THE ISLAND TRUST LIMITED

England & Wales · Charity number 1049722

Details

Other names	THE ISLAND TRUST
Status	Registered
Legal form	Charitable company
Company number	03107339
Registered	1995-10-09
Register	View on the Charity Commission register

Contact

Address	17 Halyards Topsham Exeter EX3 0JU
Phone	01752823007
Email	trustees@theislandtrust.org.uk
Website	www.theislandtrust.org.uk

Activities

Objects: TO PROVIDE AND ASSIST IN THE PROVISION OF FACILITIES FOR RECREATION IN THE INTEREST OF SOCIAL WELFARE AND IN PARTICULAR FOR SAILING TO PERSONS WHO HAVE NEED FOR SUCH FACILITIES BY REASON OF THEIR SOCIAL AND ECONOMIC CIRCUMSTANCES OR THEIR DISABLEMENT OR INFIRMITY WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE OF SUCH PERSONS.

Activities: To provide and assist in the provision of facilities for recreation in the interests of social welfare and in particular facilities for sailing to persons who have need for such facilities by reason of their social and economic circumstances or their disablement or infirmity with the object of improving the conditions of life of such persons.

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Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, Amateur Sport
- **Who:** Children/young People

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£284,147	£393,678	-	-
2023-12-31	£433,721	£787,435	-	-
2022-12-31	£771,831	£634,853	£923,135	2
2021-12-31	£329,440	£505,990	-	-
2020-12-31	£458,383	£352,562	-	-

Trustees

Name	Role	Appointed
CHARTERS JOHN MACDONALD-BROWN		
Christopher Edward Cleaves		2020-02-27
JUDITH MARY LLOYD		2011-10-05
Peter Frederick George French		2025-12-02
SIMON CHARLES LINDSAY DOBSON		2014-10-02
Stephen William Arnold		2018-09-13

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THE ISLAND TRUST LIMITED

England & Wales - Charity number 1049722

Accounts

The Island Trust Limited

(Limited by Guarantee)

Unaudited Annual Report

Year ended 31 December 2024

Company Registration No: 3107339

Charity Registration No: 1049722

The Island Trust Limited
(Limited by Guarantee)

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The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2024

Trustees' Annual Report

The trustees present their annual report and financial statements of the charitable company for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. Objectives and activities for the public benefit

The charity was formed to enable disadvantaged young people to enjoy the benefits of sailing, which are perceived to help with their personal development, confidence and motivation. The charity caters for any type of disadvantaged young person, none of whom could even contemplate sailing without the trust's help. It has supported the following:

- Young people from inner cities and areas of deprivation
- Those suffering financial hardship
- Those with special educational needs, including
    - The visually and hearing impaired
    - Young people with learning difficulties
    - Young people with learning and/or physical disability
- Those with behavioural difficulties

The trustees confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

2. Achievements and performance

2024 was about purpose and partnership for The Island Trust. Following our reluctant decision at the end of the 2023 season to reduce the trust's fleet from three boats to one, we only operated Johanna Lucretia. By trimming our operating costs we successfully ran a full sailing season, providing hundreds of young people with the opportunity of learning to sail, including a large number of returning beneficiaries furthering their Royal Yachting Association (RYA) qualifications. Many of our young sailors come from financially deprived backgrounds, have physical or learning disabilities, while others come from Special Educational Needs schools, community groups or might be home educated and joining us individually.

Our voyages along the beautiful South West coastline included destinations from the Isles of Scilly to Salcombe, Dartmouth and the Isle of Wight.

To support our charitable work we also run adventure sailing weeks and Duke of Edinburgh's Award Gold Residentials during the school holidays for independent young people, which attracts a mix of non-beneficiaries and beneficiaries. Participants take responsibility for all aspects of life on board, from helming and navigation to cooking, keeping the boat clean and tidy, getting the sails up and rowing ashore. We remain committed to our mission to empower and inspire young people through the transformative experience of sailing, gaining not only nautical skills but also confidence, resilience, and unforgettable memories.

At quieter times we welcome adults on board for paid day sails and five night voyages. One such group from a rehabilitation charity joined us for a sailing and wild swimming experience to enjoy the benefits of cold water swimming.

We continued to provide day-voyages as part of our Ocean Discoverability programme benefitting over 100 participants, helping young people from Special Educational Needs schools and day centres across Plymouth, Devon and Cornwall overcome obstacles to accessing the ocean. Many of our disabled beneficiaries are first-timers, having never previously experienced the level of independence that they enjoy on board a boat. Sailing is a great activity for both mind and body, enabling even those who have a disability, or are not used to being active, to face their challenges and have the chance to try something new.

2. Achievements and performance (continued)

The start of October saw us head to one of our favourite events of the season, the annual 'round-the-cans' Small Ships Race in Cowes, Isle of Wight, run by the Association of Sail Training Organisations (ASTO). A tough course for Johanna Lucretia to complete, but such determination was shown by our young crew, leading us to win two awards.

In order to flourish going forward we need additional income streams. We are exploring new commercial ventures that align with our charitable mission to provide supplementary income, alongside plans for fresh funding avenues to create a wider base of supporters.

We would like to extend our heartfelt thanks to our loyal and long-standing supporters. The generosity and commitment of our repeat donors and grant-making organisations remain the cornerstone of our work. Thanks to your support, hundreds of young lives have been positively impacted this year alone.

As we look ahead, we remain focused on our core mission: to offer opportunity, build self-belief, and unlock potential through the experience of sail training.

