



Annual Report & Accounts

2019/20

Reference and administrative details

Patron

HRH The Princess Royal

Founders

Noel and Sylvia Lister

Trustees

Kevin George	Chair of the Board (appointed 9 August 2019)
Dawn Haig-Thomas	Vice Chair
Sir Anthony Greener	
Claire Locke	
David Lister, MBE	Founder Trustee
Debra Price	
Marc Giraudon	
Richard Palmer	
Samantha Axtell	
Ole Bettum	
Richard Stokes CBE	
William Garnett	(Resigned 9 August 2019)

Company Secretary

Simon Hamilton

Senior Managers

Ben Willows	Chief Executive
Simon Hamilton	Director of Finance & Business Services
Julia Hutchison	Director of Sales & Marketing
Chris Frisby	Director of Training & Operations (from 1 July 2019)
John Chamberlain	Director of Fundraising (until 6 September 2019)
Tanya Brookfield	Director of Fundraising & Development (from 3 Sep 2019)

Auditors

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

Bankers

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

Solicitors

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

Registered Office

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

Registered Company Number

02251024 (England & Wales)

Registered Charity Number

299248

Accreditations \ Licenses

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 Chair of Trustees

Our purpose is to inspire and support children & young people to broaden their horizons through our life enhancing water-based adventures, education and training for careers at sea.

UKSA believes that all young people have great potential, but there are those who are unable to access the support they need. We know that many children and young people are missing out on life-changing opportunities. Schools, local authorities and parents simply cannot afford to pay for them to join their classmates on our residential sailing courses. The COVID-19 crisis, and resulting impact, including the closure of schools for several months (for some, up to 38% of the school year), has only exacerbated the fragility of these young peoples' mental health. It has further driven a reliance on 'screen time' and social media through the period of forced isolation. Our outdoor learning programmes on the water are the antithesis to this; these children and young people will need UKSA now more than ever.

The beginning of our 2019/20 financial year saw UKSA at a pivotal moment. A strengthened Board of Trustees and Executive Leadership team have delivered a much improved financial position over the last 3 years, with more than 10,600 children and young people having benefited from our training and educational watersports programmes in the last year alone.

In January 2019, the UK Government launched Maritime 2050, the first ever long-term strategy to support and grow the marine sector. It aims to promote careers 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. UKSA, with its individual careers guidance and industry relevant training, alongside its global relationships with captains and leading employers in the maritime sector, is uniquely placed to support young people.

At the end of the 2019/20 financial year, UKSA looked back on a period in which we continued the trend of improving financial performance and operational efficiency that we described in the previous annual report. A dedicated and stable management team led UKSA to the first operating surplus for many years (see financial review to follow) while investing in the Academy's assets and skill base. UKSA has grown not only financially, but also in terms of impact, quality and confidence. Most important of all, following an event hosted by our Patron HRH the Princess Royal at St James Palace in July, the TK Foundation has pledged US\$1.9 Million to support our capital programme. This along with a substantial offer of capital funding from the Whirlwind Charitable Trust has allowed us to progress to the procurement stage of our new accommodation build programme. Our new 5-year plan is therefore based on the fact that that we were making good progress with our key priorities - improving financial resilience and investing in our assets - in order to become an impact led charity, with positive outcomes for its beneficiaries at the heart of everything UKSA does.

Another significant highlight in 2019/20 was the opening of our new training centre, that includes 10 new navigational training simulators, a training galley for superyacht crew and a full-sized sports hall and gym. This new facility was funded

by several very generous supporters including the Minton Trust and Peter Harrison Foundation.



Pictured:
Left: Ben Willows
Right: Kevin George

The new training centre enables us to increase the number of students training for professional qualifications and careers in the maritime sector and provides an excellent fitness and health offer to our students as well as providing a space ashore for children to play games and exercise when not out on the water. The sport hall is also a resource to benefit the local community.

In addition to opening the new training centre, we refurbished our shower and changing facilities, to provide our beneficiaries a modern and quality space, when coming on and off the water. We also brought into service our 4 new yachts that have been a transformational investment to our yacht training. Our thanks to the Neighbourly Charitable Trust for funding the purchase of one of these new yachts – named Nonna Olive in memory of the Trust’s founder, Olive Sell.

We also entered a new and very important relationship with the E-ACT multi academy Trust in 2019. E-ACT brought year 5 pupils, from each of their 16 primary schools, for a residential adventure on the water with UKSA. This totalled 685 children staying and taking part in water-based activities with us from E-ACT schools in 2019.

Most of these children had not previously left the three-mile postcode area in which they have grown up. For them, travelling to Southampton, crossing the Solent, spending time away from home and having an adventure on the water with UKSA was a transformational experience they will never forget.

We are looking forward to welcoming more schools and children who would not otherwise have the opportunity to come to UKSA, supported through our Leave No Child Behind campaign in 2020 and beyond.

Whilst this report is being prepared we are in the midst of the global Coronavirus pandemic, which will inevitably have an impact on our organisation. UKSA will recover from the current emergency; gradually at first but with growing assertion because our life enhancing water-based adventures, education and training for careers at sea, will without doubt be needed more than ever in the months and years to come.

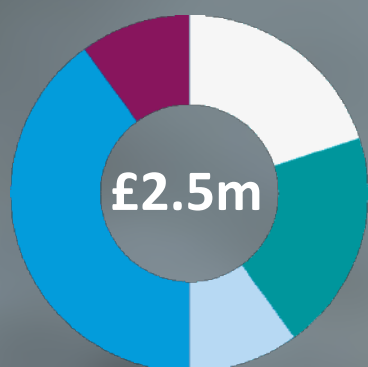


Ben Willows
Chief Executive UKSA

Kevin George
Chair of Trustees



Our year in Numbers



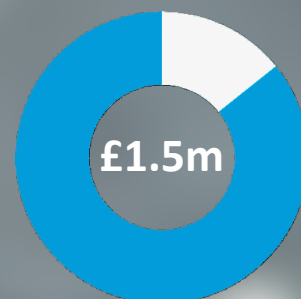
Careers

448 Beneficiaries



Intervention

277 Beneficiaries



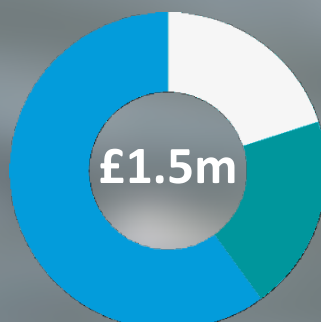
Professional Training

1,031 Beneficiaries



Recreation

1,062 Beneficiaries



Schools & Groups

7,852 Beneficiaries



UKSA Trading

Berthing, accommodation, bar, coffee shop, corporate events etc.

 Paid by customer

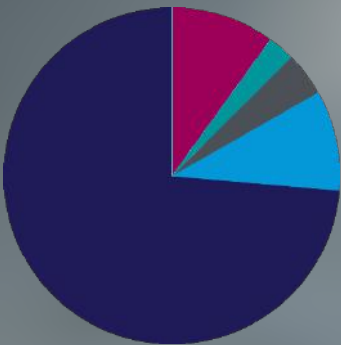
 UKSA Assisted Funding

 External Funding Partners

 UKSA Fundraised Income

 Statutory Funding (FE)

Beneficiaries



- Schools & Groups
- MCA
- Careers
- Development
- Recreation

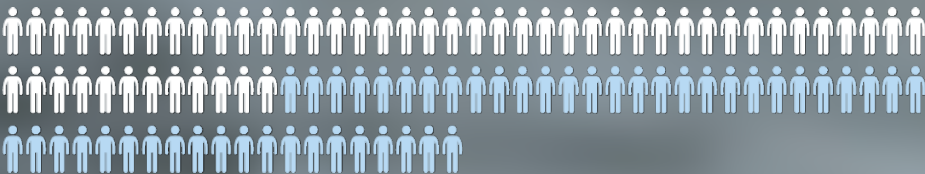


Male



Female

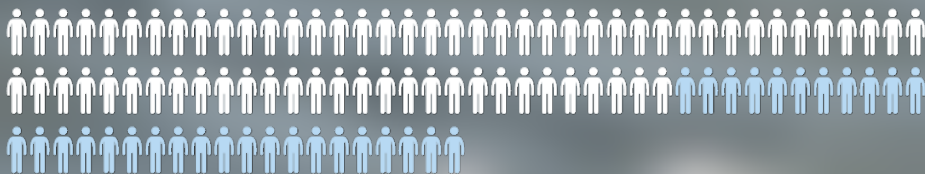
Schools & Groups



7,852

Attended with a school or group 168 schools and groups completed 240 visits.

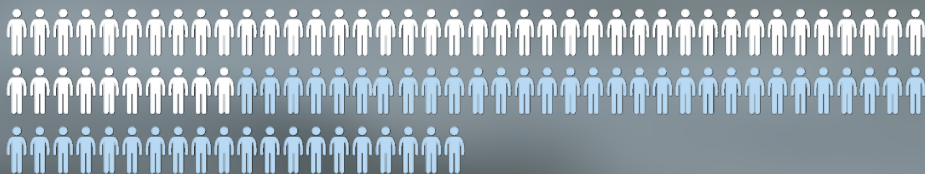
Careers



448

448 individuals started one of our career programmes in 2019/20.

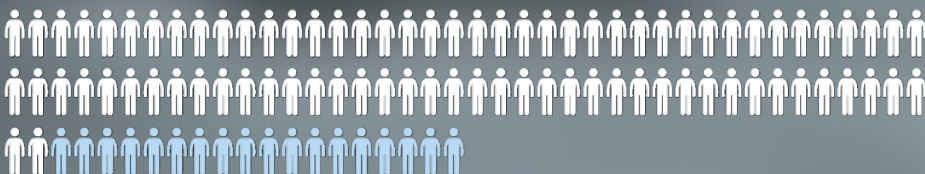
Development



277

277 individuals completed at least one of these programmes in 2019/20 (average 1.2, maximum 4).

