

**Company No: 02751595**

**REGISTERED CHARITY  
ENGLAND AND WALES NO. 1019760**

**COWES TOWN WATERFRONT TRUST LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2023**

**COWES TOWN WATERFRONT TRUST LIMITED**

**CONTENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

|   | <u>Pages</u> |
|---|--------------|
| Reference and Administrative Details                | 1            |
| Report of the Trustees and Strategic Report         | 2 - 7        |
| Independent Auditors' Report                        | 8 - 11       |
| Consolidated Statement of Financial Activities      | 12           |
| Consolidated and Charity Balance Sheets             | 13           |
| Consolidated Statement of Cash flows                | 14           |
| Notes to the Accounts including Accounting Policies | 15 - 25      |

## **COWES TOWN WATERFRONT TRUST LIMITED**

### **REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 MARCH 2023**

Cowes Town Waterfront Trust Limited is a company limited by guarantee and a registered charity.

#### **Directors and Trustees**

|                     |                             |
|---------------------|-----------------------------|
| J N Dale (Chairman) |                             |
| M T Elsom           | (Appointed 30 January 2023) |
| M G S Greville      |                             |
| D W Jaggar          | (Resigned 21 November 2022) |
| J T James           | (Appointed 16 May 2022)     |
| C J Lloyd-Jennings  | (Appointed 30 January 2023) |
| A F C Lucas         | (Appointed 30 January 2023) |
| P B Morton          | (Resigned 21 November 2022) |
| R P Owen            |                             |
| J A L Riley         |                             |
| M C Shepherd        | (Appointed 30 January 2023) |

**Charity Number** 1019760

**Company Number** 02751595

**Registered Office** Cowes Yacht Haven  
Vectis Yard  
High Street  
Cowes  
Isle of Wight  
PO31 7BD

**Chief Executive** D Jehan

**Company Secretary** C M Thomas

**Auditors** Moore (South) LLP  
9 St John's Place  
Newport  
Isle of Wight  
PO30 1LH

**Solicitors** Roach Pittis  
60-66 Lugley Street  
Newport  
Isle of Wight  
PO30 5EU

**Bankers** Lloyds Bank Plc  
22 St Thomas' Square  
Newport  
Isle of Wight  
PO30 1SQ

## **COWES TOWN WATERFRONT TRUST LIMITED**

### **REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees, who are also Directors and Members of the Company, present their report together with the financial statements of the Charity for the year to 31 March 2023. This report also includes the requirements of a Directors' Report under Company Law. The Trustees who served during the year and since the year end are as shown on page 1.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to these accounts and comply with the Trust's Memorandum & Articles of Association, the Charities Act 2011, Companies Act 2006, and the provisions of the Statement of Recommended Practice (SORP) "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 published in October 2019.

#### **Objectives and activities**

The charity's objectives are:

1. To promote for the benefit of the inhabitants of Cowes and the Isle of Wight the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the life of the said inhabitants and to advance sailing and water sports in the waters around Cowes, and in furtherance of this Object to provide facilities for mooring and storage of boats for the benefit of the public at large.
2. To promote the culture and heritage of Cowes and support the maritime heritage of the Isle of Wight;
3. To promote the protection and improvement of the environment of Cowes Harbour.

In order to achieve these objectives, the Trust, through its trading subsidiary Cowes Yacht Haven Limited (CYH) manages Cowes Yacht Haven Marina, Boatyard, Event Centre, as well as directly receiving rental income from various investment properties for use to further develop services and achieve outcomes for public benefit.

#### **Structure, governance and management**

The Trust is a Company limited by guarantee, established in 1992, whose governing documents are its Memorandum and Articles of Association, the latter of which was revised on 8 November 2021. The Trustees are appointed by the existing Board of Trustees and the minimum number of Trustees shall be three. One third of the Trustees must retire at each AGM and may be considered for re-appointment. Trustees are individual members of the Company and applications to become a member of the Trust are determined by the Board of Trustees.

The Trust advertises occasionally for new Trustees as well as welcoming letters of interest. New Trustees are appointed following discussion, and with reference to the specific skills required of the Board, including but not limited to commercial, business, property, events and hospitality, legal, marketing, regulatory and financial aspects.

Following the conclusion of an advertising campaign in February 2023 (using a national recruitment agency), four new Trustees were appointed. Their skills ranging from Maritime PR and crisis communications, through HR and employment advice to experience with major international consulting firms and marketing and corporate networking as well as knowledge and top level experience within the hospitality industry.

The Trustees agree the Board's strategy and areas of activity for the Trust, including the approval of the annual budget, for both revenue and capital expenditure. At each meeting of the Board, the latest financial position is reviewed and authorisation as appropriate is given to individual items of capital expenditure, pursuant to the approval of the overall capital programme. Policy decisions on all land and property transactions are also made by the Board of Trustees.



## **COWES TOWN WATERFRONT TRUST LIMITED**

### **REPORT OF THE TRUSTEES AND STRATEGIC REPORT (CONT) FOR THE YEAR ENDED 31 MARCH 2023**

The actual operation of Cowes Yacht Haven (CYH) is the responsibility of the Directors of CYH and the day-to-day management decisions are carried out by that company's Managing Director, Management Team and Staff. The CYH Board, which currently includes two Trustees and the Managing Director, makes recommendations to the Trust on issues of budget and policy for management of CYH, which are then considered and determined by the Trust. The Managing Director of CYH reports regularly to the Trust, and attends meetings of the Trust Board as appropriate to give advice and answer questions.

The total number of staff employed by CYH on a permanent basis is 15, enhanced during peak periods by the employment of part-time seasonal staff.

Throughout the year, joint meetings of the Trust Board and CYH directors take place to consider matters such as the Trust's strategic plan, budget for the forthcoming period and capital development plans. In addition, when required ad-hoc committees may be established, comprising representatives of both companies, designed to consider specific matters referred to them and report their recommendations to the Trust for determination.

The Trustees give due regard to the Charitable Objects and also the Public Benefit guidance issued by the Charity Commission in setting their business plans and strategy.

#### **Charitable gifts**

##### **Youth Sailing – Object 1**

The Trust continued its support of Youth Sailing initiatives and engagement within the sailing fraternity including the Etchells Youth Academy to encourage and promote sailing to younger people.

The Trust's involvement included:

1. Provision of a substantial donation in the form of a discount for the storage and launching / recovery of four Etchells keelboats used by youth, support ribs and other boats.
2. Free of charge storage for a 20ft container and the equivalent area for a client supplied marquee for the use of storage, repairs and briefings.
3. A discount off the cost of a storage container which supported both youth sailing and other sailing and a tent that youth sailors use as a base. In addition, the container is used as a dry repair / dust containment shop in the winter.
4. Provision of additional facilities free of charge including sail drying and folding facilities and meeting rooms (when not booked by any other fee paying client).

