,128)
Creditors due in more than one year	(49)	-	-	(49)
	<u>(673)</u>	<u>5,058</u>	<u>265</u>	<u>4,650</u>

### ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total funds at 31 Jan 21
	£000's	£000's	£000's	£000's
Fixed assets	-	4,709	-	4,709
Current assets	2,797	-	2,786	5,583
Creditors due in less than one year	(2,454)	-	-	(2,454)
Creditors due in more than one year	(18)	-	-	(18)
Secured Bank Loan	-	(1,500)	-	(1,500)
	<u>325</u>	<u>3,209</u>	<u>2,786</u>	<u>6,320</u>

### ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY (PRIOR YEAR COMPARATIVES)

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total funds at 31 Jan 20
	£000's	£000's	£000's	£000's
Fixed assets	-	4,937	-	4,937
Current assets	1,495	121	265	1,881
Creditors due in less than one year	(2,119)	-	-	(2,119)
Creditors due in more than one year	(49)	-	-	(49)
	<u>(673)</u>	<u>5,058</u>	<u>265</u>	<u>4,650</u>

## Notes to the financial statements for the year ended 31 January 2021 (continued)

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### 25 RELATED PARTY DISCLOSURES

The company was under the ultimate control of the trustees.

Kevin George, Chair of Trustees is also Chair of Red Funnel who provide cross Solent travel for UKSA students. UKSA expenditure with Red Funnel was (£5k) in the year (2019/20: (£43k)).

David Lister MBE, trustee of UKSA, is also a trustee of the Whirlwind Charitable Trust (WCT) which gave financial assistance to UKSA in the form of donations of £300k in the year (2019/20:£10k).

Claire Locke, trustee of UKSA, is also a trustee of Daisie Rich Trust who gave financial assistance to UKSA in the form of donations of £5k in the year (2019/20: £5k).

Sir Anthony Greener, trustee of UKSA, is also Chairman of Minton Charity Trust which gave some financial assistance to UKSA in the form of donations of £35k in the year (2019/20:£12k).

Grace Palmer (trustee Richard Palmer's wife) is a sponsor of UKSA's Capital and Year 6 – Test the Water programme.

Donations were received from three trustees totalling £72k (2019/20: £95k).

### 26 OPERATING LEASES

At the year end, the Group were committed to the following future minimum lease payments in respect of operating leases:

	Vehicles and equipment	
	2020/21 £000's	2019/20 £000's
Less than one year	67	72
Greater than one year and less than five years	37	100
Later than five years	-	-
	<u>104</u>	<u>172</u>

### 27 CAPITAL COMMITMENTS

The charity had capital commitments as at 31 January 2021 of £3,530k. This is split between £3,442k for a new building and £88k for dredging work (31 January 2020 £17k).

## Notes to the financial statements for the year ended 31 January 2021 (continued)

### 28 COMPARATIVE SOFA FOR THE YEAR ENDED 31ST JANUARY 2020

	Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2019/20 £000's
INCOME FROM:			
Donations, Legacies and Grants	418	123	541
Charitable Activities	6,085	-	6,085
Other Trading Activities			
Trading	261	-	261
Activities for generating funds	-	-	-
Investments	2	-	2
Other	12	-	12
Total income	6,778	123	6,901
EXPENDITURE ON:			
Raising funds:			
Trading Activities	134	-	134
Expenditure on raising funds	186	-	186
Charitable Activities	6,287	-	6,287
Total expenditure	6,607	-	6,607
Net income/(expenditure)	171	123	294
Transfers between funds	33	(33)	-
Net movement in funds	204	90	294
RECONCILIATION OF FUNDS:			
Total funds brought forward	4,181	175	4,356
TOTAL FUNDS CARRIED FORWARD	4,385	265	4,650