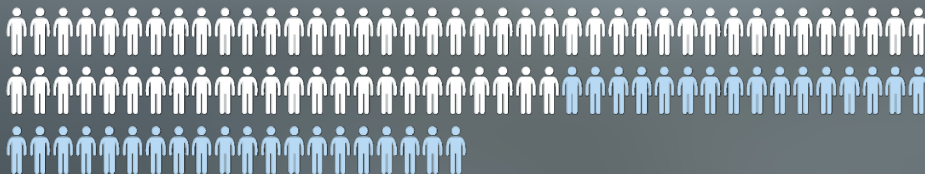
MCA



1,031

1,031 individuals completed an average 1.6 MCA courses in 2019/20 (with a maximum of 8).

Recreation



1,062

1,062 individuals did an average 1.5 courses with us in 2019/20. (With one individual completing 17).

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Report of the Trustees

Aims, Objectives and Values

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 2020. 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.

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.

Our Values



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?'

Report of the Trustees

Strategic Report – Public Benefit

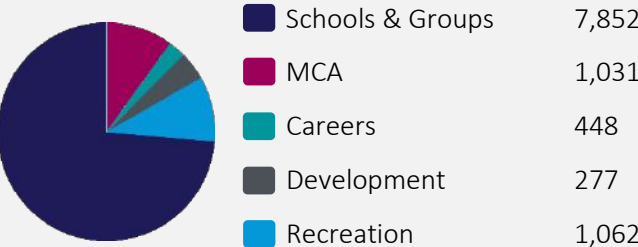
In reviewing our aims and objectives and planning our future activities, we have referred to and complied with the duty in section 17 of the Charities Act 2011. This relates to having due regard to the Charity Commission’s published general guidance on public benefit. In particular, the Trustees and Executive Team consider how planned activities will contribute to the aims and objectives they have set.

UKSA provides life changing opportunities, from developing essential life skills in children and young people, through launching careers in watersports and yachting, to providing the advanced professional training required in the maritime industry.

We are a youth, education and maritime training charity based in Cowes on the Isle of Wight and founded in 1987 by Noel and Sylvia Lister specifically to educate and enrich the lives of young people. This ethos continues to be the bedrock of UKSA’s commitment to offer life changing experiences as well as training leading to genuine job opportunities and career enhancement.

We aim to remove both financial and social barriers to enable a young person from any background to achieve the best version of themselves and gain life changing experiences, qualifications and employment. All our initiatives are designed to enhance confidence and life skills, and build aspirations, to help children and young people to realise their potential and successfully prepare for life’s transitions.

In 2019/20 UKSA welcomed 10,507 individuals, an increase of 20% from 18/19, with Schools and Groups in particular seeing a 24% increase year on year.




1062
Individuals did an average 1.5 courses with us in 2019/20 (with 1 individual completing 17)

20%
Increase in beneficiary numbers from 18/19

Young people eligible
for Pupil Premium in
England are, on average

18 months

behind their peers in
terms of academic
attainment by the time
they reach their
GCSE's.



We estimated that for every 25 children due to visit UKSA in 2019/20, 2 would be left behind unless financial assistance could be sought.

Schools & Groups

In 2019/20 134 individual schools bought their pupils to UKSA, of these, 43% are located in the 'Most Deprived' areas of the UK. Our Leave No Child Behind campaign, along with our Test the Water programme ensured that 39% of all young people who attended with their School or Group were on a funded place - a growth of 18% since 2018/19. 24% of all schools on residential visits had a Pupil Premium population over 50% (the national average is 24% for primary and 29% for secondary schools).

The growth in our Schools and Groups offering was in part due to a partnership with E-ACT, one of the country's largest multi-academy trusts, who sent 685 Year 5 pupils from 16 of their academies. These academies are based in some of the most deprived areas of the country, all but two have a Pupil Premium population above the national average, 10 have a Pupil Premium Population over 50%.

Research published by the Education Policy Institute (EPI) in 2019 ⁽¹⁾ found that young people eligible for Pupil Premium in England were, on average, 18 months behind their peers in terms of academic attainment by the time they reached their GCSE's. In some places, disadvantaged students were over 24 months behind. The closure of schools due to the COVID 19 pandemic has accelerated the growth of this gap, with a Department for Education (DfE) spokesperson suggesting the gap could widen by 75% ⁽²⁾. If schools do not reopen before the summer holidays, some young people will not have physically attended school for 38% of the year.

In May 2020, the EPI (3) stated: “Research on attainment of children who have missed significant periods of schooling due to authorised absences suggest a large overall impact on attainment in addition to widening of the disadvantage gap”. Data published by the DfE (4) shows that of those who miss 30-50% of school, less than 35% will achieve the expected standards in English and Maths at Key Stage 2; by Key Stage 4, this drops to less than 5%.

In their 2019 report, the EPI recommended participation in adventure learning as a key strategy to counter the growth of the attainment gap. They cite research by the Education Endowment Foundation (5) which found that pupils who participated in these activities made four additional months’ academic progress over the course of a year compared to those who did not; they attributed this to the development of life skills which are positively linked to attainment, such as resilience and self-esteem. However, as outlined by the EPI, these activities are more likely to be accessed by more affluent children due to the costs attached; meaning pupils experiencing social or financial hardship do not have the same opportunities to develop these life skills. This notion is supported by The Prince’s Trust (6) (2017) report which found that 67% of young people felt they did not have enough support at school to develop soft skills and 91% of teachers felt schools should be doing more.



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7852 individuals attended with a school or group and 168 schools and groups completed 240 visits.



2 in 5

schools from the ‘most deprived’ areas in the United Kingdom.



39%

of all young people who attended with their school or group were on a funded place from our ‘Leave no child behind’ and ‘Test the water’ campaigns.



45%

Schools & groups completing a residential course had a pupil premium population over the national average.

24% over 50%

Leave No Child Behind

In 2019 we launched our Leave No Child Behind campaign, of the approximately 6,000 children from 134 schools due to visit UKSA, we estimated that 480 children would have been left behind when their peers were here unless financial assistance could be sought. In the first year we enabled an additional 67 young people to participate in programmes at UKSA with their classmates thanks to the campaign. And, in some cases, whole classes were supported. These children have had the chance to experience a residential trip away from home, and to try a whole range of exhilarating activities, developing skills that cannot be gained in a classroom alone. We have bold aspirations to grow this number significantly over the next three to five years.



We estimate that for every 25 children due to visit UKSA in 2019/20, 2 would be left behind unless financial assistance could be sought.



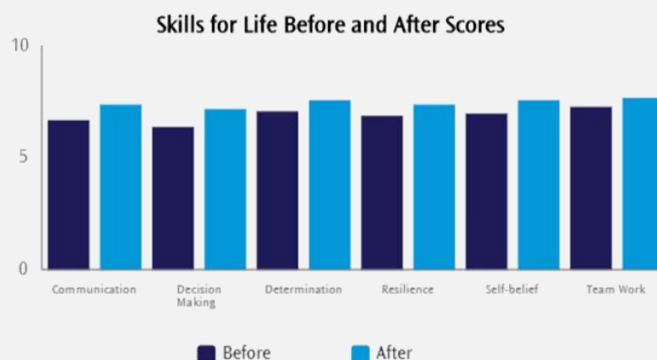
In it's first year, our Leave No Child Behind campaign enabled an additional 67 young people to participate in programmes at UKSA with their classmates thanks to the campaign. And, in some cases, whole classes were supported.

Skills for Life Framework

All of our activities are mapped to our Skills for Life framework and the outcomes and insights are shared with the schools and group leaders to measure the impact of the experience on the young people's personal development. Over 3000 young people completed the questionnaires in 19/20, over 1000 more than in the previous year.

Across the six Skills for Life (Communication, Decision making, Teamwork, Self-belief, Determination and Resilience) an average increase of 8.4% was recorded.

The largest growth was seen in Decision making at 12.4%. Interestingly, Teamwork, which showed the second lowest percentage change (6.1%), was the Skill for Life that the young people perceived has improved the most.



Development

The young people completing UKSA's Development programmes also complete Skills for Life Impact assessments. An average increase in Skills for Life scores 22.3% was recorded by the 121 who completed the NCS programme with UKSA.

We believe this difference - compared to the average increase recorded by our Schools and Groups - can be attributed to the length of the programme. The funded NCS programme is 3 weeks long, enabling the young people to have more focused time to improve these vital skills - our average Schools and Group visit is 3 nights. However, the significant factor is that, across the board, young peoples' Skills for Life improve through their experiences with UKSA.

We asked the young people who completed the NCS programme to select the top 3 words, from a list, which represented their experience on the programme. The most frequently selected word was 'Fun', followed by 'Adventurous', then 'Inspiring' and 'Exciting' in joint third.

We are working towards offering funded pathways through our programmes. For the 1480 Isle of Wight Year 6 pupils who participate in our fully funded Test the Water Programme, with the support of Polly's Fund and Children in Need, we are able to offer a funded follow on programme to those entitled to Free School Meals. In 2019/20 Polly's Challenge enabled 56 young people to complete 317 days on the water.



£16k

From Children in Need and Polly's Fund funded a total of 317 days on the water for 56 young people.



£45k

Funded 4480 hours of activity for 1480 young people on our Test the Water Programme.



£402k

Helped launch the careers of 72 individuals on one of our Watersports or Yachting Careers courses.

The aim of this programme is to improve Water confidence, Self-belief, and to enable young people to have more fun. The young people reported an average increase in these factors by 13%, with Fun reporting the greatest growth of 23%. The young people were asked what three words best described their experience at UKSA, 'Exciting', 'Amazing' and 'Awesome' we most frequently identified.

We also asked the young people what they learnt about themselves during the programme, two particularly inspiring comment were: "I learnt that I have a talent at keel boating. I would try to stop worrying about getting cold or wet and just do it!" and "That I can do whatever I put my mind to".