##### **Miss Isle / Natasha Lambert charity – Object 1**

The Miss Isle School of Sip & Puff Sailing (MISSPS) provides a unique sailing and training experience.

The school's vision is to offer affordable sailing tuition to young people with physical disabilities who would benefit from using the sip and puff method of controlling a sailing boat.

Both organisations *work together on the* common goal of improving facilities for the disabled onshore and on the water. CYH provide marina and boatyard services for two boats.

##### **Greig's City Academy (GCA) – Object 1**

GCA is a mixed-sex secondary school in the London borough of Haringey; it has around 1,100 pupils on its roll. As well as a busy main school, the Academy includes a thriving Sixth Form with links to The Russell Group and other universities, as well as specialist sports and arts colleges. The Trust supports GCA by providing drysail facilities for a Quarter Ton yacht and an Intro 22 yacht as well as a marina berth for their Rib.

##### **British Powerboat Racing Club (BPRC) – Object 1**

The BPRC organises the annual Cowes-Torquay-Cowes International Powerboat Festival and once again was hosted from Cowes Yacht Haven. This event brings a unique business and profile to the town. Cowes Town Waterfront Trust was pleased to support the cost of berthing for the competitors and the provision of the Events Centre for race briefings and for the prizegiving ceremony.

## **COWES TOWN WATERFRONT TRUST LIMITED**

### **REPORT OF THE TRUSTEES AND STRATEGIC REPORT (CONT) FOR THE YEAR ENDED 31 MARCH 2023**

#### **Isle of Wight Sports Foundation Awards – Object 1**

The IOW Sports Foundation charity provides grants to organisations or individuals to enable them to promote greater participation in sport and physical activity. It gives information and advice, promotes sport and physical activity on the Isle of Wight, works for the maintenance and expansion of sporting facilities on the Isle of Wight and carries out research and co-operates with other bodies in promoting its aims. CTWT supported the awards ceremony by sponsoring one of the award categories.

#### **Isle of Wight Ladies Football Team – Object 1**

The International Island Games Association (IIGA) is made up of 23 Member Islands whose representatives come together every 2 years to compete in friendly competition in up to 14 sports. The IOW Ladies Football team approached CTWT for financial assistance with the cost of getting their team to Guernsey in June 2023. The IOW is a founding member of the IIGA and CTWT sponsored the travel costs of 1 team member.

#### **The Classic Boat Museum – East Cowes – Object 2**

The Classic Boat Museum, based in East Cowes sought support from local businesses as part of the Uffa Fox 50 year anniversary. Uffa Fox was an Isle of Wight boat designer responsible for a number of designs still in popular use today. Uffa was born and raised in East Cowes and regularly raced in Cowes Week with Prince Philip, Duke of Edinburgh. CTWT made a donation towards the cost of the exhibition celebrating his life and the impact he had on East Cowes, Cowes and sailing as a whole.

#### **The Association of Sail Training Organisations (ASTO) – Object 1**

On their website, ASTO's mission is to "*promote Sail Training in the UK and to support the Sail Training Industry*".

The Trust helped ASTO by paying for the CYH Events Centre venue hire fee and providing 50% off the cost of berthing for their fleet whilst staying at CYH for their annual Small Ships Race weekend.

#### **DECADEANCE – Object 1**

This 'decades of dance' music event raises funds for the local IOW Hospice. The Trust supported the event by covering the CYH Events Centre venue hire fee as a direct donation to the IOW Hospice.

The value of all of the gifts (in cash and *in specie*) for the above activities totals £35,383 (2022 £30,938).

#### **COVID-19**

The COVID-19 outbreak that commenced in March 2020 had a significant impact on the business of the Trust's subsidiary CYH. With the removal of all Covid restrictions the business saw a return of regular customers and businesses. The 2022 high season returned to almost normal levels, of the number of regattas and rallies that had previously visited the marina, albeit with a reduced number of guests within each event.

The CYH Marina team continue to accept bookings for rallies and regattas and the Trustees are confident of a busy year ahead.

The Boards of both entities are committed to continuing to work closely together, considering the introduction of new and modifying existing strategies to develop and protect the business as well as supporting employees and customers of CYH and continuing to meet the objectives of the Trust.

#### **Financial review**

The Group achieved a surplus of £283,481 (2022 £54,951) in what were improving trading conditions. The Charity's 98% owned trading subsidiary, CYH Ltd, delivered an operating surplus for the year of £249,689 (2022 £231,131) before making a donation to the Trust of £250,000 - (2022 £71,665). The Charity licences CYH to manage its marina and boatyard assets in the centre of Cowes. The licence fee paid was £260,000 (2022 £240,000).

The unrestricted funds at 31 March 2023 were £4,990,881 (2022 £4,709,311). At a consolidated level, available funds increased to £4,993,875 (2022 £4,710,388).

The Charity understands the importance of maintaining the facilities offered at a level that matches or exceeds any other major regatta venue (worldwide) and has resumed its capital investment programme in furtherance of that target.

## **COWES TOWN WATERFRONT TRUST LIMITED**

### **REPORT OF THE TRUSTEES AND STRATEGIC REPORT (CONT) FOR THE YEAR ENDED 31 MARCH 2023**

#### **Reserves**

The Trustees consider that the nature of the Trust and its subsidiary Company's operations means that it is appropriate for it to hold free reserves of at least one year's expenditure for both the Charity and its trading subsidiary.

The Trust has free reserves of £262,447 (2022 £303,256) plus a further £1,774,000 (2022 £1,774,000) funds in investment properties forming part of the site at Cowes, within the total funds of £4,993,875 (2022 £4,710,388).

The Trustees will continue to work to increase the level of free reserves, and consider that the Trust's assets are sufficient to enable it to support CYH's continuing capital expenditure and marina enhancement programme, as well as fulfil its charitable obligations for the foreseeable future.

#### **Risk management**

The Trustees have updated their work on the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Trust and are satisfied that systems are in place to manage any exposure to the major risks.

With the effects of COVID-19 now past, the principal risk for CYH is that of being a seasonal business heavily dependent upon favourable weather conditions. Prolonged periods of adverse conditions do have a material impact upon income.

Prevailing economic conditions within the sailing industry, and markets that the Trust used to rely upon for corporate sponsorship of events, have been in decline over several years. CYH has benefitted from having a diverse range of services which has allowed it to spread risk and, while demand for certain services has reduced, the Trust has been able to adapt and generate growth in other areas of the business.

#### **Tributes**

The Trustees are most grateful for the hard work and diligence of the CYH staff, who more often than not are the first point of contact that a customer has with the business. Their role is vital to repeat business and their contact with the customer may create business enquiries in other departments.

The Trust and CYH benefit in many ways from the skills and advice of the Trustees and the non-executive CYH directors who spend a considerable amount of time advising on the activities of both the Trust and CYH. The Trust is grateful for their advice and commitment for which they receive no remuneration.