We are delighted to share the news that 2025 sees the return of Moosk into operation, on which we are offering a number of teenage and adult RYA courses and Duke of Edinburgh's Award Gold Residentials and Expeditions for the under 25s.

Our sincere thanks go to everyone who sailed with us, supported us, or shared in our journey in 2024.

3. Financial Review

Results

The trust's income decreased from £433,721 in 2023 to £284,147 in 2024. In 2023 we held a fundraising dinner in London celebrating our 50th year in operation. Gross income from this event amounted to £88,059. The absence of a similar event in 2024 accounted for a major part of the decrease in income. In addition, the trust and its operating subsidiary, Island (Cutter) Limited, only operated one boat in 2024 rather than three in 2023 and this accounted for the remainder of the decline in income.

In late 2023 the trustees made the painful but necessary decision to reduce the scale of the trust's activities in order to reduce costs. Our two smaller vessels, Pegasus and Moosk, were taken out of service. In the first half of 2025, Pegasus was sold. This has enabled the trust and its operating subsidiary to make substantial cost savings in operations both ashore and afloat.

Our expenditure of £393,678 was significantly lower than in 2023 due to cost savings made through the reduction in the size of our operations. In both 2023 and 2024, expenditure also included a provision against loans made by the trust to its operating subsidiary. These loans financed the purchase and upkeep of the boats. Excluding this provision, which is a non-cash item, the trust recorded a small surplus in income over expenditure in 2024.

Once again, we are also extremely grateful to the Reardon Smith Nautical Trust, The Frank Jackson Foundation, the Association of Sail Training Organisations (ASTO), The Ironmongers' Company and The Sonardyne Foundation for their continued annual support.

4. Investment powers and policy

The investment powers are to invest in the name of the charity such parts of the funds as is felt fit and to direct the sale or transposition of such investments and to expend the proceeds of any such sale in furtherance of the objectives of the charity.

The trust's policy is to manage its investments in a manner that aims to provide a high and growing income, while at the same time protecting the capital from the erosive effect of inflation. The trust's policy is also to achieve this objective by investing in one or more major charitable unit trusts rather than investing the money directly itself.

5. Risk management

The trustees identify and review from time to time the risks to which the charity is materially exposed and the action to be taken to mitigate them. Presently, they are seen as:

- a lack of funds adequate to support the charity's activities.
- an accident to one of the charity's beneficiaries whose costs are not wholly met by insurance and which results in a substantial claim on the charity for negligence and/or breach of contract.

In respect of the former, trustees raise as much money as they are able and have in place safeguards to ensure they do not commit funds in excess of those available.

In respect of the latter, contracts for the provision of tuition are between those being sponsored and our operating subsidiary, Island (Cutter) Limited, and the trust's role is to help fund the costs of its activities without being a party to the contract.

6. Reserves policy

The trust's income is largely unpredictable, both as to timing and quantity, whereas operations by the fleet of the subsidiary, Island (Cutter) Limited, require forward commitments incurring expenditure. The trustees therefore consider it desirable to maintain a general reserve of 6 months' anticipated expenditure. This reserve is deployed in a blend of bank balances.

At 31 December 2024 the trust had free reserves of £213,967 (2023: £288,315). This figure includes loans made to our operating subsidiary Island (Cutter) Limited for the purchase of our boats. In the opinion of the trustees, a more realistic picture of our financial reserves is given by the trust's cash at bank and in hand. This stood at £31,765 at the end of 2024, down from £80,925 at the end of 2023.

7. Plans for future periods

We will endeavour to deliver the trust's core charitable objective, namely to enable disadvantaged young people to enjoy the benefits of sailing, whilst seeking to raise sufficient funds to ensure the financial stability of the whole organisation.

8. Structure, governance and management

Governing document

The company was incorporated on 27 September 1995 and is limited by guarantee, having no share capital. It is a registered charity and is governed by its Memorandum and Articles of Association.

8. Structure, governance and management (continued)

At 31 December 2024 the company had 5 members. In the event of the company being wound up the liability of each member is limited to £10.

Organisation

The Island Trust Limited is administered by a board consisting of at least three trustees and they also serve as directors. The trustees are, in the main, people with professional experience combined with a background of considerable business experience. They currently include people with experience in sailing and people with none, but all sharing a commitment and enthusiasm for bringing the benefits for sail training to young people who because they are disadvantaged in some form or another would otherwise never have the chance to take part.

Appointment of trustees

Trustees are appointed by the members or existing trustees.

Trustee induction and training

Newly appointed trustees are given a full introduction to the background and work of the trust and are provided with all the necessary documents. They are also encouraged to visit Plymouth where sail training takes place and our boats are based, and to meet and listen to the young people who are benefiting from the work of the trust.

Related parties

During 2006 a subsidiary trading company, Island (Cutter) Limited, was set up, its purpose being to build a boat which is now being chartered to organisations including ourselves. Formal loan agreements exist between the charity and the subsidiary.

Key management personnel remuneration

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 10 to the financial statements.

9. Legal and administrative details

Trustees and directors	S C L Dobson (Chairman) S W Arnold C E Cleaves J M Lloyd C J Macdonald-Brown
Independent Examiner	Neil Hitchings FCA Francis Clark LLP Chartered Accountants Centenary House Peninsula Park Rydon Lane EXETER EX2 7XE
Solicitors	TLT LLP One Redcliff Street BRISTOL BS1 6TP
Bankers	Lloyds Bank plc High Street EXETER EX4 3NL
Registered Office	17 Halyards Topsham EXETER EX3 0JU
Registered Number	3107339
Registered Charity Number	1049722

10. Trustees' Responsibilities in Relation to the Financial Statements

The charity trustees (who are also the directors of The Island Trust Limited for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

11. Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Board

S C L Dobson
Trustee

Date 11 August 2025

The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2024

Independent Examiner's Report to the Trustees

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2024.