Funded Places

Our development programmes are tailored to the needs of each group depending on the barriers they might face. By giving them a learning experience, they will never forget, we help young people develop essential life skills.



277 individuals completed at least one of UKSA's development programmes in 2019/20. (Average 1.2, Maximum 4).

Our dedicated Welfare Officer provides an emotional and pastoral base support for our students.



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➤ Student health & wellbeing

Even before the COVID 19 pandemic, young people aged 16-24 were becoming increasingly worried about their future prospects (7). In 2019, UKSA appointed a dedicated Welfare Officer, who has, so far, introduced bi-weekly wellness sessions, and developed signposting literature for mental health support and a pocket wellness guide. She is also available for 1:1 welfare sessions for those that need it, including students and staff. In the first eight months, 101 students and 34 employees made use of these sessions, with over 200 face to face meetings taking place in total. Support has also been offered through our text service and via email, this has proved particularly successful in providing continuation of support when students have been on a sea phase. Worries have ranged from relationship difficulties, bereavement, family ill health, exam anxiety, general anxiety and depression to name a few.

Research by the Princes Trust (8) shows the pandemic lockdown has only increased young people's anxieties, with half (49 per cent) worrying it will be harder than ever to get a job. 69 per cent feel like their life is on hold and a third (33 per cent) feel that everything they have worked for is now "going to waste".

We will continue to strive to ensure that opportunities should be available to all, without any barriers arising from social or economic background, ethnicity or gender and that everyone coming to UKSA should be treated equally.

101 

Students have utilized
UKSA's Welfare officer.



34

Employees have had
appointments with UKSA's
welfare officer.

200+ 

Face-to-face meetings have
taken place with UKSA's welfare
officer.



Successful wellbeing sessions
run twice a month.



Creative craft and mindful yoga
activities are in place.



Continually supported students
while on their sea phase.



“

Funding from Seafarers UK and the TK Foundation enabled me to enter an industry I thought was far beyond my grasp.

Naomi Gregory, 22

Naomi had been trying to get into the superyacht industry for four years. When she was younger, she was in the Sea Cadets, and has always felt at home on the water. After a few challenging years, she put herself through education and was working as a Care Assistant for the elderly as well as deaf and blind clients, but she wanted more.

Destinations

At UKSA, we offer pathways into skilled and well-paid employment in a growing industry, at a time when young people need it most. Through our long-standing relationships, in 2019/20 funding was secured which enabled 126 individuals to embark upon training for careers in the maritime industry – representing over a quarter of all careers students. Dedicated funding from Trinity House, Seafarers UK, and the TK Foundation was awarded to young people selected for our flagship Superyacht Cadetship. Further funding from The Lister Charitable Trust, The Stephen Thomas Bursary and the Michael 'Milo' Hanlon Bursary supported young people across our entire range of careers courses.

In 2020 The William Black Bursary, set up in memory of one of our graduates who tragically lost his life at sea, made its first awards to two young people, one on a Superyacht Cadetship, one on the Professional Yachtmaster Offshore. Through our partnership with Neilson and The Isle of Wight College we are able to offer further funded provision.

2019 also saw our first UKSA Watersports Academy Students graduate and embark on their first of two seasons guaranteed employment as Watersports Instructors at UKSA. Of the 262 careers course graduates who we know secured employment in year, 39% went into the superyacht industry and 35% went into watersports. 100% of our Further Education students completing their course in 2019 secured employment. Our dedicated Industry Guidance team provide our students with advice and support into employment, not just during their time at UKSA, but on going throughout their careers.



448

Individuals started one of our career programmes in 2019/20.

28%
Funded

88%

Pass rates for all our Career courses (education 100%, Yachting 85%, Watersports 87%)

Research by the Resolute Foundation predicts youth unemployment could top 1million in 2020. These findings, which highlight the debilitating impact that childhood disadvantage can have on outcomes in later life, are not acceptable. Action is needed to help to support these young people, equipping them with the resources they need to make successful transitions into adulthood and into employment.

UKSA Training centre

Boosted by the opening of our new training centre, we saw over 1000 individuals completing one of our Professional MCA training courses, a 17% increase in numbers from 2018/19. These individuals completed a range of courses, from their first STCW Basic Training certificate, to Officers completing modules and preparing for their Master Oral Exams.

1031

Individuals completed an average 1.6 MCA courses in 2019/20.
(The maximum was 8.)

78%

Pass rate for students completing IAMI/MCA examinations following training at UKSA.

£165,000

Worth of MCA training at UKSA in 2019/20 was funded by the Slater Fund.



Our brand-new unique training centre now offers modern classrooms with up-to-date technology including conferencing abilities and live interactive learning.

1. EPI 2019
2. <https://schoolsweek.co.uk/coronavirus-attainment-gap-could-widen-by-75-dfe-official-warns/>
3. https://epi.org.uk/wp-content/uploads/2020/05/EPI-Policy-paper-Impact-of-Covid-19_docx.pdf
4. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/183445/DFE-RR171.pdf
5. EEF research
6. file:///C:/Users/michelle.moorman/Downloads/PT_Education_Report2017_A5_FINAL_SINGLE%20PAGES_new2%20singles.pdf
7. The Prince's Trust Ebay Youth Index, Jan 2019
8. <https://www.princes-trust.org.uk/about-the-trust/news-views/young-people-in-lockdown>

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Report of the Trustees

Strategic report - activity summary

In our 2018/19 Annual Report we said that our strategic direction for 2019/20 would be to build on the All Aboard strategy that we developed during the previous year. All Aboard established a vision for the organisation focussed on ensuring that more young people drawn from a more diverse pool would be able to benefit from our programmes, while investing in our people and assets, and at the same time improving our financial position.

A new five-year plan was also developed to drive UKSA into the next phase. The strategic vision encompasses six key themes and it is worth considering what we achieved during the year in the light of each of the objectives.

Our 2019/20 impact



200+ mental health sessions carried out in 2019



1,000 Students receiving continuous professional development



70 Student mentoring sessions a week



40 schools from the most deprived postcodes



263 started 1st job



88% careers pass rates



3,000 receiving financial support



84% under 25



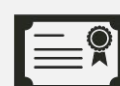
6,000 ocean care sessions delivered



100% receiving careers support



10% improvement in Skills for Life



100% Further Education pass rates

What we achieved in 2019/20



Service excellence

Creating an environment where students can excel.

- We wrote and implemented a strategy for student support and appointed a Welfare Officer who undertook more than 200 welfare consultations in the year.
- We opened the Gym and Sports Hall to students and staff and provided training and usage packages for all.
- We delivered the Salesforce integration project on time and on budget.
- We embedded accountability by improving our feedback platforms and achieved an overall Net Promoter Score of 61%. Internationally, a score of over 50% is considered excellent.



People and performance

Staff to be engaged in UKSA objectives and proud of what they do.

- Our annual appraisal process was implemented during April and May 2020, with mid-year reviews being completed in October.
- We launched our staff survey entitled "UKSay" in June 2019 and received 80 completed responses over the following month. The responses were analysed, and results fed back to staff at meetings and in the form of a written report in December. This was a useful exercise, which we intend to repeat annually. The outputs from the survey were enlightening and highlighted some areas for improvement, but it was notable the 99% of respondents were proud to work at UKSA.
- The executive directors and senior leadership team benefitted from a 5-day leadership programme spread over the summer and autumn of 2020, covering decision making, strategic thinking and vision, management, and leadership style.



Training excellence

Deliver excellent maritime training to our students

- We worked with “Final Straw”, a charity that works to highlight the impact of plastic pollution in the marine environment, to devise sustainability content for our courses.
- We appointed external agencies in respect of safety, both shoreside and afloat, and to support critical incident management, and provided additional training to staff in these areas.
- We passed all national governing body inspections with no significant improvement points required.



Financial stability

Generating annual surpluses to enable continuous investment in the organisation.

- As the Financial Review and the accounts, themselves show, in 2019/20 UKSA delivered an operating surplus for the first time in several years.

We achieved this by increasing income, particularly from our Schools and Groups programmes, while keeping tight control over expenditure and cash.

- In September 2020, the executive team outlined a 5-year strategic financial plan to Trustees. This indicated that the economic projections, assumptions, and expectations presented to Trustees in April 2018 were still substantively valid.



Recognition for excellence

To be recognised as the UK's leading charity providing on the water training

- We carried out detailed competitor analysis across our product areas. We achieved significant growth in Schools and Groups and Professional MCA income in a competitive market.
- We developed our brand and communications strategy to reflect the impact of our work with young people encompassing, growth, fitness, wellbeing, and our commitment to sustainability.



Buildings and assets

Ensure building facilities and assets meet or exceed student expectations

- We moved forward with our capital development project to upgrade our accommodation.

We secured significant grants from the TK Foundation and the Whirlwind Charitable Trust which enabled us to appoint a project management team (ERMC) and building contractor (Stoneham) and we hope to be starting the works in the late autumn of 2020, with it being operational in early spring of 2022.

- We continued to present our case for support to a new group of “investors” who understand and share our vision and passion for developing young lives will be a key and will work hard to progress these relationships into 2020/21.