In November Mr David Jaggar and Mr Peter Morton resigned as Trustees / Directors of the company. The Chairman thanked them both for their valuable advice and guidance. Mr Jaggar had given over 20 years of service to the company in addition to some years on the Cowes Yacht Haven Ltd board of directors. Mr Morton had spent over 5 years on the CTWT board and additional years on the CYH board.

Mrs P Lewington also resigned her post on the CYH board after 5 years service. She was thanked for all her hard work and diligence whilst on the board.

## **COWES TOWN WATERFRONT TRUST LIMITED**

### **REPORT OF THE TRUSTEES AND STRATEGIC REPORT (CONT) FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees are very aware of their responsibilities to protect and care for the environment, especially the quality of the water via which the majority of customers arrive and spend their leisure time.

CYH has already installed a collecting system for the gathering of paint and particles removed from the under sides of boats when they are washed off. These collected particles are prevented from reaching the sea and are taken away and disposed of with non recycling waste.

Waste and recycling signage around the site has been improved to better guide customers to the recycling locations and to educate customers to separate their recycling into the correct bins.

CYH plans to *continue to*:

- Investigate whether onsite machinery and plant could operate using plant derived biofuels.
- Reducing water usage / wastage.
- Improvements to waste recycling for customers, property owners and staff.
- Encourage boat owners using CYH facilities not to use soft anti-fouling paint.
- Having joined the Royal Yachting Association's Green Blue initiative, (whose mission is to promote a sustainable leisure marine sector in the UK) improving CYH's impact on the environment and advising others of best practice.
- Join the Gold Anchor scheme run by The Yacht Harbour Association to maintain high standards of quality and service delivery for customers.

#### **Statement of Trustees' responsibilities**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under Company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the net incoming / outgoing resources 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 FRS 102 and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 and the provisions of the charitable company's constitution. 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**COWES TOWN WATERFRONT TRUST LIMITED**

**REPORT OF THE TRUSTEES AND STRATEGIC REPORT (CONT)  
FOR THE YEAR ENDED 31 MARCH 2023**

**Statement as to Disclosure of Information to Auditors**

The following statements have been affirmed by each of the Trustees of the charitable company:

- so far as each Trustee is aware, there is no relevant audit information, (that is information needed by the company's auditors in connection with preparing their report), of which the company's auditors are unaware; and
- each Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

Moore (South) LLP has indicated its willingness to be reappointed as statutory auditor and a resolution to re-appoint them as auditors will be proposed at the next Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP).

Approved by the Trustees and signed on their behalf by:

J N Dale  
Chairman



Dated:

16/10/23

## **COWES TOWN WATERFRONT TRUST LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COWES TOWN WATERFRONT TRUST LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

#### **Opinion**

We have audited the consolidated financial statements of Cowes Town Waterfront Trust Limited (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31st March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable parent company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the charitable parent company in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 trustees' 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 group's and charitable parent company'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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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.

## **COWES TOWN WATERFRONT TRUST LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COWES TOWN WATERFRONT TRUST LIMITED (CONT) FOR THE YEAR ENDED 31 MARCH 2023**

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

In the light of the knowledge and understanding of the group and the charitable parent company and their environment obtained in the course of the audit, we have not identified material misstatements in Directors' Report, included in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's financial statements are not in agreement with the accounting records; 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; or
- the Trustees were not entitled to prepare the consolidated financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirements to prepare a Strategic Report.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees, who are also the directors of the charitable parent 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the trustees are responsible for assessing the groups and charitable parent 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 group and parent charitable company or to cease operations, or have no realistic alternative but to do so.



## **COWES TOWN WATERFRONT TRUST LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COWES TOWN WATERFRONT TRUST LIMITED (CONT) FOR THE YEAR ENDED 31 MARCH 2023**

#### **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 consolidated financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company and the group.

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Revenue recognition was also identified as part of our audit planning as a significant risk to the audit. Although the processing and recording of transactions is straight forward, there is the risk that revenue might not be recognised within the correct accounting period.
- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and we considered the most significant to be the Companies Act 2006, the Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.



**COWES TOWN WATERFRONT TRUST LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COWES TOWN WATERFRONT TRUST LIMITED (CONT)  
FOR THE YEAR ENDED 31 MARCH 2023**

- The consolidated financial statements of the group incorporate the results of the subsidiary company. Moore (South) LLP are auditors to the whole group and the same approach has been adopted to the subsidiary company as is appropriate to that entity.

In response to the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed transactions with related parties, in particular the management charges and transactions with group entities; and
- reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation.

In response to the risk of incorrect recognition of income we:

- performed a proof in total of rental income received in the period, agreeing the amounts due to contracts and where appropriate the amount of income deferred;
- performed analytical procedures including comparing revenue received to the prior period and to budgets;
- vouched a sample of berthing fee and dry sail revenue transactions from source documentation to the accounting records; and
- tested berthing fee income cut off by agreeing a sample of deferred income calculations to supporting customer agreements.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**Use of our report**

This report is made solely to the charitable parent 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 parent 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 parent company and the charitable parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
Sue Lucas - Senior Statutory Auditor  
for and on behalf of Moore (South) LLP

Chartered Accountants  
Statutory Auditor

Dated 18/10/23

9 St Johns Place  
Newport  
Isle of Wight  
PO30 1LH

**COWES TOWN WATERFRONT TRUST LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2023**

|  | <u>Note</u> | <b>Unrestricted<br/>Funds<br/>2023<br/>£</b> | <b>Restricted<br/>Funds<br/>2023<br/>£</b> | <b>Total<br/>Funds<br/>2023<br/>£</b> | <b>Total<br/>Funds<br/>2022<br/>£</b> |
|--|-------------|--|--|---------------------------------------|---------------------------------------|
| <b>Income and Endowments from:</b>                         |             |  |  |                                       |                                       |
| Donations and legacies                                     |             | 186  | 6,000                                      | 6,186                                 | 117                                   |
| Investment income  | 1           | 242,233                                      | -  | 242,233                               | 232,755                               |
| Other trading activities                                   | 2           | <u>1,678,896</u>                             | -  | <u>1,678,896</u>                      | <u>1,432,880</u>                      |
| <b>Total income</b>  |             | <u>1,921,315</u>                             | <u>6,000</u>                               | <u>1,927,315</u>                      | <u>1,665,752</u>                      |
| <b>Expenditure on:</b>                                     |             |  |  |                                       |                                       |
| Charitable activities                                      | 4           | 459,102                                      | -  | 459,102                               | 437,525                               |
| Other trading activities                                   | 5           | <u>1,184,732</u>                             | -  | <u>1,184,732</u>                      | <u>968,063</u>                        |
| <b>Total expenditure</b>                                   |             | <u>1,643,834</u>                             | -  | <u>1,643,834</u>                      | <u>1,405,588</u>                      |
| <b>Net income</b>  |             | 277,481                                      | 6,000                                      | 283,481                               | 260,164                               |
| Transfer between funds                                     |             | <u>3,792</u>                                 | <u>(3,792)</u>                             | -                                     | -                                     |
|  |             | 281,273                                      | 2,208                                      | 283,481                               | -                                     |
| <b>Other recognised gains and losses</b>                   |             |  |  |                                       |                                       |
| Gains and losses on the revaluation of fixed assets        |             | -  | -  | -                                     | (205,213)                             |
| <b>Net movement in funds before minority interest</b>      |             | 281,273                                      | 2,208                                      | 283,481                               | 54,951                                |
| Non controlling interest                                   |             | <u>6</u>                                     | -  | <u>6</u>                              | <u>(3,095)</u>                        |
| <b>Net movement in funds and net income for the period</b> |             | 281,279                                      | 2,208                                      | 283,487                               | 51,856                                |
| <b>Fund balances brought forward at 1 April 2022</b>       |             | <u>4,710,388</u>                             | -  | <u>4,710,388</u>                      | <u>4,658,532</u>                      |
| <b>Fund balances carried forward At 31 March 2023</b>      |             | <u>4,991,667</u><br>=====                    | <u>2,208</u><br>=====                      | <u>4,993,875</u><br>=====             | <u>4,710,388</u><br>=====             |

