

52231

# The East Coast Mutual Yacht Insurance Association Limited

ESTABLISHED 1897

## COMMITTEE

Mr. G.H. Brown  
Mr. C. Pritchard-Barrett  
Mr. D.J. Freeman  
Mr. M.J. Burke

Mr. P.C. Cotgrove  
Mr. M. Makey  
Mr. M.D. Freeman  
Mr. D.A. Newman

### To the Members:

In this, our centenary year, it is gratifying to be able to report that the Association is in the strongest financial position in its history. The accounts for the year just ended disclose a surplus of £34,498 and a Reserve Fund of £297,527. In 1897 there was a surplus of £4. 7s. 0d, resulting from members' subscriptions totalling £27. 2s. 9d, and in the following year an excess of claims necessitated a further call on members and reduced the Reserve Fund to a meagre 17 shillings!

The successful underwriting in the year to 1st April 1996 and, so far, in the year to 1st April 1997 is due to the very low level of claims, in which fortune may have played a part but which I prefer to attribute mainly to the competence and care displayed by our members in the handling of their boats. This enables your committee to recommend not only that there should be **no increase in premium rates** for the coming year but that a **reduction** be offered to continuing members of 15% of their premium relating to the amount insured with the Association (the first £30,000). In addition, the Association will once again absorb the Insurance Premium Tax notwithstanding the increase from 2.5% to 4% in the rate.

I feel this is an appropriate time to say a few words of appreciation to my colleagues on the committee, including our secretaries. They are, of course, all practical yachtsmen with knowledge of the sea and its dangers. In addition, between them, they bring to our meetings professional expertise in marine and general insurance, the law, naval architecture, boat-building, finance and investment. Peter Cotgrove, having just retired after a successful term as Chairman of the R.Y.A., is a mine of information on yachting matters. Martin Makey generously allows us the use of his boardroom for our meetings. All of this, together with their valuable time, they give freely and willingly to the affairs of the Association. On behalf of the members I thank them all.

At the Annual General Meeting Mr. M.J. Burke, Mr. M.D. Freeman and I retire from the committee by rotation and offer ourselves for re-election.

The auditors, Messrs. Hope Jones continue in office and a resolution to fix their remuneration will be submitted to the meeting.

Yachts normally covered in commission from 1st April will this year be held covered from Maundy Thursday, 27th March, to enable members to enjoy the Easter holiday afloat.

*G.H. Brown*  
G.H. Brown  
Chairman

"Mooring  
East Cowes Road  
East Cowes  
Isle of Wight. PO32 6NH

21st January 1997



# The East Coast Mutual Yacht

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## UNDERWRITING ACCOUNT - YEAR ENDED 31ST DECEMBER 1996

<u>1995</u>				
31,182		<u>Underwriting Year to 1st April, 1996</u>		
		Balance at 31st December, 1995	41,268	
		Less: Claims paid	10,050	
		Provision for Claims notified	6,500	
			<u>16,550</u>	
		Less: Provision brought forward	16,000	
28,315				550
	2,867			40,718
		<u>Underwriting Year to 1st April, 1997</u>		
75,928		Members' Subscriptions	77,873	
14,190		Less: Re-insurance	15,075	
				62,798
61,738				
2,732		Claims paid	16,492	
16,000		Provision for Claims notified	7,500	
41,268		Reserve for further Claims	36,008	
			<u>60,000</u>	
60,000				2,798
	1,738			43,516
	4,605			
		<u>Investment Income</u>		
8,488		Income from Quoted Investments	9,169	
1,967		Untaxed Interest Received	2,508	
				11,677
10,455				835
747		Less: Corporation Tax		10,842
	9,708			54,358
	14,313			
		<u>Administrative Expenses</u>		
884		Printing and Stationery	859	
500		Postage and Telephone	587	
2,000		Retirement Pension	2,000	
13,935		Secretarial and Clerical Salaries	13,721	
829		Accountancy	790	
575		Audit Fee	590	
609		Travel and Sundry	747	
22		Bank Charges and Interest	65	
-		Depreciation	501	
	19,354			19,860
	£ (5,041)	(Deficit) Surplus for the year carried to Reserve Fund		£ 34,498
		<u>Reserve Fund</u>		
214,190		Balance 1st January, 1996	250,862	
(5,041)		(Deficit) Surplus for the year	34,498	
209,149				285,360
		Corporation Tax on Realised Capital Gains	(1,308)	
				284,052
209,149		Increase in Value of Investments	13,475	
41,713				£ 297,527
£ 250,862		Balance 31st December, 1996		