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Report of the Trustees

Strategic report – future developments

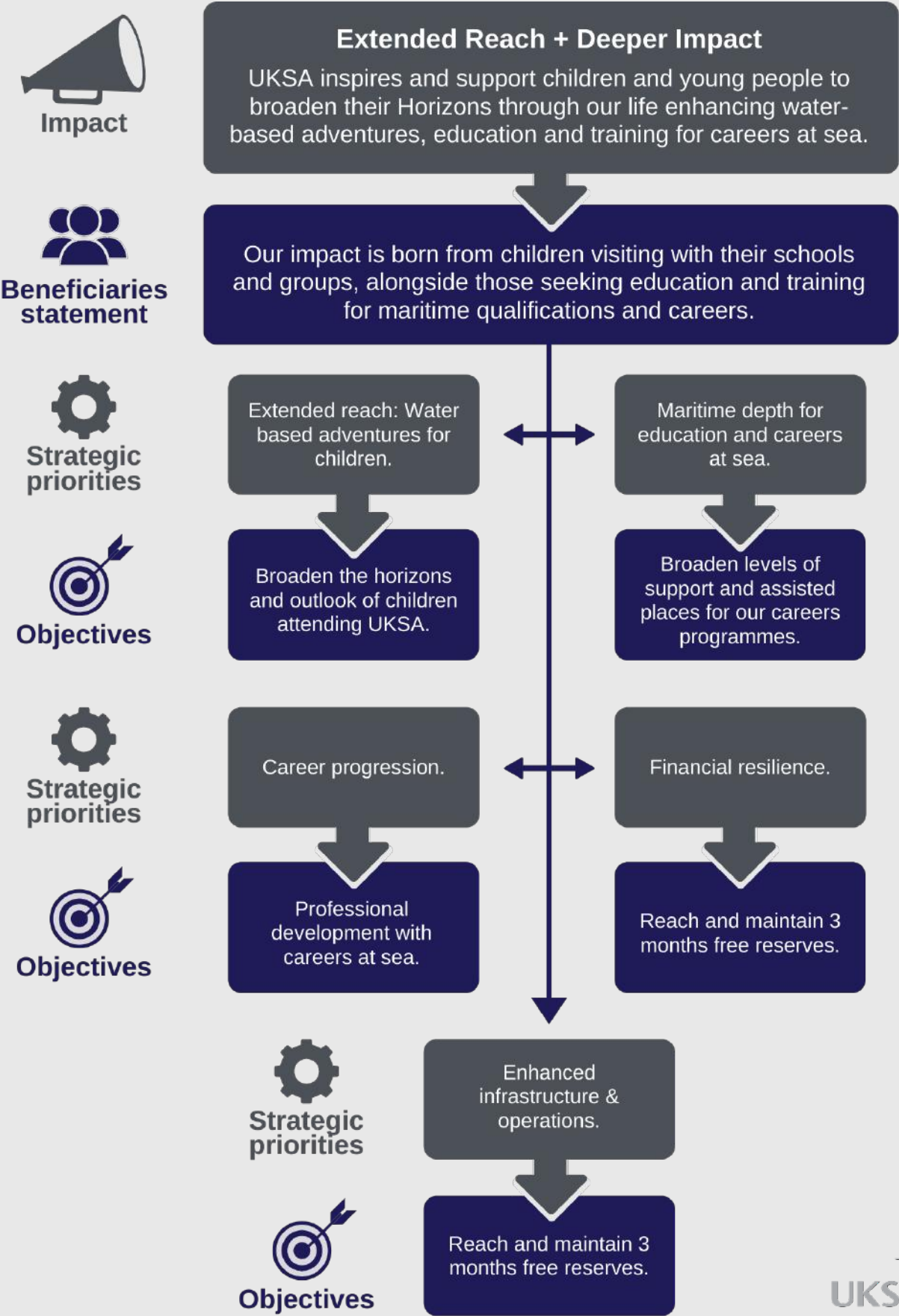
In October 2019 the Executive Team began developing a five-year plan to take UKSA into the next phase and to build on the achievements of the last three years. A review of our strategic priorities was undertaken and due to be presented to the Board of Trustees in March 2020 but this was overtaken by the global Coronavirus crisis. This was revisited and agreed by the Trustees in May 2020. Our charitable impact remains at the heart of what we do. We have developed our strategy for reaching our 2025/26 goals to be centred around the young people we serve to support and achieving financial stability.

Our goal for 2020/21 will be to continue to deliver on all our revitalised strategic priorities. Underpinning this, both in terms of our capital fundraising requirements and of our need to be able to offer more funding to our beneficiaries across the full spectrum of our training offering, is our case for support. Without support from a widening community of new funders we will not be able to invest in the means to grow our capacity to change young people's lives.



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Impact led strategic approach



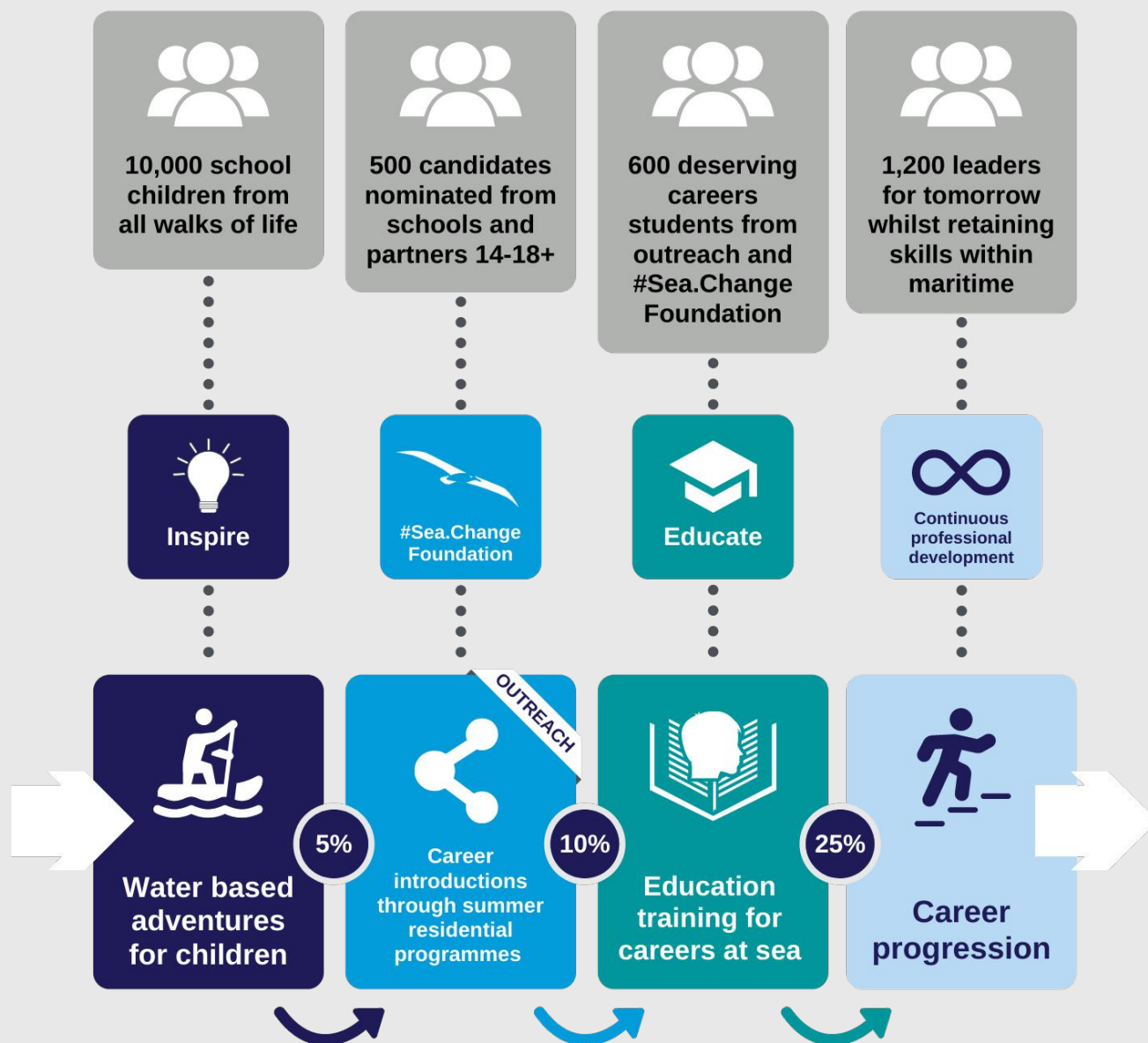
Spotlight on...

Our 2020/21 Strategic Priorities

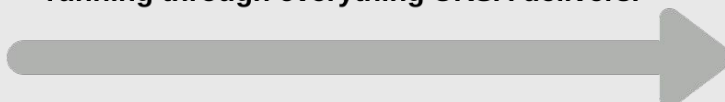
What are we going to do to deliver this strategy to 2025 / 2026

- Implement outreach activities to drive awareness in pupil premium schools / MAT's , coastal communities.
- Develop a Careers awareness module for school age children.
- Launch Sea Change Foundation programme.
- Develop an improved life skills framework to assess and evidence impact of UKSA's programmes.
- Work with partners to ensure that young people are "ready" to engage with UKSA.
- Grow numbers of professional and Career progression students.
- Evolve our student support, welfare, and mentoring, producing quality candidates for the sector.
- Position UKSA as a centre of excellence of Maritime training providing continuous professional development.
- Partner with other industry sector players; increase jobs brokerage. Expand existing careers pathways to include work boats / wind farms, etc.
- Create a student portal improving customer experience, retention of UKSA graduates; attracting commercial partnerships and to generate new membership revenue.
- Develop fundraising strategy and case for support for unrestricted, multi-year gifts and long-term loans focused on our two core pillars of activity.
- Continue to drive efficiencies where possible and appropriate without compromising on quality of service delivery.
- Commence the building of our new accommodation centre to not only increase capacity whilst maintaining socially distance compliance, but also significantly lift the standard of accommodation provision for our residential students and beneficiaries.

Extended reach, deeper impact



Student welfare, mentoring and inspiration running through everything UKSA delivers.



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Report of the Trustees

Strategic report – financial review

Operational performance and successful fundraising for our capital projects are both crucial to UKSA achieving financial stability in the long term. For the year ended 31 January 2020, the Consolidated Statement of Financial Activity showed a net surplus of £294k. This figure includes £178k of funds received specifically to support the capital programme, a small amount of interest on balances held as well as an operating surplus of £153k.

