

Company No. 09138930

Registered Charity No. 1158850

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022



**THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

CONTENTS

	Page
Legal and Administrative Information	1
Trustees Report	2 - 4
Independent Examiners' Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Accounts	8 - 13

**THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

LEGAL AND ADMINISTRATIVE INFORMATION

Company Number	09138930
Registered Charity Number	1158850
Charity Contact Address	Cowes Castle The Parade Cowes Isle of Wight PO31 7QT
Patron	HRH The Duke of Edinburgh
Trustees	Mr Duncan Byatt Mr Alexander Charlton Ms Patricia Kyle Mr Neil McGrigor The Honourable Mrs Diana Nicholson Commodore Richard Powell OBE The Honourable Christopher Sharples Colonel Carron Snagge Mr James Stevens
Bankers	Lloyds Bank 22 St Thomas' Square Newport Isle of Wight PO30 1SQ
Solicitors	Blake Morgan LLP New Kings Court Tollgate, Chandlers Ford Eastleigh, Hampshire SO53 3LG
Independent Examiners and Accountants	Moore (South) LLP 9 St Johns Place Newport Isle of Wight PO30 1LH
Investment Managers	Sarasin & Partners CCLA Investment Service
Governing Instrument	Memorandum and Articles of Association dated 21 July 2014

**THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Constitution

The charity was incorporated on 21 July 2014, as a company limited by guarantee, and registered as a charity with the Charity Commission in England and Wales on 13 October 2014. The accounts are being made up for the year ended 31 December 2022.

The Foundation is governed by its memorandum of association. In the event of an insolvent winding up its members are liable to contribute a sum not exceeding £1.

Objectives of the Charity

The objectives of the charity are to advance the education, and/or promote the development of and/or relieve need in children and young adults living on or as determined by the Trustees having a sufficient connection with the Isle of Wight by such exclusively charitable means as the Trustees think fit particularly (but not exclusively) by promoting and supporting activities and opportunities with a marine connection.

Trustees

The Trustees who served in the year and until the date of approval were:

Mr Jeremy Bennett (resigned 01/01/2023)
Mr Duncan Byatt (Appointed 01/01/2023)
Mr Alexander Charlton (Appointed 01/10/2022)
Ms Patricia Kyle (Appointed 25/11/2022)
Mr Neil McGrigor
The Honourable Diana Nicholson
Mrs Claire Oulton (resigned 01/10/2022)
Commodore Richard Powell OBE
The Honourable Christopher Sharples
Colonel Carron Snagge
Mr James Stevens

The Trustees are also the directors of the charitable company for company law purposes.

Structure, Governance and Management

The Foundation is managed by its Trustees, who have met regularly throughout the year. Trustees training and induction is made available.

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

Achievements and Performance

The Foundation's objective is to provide financial support for young people living on or having a strong connection with the Isle of Wight in order that they may participate in education or acquire vocational skills that they cannot otherwise afford and without which they cannot develop their capabilities, competences and skills which will help their future prospects; support is predominantly aimed towards activities with a maritime connection.

Working closely with educational and other organisations on the Isle of Wight, the Foundation works to encourage young people and provides targeted help to enable them to take up training opportunities which they would otherwise not be able to access. The aim is to help them get access to higher educational and training standards and so gain better quality employment, predominately in the maritime sector. Since 2015 the Foundation has made over 150 grants in the region of £400,000.

During the period to 31st December 2022 £43,638 (2021 £89,301) was committed in Grants to support 19 (2021 – 24) young people. The size of grants ranges from £100 to £8,000. The young people supported come from a wide range of backgrounds and have been helped in a variety of ways including payment of training fees, travel costs, equipment costs and course fees.

The Foundation held a Careers Fair in September 2022 to enable young people on the Isle of Wight to discover the opportunities available to them in the maritime sector. It was attended by about 800 young people, 42 Employers and 6 Workboats and crews. The charity continues to seek grants and donations from RYS members with the objective of creating a £2 million fund.

Future Plans

The intention of the Charity is to hold a networking reception for 100 partners in October 2023, and to continue to make grants to support the charitable objectives.

Financial Review

The Foundation has generated donations received from individuals and Trusts together with their associated Gift Aid totalling £134,919 (2021 - £58,853) in the year. A deficit of £(95,103) (2021 surplus - £334,687) was made for the year mainly due to the fall in value of the Foundation's investments. All bursaries and grants to date have been funded out of donations specifically dedicated for that purpose, although no donations constitute restricted funds.

