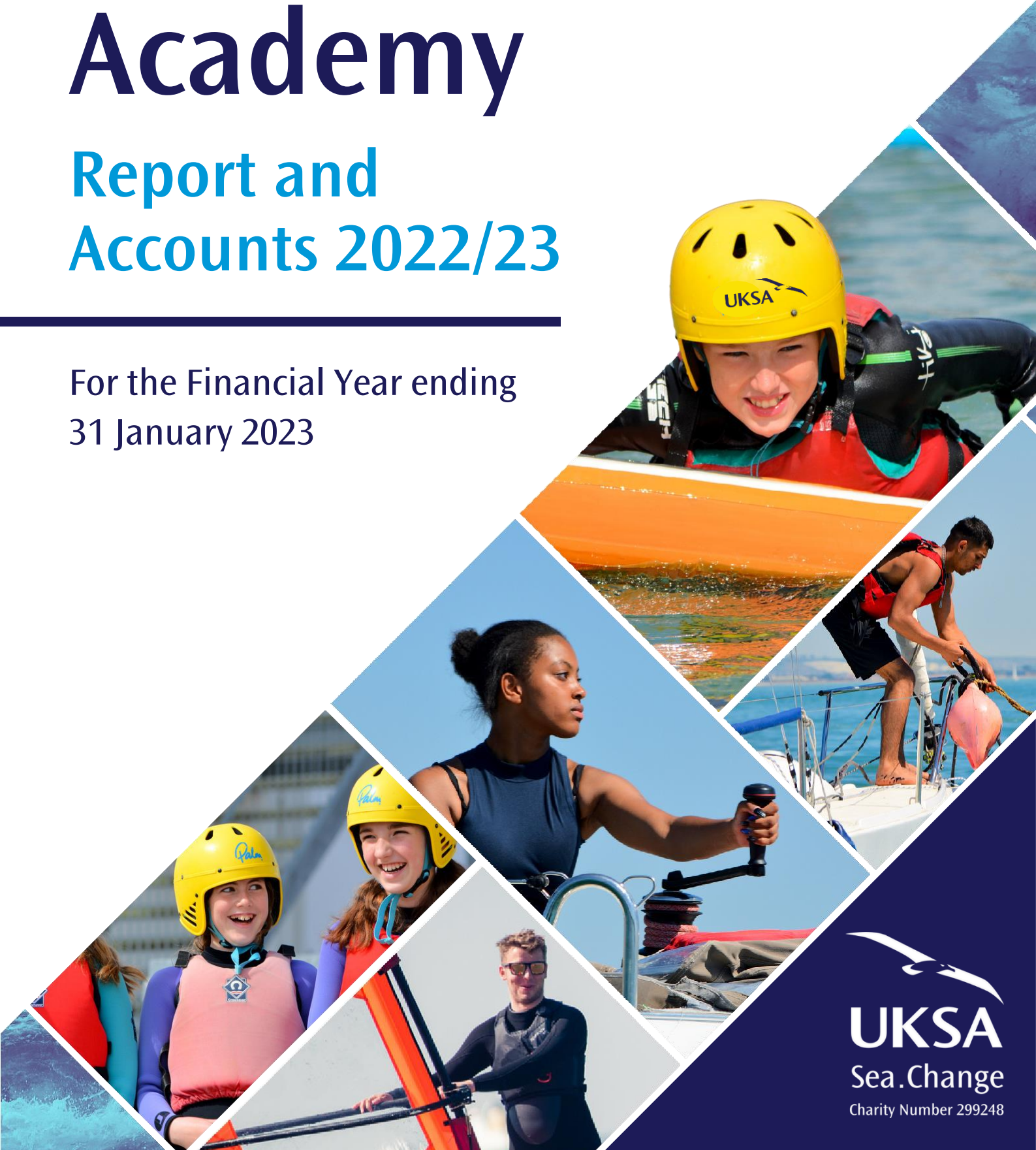


# UK Sailing Academy

## Report and Accounts 2022/23

For the Financial Year ending  
31 January 2023



  
**UKSA**  
Sea.Change  
Charity Number 299248

# Reference and administrative details

## Patron

HRH the Princess Royal

## Founders

Noel and Sylvia Lister

## Trustees

Richard Stokes CBE	Chair of the Board (Appointed September 2022)
Kevin George	Chair of the Board (Stood down September 2022)
Sir Anthony Greener	
Claire Locke	
David Lister, MBE	Founder Trustee
Debra Price	Vice Chair (Appointed September 2022)
Marc Giraudon	
Ole Bettum	
Samantha Axtell	

## Company Secretary

Mark Smith	(Appointed June 2022)
Simon Hamilton	(Resigned June 2022)

## Key Management Personnel

Ben Willows	Chief Executive
Mark Smith	Director of Finance & Risk (Appointed June 2022)
Simon Hamilton	Director of Finance & Business Services (Resigned June 2022)
Julia Hutchison	Director of Marketing & Business Development
Chris Frisby	Director of Training & Operations
Amy Sweeting	Director of Fundraising & Development

## Auditors

Crowe UK LLP  
Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire RG1 1PL

## Bankers

NatWest plc  
107 St James' Square  
Isle of Wight  
PO30 1XH

## Solicitors

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

## Registered Office

Arctic Road  
Cowes  
Isle of Wight  
PO31 7PQ

## Registered Company Number

02251024 (England and Wales)

## Registered Charity Number

299248

## Accreditations \ Licences

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

Telephone	01983 294941
Email	<a href="mailto:info@uksa.org">info@uksa.org</a>
Website	<a href="http://www.uksa.org">www.uksa.org</a>

# Contents

---

Report from the Chief Executive and Chair of Trustees	04
<hr/>	
<b>Report of the Trustees</b>	
<hr/>	
Aims, objectives and values	06
<hr/>	
<b>Strategic Report</b>	
<hr/>	
Public benefit	07
Financial Review	10
Future Developments	13
Risk Review	15
Fundraising Review	16
Structure, Governance and Management	17
Statement of Trustees' Responsibilities	18
<hr/>	
<b>Independent Auditor's Report</b>	19
<hr/>	
<b>Consolidated Statement of Financial Activities</b>	22
<hr/>	
<b>Balance Sheets</b>	23
<hr/>	
<b>Consolidated Cash Flow Statement</b>	25
<hr/>	
<b>Notes to the Financial Statements</b>	26

# Report from the Chief Executive and Chair of Trustees

## Our vision

Every school child in the UK experiences a water-based adventure and understands the career opportunities in the maritime industries.

## Who we are

UKSA is a maritime youth charity and world-renowned training centre of excellence. For over 35 years we have been inspiring and supporting children and young people to broaden their horizons through inspirational water-based adventures, education and training for careers at sea. We are passionate about enhancing life skills, developing resilience, confidence and teamwork.

Health and Safety, Safeguarding and the well-being of all UKSA students and staff is encompassed in everything we do.

## Our strategy

At UKSA we focus on two powerful strategic pillars:

- ▶ **Extending our Reach to children who wouldn't normally be able to attend UKSA.**
- ▶ **Providing training and support to enable young people to secure employment in the maritime industries - Maritime Depth**

We achieve our impact through school age beneficiaries visiting with their schools or groups to experience our programmes and through young adult beneficiaries undertaking education and training to establish and further their careers in the maritime sector with the necessary life skills and qualifications.

Our strategic mission is to continually develop our services, assets, and people to meet the needs of children and young people.

Our ambition is to extend our reach by substantially widening our offering of school visits for children from diverse and disadvantaged backgrounds, who wouldn't otherwise have the opportunity to access our programmes. At the same time, we want to increase the depth of our maritime career offer by growing the entry and exit points of our programmes and by increasing the amount of financial support we can offer to those deserving young people wanting to attend educational and careers courses leading to employment in the maritime sector.

## The progress we have made

We are extremely pleased with how much progress we have made in both of these strategic pillars in 2022/23.

Overall, we supported **10,590** beneficiaries of which **33%** received funding to attend UKSA. This included funded trips for over 6,498 children at a time in their lives when so much had been taken away due to the pandemic, and further compounded by the cost-of-living crisis. We also saw 98% of our Further Education students go into employment or further training and 30% join our careers programmes, evidencing the powerful pathways that we offer for all young people at UKSA.

## New Sea.Change building

A major event in UKSA's year was the opening of our purpose-built, 136-bed Sea.Change accommodation block. The building was formally opened by our Patron, Her Royal Highness, The Princess Royal, in July 2022.

This was the culmination of a 4-year site development project and fundraising campaign, which raised **£4.3m** in donations and with all projects being completed on time and budget. This was a significant milestone in UKSA's 35-year history and, most importantly, the building will enable an **additional 3,000 young people each year** to attend UKSA, growing our capacity, reach and impact. It is a truly transformational achievement for the charity, and we are delighted and humbled by the very generous support of our Trustees, individual supporters, and significant funders.



## Our supporters

Many generous supporters and donors have helped us achieve our new high of 33% funded beneficiaries alongside the major site redevelopment - we are extraordinarily grateful to each and every one of them.

Some major examples this year include:

The TK Foundation who made a further 3-year commitment to fund young people onto our programmes and help us invest in our training fleet. The Edmiston Foundation and the Minton Trust have been at the forefront of supporting our new strategy by providing funding for children and young people to come on school visits, the Sea.Change programme and careers courses. This funding enables residential trips from schools in some of the most deprived areas of the country.