The accompanying accounting policies and notes form an integral part of these financial statements.


All operations of the Trust and its subsidiary are classified as continuing.

The individual results of the Charity alone are included in the notes to these accounts and are not presented as a primary statement in accordance with s408 Companies Act 2006. All funds in the comparative period represented unrestricted funds and therefore no comparative statement of Financial Activities is presented with these financial statements.

**COWES TOWN WATERFRONT TRUST LIMITED**  
**CONSOLIDATED AND CHARITY BALANCE SHEET**  
**AS AT 31 MARCH 2023**

|  |             | Group<br>2023<br>£ | Group<br>2022<br>£ | Charity<br>2023<br>£ | Charity<br>2022<br>£ |
|--|-------------|--------------------|--------------------|----------------------|----------------------|
|  | <b>Note</b> |                    |                    |                      |                      |
| <b>Fixed assets</b>  |             |                    |                    |                      |                      |
| Tangible assets  | 9           | 3,717,665          | 3,460,000          | 3,717,665            | 3,460,000            |
| Investment properties  | 10          | 2,150,000          | 2,150,000          | 2,150,000            | 2,150,000            |
| Investments  | 11          | -                  | -                  | 98                   | 98                   |
|  |             | <u>5,867,665</u>   | <u>5,610,000</u>   | <u>5,867,763</u>     | <u>5,610,098</u>     |
| <b>Current assets</b>  |             |                    |                    |                      |                      |
| Debtors  | 12          | 387,952            | 384,502            | 48,708               | 71,889               |
| Cash at bank and in hand                                       |             | <u>868,375</u>     | <u>842,841</u>     | <u>407,649</u>       | <u>367,575</u>       |
|  |             | 1,256,327          | 1,227,343          | 456,357              | 439,464              |
| <b>Creditors: amounts falling due within one year</b>          | 13          | <u>(993,880)</u>   | <u>(924,087)</u>   | <u>(194,780)</u>     | <u>(137,383)</u>     |
| <b>Net current assets</b>                                      |             | <u>262,447</u>     | <u>303,256</u>     | <u>261,577</u>       | <u>302,081</u>       |
| <b>Total assets less current assets</b>                        |             | 6,130,112          | 5,913,256          | 6,129,340            | 5,912,179            |
| <b>Creditors: amounts falling due after more than one year</b> | 14          | <u>(1,136,237)</u> | <u>(1,202,868)</u> | <u>(1,136,237)</u>   | <u>(1,202,868)</u>   |
|  |             | <u>4,993,875</u>   | <u>4,710,388</u>   | <u>4,993,103</u>     | <u>4,709,311</u>     |
|  |             | =====              | =====              | =====                | =====                |
| <b>Funds</b>   |             |                    |                    |                      |                      |
| Restricted funds   | 15          | 2,208              | -                  | 2,208                | -                    |
| Unrestricted funds   | 16          | 4,990,881          | 4,709,311          | 4,990,895            | 4,709,311            |
| Trading funds  |             | <u>786</u>         | <u>1,077</u>       | -                    | -                    |
|  |             | <u>4,993,875</u>   | <u>4,710,388</u>   | <u>4,993,103</u>     | <u>4,709,311</u>     |
|  |             | =====              | =====              | =====                | =====                |

The financial statements were approved by the Trustees on:



J N Dale – Chairman

Date:

16/10/23

Charity Number: 1019760

Company Number: 02751595

The accompanying accounting policies and notes form an integral part of these financial statements.

**COWES TOWN WATERFRONT TRUST LIMITED**

**CONSOLIDATED STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 MARCH 2023**

|  | <b>Note</b> | <b>Group<br/>2023<br/>£</b> | <b>Group<br/>2022<br/>£</b> |
|--|-------------|-----------------------------|-----------------------------|
| <b>Cashflow from operating activities</b>        |             |                             |                             |
| Net cashflow from operations                     | See below   | <u>500,200</u>              | <u>362,574</u>              |
| <b>Total cashflow from operating activities</b>  |             | <u>500,200</u>              | <u>362,574</u>              |
| <b>Cashflow from investing activities</b>        |             |                             |                             |
| Payments to acquire fixed assets                 |             | (411,775)                   | (135,766)                   |
| Interest received                                |             | <u>-</u>                    | <u>2</u>                    |
| <b>Total cashflow on Investing activities</b>    |             | (411,775)                   | (135,764)                   |
| <b>Cash from financing activities</b>            |             |                             |                             |
| Bank loan repayments                             |             | <u>(62,891)</u>             | <u>(60,828)</u>             |
| <b>Total cashflow on financing activities</b>    |             | (62,891)                    | (60,828)                    |
| <b>Net increase in cash and cash equivalents</b> |             | 25,534                      | 165,982                     |
| Cash and cash equivalents at 1 April 2022        |             | 842,841                     | 676,859                     |
| Cash and cash equivalents at 31 March 2023       |             | <u>868,375</u>              | <u>842,841</u>              |
|  |             | =====                       | =====                       |
| <b>Cash and cash equivalents consist of:</b>     |             |                             |                             |
| Cash at bank and in hand                         |             | <u>868,375</u>              | <u>842,841</u>              |
| Cash and cash equivalent at 31 March 2023        |             | <u>868,375</u>              | <u>842,841</u>              |
|  |             | =====                       | =====                       |

**RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|   | <b>Group<br/>2023<br/>£</b> | <b>Group<br/>2022<br/>£</b> |
|---|-----------------------------|-----------------------------|
| Net income resources                      | 283,487                     | 51,856                      |
| Depreciation charges                      | 154,110                     | 173,290                     |
| (Increase)/Decrease in debtors            | (3,450)                     | 114,648                     |
| Increase/(Decrease) in creditors          | 66,053                      | (182,431)                   |
| Interest received                         | -                           | (2)                         |
| Loss on revaluation of assets             | <u>-</u>                    | <u>205,213</u>              |
| Net cash inflow/(outflow) from operations | <u>500,200</u>              | <u>362,574</u>              |
|   | =====                       | =====                       |

