

TALL SHIPS RACES (EUROPE) LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2008



TALL SHIPS RACES (EUROPE) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

CONTENTS	PAGE
Officers and professional advisers	1
Directors' report	2
Independent auditor's report to the shareholder	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

TALL SHIPS RACES (EUROPE) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

P Bishop
G E Brown
R H Dadswell
B Heppener
C Samuelsson (Chairman)
K Western

Company secretary

K Robinson

Registered office

5 Mumby Road
Gosport
Hampshire
PO12 1AA

Auditor

Shipleys LLP
Chartered Accountants
& Registered Auditors
10 Orange Street
Haymarket
London
WC2H 7DQ

Bankers

Lloyds TSB plc
20 High Street
Gosport
Hampshire
PO12 1DE

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors

DMH Stallard Solicitors
6 New Street Square
New Fetter Lane
London
EC4A 3BF

TALL SHIPS RACES (EUROPE) LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the organisation and management of The Tall Ships' Races.

DIRECTORS

The directors who served the company during the year were as follows:

P Bishop	
G E Brown	
R H Dadswell	
B Heppener	(Appointed 1 September 2008)
C Samuelsson	(Appointed 16 November 2008)
K Western	
M Bruzzo	(Retired 16 November 2008)
J Haukali (Chairman)	(Retired 16 November 2008)
R M MacDonald (Managing Director)	(Retired 30 September 2008)

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors 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.

TALL SHIPS RACES (EUROPE) LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2008

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
5 Mumby Road
Gosport
Hampshire
PO12 1AA

Signed on behalf of the directors



G Brown
Director

Approved by the directors on 18 February 2009

TALL SHIPS RACES (EUROPE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF TALL SHIPS RACES (EUROPE) LIMITED

YEAR ENDED 30 NOVEMBER 2008

We have audited the financial statements of Tall Ships Races (Europe) Limited for the year ended 30 November 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholder, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

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

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

TALL SHIPS RACES (EUROPE) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
TALL SHIPS RACES (EUROPE) LIMITED *(continued)*
YEAR ENDED 30 NOVEMBER 2008


OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 November 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

10 Orange Street
Haymarket
London
WC2 7DQ

18/2/09


Shipleys LLP
Chartered Accountants
& Registered Auditors

TALL SHIPS RACES (EUROPE) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2008

	Note	2008 £	2007 £
TURNOVER		541,578	721,148
Cost of sales		(35,326)	(74,011)
GROSS PROFIT		506,252	647,137
Administrative expenses		(279,149)	(432,100)
OPERATING PROFIT	2	227,103	215,037
Interest receivable		11,225	7,468
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		238,328	222,505
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		238,328	222,505
Gift aid payments	3	(238,328)	(222,505)
RETAINED PROFIT FOR THE FINANCIAL YEAR		—	—

The notes on pages 8 to 10 form part of these financial statements.

TALL SHIPS RACES (EUROPE) LIMITED

BALANCE SHEET

30 NOVEMBER 2008

	Note	2008 £	£	2007 £	£
CURRENT ASSETS					
Debtors	4	418,427		257,801	
Cash at bank and in hand		254,344		83,945	
		<u>672,771</u>		<u>341,746</u>	
CREDITORS: Amounts falling due within one year	5	<u>(396,020)</u>		<u>(223,745)</u>	
NET CURRENT ASSETS			276,751		118,001
TOTAL ASSETS LESS CURRENT LIABILITIES			276,751		118,001
CREDITORS: Amounts falling due after more than one year	6		<u>(276,750)</u>		<u>(118,000)</u>
			<u>1</u>		<u>1</u>
CAPITAL AND RESERVES					
Called-up equity share capital	8		1		1
SHAREHOLDER'S FUNDS			<u>1</u>		<u>1</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors and authorised for issue on 18 February 2009 and are signed on their behalf by:



.....
R H DADSWELL

The notes on pages 8 to 10 form part of these financial statements.

TALL SHIPS RACES (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Cash flow statement

The company has taken advantage of the exemption in Financial reporting Standard Number 1 'Cash Flow Statements' from the requirement to produce a cash flow statement on the grounds that it is a small company.

Income policy

The company organises an annual race based on European ports. The host ports for each event contract with the company up to four years before the race takes place and make annual payments on account. The company is engaged in planning and marketing activity throughout the four year period for each race. Accordingly the company recognises as income part of the port fees received in each of the three years prior to the year of the race, the balance being taken in the year the race is held.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Gift aid payments

All profits of the company are paid to the ultimate parent company, Sail Training International, a registered Charity, by way of gift aid payment.

TALL SHIPS RACES (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2008

2. OPERATING PROFIT

Operating profit is stated after crediting:

	2008 £	2007 £
Directors' emoluments	—	—
Net profit on foreign currency translation	<u>(45,443)</u>	<u>(1,683)</u>

All salaries and overheads for the company are paid by the immediate parent company which makes an overhead allocation charge to Tall Ships Races (Europe) Limited. This charge is based upon estimates of time and costs spent in relation to the activities of the immediate parent, the ultimate parent company and each trading subsidiary. In 2008, the allocation of overheads was £271,860 (2007: £366,168).

3. GIFT AID PAYMENTS

	2008 £	2007 £
Gift aid payment to charity	<u>238,328</u>	<u>222,505</u>

4. DEBTORS

	2008 £	2007 £
Trade debtors	220,899	40,479
Amounts owed by group undertakings	195,992	213,031
Other debtors	<u>1,536</u>	<u>4,291</u>
	<u>418,427</u>	<u>257,801</u>

5. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	—	9,288
Amounts owed to group undertakings	10,551	59,287
Taxation	—	5,239
Other creditors	<u>385,469</u>	<u>149,931</u>
	<u>396,020</u>	<u>223,745</u>

Included within other creditors is deferred income of £360,580 relating to the 2009 race (2007 : £148,030 relating to the 2008 race).

TALL SHIPS RACES (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2008

6. CREDITORS: Amounts falling due after more than one year

	2008	2007
	£	£
Other creditors	<u>276,750</u>	<u>118,000</u>

The other creditors represent deferred income relating to the 2009, 2010, 2011 and 2012 races (2007 : relating to the 2008, 2009 and 2010 races).

7. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Sail Training International Group Limited. No transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities.

8. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

9. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Sail Training International, a company registered in England and Wales and a Charity registered with the Charities Commission. The financial statements for the parent are publicly available from 5 Mumby Road, Gosport, Hampshire, PO12 1AA.