# Report from the Chief Executive and Chair of Trustees

The Seafarers Charity has supported our welfare provision by enabling us to invest and provide our young people and students with exceptional welfare support, not only whilst they are with us on courses, but also once they have left and are working in the industry. Student welfare, mentoring and preparing young people for employment and a better future runs through everything UKSA delivers and is a critical part of what makes UKSA's unique and so effective.

## Operational challenges and achievements

We started 2022/23 with the knowledge that there were many challenges ahead, including surging inflation and a highly uncertain economic environment.

Despite these challenges, we delivered a solid financial performance which has continued to build greater resilience into our financial position. We exceeded our income budget whilst managing the high rising cost of inflation, especially on fuel and food, and whilst completing a major new building project.

Across the year, we not only invested £1.8m in our new Sea.Change building but also invested another £0.5m in site refurbishment, IT and our fleet of training boats to make sure our asset base is fit for purpose for many years to come.

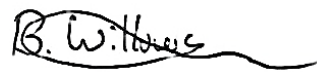
## Our strategic ambitions

During the summer of 2022, we carefully reviewed and set our new strategic ambition and priorities for 2030. These are summarised below:

- ▶ We will continue to develop pathways into careers in maritime by focusing on our two strategic pillars of Extended Reach and Maritime Depth.
- ▶ We aim to be the sector leader in maritime training. Working with academia and other stakeholders, we will develop evidence that demonstrates the long-term impact of our water-based adventures, education and professional training on the skills and employability of young people. Our overall approach is to be led by the needs of our beneficiaries, focusing on the impact and outcomes on their lives.
- ▶ We will develop partnerships with like-minded organisations to enable significant growth of UKSA's maritime activities across the UK. We will collaborate with other organisations to grow and widen support for children and young people from disadvantaged backgrounds.

- ▶ Following the success of the Sea.Change building, we will implement a strategic capital and asset investment campaign to ensure UKSA remains a world-leading maritime training centre, becoming digitally enabled and reducing our carbon footprint.
- ▶ We will expand our beneficiary capacity on the Isle of Wight. Working in collaboration with the Isle of Wight Council, we will transform the 19th Century Victoria Barracks in East Cowes into a 21st century watersports education centre to substantially increase our capacity.

In summary, despite a challenging external environment, UKSA has continued to grow its impact in both quantity and quality. It has been a privilege to have made a significant and positive impact on the vast majority of the 10,590 beneficiaries we have welcomed through our doors.



Ben Willows, Chief Executive



Richard Stokes CBE, Chair of Trustees

23/06/2023



# 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 2023.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP), applicable to charities (effective 1 January 2019), and have had regard to the general guidance provided by the Charity Commission on public benefit in ensuring that its aims and objectives comply with section 17(5) of the Charities Act 2011 and are for the public benefit.

## Aims and Objectives

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:

- ▶ 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),
- ▶ 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,
- ▶ 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, and (i) business and interpersonal skills.
- ▶ 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 considering the current needs of our primary beneficiaries and UKSA's operating capacity. This is outlined and reported on in more detail in the Strategic Report below.

## Values

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

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



# 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(5) of the Charities Act 2011 relating to having due regard for the Charity Commission's published requirements on public benefit when exercising any powers or duties to which the guidance is relevant.

The Trustees and Executive Team have carefully considered how planned activities will contribute to UKSA's charitable purposes and be for the public benefit.

UKSA was founded in 1987 by Noel and Sylvia Lister, who wanted to use sailing and watersports to educate and enrich the lives of young people. Thirty-five years on, this ethos remains at the core of everything we do.

What makes UKSA unique is that we can open the eyes of children and teenagers to the life affirming sense of excitement and confidence building that on the water activity can give them. Whilst at the same time offering them complete pathway opportunities into many varied professional careers in the maritime industry.

## The Public Need

We are proud of what the charity and our beneficiaries have achieved this year, but we are also acutely aware that never have our young people needed the support of the programmes that we deliver at UKSA so much.

Due to the impact of Covid-19, many of the young people who we welcomed through our doors in 2022 had never been away from home before. This meant that our instructors and staff had to provide them with more support to ensure that they received the maximum benefit from our programmes.

The added difficulties brought on by the cost-of-living crisis have made children in the UK even more vulnerable. The reality of high inflation is stark with the Joseph Rowntree Foundation estimating that in April 2022, 34% of the population were living below a socially acceptable standard of living. The events of the last two years have created a generation of young people who face considerable mental health challenges, coupled with worrying about a bleak future regarding their employment opportunities. UKSA programmes provide the perfect anthesis to these challenges that face our young people.

We offer our beneficiaries the confidence and freedom to be themselves on the water, whilst imparting valuable employment and life skills in a fun, safe, supportive and inspirational environment.

The pandemic exacerbated a problem that was already substantial into something deeply troubling. One in six children aged 6-to-16 were identified as having a probable mental health problem in July 2021 — a huge increase from the already troubling one in nine in 2017

Nuffield Trust

More than 1 in 4 of all children in the UK now live in poverty, with millions facing the risk of going hungry.

Barnardo's

Low-income families are struggling to afford essentials, there is no budget for school trips. More than half (52%) of children have intentionally not told a parent about an upcoming trip, with 54% of mums and dads under the impression it was over their child's concerns of their ability to afford it. Pupil premium: "schools are attempting to address this problem, but some of these children just don't get the opportunity."

UK Poverty 2023

## What UKSA Does: Extended Reach: Schools and Groups

UKSA is proud to offer children and young people of all abilities and backgrounds an experience of a lifetime where they can learn valuable life skills in an aspirational and safe environment. We've seen first-hand what our beneficiaries can achieve once they've spent time at UKSA with teachers often seeing a boost in productivity and interaction in the classroom, enhancing academic attainment.

A few years ago, UKSA recognised that some schools could not bring entire year groups – they had to leave some children behind in the classroom as parent's could not afford the cost of a school trip. It is often these children who would benefit most from an experience at UKSA. This sad situation has been further exacerbated by the current socio- economic climate.

We now work with donors and schools across the UK to provide donated funding support through our Leave No Child Behind campaign. This is specifically designed to support disadvantaged children to get out of the classroom and experience new fun, exciting challenges and build confidence in a safe supportive environment. In 2022, we funded 2,600 school children to experience a water-based adventure at UKSA. Notably we funded 28 schools on an all-inclusive residential programme, with a total collective social mobility index score of 20%, meaning they are living in some of the most deprived areas of the country. 33% were on pupil premium and 26% were registered as having Special Educational Needs (SEN)



# Report of the Trustees - Strategic Report

## Sea.Change

We know that there was a real need for development programmes and structured pathways into employment in the maritime sector which is why we launched our Sea.Change Foundation programme at the end of 2021 to meet an essential part of this need.

Young people aged 14-17 from disadvantaged backgrounds are given the opportunity to discover career pathways and build Skills 4 Life to enable them to further their education and career aspirations, without any personal financial burden. We deliver this programme during the school holidays, at a time when young people struggle most without the structure of the school day.

Once students have succeeded in the Sea.Change Foundation course, they can progress on to one of our development programmes, either Maritime Foundation or our NCFE Level 3 Diploma programme. These programmes are designed for those who wish to embark on a career in watersports instructing, the leisure industry or yachting training.

The practical and work-related courses begin the journey to prepare them for work in the industry. Many of our students go on to work with leading watersports and outdoor education companies, progress into the yachting and superyacht sectors, or stay on at UKSA to work in our watersports team.

## Test The Water

Each year, every Year 6 school child on the Isle of Wight is invited to take part in a free day out on the water. We want to get all children out of the classroom and onto the water so they can have fun, work together, and gain confidence. These programmes can increase a child's 'Skills 4 Life' communication, self-belief, teamwork, confidence, and determination by 70%.

## Polly's Challenge

As a follow on from the Test the Water programme, we also offer all Isle of Wight Children aged 10 – 14 years a five-day funded programme to help build their confidence through water-based activities.

This programme is funded by Polly's Fund, set up in memory of Polly Birch, who had a passion for sailing. As part of the challenge, we ask each young person to fundraise a minimum of £20 that goes straight back into Polly's Fund, to enable the programme to support more children in the future.

## Maritime Depth: Maritime Careers

The next step in the pathways is our unique Career Training programmes which make up our Superyacht Training, Superyacht Cadetship, Superyacht Interior-Training and Watersports Instructor Training.

We are committed to providing an environment which enables young people to thrive - we support our beneficiaries through our Industry and Recruitment Team helping them to prepare their CVs for the industry and find jobs, and dedicated welfare officers to support their mental health and wellbeing while training with us and once they enter careers at sea.

We support young people into careers in the maritime industries in three ways.

### ► Further Education and Apprenticeships

All our FE and apprenticeship programmes are fully funded, through Statutory Funding through our partnership with the Isle of Wight College and Marine Society, Sea Cadets.

Our Further Education courses are aimed at students who want to embark on careers in watersports instruction in the leisure industry, though many go into the yachting sector. In partnership with the Isle of Wight College, we offer an NCFE (level 3) in Sports and Physical Activities which includes both practical and theory leading to a nationally recognised qualifications that allows students to progress to higher education.

Our Maritime Foundation courses are focussed towards achieving RYA, and other instructor qualifications. Although both programmes lead to a range of employment pathways, many of the students who graduate find their first job with UKSA as an instructor. We are immensely proud that nearly 60% of our intake instructors for the 2022 season, were trained at UKSA.