Although the capital designated funds received are of great importance, the surplus generated from operations, including donations to support operational activities, represents a vital step forward for the charity. The continuing improvement in the operating performance over the last four years is apparent in the table below:

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

The £1k surplus in 2018/19 showed that UKSA was able to transition from a loss-making business at an operating level, to one that could at least break even. In 2019/20 we achieved an operating surplus that showed the way to a brighter future; we achieved this by growing income while carefully controlling expenditure.

Note 2 to the financial statements shows that income from Donations and Legacies totalled £541k, up by £259k on the previous year. As noted below, £178k of this, represented donations designated specifically for the capital project, the remainder is to support operating activity.

Note 3 to the financial statements shows that Income from Charitable Activities increased by 11% to £6,085k (£5,476k in 2018/19). This reflected a notable growth in training activity across most product areas, in many cases driven by creative marketing and programming of courses to take advantage of new opportunities.

The main movements were:

Careers

Careers Income increased by 7%, to £2,464k (from £2,301k in 2018/19).

Schools and Groups

After growing by 9% in 2018/19, Schools and Groups income grew by an impressive 28% to £1,538k in 2019/20 (£1,206k in 2018/19) driven by strong demand from schools and academy trusts. Additional income was generated by taking opportunities to fill low to mid-season periods and particularly weekends. Our newly established relationship with the E-ACT multi-academy trust has contributed a significant part of this growth.

MCA

Professional MCA training also performed exceptionally well year on year, growing by 13% to £1,528k in 2019/20 (from £1,351k in 2018/19). Once again, our MCA Officer of the Watch was the largest contributor in absolute terms, but the biggest area of growth was in the delivery of STCW courses, capitalising on demand from outside our traditional core market in the yachting industry.

Recreational training and Leisure

We also saw increases in Recreational training and Leisure activity, growing by 24% to £296k (£239k in 2018/19), the growth coming from both watersports and yachting programmes.

Youth Development

Income from our distinct Youth Development Programmes was steady year on year, up just £7k in 2019/20 to £177k (£170k in 2018/19). This includes our involvement in National Citizen Service (NCS) for which the autumn programme was cancelled. After the end of 2019 NCS delivery, the NCS Trust ended its contract with The Challenge and selected a new regional delivery partner who, in turn, has not selected UKSA as local partner. This contract has therefore ceased, though the low margin on this work means that this will have minimal impact on our net income. Our other programmes in this category, while highly impactful for the young people involved, were small in terms of income generated.

UKSA Trading Ltd

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. Note 4 to the financial statements shows that income from UKSA Trading was £261k, £16k less than in the previous year, mainly due to lower bar receipts. However, the note also shows that, after deducting cost of sales, the year on year reduction was only £3k.

Charitable expenditure

Note 10 shows that the significant growth in the charitable activities behind the increase in income, inevitably resulted in an increase in both the direct costs of providing those services and in the essential costs of supporting the charity's activities. Overall expenditure was up by 9% year on year at £6,287k

Within this total, payroll costs increased by 15% to £2,995k, while Full Time Equivalent (FTE) headcount increased by 17% to 121. This number includes seasonal water sports instructors recruited for school's activity in the summer. With the increased levels of Schools and Groups and Professional income shown above, it is not surprising that UKSA needed a larger headcount in 2019/20. The accounts reflect a growing organisation in terms of the number of courses being run, the number of beneficiaries experiencing what we have to offer and the amount of support for those activities.

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 particularly in the light of the impact of Covid-19 and consider that this is appropriate despite the obvious challenges that UKSA, along with many other charities and businesses, is facing. The note on "Impact of Covid-19" at the end of the Financial Review provides some further information specific to this situation.

At 31 January 2020, the net asset position was £4,650k, an improvement of £294k year on year. As noted last year, planned investments in fixed assets had reduced cash holdings and the charity continues to have net current liabilities, though this improved by £134k in the year to (£238k).

Included in net current assets at the year-end is a deferred income creditor representing amounts invoiced for courses booked by students for delivery after the year-end. The accounting treatment of these amounts is in line with FRS102 and the Charities SORP. The charity incurs costs and commits to expenditure well in advance of the course start date, and by invoicing course fees in advance we ensure that we have sufficient funds to meet these expenses.

At the year-end UKSA's forward order book was strong - £2,831k of bookings for delivery in 2020/21, up 8% from £2,621k at the previous year-end. This gave us confidence that our budget for 2020/21 was achievable. Clearly, subsequent events related to Covid-19 have meant a significant change to our forecasting. Demand and enquiry levels remain high but whilst lack of clarity continues around all social distancing measures across all product areas (at the point of producing this report), and its resulting impact on capacity levels, accurate sales forecasting remains difficult.

Reserves

The balances and movements in funds along with the amounts held at the year-end are detailed in note 24 to the Financial Statements. Transfers between reserves represent the application of restricted and designated funds to capital projects, funded programmes and bursaries.

Unrestricted Reserves

Continued investment, mainly in the site and buildings, saw the designated fixed asset fund increase from £4,741k to £4,937k. During the year, we invested particularly in our Training Centre (formerly Cowes Youth Centre), in our website and in completing the upgrade of our shower block.

UKSA has designated reserves that are specifically for the capital development of our site in Cowes, including for the planned new accommodation to replace the current Ark Royal building. During the year, donations of £178k were received into this fund against which £39k of fundraising expenditure was attributed. £226k of development expenditure was transferred from this fund to the fixed asset fund. At the end of the year the capital designated fund balance stood at £121k.

The unrestricted general fund ("free reserves") is still in deficit at the year-end, though the operating surplus helped us to reduce the deficit by £95k to (£673k).

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. The reserves do not currently meet that requirement 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.

Impact of Covid-19

On 22 March, UKSA ceased all operational and training activity, and any courses that were in progress were suspended. This has had an immediate and significant impact on all income streams, the full extent of which will not be known for some time. UKSA took extensive steps to mitigate the financial risks. These have included furloughing employees, managing cash flow and arranging an unsecured loan of £750,000 under the Coronavirus Business Interruption Loan Scheme (CBILS),

At the time of writing in late autumn of 2020, UKSA is operational but social distancing in accommodation and classrooms due to Covid-19 continues to limit impact on capacity and volumes. UKSA expects the pandemic to have a significant effect on Careers, Further Education and Professional MCS courses with no schools residential activity until there is a change in Government policy.

As a result of Covid-19, UKSA expects to make a deficit in the 2020/21 financial year. With a strong order book and considerable inherent demand for our programmes as well as positive fundraising prospects, we anticipate a return to operating surplus in the financial years 2021/22 and beyond.

UKSA has agreed Heads of Terms with National Westminster Bank for a £1.5 Million 21-year term commercial loan, secured on the charity's assets. This will replace the £750k CBILS loan and create a strategic cash reserve to ensure liquidity and financial resilience through this period. In addition, it will allow UKSA to maintain essential investment programmes and reduce the burden of repayments Implied by the 5-year term of CBILS. This will achieve the Board's strategic aim of having positive free reserves.



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Report of the Trustees

Strategic report – risk review

The charity operates formal risk management processes at the top of which is the Operational Risk Sub-Committee which meets quarterly. It is chaired by a Trustee and comprises two other Trustees as well as members of the Executive Team. The Operational Risk Sub-Committee considers all main risk areas apart from financial risk, which is a matter for the Finance Sub-Committee. 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 Operational Risk Sub-Committee.

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 Operational Risk Sub-Committee 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. In December 2019, Pharos ran a 1-day workshop and simulation exercise for 22 UKSA managers and Trustees. Since January 2020 Pharos Response has been retained to provide 24/7 incident support.



The Operational Risk Sub-Committee is offering vital support to the Executive Team in managing the considerable operational risks around Covid-19 as the charity moves toward reopening in late summer 2020.

Financial Risk is a matter for the Finance Sub-Committee. 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 is clearly such an interruption.

The steps that have been taken to mitigate this risk are discussed in the "Impact of Covid-19" section of the Financial Review above. The sub-committee has made the response to this threat its primary focus since 16th March 2020, initially meeting weekly and then, since May, every two weeks. 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 has supported the Executive Team and the Board throughout the crisis.

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Report of the Trustees

Strategic report – our approach to fundraising

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 2020, or subsequently. We adhere to the requirements related to the General Data Protection Regulation (GDPR) in our fundraising practices.

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 UKSA fundraising team had a change of leadership mid-year. It is a small team led by the Director of Fundraising and Development with more than 20 years of fundraising and marketing experience. The Chief Executive, wider management team, Trustees and volunteers also play a significant role in raising funds for the Charity.

The Board of Trustees has established a Fundraising Working Group that meets quarterly to provide oversight of fundraising strategy and delivery and whose membership includes a major High Net Worth donor and Patron of the Test the Water initiative. We also have a Fundraising policy which works alongside our Safeguarding and volunteering policies and which set out our approach to protecting both our beneficiaries and supporters.

The relationships we have with our supporters, and the kind donations they give, are vital to the work we do and the people that benefit from them. This support that is front and centre when we develop our fundraising programmes. We aim to be transparent in everything we do, ethical in our approach and efficient with our fundraising budgets. We are always conscious of the responsibility we hold towards our supporters, alongside our beneficiaries, and do our best to make those relationships as meaningful and positive as possible.

UKSA has been dependent on personal and targeted approaches, focussed on those individuals and institutions who are largely already known to us, are introduced to us by friends and supporters and those who have expressed interest in our work. UKSA does not engage in large scale fundraising activities like mass mailings, telephone fundraising or door-to-door campaigns but recognises the need to begin to diversify its fundraising strategy in order to reduce and minimise dependency on any one income source. Under no circumstances will UKSA share personal information of our supporters for the purposes of third party marketing or processing.



Our programmes provide an opportunity for young people to have fun, be adventurous and learn new practical skills.

We rarely use third party organisations to help raise funds for UKSA. Should we do so, for example, the use of an agency to support the delivery of an event, the use of an agency to run an auction or the use of an agency to introduce UKSA to their customers who have expressed an interest in learning about supporting charitable work, we ensure we work within all relevant codes.