Responsibilities and basis of report

As the trustees of the Charity (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 Charity 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 charity'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

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

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:

1. accounting records were not kept in respect of the Charity 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.

Signed:

Neil Hitchings FCA
Francis Clark LLP
Chartered Accountants
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date : 14 August 2025

The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2024

Statement of Financial Activities
(incorporating the Income and Expenditure Account)

	Notes	Restricted funds £	Unrestricted funds £	2024 Total funds £	2023 Total funds £
INCOME					
Donations and legacies	4	77,146	66,775	**143,921**	192,484
Income from charitable activities	5	-	40,310	**40,310**	63,046
Income from other trading activities	6	-	-	-	88,059
Investment income	7	**-**	99,916	**99,916**	90,132
Total income		**77,146**	**207,001**	**284,147**	433,721
EXPENDITURE					
Cost of raising funds	8	-	35,020	**35,020**	47,854
Expenditure on charitable activities	8				
Sailing courses for beneficiaries		-	226,893	**226,893**	411,871
Other costs	8	-	131,765	**131,765**	327,710
Total expenditure	8	**-**	**393,678**	**393,678**	787,435
Net Income/(expenditure) for the year		**77,146**	**(186,677)**	**(109,531)**	(353,714)
Transfers between funds	17	(112,285)	112,285	-	-
Net movement in funds		**(35,139)**	**(74,392)**	**(109,531)**	(353,714)
Reconciliation of funds					
Total funds brought forward		280,887	288,534	**569,421**	923,135
Total funds carried forward		**245,748**	**214,142**	**459,890**	569,421

2024

			2024 £	2023 £
Represented by:				
Fixed assets	-	175	**175**	219
Current assets (including debtors over one year)	245,748	291,089	**536,837**	645,672
Liabilities	-	(77,122)	**(77,122)**	(76,470)
	245,748	**214,142**	**459,890**	569,421

2023

			2023 £	2022 £
Represented by:				
Fixed assets	-	219	**219**	273
Current assets (including debtors over one year)	280,887	364,785	**645,672**	930,490
Liabilities	-	(76,470)	**(76,470)**	(7,628)
	280,887	**288,534**	**569,421**	923,135

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Island Trust Limited

(Limited by Guarantee)

31 December 2024

Balance Sheet

	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	11	**174**	218
Investments - unlisted	12	**1**	1
		175	219
Current assets			
Debtors	13	**164,532**	112,291
Debtors due after more than one year	13	**340,540**	452,456
Cash at bank and in hand		**31,765**	80,925
		536,837	645,672
Creditors - Amounts falling due within one year	14	**(77,122)**	(76,470)
Net current assets		**459,715**	569,202
Total assets less current liabilities		**459,890**	569,421
Net assets		**459,890**	569,421
The Funds of the Charity			
Income funds			
Restricted funds	17	**245,748**	280,887
Unrestricted funds	17	**214,142**	288,534
Total charity funds		**459,890**	569,421

The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The trustees acknowledge their responsibilities for:

(i) ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the members of the Board on 11 August 2025 and are signed on their behalf by:

S C L Dobson
Trustee

Registered Company Number: 3107339

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Island Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value, unless otherwise stated in the relevant accounting policy note.

The trustees do not believe that there are material uncertainties in relation to going concern. The smaller scope of our operations following the reduction in the size of our fleet seems to have had the desired effect in reducing costs and improving profitability, whilst the recent sale of the vessel Pegasus has strengthened our balance sheet.

The Island Trust Limited is a company limited by guarantee and therefore has no share capital.

The Charity was incorporated in England and Wales and details of the registered office can be found in the reference and administration section of the trustees' report.

The functional currency of the charity is considered to be pounds sterling because it is the currency of the primary economic environment in which the charitable company operates.

(a) **Group accounts**

Advantage has been taken of the exemption from preparing group accounts on the basis that the group is a small group. Accordingly, the financial statements present information about the charity as a single entity and not about the group.

(b) **Fund accounting**

Funds held by the charity are either:

Restricted funds
These funds represent funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Unrestricted general fund
Unrestricted funds are available to spend on any charitable purpose within the objects of the charity.

(c) **Tangible fixed assets and depreciation**

Tangible fixed assets are included in the accounts at cost and are depreciated over their estimated useful lives at the following rates:

Office equipment	- 20% per annum on the reducing balance basis

(d) **Investments**

Listed investments held as fixed assets are re-valued at market value at the balance sheet date and the unrealised gain or loss taken to the Statement of Financial Activities.

Notes to the financial statements

1 Accounting policies (continued)

(e) **Income**

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

For legacy income, entitlement is taken as the earlier of the date: when the charity becomes aware that probate has been granted; when the estate has been finalised and notification made by the executors that a distribution will be made; or when the distribution is received.

Investment income is recognised on a receivable basis.

Income in respect of contributions towards sailing activities is recognised when the charity is entitled to the funds.

(f) **Expenditure**

Expenditure is included on an accruals basis. Overhead and other costs not directly attributable to particular functional activities are apportioned over the relevant categories on the basis of management estimates of the amount of costs relevant to that activity. The irrecoverable element of VAT is included within the item of expense to which it relates.

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Costs of charitable activities include expenditure associated with the cost of sailing activities and include both the direct costs and support costs relating to those activities.