UKSA recognises the value that good quality apprenticeships can deliver both to young people gaining employment and to the UK economy. Our Workboat Crew Member Apprenticeship is offered to those interested in a career working on small specialist vessels up to 500 gross tonnes, from fast pilot boats to crew transfer vessels and those supporting offshore installations. Working with Williams Shipping, a Southampton based marine services and logistics company, the course is designed by industry experts to give our apprentices the skills and knowledge they need to work in this exciting and growing sector.

Focussed specifically on the offshore wind farm industry, we offer an apprenticeship in conjunction with Seacat Services, an Isle of Wight based offshore energy support operator.



# Report of the Trustees - Strategic Report

This apprenticeship is offered to Isle of Wight residents to support employment on the island and has been expanded to the wider nation due to demand.

We expect our FE and apprenticeship offerings to go from strength to strength over the coming years, increasingly addressing young people's need for pathways that lead to careers in a vibrant and growing sector.

## ► Watersports Careers

Watersports Instructor Training and Watersports Academy are both 11-week programmes aimed at young people aged 18-25, enabling them to gain the qualifications needed to work as an instructor and guarantees those who successfully complete the programme two summer seasons employment at UKSA, as well as opening job opportunities to them around the world. Prospective students on both programmes in financial need can apply for up to 50% funding.

## ► Yachting Careers

Our full-time residential programmes prepare students for their first job in the professional yachting and superyacht sectors. The courses range from our Superyacht Crew Training and Superyacht Hospitality Training, three-week entry-level courses designed to introduce students to the essentials of deck or interior work, to our flagship Superyacht Cadetship, a structured four-year programme involving five phases of UKSA training and work placements, leading to the MCA Officer of the Watch 3000gt qualification.

As with all our courses, we assist those in financial need with a range of funding options. In 2022, £459k of assisted funding was made available to UKSA careers students.

## Being a centre of excellence for maritime training and career progression

UKSA is the biggest single site provider of MCA Yacht and Deck Training in the world (IAMI 2022 report), with an 76.6% exam pass rate (average pass rate for all examination centres in 2022 was 72.6%). We are recognised throughout the yachting industry as a world-class provider of the training that mariners need to progress

In 2021, we invested in our MCA/AMERC GMDSS General Operators Certificate, Engineering (AEC2) and Master 500gt (Workboat) courses to ensure that we offer the full range of MCA professional training across the yacht and workboat sector.

We are committed to providing an environment which enables our beneficiaries to thrive and, as such, we provide wrap-around support for our learners through our Industry Guidance Team and Welfare Officer and related services, as well as through partnering with specialist organisations that work directly with young people in need.

We continue to offer this support for students once they have finished at UKSA and throughout their careers.



# Report of the Trustees - Strategic Report

## Financial Review

### Financial Results For The Year

In our first full year of activity since the Covid-19 pandemic started in March 2020, we are pleased to report that the charity's financial performance is improving and is continuing the pre-Covid-19 upwards trajectory.

Pre-Covid-19, in the 2018/19 financial year, we demonstrated our ability to transition from a loss-making organisation at an operating level to one in surplus. In 2019/20, this was further improved, achieving an operation surplus of £153k.

In the financial year 2021/22, we faced a number of operational challenges, including returning to pre-Covid-19 beneficiary numbers and the opening of our new accommodation block.

These challenges were compounded by double-digit inflation across our cost base, from catering provision to waste collection. As a result, we approached spending with caution throughout the year.

We are pleased to report that our efforts have paid off, resulting in a positive operating surplus of £246k for the year. This achievement is a testament to the dedication of our team and the focus on financial discipline and cost control. We continue the journey of growing income while carefully controlling expenditure.

Note 2 to the financial statements shows that income from Donations and Legacies totalled £957k, down on the previous year by £388k. The main driver of this reduction is the substantial drop in capital donations as we finished the new build project. It is worth noting that revenue donations doubled in the year.

Note 3 to the financial statements shows that Income from charitable activities increased by 30% to £6.5m (£5m in 2021/22). We are now operating above FY19/20 Income from charitable activities of £6.1m.

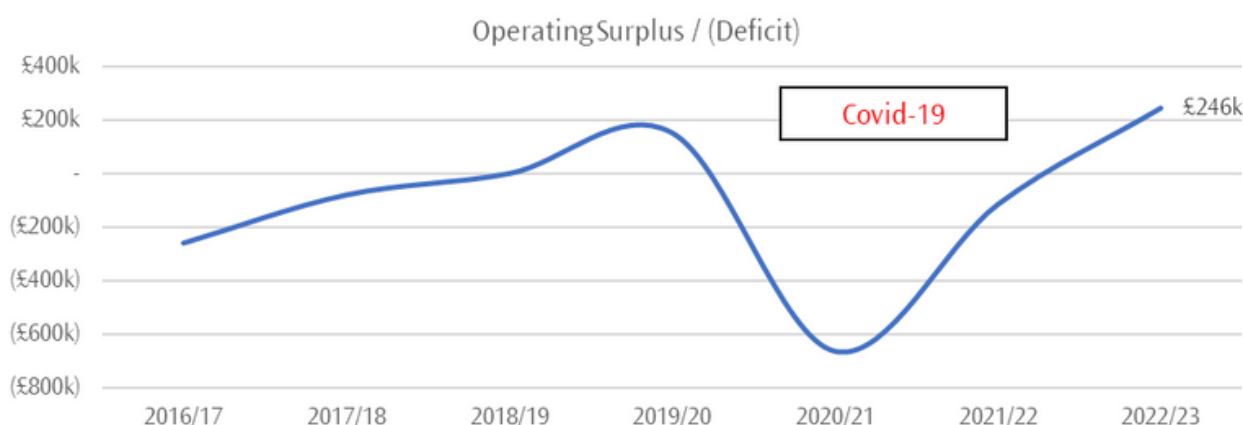
## 2022/23 In Numbers - Operating Performance

The table below highlights the charity's operating performance over the last 7 years.

	2016/17	2017/18	2018/19	2019/20	COVID-19		2022/23
	£000's	£000's	£000's	£000's	2020/21	2021/22	£000's
Total Surplus per SOFA	117	27	104	294	1,670	850	461
Less: Donated capital income (Net)	(375)	(105)	(101)	(139)	(2,374)	(983)	(234)
Less: Income from investments	(1)	(1)	(2)	(2)	(1)	(4)	(20)
Add: Interest Payable	-	-	-	-	41	41	39
<b>Operating Surplus / (Deficit) *</b>	<b>(259)</b>	<b>(79)</b>	<b>1</b>	<b>153</b>	<b>(664)</b>	<b>(96)</b>	<b>246</b>

\*Non-operating items such as donated capital income, investment interest and debt interest have been removed.

The charity's operating performance increased to £246k in 2022/23 after the significant operating losses incurred during the Covid-19 pandemic.



# Report of the Trustees - Strategic Report

The main movements in the year were:

## ► Careers

Careers income increased by 11% to £3,206k (from £2,886k in 2021/22), as a result of higher fill rates.

## ► Schools and Groups

Schools and Groups income grew to £1.3m in 2022/23 (£510k in 2021/22). We continue to focus on returning to pre-Covid 19 levels of income from Schools and Groups (£1,538k in 2019/20). We are seeing increasing cost of compliance, with more watersports instructors required to deliver our programme.

## ► MCA

Professional MCA training also performed well year on year, growing by 24% to £1.6m in 2022/23 (from £1.2m in 2021/22). Once again, our MCA Officer of the Watch was the largest contributor in absolute terms, offset by the softening demand for the STCW course as more training providers enter the market.

## ► Recreational and Leisure Training

We also saw increases in Recreational and Leisure Training, growing by 4% to £318k in FY2022/23 (£305k in 2018/19).

## ► Youth Development

Income from our distinct Youth Development Programmes was up 42% in FY2022/23 to £153k (£108k in FY2021/22). This was driven by the growth of the number of beneficiaries on our Sea.Change programme from 100 beneficiaries in FY2021/22 to 300 in FY2022/23

In total, Income (excluding capital income) has increased by 29% from £5.8m in 2021/22 to £7.5m in 2022/23.

Costs incurred by the organisation in 2022/23 rose by 22%, amounting to £7.3m compared to the previous year (£6m). We remained focused on controlling our cost base and continually looking for ways to increase contribution by working more efficiently.

Spend on assets was £2.3m in 2022/23, £2.4m in the previous year.

The organisation's unrestricted 'free' reserves have increased by £50k, reaching £358k in 2022/23 from £308k in 2021/22.

These financial results demonstrate the organisation's commitment to financial sustainability and strategic resource allocation to support its strategy.

## UKSA Trading

UKSA Trading Ltd. is a wholly owned subsidiary that carries out trading activities on behalf of the Charity, such as an on-site bar, swimming pool hire, vending machines, merchandising, and gym. Note 4 to the financial statements shows that income from UKSA Trading was £195k, £60k more than in the previous year. Whilst there is growth, we are behind FY19/20 levels of income (FY19/20: £261k) due to hosting fewer corporate events and moving away from providing short term marina berthing / B&B accommodation to focus on our core strategy.

## Going Concern Basis

The Trustees, supported by the Executive Team, have considered the reserves and net asset position and are satisfied that these financial statements should be prepared on an ongoing concern basis. This is supported by our auditors.

## Reserves

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

### Unrestricted Reserves:

The designated fixed asset reserve fund is presented net of the balance of the secured bank loan that was arranged in 2020 and secured against the Charity's fixed assets. The unrestricted general fund balance ("free reserves") is £358k as at 31 January 2023.