**ANALYSIS OF CHANGES IN NET DEBT**

|                            | <b>At<br/>1/4/2022<br/>£</b> | <b>Cashflows</b> | <b>At<br/>31/3/2023<br/>£</b> |
|----------------------------|------------------------------|------------------|-------------------------------|
| <b>Long term borrowing</b> |                              |                  |                               |
| Bank loan                  | (512,536)                    | 62,891           | (449,645)                     |
| Property finance lease     | <u>(750,000)</u>             | <u>-</u>         | <u>(750,000)</u>              |
| <b>Total liabilities</b>   | <u>(1,262,536)</u>           | <u>62,891</u>    | <u>(1,199,645)</u>            |
| Bank and cash balances     | <u>842,841</u>               | <u>25,534</u>    | <u>868,375</u>                |
| <b>Total net debt</b>      | <u>(419,695)</u>             | <u>88,425</u>    | <u>(331,270)</u>              |
|                            | =====                        | =====            | =====                         |

## **COWES TOWN WATERFRONT TRUST LIMITED**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **ACCOUNTING POLICIES**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

##### **General Information and Basis of Accounting**

Cowes Town Waterfront Trust Limited is a charitable 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 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 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.

##### **Going Concern**

The Trustees have evaluated the net assets and reserves of CTWT, taking into account the need for ongoing investment in the CTWT properties, which going forward will be funded from growth and monies raised as a result of reviewing processes and becoming more efficient together with lessons learned from COVID-19 times. Consequently, the Trustees are confident that sufficient reserves are available for the Trust to continue to trade.

The Trustees are optimistic about the future and the way the Trust and its subsidiary are working together and are aware of the recent challenge presented by COVID-19 and the need to be proactive and responsive to changes in both customer behaviours and requirements. The Charity's finances will continue to be reviewed regularly and forecasts amended accordingly, giving the Trustees confidence that the Charity and its trading subsidiary have adequate resources and cash flow to continue in operational existence for the foreseeable future. Therefore, the Trustees believe it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Basis of Consolidation**

The group financial statements consolidate those of the Charity and of its subsidiary undertaking (see note 3) drawn up to 31 March 2023. The results of the Charity's trading subsidiary, Cowes Yacht Haven Limited have been consolidated on a line by line basis.

##### **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. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

## **COWES TOWN WATERFRONT TRUST LIMITED**

### **NOTES TO THE ACCOUNTS (CONT) FOR THE YEAR ENDED 31 MARCH 2023**

#### **Income Recognition Policies**

**Donations and Gifts** - All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met. Donations, and any associated income tax recoveries when donated under gift aid, are credited as income when the amounts are received.

**Activities for Generating Funds** - Revenue from activities such as special fund raising events is recognised in the period in which the activity or event occurs.

**Investment and rental income** - Investment income including bank interest is recognised when received. Income from rental income is recognised in accordance with the period of letting, in accordance with individual lease agreements.

**Grants Receivable** - Revenue grants are recognised as incoming resources when the charity is entitled to the funds, their receipt is probable and can be quantified. Grants for which performance criteria are not met, or which are specified to future periods are deferred. Grants for the purchase of fixed assets are initially credited to restricted incoming resources as with revenue grants. On completion of the purchase or construction of the fixed asset towards which the grant was receivable, and once the restricted purpose has been fulfilled, the grant is transferred from restricted to unrestricted resources. Government grants for support are recognised as revenue grants.

**Income from berthing and trading activities** - Income is recognised net of VAT and applicable discounts over the period to which the berthing rental applies. Short term berthing fees are recognised on receipt, whereas long term and annual berthing arrangements are deferred over the period to which they relate. Other services income and sale of any goods are recognised immediately.

#### **Expenditure**

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 charitable activities includes management and operation of rental projects on Cowes Waterfront.

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.

#### **Allocation of Support Costs**

The analysis of these costs is included in note 4. Support costs are those which are not directly part of the activity, but which provides support administrative functions.

## **COWES TOWN WATERFRONT TRUST LIMITED**

### **NOTES TO THE ACCOUNTS (CONT) FOR THE YEAR ENDED 31 MARCH 2023**

#### **Tangible assets and depreciation**

Land and buildings are treated as historic assets; the ownership is central to the purpose for which the company was formed. Land and buildings are stated at valuation, net of depreciation, and includes finance costs incurred prior to the asset being brought into use. Other fixed assets are stated at valuation, net of depreciation. Depreciation is calculated on all tangible assets to write down the costs less estimated residual value by annual instalments over their useful economic lives. The periods applicable are:

|                                       |          |               |
|---------------------------------------|----------|---------------|
| Freehold buildings and reclaimed land | 2%       | straight line |
| Dredging                              | 33%      | straight line |
| Plant & Equipment                     | 2% - 25% | straight line |
| Pontoons                              | 3% - 5%  | straight line |

#### **Investment Properties**

Property assets which are held for rental return, and which are let on a commercial basis to fund the charitable activities of the Trust are classified as investment properties. They are valued at market value and have been included at the values taken from the March 2022 valuation report prepared by Vail Williams, Property Consultants. Future valuations will reflect the properties market value at each period end, with reference to their ongoing rental yield and will be included at Trustee valuations, where Trustees believe they have sufficient knowledge to estimate the values. Changes in value will be reflected in unrestricted reserves, and reported annually through the Statement of Financial Activities. Investment properties are not depreciated. Where the properties are included on the long term finance lease, these properties will depreciate in line with the long term net present value of lease payments.

#### **Investments**

Assets held for investment purposes are included at market value. The investment in group trading subsidiaries are reflected at cost.

#### **Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid based on the time apportionments of services received.

#### **Creditors**

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.

#### **Retirement benefits – defined contribution schemes**

The trading company, Cowes Yacht Haven Limited, operates a defined contribution pension scheme for employees. Contributions made to the scheme represents the pension cost charge in the statement of financial activities in the year in which they are payable.

#### **Leased assets**

##### **Finance lease agreements**

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors. The Charitable Company entered into a 125 year lease in 2011 for land and buildings which forms a part of the overall premises operated as part of Cowes Yacht Haven. As this is a long term lease the liability is reflected at an 8% discounted present value of the lease payments, which does not reduce materially during the early years of the agreement. Consequently that liability will not reduce, and the payments reflected as lease rentals in the Statement of Financial Activities.

## **COWES TOWN WATERFRONT TRUST LIMITED**

### **NOTES TO THE ACCOUNTS (CONT) FOR THE YEAR ENDED 31 MARCH 2023**

#### **Taxation**

No corporation tax has been provided in these accounts because the income of the Charity is within the exemption granted by HM Revenue & Customs to the extent that these funds are applied to charitable objects.