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.

UKSA achieved success across both its revenue and capital fundraising activities during this financial year, most notably in the form of the Leave No Child Behind programme and the organisation's largest ever single grant of \$1.9million US dollars from the TK Foundation in support of the proposed new accommodation centre.



Our bespoke programmes are designed to build confidence and encourage teamwork using watersports and the great outdoors as a catalyst for positive outcomes.

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Report of the Trustees

Structure, governance, and management

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 2020, there were eleven 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.

In April 2019, the then Chair of Trustees, William Garnett, confirmed to the Board that he intended to resign at the end of his term. The Board then appointed a nomination committee of five Trustees led by the Vice Chair who carried out the interview and selection process. At the end of this process, in June 2019, the nomination committee was pleased to recommend to the Board that Kevin George should be appointed as Chair of Trustees. The Board unanimously supported this appointment, which then became effective from 8 August 2019.

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 several 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 Fundraising Working Group although not a formal sub-committee, enables Trustees to provide support and guidance to the Executive and additional assurance to the Board in this crucial area.

The Charity Commission’s voluntary Code of Good Governance published in July 2017 sets out seven key principles of good governance. During the financial year 2018/19 we carried out a “gap analysis” against each of these principles and the steps being taken to address any gaps were discussed in last year’s annual report. The 7 principles are:



During the financial year, the Board appointed a trustee, Richard Stokes, to be the governance lead on the Board. Richard and the Director of Finance and Business Services attended a “Trustee Essential” training day with our auditors, Crowe LLP, which covered specific areas such as risk, financial management and reserves policy, as well as on governance generally, with a strong focus on the 7 principles.

Following this, Richard carried out a review of the analysis done in 2018 and reported to the Board in December addressing each of the 7 principles in turn. His recommendations were to:

- Clarify and agree the terms of reference of all the sub committees and working groups and identify any overlaps or gaps.
- Review communications between the sub committees and groups particularly in the area of risk
- Update the Trustee Code and ensure that henceforth it is updated and signed by all Trustees annually
- Create and maintain a trustee skills matrix
- Maintain momentum by making Governance an agenda item at every Board meeting
- Feedback to the Board on the above points at a trustee strategy day scheduled for 19 March 2020.

All the above points were addressed by the end of January 2020 apart from the last one, which did not take place because of the increasingly serious Covid-19 emergency at the time, but at the time of writing this report is now underway.

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Report of the Trustees

Statement of Trustees' responsibilities

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

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:

Kevin George Chair of Trustees

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Independent auditors report to the members of UK Sailing Academy

Opinion

We have audited the financial statements of UK Sailing Academy for the year ended 31 January 2020 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 a summary of 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 2020 and of the group's incoming resources and application of resources, including its 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 2006.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 the 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:

- the parent company has not kept adequate accounting records; or
- the parent company 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 39, 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 group's or 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.

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. This description forms part of our auditor's report.

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, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Janette Joyce

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Reading

Signature:

Date:

Offering a full range of courses
designed to propel maritime careers
forward into the professional
yachting and superyacht sectors.

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U K SAILING ACADEMY (UKSA)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JANUARY 2020
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2019/20 £000's	TOTAL 2018/19 £000's
INCOME FROM:					
Donations, Legacies and Grants	2	418	123	541	282
Charitable Activities	3	6,085	-	6,085	5,476
Other Trading Activities					
Trading	4	261	-	261	277
Activities for generating funds	5	-	-	-	41
Investments	6	2	-	2	2
Other	7	12	-	12	41
Total income		6,778	123	6,901	6,119
EXPENDITURE ON:					
Raising funds:					
Trading Activities	4	134	-	134	147
Expenditure on raising funds	8	186	-	186	113
Charitable Activities	10	6,287	-	6,287	5,755
Total expenditure		6,607	-	6,607	6,015
Net income		171	123	294	104
Transfers between funds	24	33	(33)	-	-
Net movement in funds		204	90	294	104
RECONCILIATION OF FUNDS:					
Total funds brought forward		4,181	175	4,356	4,252
TOTAL FUNDS CARRIED FORWARD		4,385	265	4,650	4,356

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 2019 are shown in note 29.

U K SAILING ACADEMY (UKSA)

GROUP BALANCE SHEET FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	Unrestricted Funds General £000's	Trading £000's	Restricted Funds £000's	TOTAL 2019/20 £000's	TOTAL 2018/19 £000's
FIXED ASSETS						
Property, equipment and training fleet	23	4,937	-	-	4,937	4,741
		4,937	-	-	4,937	4,741
CURRENT ASSETS						
Stocks	17	203	2		205	180
Debtors: Amounts falling due within one year	18	733	3	-	736	761
Debtors: Amounts falling due after more than one year	18	293	-	-	293	295
Cash at bank and in hand	19	386	5	265	656	429
		1,615	10	265	1,890	1,665
CREDITORS						
Amounts falling due within one year	20	(2,118)	(10)	-	(2,128)	(2,037)
NET CURRENT (LIABILITIES) / ASSETS		(503)	-	265	(238)	(372)
TOTAL ASSETS		4,434	-	265	4,699	4,369
CREDITORS						
Amounts falling due after more than one year	21	(49)	-	-	(49)	(13)
NET ASSETS		4,385	-	265	4,650	4,356
FUNDS						
<i>Unrestricted funds;</i>						
Designated tangible fixed asset fund					4,937	4,741
Designated capital fund					121	208
Unrestricted general funds					(673)	(768)
					4,385	4,181
<i>Restricted funds;</i>						
Restricted bursary funds					265	175
TOTAL FUNDS					4,650	4,356

The financial statements were approved and authorised for issue by the Board of Trustees on and were signed on its behalf by:

.....
 Kevin George - Chair of Trustees
 Registered Company Number: 02251024

Annual Report & Accounts 2019/20

U K SAILING ACADEMY (UKSA)

CHARITY BALANCE SHEET FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2019/20 £000's	TOTAL 2018/19 £000's
FIXED ASSETS					
Property, equipment and training fleet	23	4,937	-	4,937	4,741
		4,937	-	4,937	4,741
CURRENT ASSETS					
Stocks	17	203	-	203	178
Debtors: Amounts falling due within one year	18	734	-	734	758
Debtors: Amounts falling due after more than one year	18	293	-	293	295
Cash at bank and in hand	19	386	265	651	429
		1,616	265	1,881	1,660
CREDITORS					
Amounts falling due within one year	20	(2,119)	-	(2,119)	(2,032)
NET CURRENT (LIABILITIES) / ASSETS		(503)	265	(238)	(372)
TOTAL ASSETS		4,434	265	4,699	4,369
CREDITORS					
Amounts falling due after more than one year	21	(49)	-	(49)	(13)
NET ASSETS		4,385	265	4,650	4,356
FUNDS					
Unrestricted funds	24				
Designated tangible fixed asset fund				4,937	4,741
Designated capital fund				121	208
Unrestricted general funds				(673)	(768)
				4,385	4,181
<i>Restricted funds;</i>					
Restricted bursary funds				265	175
TOTAL FUNDS				4,650	4,356

The surplus for the financial year 2019/20 dealt with in the financial statements of the parent charity was £294k (2018/19: £203k).

The financial statements were approved and authorised for issue by the Board of Trustees on and were signed on its behalf by:

.....
Kevin George - Chair of Trustees
Registered Company Number: 02251024

U K SAILING ACADEMY (UKSA)

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	2019/20 £000's	2018/19 £000's
NET CASH PROVIDED BY OPERATING ACTIVITIES	A	797	276
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2	2
Interest paid and fees		(27)	(25)
Purchase of tangible fixed assets		(545)	(1,330)
Tangible fixed asset disposal covered by part exchange valuation		-	401
Sale of tangible fixed assets		-	41
		(570)	(911)
Change in cash and cash equivalents in the year		227	(635)
MANAGEMENT OF LIQUID FUNDS			
Short term deposit account transfers		(290)	334
(Decrease) in cash in the year	B	(63)	(301)

NOTE A - RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES

Net income	294	104
Depreciation charges	349	361
(Profit)/Loss on disposal of fixed assets	-	(41)
Interest received	(2)	(2)
Interest paid and charges	27	25
(Increase)/Decrease in stocks	(25)	44
Decrease/(Increase) in debtors	27	(256)
Increase in creditors	127	41
Net cash provided by operating activities	797	276

NOTE B - RECONCILIATION OF CHANGE IN CASH TO MOVEMENT IN NET FUNDS

Decrease in cash in the year	(63)	(301)
(Decrease)/Increase in short term deposits	290	(334)
Movement in net funds in the year	227	(635)
Net cash at 1 February	429	1,064
Net cash at 31 January	656	429

ANALYSIS OF CHANGE IN NET FUNDS

	At 1 st Feb 19 £000's	Cashflow £000's	At 31 st Jan 20 £000's
Cash			
Net cash at 1 February	429	(63)	366
Net cash at 31 January	-	290	290
	429	227	656

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 current and developing impact of the COVID-19 pandemic on the charity. Supported by the management team, they have considered the reserves and net asset position and updated their budgets and forecasts. They consider that the going concern basis is appropriate despite the obvious challenges that UKSA, along with many other charities and businesses, is facing due to a global situation that is beyond the charity's control.

To improve liquidity and financial resilience through a period of uncertainty, UKSA has agreed Heads of Terms with a major UK clearing bank, for a 21-year term loan secured on the charity's assets. In addition, the charity has strong support from existing funders and is engaged in a number of positive initiatives to strengthen reserves through donations.

The Trustees are confident that the management team will mitigate the 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 specific period of time ending after 31 January 2020, 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.

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 direct costs 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.

U K SAILING ACADEMY (UKSA)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020 (Continued)

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 three months 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 next valuation is due for the year ending 31 January 2021.

k) **Stocks**

Stocks of bought in goods are stated at the lower of cost and net realisable value. Stocks held include Bar, Vending, Merchandise, Clothing and Red Funnel Tickets. Note that merchandise includes plastic mugs and water bottles as UKSA is in the process of eliminating single use plastic items from the site.