### 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 23 to these accounts.

# Report of the Trustees - Strategic Report

## Reserves Policy:

In financial year 22/23, the Charity underwent a revision of its reserves policy. Among the various risks identified in our risk register, the most significant immediate financial impact would arise from the loss of regulatory permission, which would prohibit us from conducting courses in the jurisdiction governed by that regulatory body.

The primary regulator for our courses is the RYA, accounting for an anticipated income of £3.7m in the FY23/24, constituting 46% of our annual turnover.

Consequently, we have adopted a worst-case scenario approach, assuming a 40% decline in turnover. Given the seasonal nature of our operations, we considered a 12-month duration as the worst-case timeframe for income loss.

We conducted modelling exercises based on a realistic potential worst-case scenario, taking into account the charity's asset base, charitable activities, and beneficiaries. The following assumptions were incorporated into the models:

- ▶ Income reduction of 40% for a 12-month period.
- ▶ Variable direct product costs decrease proportionally with the decline in income.
- ▶ Fixed direct product costs undergo an additional 15% reduction due to structural cost-saving measures.
- ▶ Capital expenditure is limited to £180,000 over the 12-month period, focusing on essential maintenance to ensure site safety and compliance.
- ▶ Business support costs reduction of 20% throughout the 12 months.
- ▶ Assumption of certain fixed asset disposals in the 12 months to support cash flow.

Based on these modelled assumptions, we determined that starting with reserves amounting to £275,000, the charity would still have a positive closing reserves balance after 12 months.

Consequently, the Board reached an agreement to set the new amount of general unrestricted (free) reserves at £275,000 for the charity.

## Investment Policy

The Trustees assessed the working capital requirements of the charity, and the liquid funds were deemed to be sufficient to meet the short-term cash flow requirements of the charity but not at a level to place funds in longer term investments.

Whenever possible, reserve funds are held in short term notice accounts to maximise income from interest with minimal risk.





# Report of the Trustees - Strategic Report

## How We Plan For The Future

We know that there was a real need for development programmes and structured pathways into employment in the maritime sector which is why we launched our Sea.Change Foundation programme at the end of 2021 to meet an essential part of this need.

Young people aged 14-17 from disadvantaged backgrounds are given the opportunity to discover career pathways and build Skills 4 Life to enable them to further their education and career aspirations, without any personal financial burden. We deliver this programme during the school holidays, at a time when young people struggle most without the structure of the school day.

- ▶ Extending our Reach to children who normally wouldn't be able to attend UKSA.
- ▶ To deliver Maritime Depth, holistically supporting young people into employment. and is underpinned by four guiding principles:
  - ▶ managing risk
  - ▶ promoting quality and sustainability
  - ▶ increasing reach, and
  - ▶ measuring impact

With this in mind, our Trustees reviewed the current strategy in May 2022 with the aim of driving our future ambition to 2030. This work has culminated in our updated strategic vision, purpose and mission document agreed at our September 2022 board meeting.

The delivery and activation of the strategic vision is outlined in detail in our Objectives, Goals, Strategies, Measures (OGSM) framework and progress updated for the board each quarter.

## Strategy Vision

Every school child in the UK experiences a water-based adventure and understands the opportunities the maritime industry offers. (There are 9 million school aged children in the UK at 24,000 schools.)

## Our Purpose

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

## Our Mission

UKSA's strategic mission is to continually develop our services, assets and people to meet the needs of children and young people. Our aim is to remove both financial and social barriers to enable students from any background to be able to access UKSA programmes by providing funding for those who need it. We want our beneficiaries to achieve their best and gain life-changing experiences, qualifications and progress along a pathway into a maritime career.

Our evidenced-based approach to the long-term benefits of UKSA's work will enable us to work within a network of 'like-minded' partners to create further awareness and opportunities to grow with agility and at scale on the mainland; whilst developing our Cowes HQ site as a centre for Maritime excellence to support deserving young people.



# Report of the Trustees - Strategic Report

## Our Five Strategic Priorities

- 1** **Broaden the horizons of children accessing UKSA's programmes. Significantly increasing volumes and funding support for children and schools from disadvantaged areas.**

**Goal** Increase volumes of schools and group children accessing UKSA's water-based activities

**Target Beneficiaries** 6 – 16 years. Those in need of confidence and life skills and / or need extra support (for instance SEN, Pupil Premium etc.)
- 2** **UKSA recognised as the global centre of excellence for maritime training and career progression.**

**Goal** Increase volumes of assisted funded careers places and form strategic partnerships with industry organisations to develop new and existing programmes and secure employment for beneficiaries.

**Target Beneficiaries** 16 – 25 years of age:

  - ▶ Those who would otherwise not be able to access maritime programmes
  - ▶ Those seeking a career in the maritime industry / seeking an alternative to university
  - ▶ Those working in the maritime sector
  - ▶ Those seeking to develop their career in the maritime industry / gaining higher qualifications to enable job retention and future career progression
- 3** **Working with partners to significantly grow and deliver UKSA introductory sessions. Building awareness of, and engagement in, UKSA's pathways and maritime employment.**

**Goal** Develop partnerships with 'like-minded' organisations on the mainland to significantly grow UKSA's introductory activities, signposting beneficiaries to the opportunities of careers and skills training in Cowes.

**Target Beneficiaries** 6 – 16 years. Those in need of confidence and life skills and/or need extra support (for instance SEN, Pupil Premium etc.)
- 4** **Working with partners to significantly grow and deliver UKSA introductory sessions. Building awareness of, and engagement in, UKSA's pathways and maritime employment.**

**Goal**

  - ▶ Deliver operational surplus in line with agreed 2023 – 2030 long term plan.
  - ▶ Create sustainable and significant fundraising income to support target beneficiaries: We will diversify income streams and create lasting relationships with funders, and
  - ▶ Deliver evidence-based research assessment on UKSA's impact. Our overall approach is to be led by the needs of our beneficiaries, focusing on the impact and outcomes on their lives.

**Target Beneficiaries** All UKSA beneficiaries and stakeholders.
- 5** **Grow UKSA's capacity on the IOW, whilst developing and maintaining a world-class staff team and facilities.**

**Goal**

  - ▶ Deliver a capital investment plan to ensure UKSA remains a world-leading maritime training centre
  - ▶ Expand our Isle of Wight capacity, focusing on East Cowes, and reducing the risk of watersports operations,
  - ▶ UKSA's resources are fit for purpose and remain a world-leading maritime training and work environment,
  - ▶ Execute a digital-enabled strategy to significantly improve organisational efficiency, and
  - ▶ Become a "Best Companies" employer.

**Target Beneficiaries** All UKSA beneficiaries and stakeholders.

# Report of the Trustees - Strategic Report

## Risk Review

### Risk Management: Trustees

The charity operates formal risk management processes at the top of which is the Operational Risk Sub-Committee (ORSC) which meets quarterly. ORSC considers all main risk areas, subject to the paragraph below. It is chaired by a Trustee and comprises two other Trustees as well as members of the Executive Team. The sub-committee also considers any reported incidents in detail. Summaries of the sub-committee's discussions are presented to the main Board at its quarterly meetings.

The risks associated with the new building project were monitored by the Capital Development Sub-Committee insofar that they related to Health & Safety, compliance with planning and other regulations, unforeseen complications in the ground, supplier issues and the business risk of delays overrun. The Financial Risk relating to the project has been a matter for Finance Sub Committee.

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 and evaluates the measures that are in place to mitigate them.

The risk register is a regularly updated by management and is reviewed by the ORSC. UKSA has a structured approach to risk, that emphasises the importance of mitigating both the likelihood and the impact of risk. In doing so we adopt a four-tier approach to mitigating risk. Tier 1 comprises measures that are followed at an operational level by individuals and teams as part of their day-to-day work. Our internal audit processes are the mainstay of Tier 2 while at Tier 3, we have the external expertise that supports the risk assurance activities that we do in-house. At Tier 4 are the external inspections and audits that are required to maintain regulatory compliance.

Financial Risk is a matter for the Trustee led 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.

### Risk Management: Operational

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 and vulnerable adults. 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.

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 consider 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 engages with Centor Risk Management to provide a risk consultancy service with a particular emphasis on insured risk, and compliance with policy wordings. In addition, working with our IT partner, PC Consultants, we implemented the measures required to achieve the Cyber Essentials standard that is promoted by the National Cyber Security Centre.

The charity has a robust critical incident response plan, which was developed with the support and input of the ORSC and our external consultants, Pharos Response, who are specialists in risk and reputation management in the education, youth, travel and adventure sectors and who also provide the charity with 24/7 incident support.

# Report of the Trustees - Strategic Report

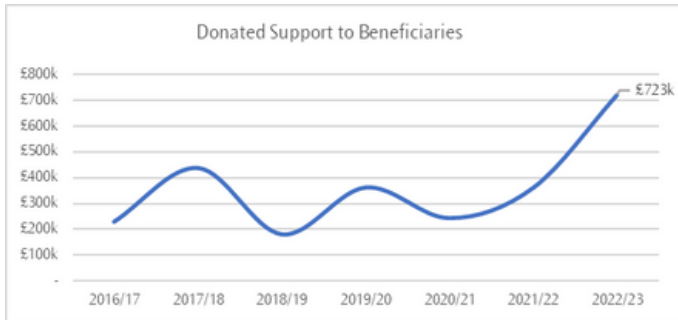
## Fundraising Review

### Fundraising overview

Fundraising at UKSA continued to look bright, following a successful year of exceeding targets. We have secured a number of new funders and greatly benefit from transformational ongoing relationships with key funders. A focus on multi-year funding, sponsorship and major unrestricted donations means that the charity can be agile and react to the needs of beneficiaries.