(g) **Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments which are initially recognised at transaction value. The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Investments;
- Intercompany loan

2 Legal status of the trust

The trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

Notes to the financial statements

3 Subsidiary undertakings

The charity wholly owns the UK subsidiary Island (Cutter) Limited. The subsidiary's principal activity is the hire of boats for transport for in excess of ten people. Trading results for the year ended 31 December 2024, extracted from its accounts, are shown below:

	2024	2023
	£	£
Turnover and other income	**337,575**	578,808
Cost of sales and administration costs	**(369,816)**	(815,870)
Interest payable	**(99,524)**	(90,648)
Profit/(Loss) for the financial year	**(131,765)**	(327,710)

The assets and liabilities of the subsidiary were:

Tangible fixed assets	**502,975**	570,120
Current assets	**39,402**	30,510
Current liabilities	**(187,670)**	(124,008)
Creditors due after more than one year	**(1,280,416)**	(1,270,566)
Aggregate share capital and reserves - deficiency	**(925,709)**	(793,944)

4 Donations and legacies

	2024 Restricted Funds	2024 Unrestricted Funds	2024 Total	2023 Total
	£	£	£	£
Donations	77,146	66,775	**143,921**	192,484
Legacies	-	-	-	-
	77,146	**66,775**	**143,921**	192,484

Of the £143,921 (2023: £192,484) income from donations and legacies in 2024, £77,146 (2023: £105,083) were restricted funds and £66,775 (2023: £87,401) were unrestricted.

5 Income from charitable activities

	2024 Restricted Funds	2024 Unrestricted Funds	2024 Total	2023 Total
	£	£	£	£
Sailing activities	-	40,310	**40,310**	63,046
	-	**40,310**	**40,310**	63,046

The income was wholly for sailing activities, all of which was unrestricted.

Notes to the financial statements

6 Income from other trading activities

	2024 Restricted Funds £	2024 Unrestricted Funds £	2024 Total £	2023 Total £
Fundraising events	-	-	**-**	88,059
	-	**-**	**-**	88,059

All comparative income was unrestricted.

7 Investment income

	2024 Restricted Funds £	2024 Unrestricted Funds £	2024 Total £	2023 Total £
Interest	-	99,916	**99,916**	90,132
	-	**99,916**	**99,916**	90,132

All comparative income was unrestricted.

8 Expenditure

	2024 Restricted Funds £	2024 Unrestricted Funds £	2024 Total £	2023 Total £
Sailing expenses	-	201,925	**201,925**	383,075
Depreciation	-	44	**44**	54
Support costs (Note 8a)	-	59,944	**59,944**	76,596
Other costs – provision against amounts due from subsidiary	-	131,765	**131,765**	327,710
	-	**393,678**	**393,678**	787,435

For the year ended 31 December 2024 expenditure on charitable activities was £226,893 (2023: £411,871) of which £226,893 (2023: £411,871) was unrestricted and £nil (2023: £nil) was restricted. Cost of raising funds of £35,020 (2023: £47,854) was unrestricted.

Notes to the financial statements

8a Allocation of support costs

The Trust allocates its support costs on the basis of usage as shown below:

	2024 Sailing Activities	2024 Costs of raising funds	2024 Total	2023 Total
Support costs	**£**	**£**	**£**	**£**
Wages	15,806	31,412	**47,218**	48,701
Printing, postage and stationery	847	-	**847**	1,189
Running expenses	1,587	-	**1,587**	1,916
Travel and subsistence	724	-	**724**	1,396
Bank charges	159	-	**159**	133
Campaign costs	-	2,000	**2,000**	16,282
Donation collection costs	-	113	**113**	163
Subscriptions	-	141	**141**	195
Fundraising	-	1,320	**1,320**	720
PR & Marketing	448	-	**448**	158
Miscellaneous	-	34	**34**	425
Governance costs:				
Accountancy and legal	5,353	-	**5,353**	5,318
	24,924	**35,020**	**59,944**	76,596

Included in the above are recharged wages relating to one employee used on a part time basis. Costs of generating voluntary income include costs relating to two fundraisers who are engaged on a part time basis.
No employees were paid in excess of £60,000.

9 Taxation

The company is a registered charity and its charitable activities are exempt from corporation tax.

10 Trustees' emoluments and key management personnel

No remuneration was received by the trustees during the year (2023: £nil). Trustee J Lloyd was reimbursed for expenditure totalling £335 (2023: £nil reimbursed expenses). The key management personnel of the trust comprise the trustees.

Notes to the financial statements

11 Fixed assets – tangible

	Fixtures & fittings £	Total £
Cost		
At 1 January 2024	1,822	**1,822**
Disposals	(1,397)	**(1,397)**
At 31 December 2024	**425**	**425**
Depreciation		
At 1 January 2024	1,604	**1,604**
Charge for the year	44	**44**
Eliminated on disposal	(1,397)	**(1,397)**
At 31 December 2024	**251**	**251**
Net book value		
At 31 December 2024	**174**	**174**
At 31 December 2023	218	218

12 Investments

	£
Unlisted investments	
Subsidiary undertaking at cost	
As at 1 January 2024 and 31 December 2024	**1**

The unlisted subsidiary undertaking is Island (Cutter) Limited whose principal activity is the operation of three boats. Its registered office is 17 Halyards, Topsham, Exeter, EX3 0JU. The Island Trust Limited owns 100% of the subsidiary's ordinary shares.