In line with the Charity's investment policy, funds have been placed with investment managers to generate a return and capital growth.

Public Benefit

In setting our objectives and planning our annual activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

**THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

Reserves Policy

The Foundation is a relatively new charitable organisation and is seeking to generate funds that will help achieve the charitable objectives – specifically a £2 million reserve from which income would support educational grants into the future.

The Trustees will monitor reserves policy in the light of the demands for grants and financial support and also the available fundraising.

Risk Management

The trustees have evaluated and considered the impact of identifiable risks that the Foundation faces, and have policies in place to mitigate these.

Trustees' Responsibilities


The trustees (who are also the directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board of Trustees and signed on its behalf:


.....
Chair of Trustees
Colonel Carron Snagge

Dated:
25 September 2023

**INDEPENDENT EXAMINERS' REPORT
TO THE TRUSTEES OF THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

FOR THE YEAR ENDED 31 DECEMBER 2022

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2022 which are set out on pages 6 to 13.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Moore (South) LLP

Kevin R Cooper BA FCA DChA
For and on behalf of **Moore (South) LLP**

Chartered Accountants
9 St John's Place
Newport
Isle of Wight
PO30 1LH

Dated: *25 September 2023*

**THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Total Unrestricted Funds Year to 31/12/2022	Total Unrestricted Funds 18 Month period to 31/12/2021
	Notes	£	£
INCOME			
Donations and legacies			
Grants and donations	2	134,919	58,853
Investment income		<u>48,517</u>	<u>72,597</u>
TOTAL INCOME		183,436 =====	131,450 =====
EXPENDITURE ON:			
Costs of raising funds	3	-	1,658
Charitable activities	4	<u>50,109</u>	<u>92,616</u>
TOTAL EXPENDITURE		50,109 =====	94,274 =====
Net incoming resources for the year		133,327	37,176
Net realised and unrealised gains on investments		<u>(228,430)</u>	<u>297,511</u>
NET INCOME FOR THE YEAR		(95,103) =====	334,687 =====
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>1,916,126</u> =====	<u>1,581,439</u> =====
Total funds carried forward		1,821,023 =====	1,916,126 =====

The results for the year derive from continuing activities, and there are no gains or losses other than those shown above.

The notes on pages 8 to 13 form an integral part of these accounts

**THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

**BALANCE SHEET
AT 31 DECEMBER 2022**

		2022	2021
	Notes	£	£
FIXED ASSETS			
Investments	6	<u>1,761,853</u>	<u>1,860,283</u>
CURRENT ASSETS			
Debtors	7	7,970	7,450
Cash at bank in hand		<u>71,157</u>	<u>66,207</u>
		79,127	73,657
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(19,957)</u>	<u>(17,814)</u>
NET CURRENT ASSETS		<u>59,170</u>	<u>55,843</u>
TOTAL NET ASSETS		<u>1,821,023</u> =====	<u>1,916,126</u> =====
INCOME FUNDS:			
Unrestricted Funds		<u>1,821,023</u> =====	<u>1,916,126</u> =====

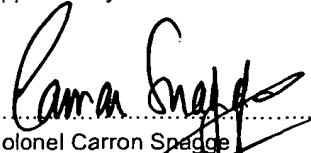
For the financial year in question, the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees and signed on their behalf:


.....

Colonel Carron Snedger

Dated: 25 September 2023

Company Registration Number: 09138930

The notes on pages 8 to 13 form an integral part of these accounts

**THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 Accounting policies

1.01 General information and Basis of accounting

The Company is a registered charity under number 1158850, and is also a company limited by guarantee, registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office, together with the objects of the Charity are given in the charity information on page 1, and Trustees Report on page 2 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. 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 United Kingdom (FRS 102) issued in October 2019, the Charities Act 2011, Companies Act 2006, and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies are consistently applied to all years presented, unless otherwise stated.

The comparative period was an 18-month period following the decision in 2021 to extend the accounting period and to report on calendar years. Consequently, the 2021 income and expenditure figures are not directly comparable.

1.02 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity, and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Endowment funds represent those assets which must be held permanently by the charity. Expendable Endowments permit the Charity to spend the capital sum on suitable capital projects with the permission of the donor. Income arising on the endowment funds can be used in accordance with the objects of the charity and is transferred to the general funds. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the relevant fund.