Alongside this, the fundraising team have sought to improve how they approach, secure and report to funders, creating beneficial relationships and opening new networks. The team has recently welcomed a head of fundraising, who will bring external experience and skills to support the team in the year ahead, and beyond.

The charity has raised £4.4m for capital projects (Sea.Change building, training centre building, shower blocks, yachts and dinghies) in the last 7 years. In addition, the charity's fundraising team have been focusing on increasing donor support for its day-to-day work with its beneficiaries. Progress in this area is illustrated in the graph below:



Most importantly, this progression means that we can continue to increase the number of children and young people we support through our funding opportunities towards our programmes and courses.

### How We Fundraise

UKSA is a medium sized charity that takes a long term, supporter-led relationship fundraising approach to its activities. The fundraising team raise funds to support programme delivery, capital projects and unrestricted income to support the charity in whatever way it needs. The charity principally raises funds from Trusts and Foundations, Companies, Individuals and Partnerships. It also raises funds through online campaigns, community events and activities.

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

The fundraising team are supported by a Future Income Sub-committee, who ensure that all new income generating activity, whether from charitable activities or from fundraising, is carried out in a way that is consistent with UKSA's overall strategic priorities. The fundraising team have developed and are implementing a growth strategy, which looks at the future of the fundraising and marketing landscapes, with the following aims:

- ▶ increasing multiyear commitments of support with a focus on unrestricted income,
- ▶ launching and growing the Founders' Club for major donors,
- ▶ growing strategic corporate partnerships, including with the maritime industry,
- ▶ creating an impact focussed communications plan, and
- ▶ growing community fundraising, challenge event and wider event offerings.





# Report of the Trustees - Strategic Report

## Fundraising Controls

UKSA is a member of the Fundraising Regulator and is committed to the highest standards in fundraising. At all times, we 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 2023, or subsequently.

We also adhere to the requirements related to the General Data Protection Regulation (GDPR) in our fundraising practices. We also have a fundraising policy which works alongside our safeguarding and volunteering policies which sets out our approach to protecting our beneficiaries and supporters.

Alongside this, the director of fundraising works closely with the Trustees to outline their responsibility in fundraising and update our policies with regards to ethical fundraising, fundraising from vulnerable people, gift aid and dealing with complaints. The fundraising team have all taken part in additional training through the Fundraising Regulator.

## 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 2023, there were eight Trustees. Other than the Founding Member Trustee, Trustees serve for four years, with the possibility of election for a second four-year term. Only under exceptional circumstances are further terms considered, to be reviewed annually thereafter.

The Chair of Trustees has a maximum set term of four years and can serve a maximum of three 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 four years. The nominations committee comprising three to five Trustees will conduct the selection process.

The Board meets at least four times a year. Trustees are responsible for the appointment of the Chief Executive, to whom day-to-day management of the organisation is delegated.

Trustees work with the Executive Team to develop a long-term strategic plan, progress against which is reviewed with them at annual strategy and development meetings. The Board also reviews and approves the Executives' annual business plan and budget.

At quarterly Governance meetings, the Board addresses governance matters and assesses the charity's performance with the Executive Team. Additionally, the Chief Executive holds regular conference calls with the Board on any matters arising.

The Board has established 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 financial planning, investments and pensions.
- ▶ The Capital Development Sub-Committee ensures appropriate governance and project management is in place for UKSA's site development projects.
- ▶ The Operational Risk Sub-Committee, which monitors all areas of risk to the charity other than financial risk, reviews incident reports and scrutinises the risk management system.
- ▶ The Pay and Remuneration Committee reviews the remuneration and benefits for the CEO and makes recommendations to the Board with regard to criteria for pay awards and benchmarking.
- ▶ The Future Income Sub-Committee ensures consistency of focus and approach across all Course Delivery and Fundraised streams of income.
- ▶ The board appointed Richard Stokes as Chair of Trustees in September 2022.
- ▶ The board appointed Debra Price Vice Chair of Trustees in September 2022.

On behalf of the board and UKSA's beneficiaries we would like to express our sincere thanks to Kevin George who retired as Chair and Trustee of the board in September 2022.

# Report of the Trustees - Statement of Trustee's 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 Trustees are responsible for complying with The Charities Commission guidance on trustees' duties and responsibilities as listed.

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, and
- ▶ 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 ensuring that proper accounting records are maintained, 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 re-appointment in accordance with the Companies Act 2006 at the Annual Retirement Meeting.

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

## On Behalf of the Board:



Richard Stokes CBE, Chair of Trustees

23 June 2023



# Independent Auditor's Report to the Members of UK Sailing Academy

## Opinion

We have audited the financial statements of UK Sailing Academy ('the charitable company') and its subsidiary ('the group') for the year ended 31 January 2023 which comprise Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cashflows and notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group's and the charitable company's affairs as at 31 January 2023 and of the group's income and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act.

## Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

## Other Information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# Independent Auditor's Report to the Members of UK Sailing Academy

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

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

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

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

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

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

## Responsibilities of trustees

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

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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





# Independent Auditor's Report to the Members of UK Sailing Academy

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

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

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

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of certain streams of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and the above-mentioned income streams, reviewing accounting estimates for biases,

reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance. Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## Use of our report

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

To the fullest extent permitted by law, 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

Date: 27/06/2023

## Consolidated statement of financial activities for the year ended 31 January 2023

(Incorporating income and expenditure account)

		Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2022/23 £000's	TOTAL 2021/22 £000's
INCOME FROM:					
Donations, Legacies and Grants	2	660	297	957	1,345
Charitable Activities	3	6,566	-	6,566	5,041
Trading Activities	4	195	-	195	135
Government Support	5	19	-	19	285
Investments	6	20	-	20	4
Other	7	-	-	-	7
Total income		<u>7,460</u>	<u>297</u>	<u>7,757</u>	<u>6,817</u>
EXPENDITURE ON:					
Raising funds:					
Trading Activities	4	124	-	124	80
Expenditure on raising funds	8	194	-	194	119
Charitable Activities	9	6,978	-	6,978	5,768
Total expenditure		<u>7,296</u>	<u>-</u>	<u>7,296</u>	<u>5,967</u>
Net (expenditure)/income		164	297	461	850
Transfers between funds	23	1,806	(1,806)	-	-
Net movement in funds		<u>1,970</u>	<u>(1,509)</u>	<u>461</u>	<u>850</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		5,483	1,687	7,170	6,320
TOTAL FUNDS CARRIED FORWARD	23	<u><u>7,453</u></u>	<u><u>178</u></u>	<u><u>7,631</u></u>	<u><u>7,170</u></u>

### Continuing operations

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

Full comparatives for the year to 31 January 2022 are shown in note 28.

The notes on pages 26 to 43 form part of these financial statements.

## Group balance sheet as at 31 January 2023

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2022/23 £000's	2021/22 £000's
FIXED ASSETS	22	8,531	-	8,531	6,675
CURRENT ASSETS					
Stocks	16	148	-	148	116
Debtors: Amounts falling due after more than one year	17	317	-	317	248
Debtors: Amounts falling due within one year	17	1,182	-	1,182	902
Short Term Deposit Accounts	18	1,270	-	1,270	1,504
Cash at bank and in hand	18	446	178	624	2,553
		3,363	178	3,541	5,323
CREDITORS					
Amounts falling due within one year	19	(3,052)	-	(3,052)	(3,373)
NET CURRENT ASSETS		311	178	489	1,950
TOTAL ASSETS		8,842	178	9,020	8,625
CREDITORS					
Amounts falling due after more than one year	20	(1,389)	-	(1,389)	(1,455)
NET ASSETS		7,453	178	7,631	7,170
FUNDS					
	23				
<i>Unrestricted funds;</i>					
Designated tangible fixed asset fund (net of secured bank loan)				7,095	5,175
Unrestricted general funds				358	308
				7,453	5,483
<i>Restricted funds;</i>					
Restricted bursary funds				178	350
Restricted capital fund				-	1,337
				178	1,687
TOTAL FUNDS				7,631	7,170

The financial statements were approved and authorised for issue by the Board of Trustees on 23/06/2023

And were signed on its behalf by:



Richard Stokes CBE  
Chair of Trustees

Date: 23/06/2023

Registered Company Number: 02251024

The notes on pages 26 to 43 form part of these financial statements.

## Charity balance sheet as at 31 January 2023

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2022/23 £000's	TOTAL 2021/22 £000's
FIXED ASSETS	22	8,531	-	8,531	6,675
CURRENT ASSETS					
Stocks	16	145	-	145	113
Debtors: Amounts falling due after more than one year	17	317	-	317	248
Debtors: Amounts falling due within one year	17	1,181	-	1,181	901
Short Term Deposit Accounts	18	1,270	-	1,270	1,503
Cash at bank and in hand	18	444	178	622	2,553
		3,357	178	3,535	5,318
CREDITORS					
Amounts falling due within one year	19	(3,046)	-	(3,046)	(3,368)
NET CURRENT ASSETS / (LIABILITIES)		311	178	489	1,950
TOTAL ASSETS		8,842	178	9,020	8,625
CREDITORS					
Amounts falling due after more than one year	20	(1,389)	-	(1,389)	(1,455)
NET ASSETS		7,453	178	7,631	7,170
FUNDS					
	23				
<i>Unrestricted funds:</i>					
Designated tangible fixed asset fund (net of secured bank loan)				7,095	5,175
Unrestricted general funds				358	308
				7,453	5,483
<i>Restricted funds:</i>					
Restricted bursary funds				178	350
Restricted capital fund				-	1,337
				178	1,687
TOTAL FUNDS				7,631	7,170

The surplus for the financial year 2022/23 dealt with in the financial statements of the parent charity was £461k (2021/22: £850k).