#### **Financial assets and liabilities**

The Trust only has financial assets and financial 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.

#### **Judgements and key estimates**

In the application of the Charitable Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The significant estimates in relation to the accounting treatment of the finance lease for land included the discount factor to arrive at fair value.

#### **1. INCOME FROM INVESTMENT ACTIVITIES**

|                          | <b>2023</b>    | <b>2022</b>    |
|--------------------------|----------------|----------------|
|                          | <b>£</b>       | <b>£</b>       |
| Generated from:          |                |                |
| Rental income            | 242,233        | 232,753        |
| Bank interest receivable | <u>-</u>       | <u>2</u>       |
|                          | <b>242,233</b> | <b>232,755</b> |
|                          | <b>=====</b>   | <b>=====</b>   |

#### **2. INCOME FROM OTHER TRADING ACTIVITIES**

|  | <b>2023</b>  | <b>2022</b>  |
|--|--------------|--------------|
|  | <b>£</b>     | <b>£</b>     |
| Berthing, site space and miscellaneous income in the trading subsidiary. | 1,678,896    | 1,432,880    |
|  | <b>=====</b> | <b>=====</b> |



# **COWES TOWN WATERFRONT TRUST LIMITED**

## **NOTES TO THE ACCOUNTS (CONT) FOR THE YEAR ENDED 31 MARCH 2023**

### **3. NET INCOME FROM ACTIVITIES OF SUBSIDIARIES**

The Charity has one subsidiary, Cowes Yacht Haven Limited, which is incorporated in the UK. Cowes Yacht Haven Limited operates Cowes Yacht Haven marina and covenants any taxable profits to Cowes Town Waterfront Trust Limited. Its results are included in these consolidated group accounts. A summary of the subsidiary's trading results is shown below. The net profit adjusted for net inter-company charges of £228,500 (2022 £215,000) is £478,189 (2022 £446,131).

|  | 2023<br>£        | 2022<br>£        |
|--|------------------|------------------|
| Total income                           | 1,678,898        | 1,426,615        |
| Cost of sales                          | <u>(175,374)</u> | <u>(42,342)</u>  |
| Gross profit                           | 1,503,524        | 1,384,273        |
| Government grant                       | -                | 6,267            |
| Operating expenses                     | (1,025,335)      | (944,409)        |
| Marina licence paid to charity         | (260,000)        | (240,000)        |
| Management charge to the charity       | <u>31,500</u>    | <u>25,000</u>    |
| Profit/(Loss) for the financial period | 249,689<br>===== | 231,131<br>===== |

The net assets and liabilities of the active subsidiary are:

|  | 2023<br>£        | 2022<br>£        |
|--|------------------|------------------|
| Current assets                                 | 871,616          | 824,257          |
| Creditors: amounts falling due within one year | <u>(870,730)</u> | <u>(823,060)</u> |
| Total net assets                               | 886<br>===       | 1,197<br>=====   |
| Aggregate of share capital and reserves        | 886<br>===       | 1,197<br>=====   |

### **4. ANALYSIS OF CHARITABLE EXPENDITURE**

|   | 2023<br>£        | 2022<br>£        |
|---|------------------|------------------|
| <b>Charitable activities – property costs</b> |                  |                  |
| Property costs, rates and utilities           | 77,187           | 75,171           |
| Finance and operating lease rentals           | 90,294           | 83,404           |
| Property repairs and upkeep, development      | 26,962           | 7,866            |
| Depreciation                                  | 154,110          | 173,289          |
| Donations                                     | 34,482           | 10,415           |
| Loan interest                                 | 18,349           | 16,780           |
| <b>Support and governance</b>                 |                  |                  |
| Office support cost                           | 28,523           | 40,663           |
| Governance costs audit and non-audit services | <u>29,195</u>    | <u>29,937</u>    |
|   | 459,102<br>===== | 437,525<br>===== |

**COWES TOWN WATERFRONT TRUST LIMITED**

**NOTES TO THE ACCOUNTS (CONT)  
FOR THE YEAR ENDED 31 MARCH 2023**

**5. ANALYSIS OF OTHER TRADING ACTIVITIES**

|   | <b>2023</b>      | <b>2022</b>    |
|---|------------------|----------------|
|   | <b>£</b>         | <b>£</b>       |
| <b>Costs of running the Yacht Haven operation</b> |                  |                |
| Direct cost of marina events                      | 175,374          | 42,342         |
| Overhead costs                                    | <u>1,009,358</u> | <u>925,721</u> |
|   | 1,184,732        | 968,063        |
|   | =====            | =====          |

**6. OTHER COSTS**

|                                       | <b>2023</b>   | <b>2022</b>   |
|---------------------------------------|---------------|---------------|
|                                       | <b>£</b>      | <b>£</b>      |
| The deficit is stated after charging: |               |               |
| Auditors' remuneration:               |               |               |
| Audit services                        | 23,450        | 21,450        |
| Non-audit services                    | 5,745         | 8,487         |
| Depreciation                          | 154,110       | 173,290       |
| Finance lease rentals                 | <u>79,269</u> | <u>71,093</u> |
|                                       | =====         | =====         |

**7. STAFF COSTS**

|   |               |               |
|---|---------------|---------------|
| Employee costs during the period were as follows: | <b>2023</b>   | <b>2022</b>   |
|   | <b>£</b>      | <b>£</b>      |
| Wages and salaries                                | 510,631       | 441,813       |
| Social security costs                             | 46,576        | 37,842        |
| Other pension costs                               | <u>27,590</u> | <u>27,945</u> |
|   | 584,797       | 507,600       |
|   | =====         | =====         |

|  |    |    |
|--|----|----|
| The average number of employees during the period were as follows: | 18 | 18 |
|  | == | == |

The emoluments of higher paid employees fell within the following range:

|                   | <b>2023</b> | <b>2022</b> |
|-------------------|-------------|-------------|
| £60,000 - £70,000 | 1           | -           |

The Charity bore no staff costs during either the current or comparative period. The payment of gross remuneration incurred in the year for Senior Management Personnel was £77,388 (2022 – £71,874).

No Trustee received remuneration or expenses in the period or the comparative period, directly or indirectly, from either the Charity or its trading subsidiary.