13 Debtors

	2024 £	2023 £
Due within one year:-		
Trade debtors	**162**	244
Prepayments and accrued income	**198**	254
Tax recoverable	**-**	4,323
Accrued Income	**363**	1,000
Amounts owed by subsidiary undertaking	**163,809**	106,470
	164,532	112,291
Due after more than one year:-		
Amounts owed by subsidiary undertaking	**340,540**	452,456
	505,072	564,747

A formal loan agreement exists between the subsidiary and the charity. The amounts due after more than one year are shown net of a provision against recoverability of £925,709 (2023: £793,944).

14 Creditors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade creditors	**917**	120
Trustee Loan	**70,000**	70,000
PAYE and social security	**2,545**	3,038
Accruals and deferred income	**3,660**	3,312
	77,122	76,470

15 Members' liability

The company is limited by guarantee. At 31 December 2024 there were 5 members, whose maximum liability in the event of the company being wound up is £10 each.

16 Control

The company is under the control of its Trustees.

Notes to the financial statements

17 Funds

2024

	1 Jan 2024	Incoming resources	Expenditure	Transfer	31 Dec 2024
	£	£	£	£	£
Restricted funds					
The Frank Jackson Foundation- Capital	247,007	-	-	(25,775)	**221,232**
Sailing courses	9,980	74,146	-	(82,626)	**1,500**
Boat refit costs	-	-	-	-	**-**
Equipment	-	3,000	-	(2,684)	**316**
Peter Harrison Foundation	23,900	-	-	(1,200)	**22,700**
	280,887	77,146	-	(112,285)	**245,748**
Unrestricted funds	288,534	207,001	(393,678)	112,285	**214,142**
Total funds	**569,421**	**284,147**	**(393,678)**	**-**	**459,890**

2023

	1 Jan 2023	Incoming resources	Expenditure	Transfer	31 Dec 2023
	£	£	£	£	£
Restricted funds					
The Frank Jackson Foundation - Capital	272,781	-	-	(25,774)	**247,007**
Sailing courses	18,340	60,083	-	(68,443)	**9,980**
Boat refit costs	22,572	40,000	-	(62,572)	**-**
Equipment	-	5000	-	(5000)	**-**
Peter Harrison Foundation	25,100	-	-	(1,200)	**23,900**
	338,793	105,083	-	(162,989)	**280,887**
Unrestricted funds	584,342	328,638	(787,435)	162,989	**288,534**
Total funds	**923,135**	**433,721**	**(787,435)**	**-**	**569,421**

Restricted funds represent money received by the charity subject to conditions requiring the charity to spend the money on specified purposes.

17 Funds (continued)

Monies received from The Frank Jackson Foundation were specified for the building of a boat. The boat is held as an asset in Island (Cutter) Limited, the charity's subsidiary company. A transfer will be made each year releasing the depreciation on the asset to unrestricted funds.

Monies received from the Peter Harrison Foundation were restricted for the purposes of the new boat purchase, this has therefore been recorded as restricted. The boat is held as an asset in Island (Cutter) Limited, the charity's subsidiary company. A transfer will be made each year releasing the depreciation on the asset to unrestricted funds.

Donor Acknowledgements

Incoming resources in respect of sailing courses include:

TKF Spirit Fund	£11,506 (2023: £5,808)

Other incoming resources include:

The Sonardyne Foundation	£25,000 (2023: £25,000)

18 Related parties

At 31 December 2024, £1,430,058 (2023: £1,352,870) was owed to the parent charity by its subsidiary (before a provision of £925,709). A formal loan agreement exists between the charity and Island (Cutter) Limited. Interest is to be paid on the loan at 2% above the base rate of Lloyds Bank, as varied from time to time. During the year £99,032 (2023: £90,132) has been received.

At 31 December 2024, £70,000 (2023: £70,000) was owed by the charity to the trustees S Dobson and C Macdonald-Brown in an interest free loan with no formal loan agreement.

THE ISLAND TRUST LIMITED

England & Wales - Charity number 1049722

Accounts

The Island Trust Limited

(Limited by Guarantee)

Unaudited Annual Report

Year ended 31 December 2023

Company Registration No: 3107339

Charity Registration No: 1049722

The Island Trust Limited
(Limited by Guarantee)

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The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2023

Trustees' Annual Report

The trustees present their annual report and financial statements of the charitable company for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. Objectives and activities for the public benefit

The charity was formed to enable disadvantaged young people to enjoy the benefits of sailing, which are perceived to help with their personal development, confidence and motivation. The charity caters for any type of disadvantaged young person, none of whom could even contemplate sailing without the Trust's help. It has supported the following:

- Young people from inner cities and areas of deprivation
- Those suffering financial hardship
- Those with special educational needs, including
    - The visually and hearing impaired
    - Young people with learning difficulties
    - Young people with learning and/or physical disability
- Those with behavioural difficulties

The trustees confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

2. Achievements and performance

2023 marked a significant milestone for The Island Trust as we celebrated our 50th Anniversary. In a sailing season in which we enabled 620 young people to take part in inspirational sailing voyages, we celebrated our 50th year at the Royal Thames Yacht Club in London. Led by our trustee Charters Macdonald-Brown, we acknowledged the hard work of our staff and volunteers and thanks to many of our supporters we raised significant funds to support The Island Trust. Gracie Chick, a former beneficiary and now volunteer, spoke at the Dinner and shared her experience of sailing with The Island Trust:

"Sailing has shown me that it is understanding what we're capable of and seeing a future to aspire to that will bring us hope in the first place. It has also shown me that it just takes the right environment to unlock a young person's potential."