The financial statements were approved and authorised for issue by the Board of Trustees on 23/06/2023

And were signed on its behalf by:



Richard Stokes CBE  
Chair of Trustees

Date: 23/06/2023

Registered Company Number: 02251024

The notes on pages 26 to 43 form part of these financial statements.



## Consolidated statement of cash flow for the year ended 31 January 2023

	Notes	2022/23 £000's	2021/22 £000's
NET CASH PROVIDED BY OPERATING ACTIVITIES	A	223	3,644
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		20	4
Interest paid and fees		(76)	(68)
Purchase of tangible fixed assets		(2,266)	(2,379)
Sale of Tangible Fixed Assets		-	75
		(2,322)	(2,368)
CASH FLOWS FROM FINANCING ACTIVITIES			
Secured bank loan repaid in year		(64)	-
MANAGEMENT OF LIQUID FUNDS			
Short term deposit account transfers		234	(1,217)
(Decrease)/Increase in cash in the year	B	(1,929)	59

### NOTE A - RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES

Net income	461	850
Depreciation and impairment charges	410	343
(Profit)/Loss on disposal of fixed assets	-	(5)
Interest received	(20)	(4)
Interest paid and charges	76	68
(Increase)/Decrease in stocks	(32)	40
(Increase)/Decrease in debtors	(349)	1,496
(Decrease)/Increase in creditors	(323)	856
Net cash provided by operating activities	223	3,644

### NOTE B - RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

(Decrease)/Increase in cash in the year	(1,929)	59
(Decrease)/Increase in short term deposits	(234)	1,217
Secured bank loan repaid in year	64	-
Change in net cash	(2,099)	1,276
Net cash at 1 February	2,557	1,281
Net cash at 31 January	458	2,557

### ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS

	At 1st Feb 22 £000's	Cashflow £000's	At 31st Jan 23 £000's
Cash at bank and in hand	2,553	(1,929)	624
Short term deposit accounts	1,504	(234)	1,270
Loans	(1,500)	64	(1,436)
Total	2,557	(2,099)	458

The notes on pages 26 to 43 form part of these financial statements.

# Notes to the financial statements for the year ended 31 January 2023

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

## 1 ACCOUNTING POLICIES

### a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

### b) Going concern

In their assessment of going concern, the trustees have considered the impact of the current economic climate on the charity. Supported by the management team, they have throughout the year considered the cash, reserves and net asset position of the charity (I&E, Cashflow and balance sheet forecasts and reviewed on a rolling basis). Based on these considerations the Trustees consider that the going concern basis for the charity is appropriate.

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

### c) Group accounts

The accounts have been consolidated to include the results of the charity's trading subsidiary, which has the same year-end. No separate profit and loss account is presented for UK Sailing Academy as permitted by Section 408 of the Companies Act 2006. The parent company's surplus for the year was £461k (2021/22: £850k).

### d) Income

All income is included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Voluntary income is credited to the income and expenditure account on a received basis, apart from income that covers a specific period of time ending after 31 January 2023, 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 income and activity levels of those activities.

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

## Notes to the financial statements for the year ended 31 January 2023 (continued)

### f) Debtors

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

### g) Cash and cash equivalents

Cash is represented by cash in hand and short term highly liquid investments with a short maturity of 95 days or less from the date of acquisition or opening of the deposit or similar account. This has been split accordingly on the face of the balance sheet.

### 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) Intangible fixed assets

The company capitalises purchases of intangible assets where the value is over £1k and the useful economic life is at least three years. Amortisation is provided on all intangible fixed assets using the straight-line method designed to write off each asset over its expected useful economic life. The expected useful life of the company's intangible fixed assets is 10 years.

The company reviews its intangible 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).

### i) Tangible fixed assets

The company capitalises purchases of tangible assets where the value is over £1k and the useful economic life is at least three years. Depreciation is provided on all tangible fixed assets using the straight-line method designed to write off each asset over its expected useful economic life. It is the company's policy to determine the expected useful life of each asset individually, ranging from 3 to 100 years.

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

### j) Impairment of buildings

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

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

### k) Stocks

Stocks of bought in goods are stated at the lower of cost and net realisable value. Stocks held include provisions, bar, vending, merchandise, clothing and Red Funnel ferry tickets.

Stocks also include inventory items held for free distribution to beneficiaries in furtherance of charitable activities (e.g., boards, masts, sails, wetsuits, paddles, buoyancy aids etc.). Inventory is written down (impaired) to nil value over a three-year period.

## Notes to the financial statements for the year ended 31 January 2023 (continued)

### 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 2022/23 UK Sailing Academy contributions of £62k (2021/22: £52k) were recognised in the Statement of Financial Activities (see Note 14).

### 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.

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

### p) Financial instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Note 21 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.

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

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

## Notes to the financial statements for the year ended 31 January 2023 (continued)

2	DONATIONS AND LEGACIES	2022/23	2021/22
		£000's	£000's
	Donations (Revenue)	719	362
	Donations (Capital)	234	983
	Grant funding	4	-
		<u>957</u>	<u>1,345</u>
3	INCOME FROM CHARITABLE ACTIVITIES	2022/23	2021/22
		£000's	£000's
	Schools and groups	1,185	382
	Careers courses for employment	2,994	2,814
	Professional training	1,589	1,278
	Recreational training	318	305
	Total income for training activities	<u>6,086</u>	<u>4,779</u>
	Student services and site income	295	195
	Lost deposits	185	67
		<u>6,566</u>	<u>5,041</u>

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

	2022/23	2021/22
	£000's	£000's
Gross income from charitable activities	6,658	5,462
Amounts deferred last year that have been released in the current year	2,246	1,825
Amounts deferred to future periods	<u>(2,338)</u>	<u>(2,246)</u>
	<u>6,566</u>	<u>5,041</u>



## Notes to the financial statements for the year ended 31 January 2023 (continued)

### 4 INVESTMENT IN TRADING COMPANY

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

The charity's investment in the trading company was as follows:	2022/23	2021/22
	£	£
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	2022/23	2021/22
	£000's	£000's
Income	195	135
Government support	-	1
Cost of sales	(124)	(80)
Gross profit	71	56
Administration expenses	(59)	(45)
	12	11
Amount payable under gift aid to the charity	(12)	(11)
Retained in subsidiary	-	-
Balance sheet		
Current assets	7	8
Current liabilities	(7)	(8)
	-	-
Share Capital ( <i>Total Share Capital = £1</i> )	-	-

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

The gift aid payment of £12k (2021/22: £11k) and management charge of £59k (2021/22: £45k) paid to UK Sailing Academy has been eliminated upon consolidation.

## Notes to the financial statements for the year ended 31 January 2023 (continued)

5	GOVERNMENT SUPPORT	2022/23	2021/22		
		£000's	£000's		
	Kickstart Scheme Income	10	-		
	IOW Council LRS Grant	9	62		
	Job Retention & Support Scheme Income	-	223		
		<u>19</u>	<u>285</u>		
6	INVESTMENT INCOME	2022/23	2021/22		
		£000's	£000's		
	Deposit account interest	20	4		
		<u>20</u>	<u>4</u>		
7	OTHER INCOME	2022/23	2021/22		
		£000's	£000's		
	Insurance claims	-	2		
	Sale of assets	-	5		
		<u>-</u>	<u>7</u>		
8	EXPENDITURE ON RAISING FUNDS	2022/23	2021/22		
		£000's	£000's		
	Fundraising pay costs	161	105		
	Fundraising non-pay costs	33	14		
		<u>194</u>	<u>119</u>		
9	EXPENDITURE ON CHARITABLE ACTIVITIES				
		Training	Support	Admin, Sales and Marketing	Total
		Costs	Costs	Costs	
		2022/23	2022/23	2022/23	2022/23
		£000's	£000's	£000's	£000's
	Youth Development programmes	57	77	33	167
	Schools and Groups	394	733	288	1,415
	Careers courses for employment	1,367	1,565	685	3,617
	Professional training	472	569	339	1,380
	Recreational training	162	169	68	399
		<u>2,452</u>	<u>3,113</u>	<u>1,413</u>	<u>6,978</u>
				Admin, Sales and Marketing	Total
		Training	Support	Costs	
		Costs	Costs	Costs	
		2021/22	2021/22	2021/22	2021/22
		£000's	£000's	£000's	£000's
	Youth Development programmes	29	65	24	118
	Schools and Groups	161	265	113	539
	Careers courses for employment	1,409	1,468	639	3,516
	Professional training	408	513	283	1,204
	Recreational training	162	162	67	391
		<u>2,169</u>	<u>2,473</u>	<u>1,126</u>	<u>5,768</u>

## Notes to the financial statements for the year ended 31 January 2023 (continued)

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

	2022/23 £000's	2021/22 £000's
Delivery Teams	139	85
Depreciation & Write down	473	433
Site costs	665	488
Catering	608	472
Operations and Customer Support	317	259
Yacht, Fleet and Vehicle Maintenance	367	304
VAT	247	201
Other	297	231
Total Support Costs	3,113	2,473
Administration Costs	671	560
Sales and Marketing Costs	703	525
Interest Payable	39	41
Total Support Costs	1,413	1,126
	4,526	3,599

### 11 GOVERNANCE COSTS

	2022/23 £000's	2021/22 £000's
Auditors' remuneration	17	15
Company Secretary	11	10
Travel and Subsistence	1	-
	29	25

### 12 NET MOVEMENT IN FUNDS

	2022/23 £000's	2021/22 £000's
Net movement in funds is stated after charging:		
Auditors' remuneration for statutory work	17	15
Operating lease rental for IT and vehicles	76	79
Interest paid and charges	76	68
Depreciation - owned assets	410	343
(Profit)/Loss on disposal	-	(5)

### 13 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 January 2023 (2021/22: £nil). Travelling expenses are reimbursed, if claimed, to trustees. In 2022/23 this was £1k (2021/22: £nil).