# COWES TOWN WATERFRONT TRUST LIMITED

## NOTES TO THE ACCOUNTS (CONT) FOR THE YEAR ENDED 31 MARCH 2023

### 8. SURPLUS/(DEFICIT) OF EXPENDITURE OVER INCOME

The Consolidated Statement of Financial Activities includes the results of the Charity's subsidiary, Cowes Yacht Haven Limited. Details of the results of the trading subsidiary are set out in note 3. The summary financial performance of the Charity alone was:

|   | 2023<br>£        | 2022<br>£        |
|---|------------------|------------------|
| <b>Income</b>                                       |                  |                  |
| Charitable activities                               | 260,000          | 240,000          |
| Income from donations                               | 256,186          | 71,782           |
| Investment income                                   | <u>242,233</u>   | <u>232,755</u>   |
| Total income  | <u>758,419</u>   | <u>544,537</u>   |
| <b>Expenditure</b>                                  |                  |                  |
| Charitable activities                               | <u>474,627</u>   | <u>445,806</u>   |
| Total expenditure                                   | <u>474,627</u>   | <u>445,806</u>   |
| <b>Net income/(expenditure) for the period</b>      | 283,792          | 98,731           |
| Gains and losses on the revaluation of fixed assets | -                | (205,213)        |
|   | <u>283,792</u>   | <u>(104,514)</u> |
| Total funds brought forward on 1 April 2022         | <u>4,709,311</u> | <u>4,813,825</u> |
| Total funds carried forward at 31 March 2023        | <u>4,993,103</u> | <u>4,709,311</u> |

### 9. TANGIBLE FIXED ASSETS

#### Consolidated and Cowes Town Waterfront Trust Limited

|                                  | Freehold<br>Land<br>& building<br>£ | Long<br>Leasehold<br>£ | Plant<br>and<br>Equipment<br>£ | Total<br>£       |
|----------------------------------|-------------------------------------|------------------------|--------------------------------|------------------|
| Cost or valuation:               |                                     |                        |                                |                  |
| At 1 April 2022                  | 2,236,448                           | 390,000                | 1,854,117                      | 4,480,565        |
| Additions                        | -                                   | -                      | 411,775                        | 411,775          |
| At 31 March 2023                 | <u>2,236,448</u>                    | <u>390,000</u>         | <u>2,265,892</u>               | <u>4,892,340</u> |
| Depreciation:                    |                                     |                        |                                |                  |
| At 1 April 2022                  | -                                   | -                      | 1,020,565                      | 1,020,565        |
| Provided in the period           | <u>29,729</u>                       | -                      | <u>124,381</u>                 | <u>154,110</u>   |
| At 31 March 2023                 | <u>29,729</u>                       | -                      | <u>1,144,946</u>               | <u>1,174,675</u> |
| Net book amount at 31 March 2023 | <u>2,206,719</u>                    | <u>390,000</u>         | <u>1,120,946</u>               | <u>3,717,665</u> |
| Net book amount at 31 March 2022 | <u>2,236,448</u>                    | <u>390,000</u>         | <u>833,552</u>                 | <u>3,460,000</u> |

The valuation of assets has been included at a revalued sum following an independent valuation by Vail Williams, Property Consultants in March 2022. Long leasehold property represents a strip of land held on the remaining 114 of 125-year lease. The valuation was followed up with a desk-top review as at March 2023, and since the values were not materially different – no adjustment has been included in these accounts.

# **COWES TOWN WATERFRONT TRUST LIMITED**

## **NOTES TO THE ACCOUNTS (CONT) FOR THE YEAR ENDED 31 MARCH 2023**

### **10. INVESTMENT PROPERTIES**

|                                      | 2023             | 2022             |
|--------------------------------------|------------------|------------------|
|                                      | £                | £                |
| Investment properties                |                  |                  |
| Freehold property                    | 1,774,000        | 2,145,692        |
| Additions                            | -                | 110,763          |
| Revaluation                          | -                | (482,455)        |
|                                      | <u>1,774,000</u> | <u>1,774,000</u> |
| Long leasehold investment properties | 376,000          | 460,000          |
| Revaluation                          | -                | (84,000)         |
|                                      | <u>376,000</u>   | <u>376,000</u>   |
|                                      | <u>2,150,000</u> | <u>2,150,000</u> |
|                                      | =====            | =====            |

The Freehold Investment properties were valued by Vail Williams, Property Consultants in March 2022 on an open market basis. The value above also includes an assessment on the market value of the properties included within the Trust's finance lease, consistent with the rental yields, held on the remaining 114 of a 125 - year lease. Six investment properties with a value of £1,346,000 have been provided as security for the bank loan (2022 six properties with a value of £1,346,000). As with tangible assets, the investment properties were also considered by Vail Williams in a desk-top review as at 31 March 2023, and since these values were not considered materially different to book values, no adjustment has been made in these accounts.

### **11. FIXED ASSET INVESTMENTS – COWES TOWN WATERFRONT TRUST LIMITED**

The Trust owns 98% of the ordinary share capital of Cowes Yacht Haven Limited, a company registered in England and Wales (number 02744819) where principal activity is the operation of Cowes Yacht Haven, and whose registered office address is Vectis Yard, High Street, Cowes, Isle of Wight, PO31 7BD. The minority interest, consisting of 2% of the ordinary share capital of Cowes Yacht Haven Limited is held by the Isle of Wight Council. There are no restrictions placed on the Group's activities by the minority interest.

|   | 2023 | 2022 |
|---|------|------|
|   | £    | £    |
| Unlisted investment in the ordinary Share Capital<br>Of Cowes Yacht Haven Limited | 98   | 98   |
|   | ==   | ==   |

### **12. DEBTORS**

|  | Consolidated   |                | Cowes Town Waterfront<br>Trust Limited |               |
|--|----------------|----------------|--|---------------|
|  | 2023           | 2022           | 2023                                   | 2022          |
|  | £              | £              | £                                      | £             |
| Trade debtors                          | 368,284        | 344,228        | 4,083                                  | -             |
| Other debtors                          | 900            | 22,604         | -                                      | 22,604        |
| Prepayments                            | 18,768         | 17,670         | 13,211                                 | 13,211        |
| Social Security and other taxes        | -              | -              | 31,414                                 | 17,195        |
| Amount due from subsidiary undertaking | -              | -              | -                                      | 18,879        |
|  | <u>387,952</u> | <u>384,502</u> | <u>48,708</u>                          | <u>71,889</u> |
|  | =====          | =====          | =====                                  | =====         |

**COWES TOWN WATERFRONT TRUST LIMITED**

**NOTES TO THE ACCOUNTS (CONT)  
FOR THE YEAR ENDED 31 MARCH 2023**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|  | Consolidated |         | Cowes Town Waterfront<br>Trust Limited |         |
|--|--------------|---------|--|---------|
|  | 2023         | 2022    | 2023                                   | 2022    |
|  | £            | £       | £                                      | £       |
| Trade creditors                                  | 58,272       | 55,524  | 20,416                                 | 171     |
| Social Security and other taxes                  | 48,204       | 67,548  | -                                      | -       |
| Bank Loan  | 63,409       | 59,668  | 63,409                                 | 59,668  |
| Deferred income (see below)                      | 725,379      | 612,434 | 7,917                                  | -       |
| Other creditors and accruals                     | 98,600       | 128,891 | 62,807                                 | 77,544  |
| Profits attributable to non-controlling interest | 16           | 22      | -                                      | -       |
| Amount due to subsidiary undertaking             | -            | -       | 40,231                                 | -       |
|  | 993,880      | 924,087 | 194,780                                | 137,383 |
|  | =====        | =====   | =====                                  | =====   |