Starting in early April 2023, we sailed through to the end of October, our 620 beneficiaries (defined as being aged under 25) learning through sailing and maritime activities with us. Our sailing voyages supported individuals from special schools and community groups and some who joined us independently, all of whom either live in financial deprivation and/or have a physical or learning disability. We successfully ran 28-day voyages as part of our Ocean Discoverability programme, supporting 181 young people from local special schools and community groups such as Pencalenick School, Coombe Pafford School, Next Steps, Cann Bridge School and The Beckly Centre. 52 home-educated young people joined us for voyages across the year, some of these young people are living with a learning disability, high levels of anxiety, poor mental health and eating disorders or behavioural difficulties. Some had never seen the sea before, let alone sailed offshore, so the sense of wellbeing gained from fresh air, exercise, and interaction with others in a marine environment was inspiring and memorable.

During the winter of 2022/2023, Johanna Lucretia underwent an extensive programme of restoration and maintenance, which was extremely costly and depleted our financial reserves. This programme of essential work also meant that we were unable to sail on Johanna Lucretia for nine weeks of the sailing season, which further impacted our financial situation.

2. Achievements and performance (continued)

To safeguard the future of the Trust, our board of trustees, very reluctantly, decided to reduce our fleet from three boats to one. We will continue to operate Johanna Lucretia, a very fine 96ft topsail schooner, which will enable us to take the maximum numbers of beneficiaries while operating with one boat. Our two other boats, Pegasus and Moosk, are currently up for sale.

The trustees, who know our staff and our boats well, made this decision with great sadness but with the Trust's longevity and core charitable objectives at heart. The paramount goal remains to provide disadvantaged young people with the opportunity to widen their horizons and develop their skills and capabilities through the joy and challenges of learning to sail.

The trustees recognise the immense importance of the Trust's supporters and donors to the continuing fulfilment of its charitable objectives and have asked for everyone's continued dedication and assistance during this period of change. Contributions, whether through participation, engagement, or financial assistance, will play a crucial role in shaping the future of The Island Trust.

3. Financial Review

Results

The trust's income decreased from £771,831 in 2022 to £433,721 in 2023. A generous legacy was received in 2022, boosting income in that year. Income in 2023 returned to a more normal level.

Johanna Lucretia, our 96ft topsail schooner that is the flagship of our fleet, required an extensive refit and maintenance programme over the winter of 2022/23. The substantial legacy received in 2022 financed this refit and maintenance programme. Part of the legacy was spent on this in late 2022 with the remainder being spent in early 2023. Expenditure rose by £152,582 as a result.

It is expected that the reduction in the size of our fleet will substantially reduce expenditure in 2024. As ever the Trust has to balance the desire to employ excellent crews and maintain the boats to the highest standards with the need to keep costs under control.

Once again, we are extremely grateful to the Reardon Smith Nautical Trust, The Frank Jackson Foundation, The Sonardyne Foundation, The Ironmongers' Company and The Swire Charitable Trust for their continued annual support for the Trust. We would also like to thank the Association of Sail Training Organisations (ASTO) for their support and partnership across many areas of our operation.

4. Investment powers and policy

The investment powers are to invest in the name of the charity such parts of the funds as is felt fit and to direct the sale or transposition of such investments and to expend the proceeds of any such sale in furtherance of the objectives of the charity.

The Trust's policy is to manage its investments in a manner that aims to provide a high and growing income, while at the same time protecting the capital from the erosive effect of inflation. The Trust's policy is also to achieve this objective by investing in one or more major charitable unit trusts rather than investing the money directly itself.

5. Risk management

The trustees identify and review from time to time the risks to which the charity is materially exposed and the action to be taken to mitigate them. Presently, they are seen as:

- a lack of funds adequate to support the charity's activities.
- an accident to one of the charity's beneficiaries whose costs are not wholly met by insurance and which results in a substantial claim on the charity for negligence and/or breach of contract.

In respect of the former, trustees raise as much money as they are able and have in place safeguards to ensure they do not commit funds in excess of those available.

In respect of the latter, contracts for the provision of tuition are between those being sponsored and our operating subsidiary, Island (Cutter) Ltd, and the Trust's role is to help fund the costs of its activities without being a party to the contract.

6. Reserves policy

The Trust's income is largely unpredictable, both as to timing and quantum, whereas operations by the fleet of the subsidiary, Island (Cutter) Ltd, require forward commitments incurring expenditure. The trustees therefore consider it desirable to maintain a general reserve of 6 month's anticipated expenditure. This reserve is deployed in a blend of bank balances.

At 31 December 2023 the Trust had free reserves of £288,534 (2022: £584,342). This figure includes loans made to our operating subsidiary Island (Cutter) Ltd for the purchase of our boats. In the opinion of the trustees, a more realistic picture of our financial reserves is given by the Trust's cash at bank and in hand. This stood at £80,925 at the end of 2023, down from £339,509 at the end of 2022. The cost of the completion of the refit and maintenance programme for Johanna Lucretia accounted for the reduction in the cash balance. Cash reserves at the end of 2023 stood at less than 6 month's anticipated annual expenditure.

7. Plans for future periods

We will work towards building a sustainable future by rebuilding our reserves to the stated desired level through our fundraising programme.

8. Structure, governance and management

Governing document

The company was incorporated on 27 September 1995 and is limited by guarantee, having no share capital. It is a registered charity and is governed by its Memorandum and Articles of Association.

At 31 December 2023 the company had 5 members. In the event of the company being wound up the liability of each member is limited to £10.