## Notes to the financial statements for the year ended 31 January 2023 (continued)

### 14 STAFF COSTS

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

	2022/23 Total No.	2022/23 FTE No.	2021/22 Total No.	2021/22 FTE No.
Directly involved in achieving charitable objectives	125	102	102	78
Management and financial administration of the charity	10	10	10	10
	<u>135</u>	<u>112</u>	<u>112</u>	<u>88</u>

The aggregate payroll costs of the above were:

	2022/23 £000's	2021/22 £000's
Wages and salaries	3,097	2,452
Social security	271	204
Pension	62	52
	<u>3,430</u>	<u>2,708</u>

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

	2022/23 No.	2021/22 No.
£60,000 to £69,999	2	2
£70,000 to £79,999	-	-
£80,000 to £89,999	-	-
£90,000 to £99,999	1	1

Employer Pension Contributions for the above individuals were £8k (2021/22: £8k)

### 15 EXECUTIVE REMUNERATION

The total remuneration, benefits and pensions paid to the key management personnel in the year was £431k (2021/22: £377k). The key management personnel in the year were the Chief Executive, Director of Finance and Risk, Director of Marketing and Business Development, Director of Operations and Training, and Director of Fundraising.

### 16 STOCK

	2022/23 £000's	2021/22 £000's
Stock for resale (trading)	3	3
Inventories (charity)	145	113
Group stocks held	<u>148</u>	<u>116</u>

## Notes to the financial statements for the year ended 31 January 2023 (continued)

### 17 DEBTORS

	Group 2022/23 £000's	Group 2021/22 £000's	Charity 2022/23 £000's	Charity 2021/22 £000's
Trade debtors for courses	679	546	678	545
Due from subsidiary undertaking	-	-	-	-
Other debtors	538	375	538	375
Prepayments and accrued income	333	284	333	284
Bad debt provision for other debtors	(51)	(55)	(51)	(55)
	<u>1,499</u>	<u>1,150</u>	<u>1,498</u>	<u>1,149</u>

Included within other debtors is a total of £361k (2021/22 £248k) relating to repayable bursary amounts due over 1 year.

Also included within other debtors is a total of £6k (2021/22 £nil) relating to cycle to work scheme repayable amounts due over 1 year.

Included within bad debt provision for other debtors is a total of (£50k) (2021/22 (£53k)) relating to repayable bursary amounts due over 1 year.

### 18 CASH AND CASH EQUIVALENTS

	Group 2022/23 £000's	Group 2021/22 £000's	Charity 2022/23 £000's	Charity 2021/22 £000's
Bank current accounts	616	2,544	616	2,544
Bank deposit accounts	1,272	1,504	1,270	1,503
Petty cash	1	2	1	2
Pre-paid expense cards	5	7	5	7
	<u>1,894</u>	<u>4,057</u>	<u>1,892</u>	<u>4,056</u>

### 19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022/23 £000's	Group 2021/22 £000's	Charity 2022/23 £000's	Charity 2021/22 £000's
Trade creditors	321	410	316	407
Due to subsidiary undertaking	-	-	1	3
Social security and other taxes	62	176	62	176
Secured bank loan	60	59	60	59
Other creditors	61	23	61	23
Accruals and deferred income	2,548	2,705	2,546	2,700
	<u>3,052</u>	<u>3,373</u>	<u>3,046</u>	<u>3,368</u>

Included within trade creditors is a total of £93k (2021/22: £182k) relating to retentions of the main build capital project.

Included within accruals and deferred income is a total of £2,123k (2021/22: £2,232k) relating to amounts invoiced in advance of the commencement of training courses.

Social security and other taxes includes Government deferral scheme PAYE of £nil (2021/22: £122k).



## Notes to the financial statements for the year ended 31 January 2023 (continued)

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

	Group 2022/23 £000's	Group 2021/22 £000's	Charity 2022/23 £000's	Charity 2021/22 £000's
Secured bank loan	1,376	1,441	1,376	1,441
Social security and other taxes	-	-	-	-
Accruals and deferred income	13	14	13	14
	<u>1,389</u>	<u>1,455</u>	<u>1,389</u>	<u>1,455</u>

The amounts held within accruals and deferred income relates to amounts invoiced in advance of the commencement of training courses of £13k (2021/22: £14k).

The Group has a bank loan with NatWest which is secured by a fixed and floating charge over the property and assets of the group. The balance of the loan at 31 January 2023 is £1,436k. The loan has interest charged at 2.44% for a fixed period (60 months until February 2026) thereafter at 2.09% over Base Rate for the remaining period. The loan is due for final repayment in January 2042.

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

	Net Repayments 2022/23 £000	Net Repayments 2021/22 £000
Within one year	60	21
1-2 years	62	59
2-5 years	193	190
Greater than 5 years	<u>1,121</u>	<u>1,230</u>
	<u>1,436</u>	<u>1,500</u>

In addition, deferred income has been analysed as follows:

	Group 2022/23 £000's	Group 2021/22 £000's	Charity 2022/23 £000's	Charity 2021/22 £000's
Deferred income at 1 February	2,246	1,825	2,240	1,825
Applied during the year	(2,246)	(1,825)	(2,240)	(1,825)
Released during the year	2,338	2,246	2,338	2,240
Deferred income at 31 January	<u>2,338</u>	<u>2,246</u>	<u>2,338</u>	<u>2,240</u>

## Notes to the financial statements for the year ended 31 January 2023 (continued)

### 21 FINANCIAL INSTRUMENTS

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

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

Group	2022/23	2021/22
	£000's	£000's
Financial assets measured at amortised cost	3,234	5,084
Financial liabilities measured at amortised cost	2,041	2,406
	<hr/>	<hr/>
	2022/23	2021/22
	£000's	£000's
Total interest income for financial assets held at amortised cost	20	4
	<hr/>	<hr/>
Charity	2022/23	2021/22
	£000's	£000's
Financial assets measured at amortised cost	3,231	5,082
Financial liabilities measured at amortised cost	2,037	2,406
	<hr/>	<hr/>
	2022/23	2021/22
	£000's	£000's
Total interest income for financial assets held at amortised cost	20	4
	<hr/>	<hr/>

## Notes to the financial statements for the year ended 31 January 2023 (continued)

### 22 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
As at 1 February 2022	2,330	3,390	316	200	1,016
Additions	1,845	38	-	-	253
Transfer	(4,121)	4,114	-	-	(3)
As at 31 January 2023	54	7,542	316	200	1,266
DEPRECIATION					
As at 1 February 2022	-	384	40	200	797
Charge for year	-	119	14	-	74
As at 31 January 2023	-	503	54	200	871
NET BOOK VALUE					
As at 31 January 2023	54	7,039	262	-	395
As at 31 January 2022	2,330	3,006	276	-	219

	Motor vehicles	Yachts and training fleet	Intangible Assets	Totals
COST	£000's	£000's	£000's	£000's
As at 1 February 2022	19	1,911	29	9,211
Additions	-	80	50	2,266
Transfer	-	-	10	-
As at 31 January 2023	19	1,991	89	11,477
DEPRECIATION				
As at 1 February 2022	12	1,103	-	2,536
Charge for year	2	193	8	410
As at 31 January 2023	14	1,296	8	2,946
NET BOOK VALUE				
As at 31 January 2023	5	695	81	8,531
As at 31 January 2022	7	808	29	6,675

## Notes to the financial statements for the year ended 31 January 2023 (continued)

### 23 MOVEMENT IN FUNDS

	As at 1 Feb 22 £000's	Net Movement in funds £000's	Transfers between Funds £000's	As at 31 Jan 23 £000's
Unrestricted funds				
Fixed assets fund	5,175	(410)	2,330	7,095
General fund	308	562	(512)	358
Trading activities	-	12	(12)	-
	<u>5,483</u>	<u>164</u>	<u>1,806</u>	<u>7,453</u>
Restricted funds				
Restricted capital fund	1,337	234	(1,571)	-
Stephen Thomas Bursary	42	-	(19)	23
Noel Lister Memorial Fund	194	1	(136)	59
Milo Hanlon Fund	34	1	4	39
Will Black Fund	14	-	2	16
Seafarer's	58	1	(18)	41
Polly Birch Fund	8	-	(8)	-
Trinity House Fund	-	60	(60)	-
	<u>1,687</u>	<u>297</u>	<u>(1,806)</u>	<u>178</u>
TOTAL FUNDS	<u>7,170</u>	<u>461</u>	<u>-</u>	<u>7,631</u>