Deferred income represented berthing fees and rents received in advance.

|  |           |           |       |       |
|--|-----------|-----------|-------|-------|
| At 1 April 2022                          | 612,434   | 612,837   | -     | -     |
| Amounts released to income in the period | (612,434) | (612,837) | -     | -     |
| Deferred in the period                   | 725,379   | 612,434   | 7,917 | -     |
|  | =====     | =====     | ===== | ===== |
| At 31 March 2023                         | 725,379   | 612,434   | 7,917 | -     |
|  | =====     | =====     | ===== | ===== |

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|   | Consolidated |           | Cowes Town Waterfront<br>Trust Limited |           |
|---|--------------|-----------|--|-----------|
|   | 2023         | 2022      | 2023                                   | 2022      |
|   | £            | £         | £                                      | £         |
| Net present value of future lease obligations | 750,000      | 750,000   | 750,000                                | 750,000   |
| Bank Loan                                     | 386,237      | 452,868   | 386,237                                | 452,868   |
|   | 1,136,237    | 1,202,868 | 1,136,237                              | 1,202,868 |
|   | =====        | =====     | =====                                  | =====     |

The above liability relates to a net present value of the minimum lease payments under a 125-year lease agreement, which has been discounted at 8%. Lease rentals of circa £67,000 per annum are payable for 114 years remaining of the lease. Lease rentals are payable by quarterly instalments, and the capital sum will not diminish in less than five years.

The bank loan is secured on a fixed and floating charge on the Group's assets, and a number of investment properties within Cowes Town Waterfront Trust Limited.

# **COWES TOWN WATERFRONT TRUST LIMITED**

## **NOTES TO THE ACCOUNTS (CONT) FOR THE YEAR ENDED 31 MARCH 2023**

### **15. RESTRICTED FUNDS**

|                          | Balance at<br>01/04/2022<br>£ | Income<br>£ | Expenditure<br>£ | Transfer<br>£ | Balance at<br>31/03/2023 |
|--------------------------|-------------------------------|-------------|------------------|---------------|--------------------------|
| Visual Improvements Fund | -                             | 6,000       | -                | (3,792)       | 2,208                    |
| Total restricted funds   | -                             | 6,000       | -                | (3,792)       | 2,208                    |

The Visual Improvements Fund is restricted within the accounts of the Trust for visible improvements to Cowes Yacht Haven marina and events centre.

The transfer between funds relates to the expenditure of restricted funds on unrestricted fixed assets.

### **16. UNRESTRICTED FUNDS**

#### **Consolidated**

|              | Balance at<br>01/04/2022<br>£ | Income<br>£ | Expenditure<br>£ | Transfer | Non-controlling<br>interest<br>£ | Balance at<br>31/03/2023<br>£ |
|--------------|-------------------------------|-------------|------------------|----------|----------------------------------|-------------------------------|
| General fund | 4,710,388                     | 1,921,315   | (1,643,834)      | 3,792    | 6                                | 4,991,667                     |

#### **Comparative Consolidated**

|              | Balance at<br>01/04/2021<br>£ | Income<br>£ | Expenditure<br>£ | Gains/<br>(losses) | Non-controlling<br>interest<br>£ | Balance at<br>31/03/2022<br>£ |
|--------------|-------------------------------|-------------|------------------|--------------------|----------------------------------|-------------------------------|
| General fund | 4,658,532                     | 1,665,752   | (1,405,588)      | (205,213)          | (3,095)                          | 4,710,388                     |

### **17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>£  |
|---|----------------------------|--------------------------|-------------|
| <b>Consolidated at 31 March 2023</b>                |                            |                          |             |
| Tangible fixed assets                               | 3,717,665                  | -                        | 3,717,665   |
| Investment properties                               | 2,150,000                  | -                        | 2,150,000   |
| Current assets                                      | 1,254,119                  | 2,208                    | 1,256,327   |
| Current liabilities                                 | (993,880)                  | -                        | (993,880)   |
| Non-Current liabilities                             | (1,136,237)                | -                        | (1,136,237) |
|   | 4,991,667                  | 2,208                    | 4,993,875   |
| <b>Cowes Town Waterfront Trust at 31 March 2023</b> |                            |                          |             |
| Tangible fixed assets                               | 3,717,665                  | -                        | 3,717,665   |
| Investments   | 2,150,098                  | -                        | 2,150,098   |
| Current assets                                      | 454,149                    | 2,208                    | 456,357     |
| Current liabilities                                 | (194,780)                  | -                        | (194,780)   |
| Non-Current liabilities                             | (1,136,237)                | -                        | (1,136,237) |
|   | 4,990,895                  | 2,208                    | 4,993,103   |

## COWES TOWN WATERFRONT TRUST LIMITED

### NOTES TO THE ACCOUNTS (CONT) FOR THE YEAR ENDED 31 MARCH 2023

#### 18. PENSIONS

##### Defined contribution scheme

The Trust through its trading subsidiary, operates a defined contribution pension scheme for its employees, and also to meet its obligations of auto-enrolment. The sums in respect of employee and employer contributions are paid to third-party providers and are managed external to the Trust. The contribution payable to the pension funds during the year was £27,590 (2022 £27,945). At the year-end, £nil was payable to the fund (2022 £3,906).

#### 19. RELATED PARTY TRANSACTIONS

During the year the Charity's subsidiary, Cowes Yacht Haven Limited, paid the Charity £260,000 (2022 £240,000) in relation to a Marina licence. During the year, the Charity also paid a management charge to Cowes Yacht Haven Limited amounting to £31,500 (2022 £25,000). The amount due to the subsidiary at 31 March 2023 is shown in note 13 and the amount due from the subsidiary at 31 March 2022 is shown in note 12.

The charity's subsidiary, Cowes Yacht Haven Limited, made a distribution to the charity of £250,000 (2022 £71,665).

Three Trustees, paid for berthing fees, container storage and other marina services at arms length basis to the subsidiary during the year, amounting to:-

|               |  |
|---------------|--|
| Mr P Morton   | £2,531 (2022 £8,335) resigned 21 November 2022 |
| Mr M Greville | £746 (2022 £9,126)                             |

#### 20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

| Group balances                          | 2023<br>£          | 2022<br>£          |
|---|--------------------|--------------------|
| Financial assets at amortised cost      | 1,237,559          | 1,209,673          |
| Financial liabilities at Present Value  | (750,000)          | (750,000)          |
| Financial liabilities at amortised cost | <u>(654,738)</u>   | <u>(764,518)</u>   |
| Net financial liabilities               | (167,179)<br>===== | (304,845)<br>===== |

The Charity's financial assets comprise debtors, cash and bank balances. Financial liabilities include trade creditors, loans, accruals and other creditors, together with the finance lease obligations and long-term bank loans.