Organisation

The Island Trust Limited is administered by a board consisting of at least three trustees and they also serve as directors. The trustees are, in the main, people with professional experience combined with a background of considerable business experience. They currently include people with experience in sailing and people with none, but all sharing a commitment and enthusiasm for bringing the benefits for sail training to young people who because they are disadvantaged in some form or another would otherwise never have the chance to take part.

8. Structure, governance and management (continued)

Appointment of trustees

Trustees are appointed by the members or existing trustees.

Trustee induction and training

Newly appointed trustees are given a full introduction to the background and work of the Trust, and are provided with all the necessary documents. They are also encouraged to visit Plymouth where sail training takes place and our boats are based, and to meet and listen to the young people who are benefiting from the work of the Trust.

Related parties

During 2006 a subsidiary trading company, Island (Cutter) Limited, was set up, its purpose being to build a boat which is now being chartered to organisations including ourselves. Formal loan agreements exist between the charity and the subsidiary.

Key management personnel remuneration

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 10 to the financial statements.

The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2023

Trustees' Annual Report

9. Legal and administrative details

Trustees and directors	S C L Dobson (Chairman) S W Arnold C E Cleaves J M Lloyd C J Macdonald-Brown
Independent Examiner	Neil Hitchings FCA Francis Clark LLP Chartered Accountants Centenary House Peninsula Park Rydon Lane EXETER EX2 7XE
Solicitors	TLT LLP One Redcliff Street BRISTOL BS1 6TP
Bankers	Lloyds Bank plc High Street EXETER EX4 3NL
Registered Office	17 Halyards Topsham EXETER EX3 0JU
Registered Number	3107339
Registered Charity Number	1049722

10. Trustees' Responsibilities in Relation to the Financial Statements

The charity trustees (who are also the directors of The Island Trust Limited for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

11. Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Board

S C L Dobson
Trustee

30 May 2024
Date

The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2023

Independent Examiner's Report to the Trustees

I report on the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2023.

Responsibilities and basis of report

As the charity's trustees of the Charity (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 Charity 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 charity'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

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

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:

1. accounting records were not kept in respect of the Charity 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.

Signed:

Neil Hitchings FCA
Francis Clark LLP
Chartered Accountants
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date 5 June 2024

The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2023

Statement of Financial Activities
(incorporating the Income and Expenditure Account)

	Notes	Restricted funds £	Unrestricted funds £	2023 Total funds £	2022 Total funds £
INCOME					
Donations and legacies	4	105,083	87,401	**192,484**	686,122
Income from charitable activities	5	-	63,046	**63,046**	43,397
Income from other trading activities	6	-	88,059	**88,059**	8,214
Investment income	7	**-**	90,132	**90,132**	34,098
Total income		**105,083**	**328,638**	**433,721**	771,831
EXPENDITURE					
Cost of raising funds		-	47,854	**18,982**	30,729
Expenditure on charitable activities					
Sailing courses for beneficiaries		-	411,871	**411,871**	324,186
Grants payable		-	-	**-**	47,295
Other costs	8	-	327,710	**327,710**	232,643
Total expenditure	8	**-**	**787,435**	**787,435**	634,853
Net Income/(expenditure) for the year		**105,083**	**(458,797)**	**(353,714)**	136,978
Transfers between funds	17	(162,989)	162,989	-	-
Net movement in funds		**(57,906)**	**(295,808)**	**(353,714)**	136,978
Reconciliation of funds					
Total funds brought forward		338,793	584,342	**923,135**	786,157
Total funds carried forward		**280,887**	**288,534**	**569,421**	923,135

2023

			2023 £	2022 £
Represented by:				
Fixed assets	-	219	**219**	273
Current assets (including debtors over one year)	280,887	364,785	**645,672**	930,490
Liabilities	-	(76,470)	**(76,470)**	(7,628)
	280,887	**288,534**	**569,421**	923,135

2022

			2022 £	2021 £
Represented by:				
Fixed assets	-	273	273	666
Current assets (including debtors over one year)	338,793	591,697	930,490	816,934
Liabilities	-	(7,628)	(7,628)	(31,443)
	338,793	584,342	923,135	786,157

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Island Trust Limited

(Limited by Guarantee)

31 December 2023

Balance Sheet

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	11	**218**	272
Investments - unlisted	12	**1**	1
		219	273
Current assets			
Debtors	13	**112,291**	76,189
Debtors due after more than one year	13	**452,456**	514,792
Cash at bank and in hand		**80,925**	339,509
		645,672	930,490
Creditors - Amounts falling due within one year	14	**(76,470)**	(7,628)
Net current assets		**569,202**	922,862
Total assets less current liabilities		**569,421**	923,135
Net assets		**569,421**	923,135
The Funds of the Charity			
Income funds			
Restricted funds	17	**280,887**	338,793
Unrestricted funds	17	**288,534**	584,342
Total charity funds		**569,421**	923,135

The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The trustees acknowledge their responsibilities for:

(i) ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the members of the Board on 30 May 2024
and are signed on their behalf by:

S C L Dobson
Trustee

Registered Company Number: 3107339

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Island Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value, unless otherwise stated in the relevant accounting policy note.

The Trustees do not believe that there are material uncertainties in relation to going concern. The reduction in the size of the fleet is expected to reduce costs considerably in 2024, bringing expenditure in line with income across the Trust and its subsidiary. The level of cash reserves is adequate in light of expected income from our sailing activities and our fundraising programme.

The Island Trust Limited is a company limited by guarantee and therefore has no share capital.

The Charity was incorporated in England and Wales and details of the registered office can be found in the reference and administration section of the trustees' report.