# Insurance Association Limited

(GUARANTEE)

## BALANCE SHEET 31ST DECEMBER 1996

31/12/95

555  
5

303,489  
25,565

329,614

16,000

20,988

497

37,485

292,129

292,130

41,268

£ 250,862

### Current Assets

Debtors 1,322  
Stock -  
Listed Investments at middle market  
value - 31st December, 1996 328,862  
Cash at Bank and in Hand 40,610

370,794

### Less: Current Liabilities

Provision for claims notified  
(payable within one year) 14,000  
Sundry Creditors  
(payable within one year) 22,818  
Corporation Tax -  
Payable - 1st October, 1996 -  
1st October, 1997 1,946

38,764

332,030

### Net Current Assets

### Tangible Fixed Assets

### Cost Depreciation

Office Furniture and Equipment  
as at 1st January, 1996 493 492  
Additions 2,005 501

2,498

993

1,505

333,535

### Total Assets less Current Liabilities

Less: Reserve for further claims

36,008

Net Assets, representing Reserve Fund Balance

£ 297,527

NOTE: If the Investments were sold at the value as at 31st December, 1996  
a Tax liability would arise of approximately £36,400

M. MAKEY

M. J. BURKE

{ Approved by the Committee on  
21st January, 1997

**Auditors' Report to the Members of the East Coast Mutual Yacht Insurance Association Limited.**

We have audited the financial statements which have been prepared under the accounting policies set out overleaf.

### Respective responsibilities of Members of the Committee and Auditors

As described overleaf, the company's committee members are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of Opinion

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

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

**Opinion:** - In our opinion, the financial statements have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to insurance companies.

73 High Street  
Lymington, Hants.

HOPE JONES  
Registered Auditor  
Chartered Accountants  
21st January, 1997.

## Statement of Committee Members' Responsibilities

Company Law requires the Committee members to prepare financial statements for each financial year which comply with the provisions of the Companies Act 1985 applicable to insurance companies. In preparing those financial statements, the Committee members are required to:

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

The Committee members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985 as applicable to insurance companies. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

Signed

The East Coast Mutual  
Yacht Insurance Association  
Limited

## REPORT

AND

## BALANCE SHEET

FOR 1996

Notice is hereby given that the Annual General Meeting will be held on Tuesday 25th March 1997 at 5.30pm at the ROYAL THAMES YACHT CLUB, 60 KNIGHTSBRIDGE, LONDON, SW1X 7LF to:

1. Approve the Accounts
2. Adopt the Report.
3. Elect the Committee.
4. Appoint Auditors and fix their remuneration
5. Approve Secretaries' Remuneration

TONY SAUNDERS  
Secretary

## The East Coast Mutual Yacht Insurance Association Limited (Limited by Guarantee)

Year ended 31st December 1996

### Notes to the Accounts Accounting Policies

#### 1. Accounting Convention

The financial statements have been prepared in accordance with the provisions of Section 255 of, and Schedule 9A to, the Companies Act 1985 applicable to insurance companies. They have also been prepared in accordance with applicable accounting standards and the statement of recommended practice (SORP) issued by the Association of British Insurers, except as stated below.

#### 2. Basis of Accounting

The underwriting year basis of accounting has been used in preparing the financial statements, except that contrary to SORP which states that profit should be deferred until an underwriting year is closed, profit is recognised for open years to the extent that it is considered reasonable, taking into account the year's claims notified by the accounting year end.

All written premiums notified in an accounting period are accounted for in the underwriting account for that period and attributed to the appropriate underwriting year.

Claims paid are attributed to the appropriate underwriting year. A provision is made for the estimated cost of claims outstanding which had been notified before the end of the accounting period and a reserve is made for further possible claims in the underwriting year, up to an amount determined by the company's committee.

#### 3. Depreciation

Depreciation is provided on Office Furniture and Equipment at 25% per annum on a straight line basis.