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 2019/20 UK Sailing Academy contributions of £51k (2018/19 £31k) 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.

A separate fund has been designated to cover the specific site capital development programme.

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 is set out in the notes to the financial statements.

p) **Financial instruments**

The charity only 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.

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.

From 2018/19 the company has depreciated all freehold property with the exception being assets under the course of construction and an amount of £584k which was carried forward from 1996/97 and is being treated as a notional land value.

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.

U K SAILING ACADEMY (UKSA)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020 (Continued)

2 DONATIONS AND LEGACIES

	2019/20	2018/19
	£000's	£000's
Donations	541	282
Grant funding	-	-
	541	282

3 INCOME FROM CHARITABLE ACTIVITIES

	2019/20	2018/19
	£000's	£000's
Careers courses for employment	2,464	2,301
Youth Development programmes	177	170
Schools and Groups	1,538	1,206
Professional training	1,528	1,351
Recreational training	296	239
Total income for training activities	6,003	5,267
Student services and site income	309	292
Transfer from donations and legacies to training activities income	(227)	(83)
	6,085	5,476

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:

	2019/20	2018/19
	£000's	£000's
Gross income from charitable activities	6,222	5,441
Amounts deferred last year that have been released in the current year	1,601	1,636
Amounts deferred to future periods	(1,738)	(1,601)
	6,085	5,476

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:

	2019/20	2018/19
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	2019/20	2018/19
	£000's	£000's
Turnover	261	277
Cost of Sales	(134)	(147)
Gross Profit	127	130
Administration expenses	(109)	(118)
	18	12
Amount payable under gift aid to the charity	(18)	(12)
	-	-
Retained in subsidiary	-	-
Balance sheet		
Current assets	10	9
Current liabilities	(10)	(9)
	-	-
Share Capital (<i>Total Share Capital = £1</i>)	-	-

A UKSA member's 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 £18k (2018/19: £12k) and management charge of £109k (2018/19: £118k) paid to UK Sailing Academy has been eliminated upon consolidation.

U K SAILING ACADEMY (UKSA)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020 (Continued)

5 ACTIVITIES FOR GENERATING FUNDS

	2019/20	2018/19
	£000's	£000's
Secret Art Show	-	41
	-	41

6 INVESTMENT INCOME

	2019/20	2018/19
	£000's	£000's
Deposit account interest	2	2
	2	2

7 OTHER INCOME

	2019/20	2018/19
	£000's	£000's
Sponsorship Income	8	-
Insurance Claims	4	-
Net gain on disposal of tangible fixed assets	-	41
	12	41

8 EXPENDITURE ON RAISING FUNDS

	2019/20	2018/19
	£000's	£000's
Fundraising Costs	186	102
Activities for generating funds (see note 9)	-	11
	186	113

9 ACTIVITIES FOR GENERATING FUNDS

	2019/20	2018/19
	£000's	£000's
Secret Art Show	-	11
	-	11

10 EXPENDITURE ON CHARITABLE ACTIVITIES

	2019/20	2018/19
	£000's	£000's
Careers courses for employment	1,136	1,059
Youth Development programmes	145	152
Schools and Groups	391	358
Professional training	460	393
Recreational training	140	128
Direct Costs	2,272	2,090
Support Services	4,015	3,665
	6,287	5,755

11 SUPPORT COSTS

	2019/20 £000's	2018/19 £000's
Sales & Marketing	814	683
Site	509	431
Catering (Restaurant)	472	411
Yacht, Fleet and Vehicle Maintenance	337	375
Operations and Customer Support	293	352
Other Corporate Services	1,118	901
Depreciation & Write Down	472	512
Totals	4,015	3,665

12 GOVERNANCE COSTS

	2019/20 £000's	2018/19 £000's
Legal and other professional fees	-	1
Finance office	9	8
Support costs	2	8
Auditors' remuneration	15	13
	26	30

13 NET MOVEMENT IN FUNDS

	2019/20 £000's	2018/19 £000's
Net movement in funds is stated after charging:		
Auditors' remuneration for statutory work	15	13
Operating lease rental for IT and vehicles	91	83
Interest payable	27	25
Depreciation - owned assets	349	361
(Profit)/Loss on disposal of fixed asset	-	(41)

14 TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31 January 2020 (2018/19: £nil)

Travelling expenses are reimbursed, if claimed, to Trustees. In total £1k (2019/20: £2k) was reimbursed.

U K SAILING ACADEMY (UKSA)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020 (Continued)

15 STAFF COSTS

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

	2019/20 Total No.	2019/20 FTE No.	2018/19 Total No.	2018/19 FTE No.
Directly involved in achieving charitable objectives	126	110	111	102
Management and financial administration of the charity	11	11	10	10
Total	137	121	121	112

The aggregate payroll costs of the above were:

	2019/20 £000's	2018/19 £000's
Wages and salaries	2,730	2,380
Social security	214	185
Pension	51	31
	2,995	2,596

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

	2019/20 No.	2018/19 No.
£60,000 to £69,999	2	-
£70,000 to £79,999	-	-
£80,000 to £89,999	1	1
£90,000 to £99,999	-	-

Employer Pension Contributions for the above individuals were £11k (2018/19:£9k)

Termination and redundancy payments in the year were £0k (2018/19:£22k).

16 EXECUTIVE REMUNERATION

The total remuneration, benefits and pensions paid to the key management personnel in the year was £351k (2019/20: £249k). The key management personnel in 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 and Development.

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U K SAILING ACADEMY (UKSA)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020 (Continued)

17 STOCKS

	2019/20 £000's	2018/19 £000's
Stocks for resale (trading)	2	2
Inventories (charity)	203	178
Group stocks held	205	180

The amount of Stocks for resale recognised as an expense during the period was £65k (2018/19: £76k). The amount of Inventories stocks recognised as an expense during the period was £123k (2018/19: £151k).

18 DEBTORS

	Group 2019/20 £000's	Group 2018/19 £000's	Charity 2019/20 £000's	Charity 2018/19 £000's
Trade debtors for courses	299	360	296	357
Due from subsidiary undertaking	-	-	1	-
Other debtors	443	413	443	413
Prepayments and accrued income	313	295	313	295
Bad Debt Provision for Other Debtors	(26)	(12)	(26)	(12)
	1,029	1,056	1,027	1,053

Included within other debtors is a total of £293k (2018/19 £295k) relating to repayable bursary amounts due over 1 year.

19 CASH AT BANK AND IN HAND

	Group 2019/20 £000's	Group 2018/19 £000's	Charity 2019/20 £000's	Charity 2018/19 £000's
Petty Cash	4	5	4	5
Bank Current Accounts	362	424	362	424
Bank Deposit Accounts	290	-	285	-
	656	429	651	429

20 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2019/20 £000's	Group 2018/19 £000's	Charity 2019/20 £000's	Charity 2018/19 £000's
Trade creditors	244	309	238	305
Due to subsidiary undertaking	-	-	-	4
Social security and other taxes	62	59	62	59
Other creditors	26	16	26	16
Accruals and deferred income	1,796	1,653	1,793	1,648
	2,128	2,037	2,119	2,032

Included within accruals and deferred income is a total of £1,689k (2018/19: £1,588k) relating to amounts invoiced in advance of the commencement of training courses.

U K SAILING ACADEMY (UKSA)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020 (Continued)

21 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:

	Group 2019/20 £000's	Group 2018/19 £000's	Charity 2019/20 £000's	Charity 2018/19 £000's
Accruals and deferred income	49	13	49	13

The £49k (2018/19: £13k) held within accruals and deferred income relates to amounts invoiced in advance of the commencement of training courses.

ANALYSIS OF DEFERRED INCOME

	Group 2019/20 £000's	Group 2018/19 £000's	Charity 2019/20 £000's	Charity 2018/19 £000's
Deferred income at 1 February	1,601	1,636	1,596	1,628
Applied during the year	(1,601)	(1,636)	(1,596)	(1,628)
Released during the year	1,738	1,601	1,735	1,596
Deferred income at 31 January	1,738	1,601	1,735	1,596

22 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 and amounts owed by group companies. Note this excludes deferred income and social security and other taxes.

Group	2019/20 £000's	2018/19 £000's
Financial assets measured at amortised cost	1,495	1,325
Financial liabilities measured at amortised cost	377	390
	2019/20 £000's	2018/19 £000's
Total interest income for financial assets held at amortised cost	2	2
Charity	2019/20 £000's	2018/19 £000's
Financial assets measured at amortised cost	1,489	1,322
Financial liabilities measured at amortised cost	371	390
	2019/20 £000's	2018/19 £000's
Total interest income for financial assets held at amortised cost	2	2

23 TANGIBLE FIXED ASSETS

	Assets under course of construction	Freehold land and buildings	Leasehold buildings	Swimming pool	Equipment and Training Aids
COST	£000's	£000's	£000's	£000's	£000's
At 1 February 2019	380	3,013	47	200	788
Additions	273	93	-	-	126
Transfer	(453)	184	269	-	-
As at 31 January 2020	200	3,290	316	200	914
DEPRECIATION					
At 1 February 2019	-	244	7	200	617
Charge for year	-	54	-	-	51
As at 31 January 2020	-	298	7	200	668
NET BOOK VALUE					
As at 31 January 2020	200	2,992	309	-	246
As at 31 January 2019	380	2,769	41	-	188

	Motor vehicles	Yachts and training fleet	Totals
COST	£000's	£000's	£000's
At 1 February 2019	9	2,131	6,568
Additions	10	43	545
As at 31 January 2020	19	2,174	7,113
DEPRECIATION			
At 1 February 2019	9	750	1,827
Charge for year	1	243	349
As at 31 January 2020	10	993	2,176
NET BOOK VALUE			
As at 31 January 2020	9	1,181	4,937
As at 31 January 2019	-	1,381	4,741