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

	Incoming resources £000's	Resources expended £000's	Movement in funds £000's
Unrestricted funds			
Fixed asset fund	-	(410)	(410)
General fund	7,265	(6,703)	562
Trading activities	195	(183)	12
	<u>7,460</u>	<u>(7,296)</u>	<u>164</u>
Restricted funds			
Restricted capital fund	234	-	234
Stephen Thomas Bursary	-	-	-
Noel Lister Memorial Fund	1	-	1
Milo Hanlon Fund	1	-	1
Will Black Fund	-	-	-
Seafarer's	1	-	1
Polly Birch Fund	-	-	-
Trinity House Fund	60	-	60
	<u>297</u>	<u>-</u>	<u>297</u>
TOTAL FUNDS	<u>7,757</u>	<u>(7,296)</u>	<u>461</u>



## Notes to the financial statements for the year ended 31 January 2023 (continued)

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

	As at 1 Feb 21 £000's	Net Movement in funds £000's	Transfers between Funds £000's	As at 31 Jan 22 £000's
Unrestricted funds				
Fixed assets fund	3,209	(413)	2,379	5,175
General fund	325	166	(183)	308
Trading activities	-	11	(11)	-
	<u>3,534</u>	<u>(236)</u>	<u>2,185</u>	<u>5,483</u>
Restricted funds				
Restricted capital fund	2,379	983	(2,025)	1,337
Stephen Thomas Bursary	58	1	(17)	42
Noel Lister Memorial Fund	216	2	(24)	194
Milo Hanlon Fund	26	1	7	34
Will Black Fund	14	-	-	14
Seafarer's	48	10	-	58
Polly Birch Fund	45	39	(76)	8
Trinity House Fund	-	50	(50)	-
	<u>2,786</u>	<u>1,086</u>	<u>(2,185)</u>	<u>1,687</u>
TOTAL FUNDS	<u>6,320</u>	<u>850</u>	<u>-</u>	<u>7,170</u>

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

	Incoming resources £000's	Resources expended £000's	Movement in funds £000's
Unrestricted funds			
Fixed asset fund	-	(413)	(413)
General fund	5,595	(5,429)	166
Trading activities	136	(125)	11
	<u>5,731</u>	<u>(5,967)</u>	<u>(236)</u>
Restricted funds			
Restricted capital fund	983	-	983
Stephen Thomas Bursary	1	-	1
Noel Lister Memorial Fund	2	-	2
Milo Hanlon Fund	1	-	1
Will Black Fund	-	-	-
Seafarer's	10	-	10
UKSA Assisted Funding	-	-	-
Polly Birch Fund	39	-	39
Trinity House Fund	50	-	50
	<u>1,086</u>	<u>-</u>	<u>1,086</u>
TOTAL FUNDS	<u>6,817</u>	<u>(5,967)</u>	<u>850</u>

## Notes to the financial statements for the year ended 31 January 2023 (continued)

### Unrestricted funds

- a) The fixed asset fund shows the net book value of unrestricted fixed assets. Net movement in funds are represented by the net of profit/ (loss) on disposal, impairment and depreciation £410k (2021/22: £413k). Transfers are represented by net capital expenditure of £2,330k.
- b) 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 £562k (2021/22: (£166k)). Transfers are the sum of net working capital movements excluding transfers on other reserves of (£512k) (2021/22: (£183k)).
- c) The trading activities fund is represented by the wholly owned subsidiary UKSA Trading Ltd profit / (loss). For the year 2022/23 UKSA Trading Ltd returned a profit of £12k (2021/22: £11k) which was transferred to the UK Sailing Academy's unrestricted general fund in the same year.

### Restricted funds

- a) A restricted Capital Fund was set up in 2015/16 to hold donations that are specifically to fund capital works required. In 2022/23 £234k net income was received (2021/22 £983k) less (£1,571k) capital expenditure in the year (2021/22: (£2,025k)).
- b) The Stephen Thomas Bursary was set up in memory of Stephen Thomas to provide sailing and seamanship experiences for young people between the ages of 16 and 20.
- c) The Noel Lister Memorial Fund was set up in memory of Noel (the founder of UKSA) to provide sailing and seamanship experiences for young people.
- d) The Milo Hanlon Fund was set up in memory of Milo who was a student at UKSA in 2012. The fund provides assistance to young people wishing to undertake professional training for employment.
- e) The William Black Fund was set up in 2016 in memory of Will. The fund provides financial support to individuals with a desire to enter the maritime sector.
- 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.
- g) 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.
- h) The Trinity fund was set up in 2011. The fund provides assistance to young people wishing to undertake professional training for employment.

## Notes to the financial statements for the year ended 31 January 2023 (continued)

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

Group	Unrestricted Funds General £000's	Unrestricted Funds Designated £000's	Restricted Funds £000's	Total funds as at 31 Jan 23 £000's
Fixed assets	-	8,531	-	8,531
Current assets	3,363	-	178	3,541
Creditors due in less than one year	(2,992)	-	-	(2,992)
Creditors due in more than one year	(13)	-	-	(13)
Secured Bank Loan due in less than one year	-	(60)	-	(60)
Secured Bank Loan due in more than one year	-	(1,376)	-	(1,376)
	<u>358</u>	<u>7,095</u>	<u>178</u>	<u>7,631</u>

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

Group	Unrestricted Funds General £000's	Unrestricted Funds Designated £000's	Restricted Funds £000's	Total funds at 31 Jan 22 £000's
Fixed assets	-	6,675	-	6,675
Current assets	3,636	-	1,687	5,323
Creditors due in less than one year	(3,314)	-	-	(3,314)
Creditors due in more than one year	(14)	-	-	(14)
Secured Bank Loan due in less than one year	-	(59)	-	(59)
Secured Bank Loan due in more than one year	-	(1,441)	-	(1,441)
	<u>308</u>	<u>5,175</u>	<u>1,687</u>	<u>7,170</u>

### ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY

Charity	Unrestricted Funds General £000's	Unrestricted Funds Designated £000's	Restricted Funds £000's	Total funds as at 31 Jan 23 £000's
Fixed assets	-	8,531	-	8,531
Current assets	3,357	-	178	3,535
Creditors due in less than one year	(2,986)	-	-	(2,986)
Creditors due in more than one year	(13)	-	-	(13)
Secured Bank Loan due in less than one year	-	(60)	-	(60)
Secured Bank Loan due in more than one year	-	(1,376)	-	(1,376)
	<u>358</u>	<u>7,095</u>	<u>178</u>	<u>7,631</u>

## Notes to the financial statements for the year ended 31 January 2023 (continued)

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

Charity	Unrestricted Funds General £000's	Unrestricted Funds Designated £000's	Restricted Funds £000's	Total funds at 31 Jan 22 £000's
Fixed assets	-	6,675	-	6,675
Current assets	3,631	-	1,687	5,318
Creditors due in less than one year	(3,309)	-	-	(3,309)
Creditors due in more than one year	(14)	-	-	(14)
Secured Bank Loan due in less than one year	-	(59)	-	(59)
Secured Bank Loan due in more than one year	-	(1,441)	-	(1,441)
	<u>308</u>	<u>5,175</u>	<u>1,687</u>	<u>7,170</u>

### 25 RELATED PARTY DISCLOSURES

The company was under the ultimate control of the trustees.

Sir Anthony Greener, trustee of UKSA, is also Chairman of Minton Charity Trust which gave financial assistance to UKSA in the form of donations of £70k in the year (2021/22: £150k).

David Lister MBE, trustee of UKSA, is also a trustee of the Whirlwind Charitable Trust (WCT) which gave financial assistance to UKSA in the form of donations of £nil in the year (2021/22: £150k).

Claire Locke, trustee of UKSA, is also a trustee of Daisy Rich Trust who gave financial assistance to UKSA in the form of donations of £11k in the year (2021/22: £5k).

Donations were received from two trustees totalling £21k (2021/22: three trustees £24k).

### 26 OPERATING LEASES

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

	Vehicles and equipment	
	2022/23 £000's	2021/22 £000's
Less than one year	23	30
Greater than one year and less than five years	29	7
Later than five years	-	-
	<u>52</u>	<u>37</u>

### 27 CAPITAL COMMITMENTS

The charity has capital commitments as at 31 January 2023 for work on two shower blocks of £176k. (31 Jan 2022: £1,751k).



## Notes to the financial statements for the year ended 31 January 2023 (continued)

### 28 COMPARATIVE SOFA FOR THE YEAR ENDED 31ST JANUARY 2022

	Unrestricted Funds £000's	Restricted Funds £000's	TOTAL 2021/22 £000's
INCOME FROM:			
Donations, Legacies and Grants	259	1,086	1,345
Charitable Activities	5,041	-	5,041
Other Trading Activities	135	-	135
Government Support	285	-	285
Investments	4	-	4
Other	7	-	7
Total income	<u>5,731</u>	<u>1,086</u>	<u>6,817</u>
EXPENDITURE ON:			
Raising funds:			
Trading Activities	80	-	80
Expenditure on raising funds	119	-	119
Charitable Activities	5,768	-	5,768
Total expenditure	<u>5,967</u>	<u>-</u>	<u>5,967</u>
Net income/(expenditure)	(236)	1,086	850
Transfers between funds	2,185	(2,185)	-
Net movement in funds	<u>1,949</u>	<u>(1,099)</u>	<u>850</u>
RECONCILIATION OF FUNDS:			
Total funds brought forward	3,534	2,786	6,320
TOTAL FUNDS CARRIED FORWARD	<u><u>5,483</u></u>	<u><u>1,687</u></u>	<u><u>7,170</u></u>