1.03 Income Recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is entitled to the income, after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

**THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Donated facilities and donated services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income earned from fundraising events to raise funds for the charity are recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares, bonds and cash deposits. It includes dividends and interest. The charity uses investment managers to manage such investments and the management costs are charged to the funds under management.

1.04 Expenditure Recognition

All expenditure is accounted for on an accruals basis, and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes details of the costs in relation to fundraising events, following up donations, and seeking voluntary contributions and donations from supporters, and available sources;
- Expenditure on educational grants includes the committed grants over the duration of the beneficiary's particular course of study, and are provided in full once the decision is made to support that young person's particular course of study; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the charity, but do not directly represent charitable activities and include administrative and governance costs. They are incurred directly in support of expenditure on the objects of the charity.

**THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

1.05 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

1.06 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.07 Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.08 Judgements and key sources of estimation uncertainty

There are no major judgements or assumptions relating to estimates that are required to be disclosed in the preparation of these financial statements.

1.09 Financial assets and liabilities

Financial instruments are recognised in the statements of financial activities when the Charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from assets expire, or when the Charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

**THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. GRANTS AND DONATIONS	Total Year to 31/12/2022 £	Total Period to 31/12/2021 £
Donations from individuals	125,550	45,890
Donations from Charitable Trusts, yacht clubs and other	9,369	11,000
Gift Aid recoverable	<u>-</u>	<u>1,963</u>
	134,919 =====	58,853 =====
3. COST OF RAISING FUNDS	Year to 31/12/2022 £	Period to 31/12/2021 £
Fundraising expenses		
Event costs	-	1,323
Fundraising support costs	<u>-</u>	<u>335</u>
	- ==	1,658 =====
4. DIRECT CHARITABLE EXPENDITURE	Year to 31/12/2022 £	Period to 31/12/2021 £
Total paid to individuals	10,818	15,877
Total paid to registered charities	32,820	60,926
Total paid to local projects – IT equipment in schools	<u>-</u>	<u>12,498</u>
	43,638	89,301
Support		
Grant making support costs	2,047	-
Governance		
Independent examination and accounting	3,588	2,251
Insurance	801	1,029
Other costs	<u>35</u>	<u>35</u>
	50,109 =====	92,616 =====
The purpose of grants made to and on behalf of individuals was to advance the education and development of children and young adults by promoting and supporting training and career development opportunities with a marine connection.		
Of the grants made:	2022 £	2021 £
Total number	19	33
Average value	2,297 =====	2,883 =====

**THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. TRUSTEES AND STAFF EXPENSES

There were no staff members employed by the Foundation earning over £60,000, and no payments made in respect of Senior Management Personnel in either year.

During the year Trustees expenses were £Nil (2021 - £Nil). No payments were made in either year on behalf of the Trustees.

6. FIXED ASSET INVESTMENTS

	2022 £	2021 £
Movement on Investments in the year was as follows:		
Market value at 1 January 2022	1,860,283	1,486,772
Additions	130,000	76,000
Unrealised changes in value of investments	<u>(228,430)</u>	<u>297,511</u>
Market value 31 December 2022	1,761,853	1,860,283
	=====	=====

INVESTMENT PORTFOLIO

	2022 £	2021 £
Sarasin & Partners:		
Listed investments	651,755	757,609
Other	101,278	89,518
Cash and cash equivalents	<u>17,756</u>	<u>33,050</u>
	770,789	880,177
CCLA - COIF charity funds	<u>991,064</u>	<u>980,106</u>
	1,761,853	1,860,283
	=====	=====

No individual holdings in the Sarasin & Partners portfolio constituted more than 5% of the total investments.

**THE ROYAL YACHT SQUADRON
ISLE OF WIGHT FOUNDATION**

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. DEBTORS

	2022	2021
	£	£
Gift Aid recoverable	7,450	7,450
Grants refundable	<u>520</u>	<u>-</u>
	7,970	7,450
	=====	=====

8. CREDITORS

	2022	2021
	£	£
Education grants payable	16,849	15,564
Accruals	<u>3,108</u>	<u>2,250</u>
	19,957	17,814
	=====	=====

9. CONTROLLING PARTY

The Charity is under the control of the Trustees.