U K SAILING ACADEMY (UKSA)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020 (Continued)

24 MOVEMENT IN FUNDS

	At 1 Feb 19 £000's	Net Movement in funds £000's	Transfers between Funds £000's	At 31 Jan 20 £000's
Unrestricted funds				
Fixed assets fund	4,741	(349)	545	4,937
Designated capital fund	208	139	(226)	121
General fund	(768)	363	(268)	(673)
Trading activities	-	18	(18)	-
	4,181	171	33	4,385
Restricted funds				
Stephen Thomas Bursary	12	10	(10)	12
Noel Lister Memorial Fund	94	41	6	141
Milo Hanlon Fund	16	-	1	17
Will Black Fund	18	-	(4)	14
Seafarer's	18	34	(24)	28
UKSA Assisted Funding	-	2	3	5
Polly Birch Fund	17	36	(5)	48
	174	123	(33)	265
TOTAL FUNDS	4,356	294	-	4,650

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

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

24 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
Unrestricted funds				
Fixed assets fund	4,173	(320)	888	4,741
Designated capital fund	327	101	(220)	208
General fund	(575)	169	(362)	(768)
Trading activities	0	12	(12)	0
	3,925	(38)	294	4,181
Restricted funds				
Stephen Thomas Bursary	12	0	0	12
Noel Lister Memorial Fund	153	40	(99)	94
Milo Hanlon Fund	32	0	(16)	16
Will Black Fund	16	1	0	17
Capital	106	0	(106)	0
Seafarer's	0	58	(40)	18
UKSA Assisted Funding	0	25	(25)	0
Polly Birch Fund	8	18	(9)	17
	327	142	(294)	175
TOTAL FUNDS	4,252	104	0	4,356

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

	Incoming resources £000's	Resources expended £000's	Movement in funds £000's
Unrestricted funds			
Fixed asset fund	41	(361)	(320)
Capital fund	115	(14)	101
General funds	5,544	(5,375)	169
Trading activities	277	(265)	12
	5,977	(6,015)	(38)
Restricted funds			
Stephen Thomas Bursary	0	0	0
Noel Lister Memorial Fund	40	0	40
Milo Hanlon Fund	0	0	0
Will Black Fund	1	0	1
Capital	0	0	0
Seafarer's	58	0	58
UKSA Assisted Funding	25	0	25
Polly Birch Fund	18	0	18
	142	0	142
TOTAL FUNDS	6,119	(6,015)	104

U K SAILING ACADEMY (UKSA)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020 (Continued)

1. 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 and depreciation £349k (2018/19: £320k). Transfers are represented by net capital expenditure £545k, which includes strategic capital expenditure on site development of £214k plus operating capital expenditure of £331k (2017/18: £888k (including strategic capital expenditure of £650k on new yachts and site development)).
- b) The Designated capital fund represents funds which are unrestricted but are being 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 £139k (2018/19: £101k). Transfers are represented by capital expenditure funded by designated capital donated income of £226k (2018/19: £220k), which includes £12k on developing the UKSA website with the remainder on site development £214k (2018/19: £4k on a sea bin with the remainder on site development £216k).
- 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 £381k (2018/19: £181k). Transfers are the sum of net working capital movements excluding transfers on other reserves of (£286k) (2018/19: (£374k)).

- d) The trading activities fund are represented by the wholly owned subsidiary UKSA Trading Ltd profit / (loss). For the year 2019/20 UKSA Trading Ltd returned a profit of £18k (2018/19: £12k) which was transferred to the UK Sailing Academy's unrestricted general fund in the same year.

2. Restricted funds

- a) 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 2019/20 (£14k) (2018/19: (£3k)) was transferred to the general fund during the year for this purpose.
- b) 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 2019/20 (£69k) was transferred to the general fund during the year to provide training for employment for young people (2018/19: (£141k)).

- c) 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 2019/20 (£9k) was transferred to the general fund during the year to provide training for employment for young people (2018/19: (£19k)).

Restricted funds (continued)

- d) 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 2019/20 (£4k) was transferred to the general fund during the year to provide training for employment in the maritime sector (2018/19: Nil).

- e) A restricted Capital Fund was set up in 2015/16 to hold donations that are specifically to fund capital works required. In 2018/19 (£106k) was expended and transferred to the Designated Tangible Fixed Asset Fund during the year to reflect capital expenditure on professional fees relating to the planned new accommodation block. There have been no other movements on this fund in 2018/19 or 2019/20.

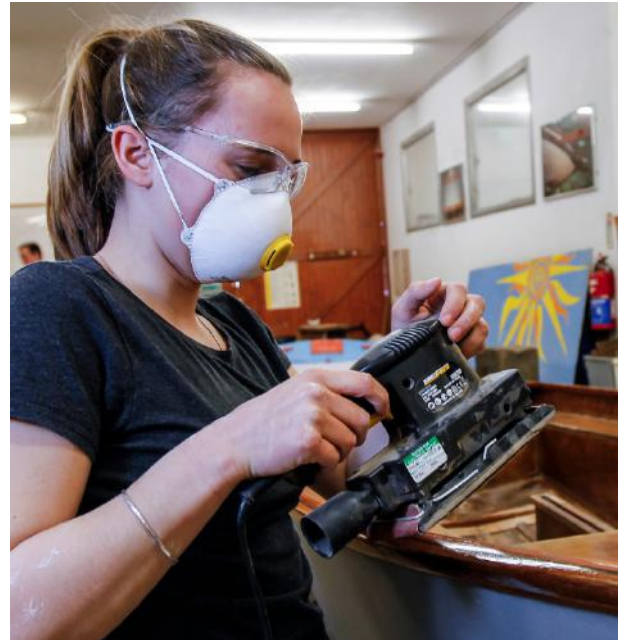
- f) The Seafarer's fund was set up in 2017/18. The fund provides assistance to young people wishing to undertake professional training for employment.

In 2019/20 (£51k) was transferred to the general fund during the year to provide training for employment for young people (2018/19: (£51k)).

- g) The UKSA Assisted Funding Fund was set up in 2018/19 to provide training for employment for young people. In 2019/20 UKSA restricted funds of £2k for this purpose (2018/19: £25k).

In 2019/20 (£2k) was transferred to the general fund (2018/19: (£25k)) 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 2019/20 (£5k) was transferred to the general fund during the year for this purpose (2018/19: (£9k)).



25 ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP

	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)
	(673)	5,058	265	4,650

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

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total funds at 31 Jan 19
	£000's	£000's	£000's	£000's
Fixed assets	-	4,741	-	4,741
Current assets	1,282	208	175	1,665
Creditors due in less than one year	(2,037)	-	-	(2,037)
Creditors due in more than one year	(13)	-	-	(13)
	(768)	4,949	175	4,356

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CHARITY

	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)
	(673)	5,058	265	4,650

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

	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total funds at 31 Jan 19
	£000's	£000's	£000's	£000's
Fixed assets	-	4,741	-	4,741
Current assets	1,277	208	175	1,660
Creditors due in less than one year	(2,032)	-	-	(2,032)
Creditors due in more than one year	(13)	-	-	(13)
	(768)	4,949	175	4,356

26 RELATED PARTY DISCLOSURES

The company was under the ultimate control of the Trustees.

Kevin George, Chair of Trustees is Chair of Red Funnel. In 2019/20 UKSA spent £43k on Red Funnel ferries (2018/19: £29k).

Dawn Haig Thomas, Vice Chair of Trustees is a governor of Ryde School pupils from which who have attended courses at UKSA totalling £3k in 2019/20 (2018/19: £7k). She has also purchased UKSA courses at non-discounted rates.

David Lister MBE, trustee of UKSA, is also a trustee of the Whirlwind Charitable Trust (WCT) which gave some financial assistance to UKSA in the form of donations of £10k in the year (2018/19:£30k).

Claire Locke, trustee of UKSA, is also a trustee of Daisie Rich Trust, Non-Executive Director of Red Funnel and Patron member of Princes Trust. Daisie Rich Trust gave financial assistance to UKSA in the form of donations of £5k in the year (2018/19: nil).

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 £12k in the year (2018/19:£nil).

Ole Bettum, trustee of UKSA, is also owner of OB One Up Ltd which gave some financial assistance to UKSA in the form of donations of £2k in the year (2018/19:£nil).

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

Marc Giraudon has purchased UKSA courses at non-discounted rates.

Donations were received from four Trustees and their families totalling £95k (2018/19: £7k).

27 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	
	2019/20	2018/19
	£000's	£000's
Less than one year	72	60
Greater than one year and less than five years	100	70
Later than five years	-	-
	<u>172</u>	<u>130</u>

28 CAPITAL COMMITMENTS

The company had capital commitments as at 31 January 2020 of £17k for two high performance dinghies (31 January 2019 £nil).

U K SAILING ACADEMY (UKSA)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020 (Continued)

29 COMPARATIVE SOFA FOR THE YEAR ENDED 31ST JANUARY 2019

	Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2018/19 £000's
INCOME FROM:			
Donations, Legacies and Grants	140	142	282
Charitable Activities	5,476	-	5,476
Other Trading Activities			
Trading	277	-	277
Activities for generating funds	41	-	41
Investments	2	-	2
Other	41	-	41
Total income	5,977	142	6,119
EXPENDITURE ON:			
Raising funds:			
Trading Activities	147	-	147
Expenditure on raising funds	113	-	113
Charitable Activities	5,755	-	5,755
Total expenditure	6,015	-	6,015
Net income/(expenditure)	(38)	142	104
Transfers between funds	294	(294)	-
Net movement in funds	256	(152)	104
RECONCILIATION OF FUNDS:			
Total funds brought forward	3,925	327	4,252
TOTAL FUNDS CARRIED FORWARD	4,181	175	4,356

UKSA inspires and supports children & young people to broaden horizons through our life enhancing water-based adventures, education and training for careers at sea.

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