The functional currency of the charity is considered to be pounds sterling because it is the currency of the primary economic environment in which the charitable company operates.

(a) **Group accounts**

Advantage has been taken of the exemption from preparing group accounts on the basis that the group is a small group. Accordingly, the financial statements present information about the charity as a single entity and not about the group.

(b) **Fund accounting**

Funds held by the charity are either:

Restricted funds
These funds represent funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Unrestricted general fund
Unrestricted funds are available to spend on any charitable purpose.

(c) **Tangible fixed assets and depreciation**

Tangible fixed assets are included in the accounts at cost and are depreciated over their estimated useful lives at the following rates:

Office equipment - 20% per annum on the reducing balance basis

(d) **Investments**

Listed investments held as fixed assets are re-valued at market value at the balance sheet date and the unrealised gain or loss taken to the Statement of Financial Activities.

Notes to the financial statements

1 Accounting policies (continued)

(e) **Income**

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

For legacy income, entitlement is taken as the earlier of the date: when the charity becomes aware that probate has been granted; when the estate has been finalised and notification made by the executors that a distribution will be made; or when the distribution is received.

Investment income is recognised on a receivable basis.

Income in respect of contributions towards sailing activities is recognised when the charity is entitled to the funds.

(f) **Expenditure**

Expenditure is included on an accruals basis. Overhead and other costs not directly attributable to particular functional activities are apportioned over the relevant categories on the basis of management estimates of the amount of costs relevant to that activity. The irrecoverable element of VAT is included within the item of expense to which it relates.

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Costs of charitable activities include expenditure associated with the cost of sailing activities and include both the direct costs and support costs relating to those activities.

(g) **Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments which are initially recognised at transaction value. The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Investments;
- Intercompany loan

2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

Notes to the financial statements

3 Subsidiary undertakings

The charity wholly owns the UK subsidiary Island (Cutter) Limited. The subsidiary's principal activity is the hire of boats for transport for in excess of ten people. Trading results for the year ended 31 December 2023, extracted from its accounts, are shown below:

	2023	2022
	£	£
Turnover and other income	**578,808**	503,585
Cost of sales and administration costs	**(815,870)**	(657,229)
Interest payable	**(90,648)**	(35,031)
Profit/(Loss) for the financial year	**(327,710)**	(188,675)

The assets and liabilities of the subsidiary were:

Tangible fixed assets	**570,120**	652,579
Current assets	**30,510**	69,740
Current liabilities	**(124,008)**	(173,360)
Creditors due after more than one year	**(1,270,566)**	(1,015,193)
Aggregate share capital and reserves - deficiency	**(793,944)**	(466,234)

4 Donations and legacies

	2023 Restricted Funds	2023 Unrestricted Funds	2023 Total	2022 Total
	£	£	£	£
Donations	105,083	87,401	**192,484**	181,639
Legacies	-	-	**-**	504,483
	105,083	**87,401**	**192,484**	686,122

Of the £192,484 (2022: £686,122) income from donations and legacies in 2023, £105,083 (2022: £71,665) were restricted funds and £87,401 (2022: £614,457) were unrestricted.

5 Income from charitable activities

	2023 Restricted Funds	2023 Unrestricted Funds	2023 Total	2022 Total
	£	£	£	£
Sailing activities	-	63,046	**63,046**	43,397
	-	63,046	**63,046**	43,397

The income was wholly for sailing activities, all of which was unrestricted.

Notes to the financial statements

6 Income from other trading activities

	2023 Restricted Funds £	2023 Unrestricted Funds £	2023 Total £	2022 Total £
Fundraising events	-	88,059	**88,059**	8,214
	-	88,059	**88,059**	8,214

7 Investment income

	2023 Restricted Funds £	2023 Unrestricted Funds £	2023 Total £	2022 Total £
Dividends	-	-	**-**	-
Interest	-	90,132	**90,132**	34,098
	-	90,132	**90,132**	34,098

All comparative income was unrestricted.

8 Expenditure

	2023 Restricted Funds £	2023 Unrestricted Funds £	2023 Total £	2022 Total £
Sailing expenses	-	383,075	**383,075**	298,886
Depreciation	-	54	**54**	105
Support costs (Note 8a)	-	76,596	**76,596**	55,924
Grants payable – Covid19 support paid to subsidiary	-	-	**-**	47,295
Other costs – provision against amounts due from subsidiary	-	327,710	**327,710**	232,355
Loss on disposal of fixed asset	-	-	**-**	288
	-	**787,435**	**787,435**	634,853

For the year ended 31 December 2023 expenditure on charitable activities was £441,871 (2022: £371,481) of which £441,871 (2022: £324,186) was unrestricted and £nil (2022: £47,295) was restricted. Cost of raising funds of £47,854 (2022: £30,729) was unrestricted.

Notes to the financial statements

8a Allocation of support costs

The Trust allocates its support costs on the basis of usage as shown below:

	2023 Sailing Activities	2023 Costs of raising funds	2023 Total	2022 Total
Support costs	**£**	**£**	**£**	**£**
Wages	18,632	30,069	**48,701**	43,798
Printing, postage and stationery	1,189	-	**1,189**	1,117
Running expenses	1,916	-	**1,916**	3,153
Travel and subsistence	1,396	-	**1,396**	1,266
Bank charges	133	-	**133**	111
Campaign costs	-	16,282	**16,282**	339
Donation collection costs	-	163	**163**	278
Subscriptions	-	195	**195**	290
Fundraising	-	720	**720**	820
PR & Marketing	158	-	**158**	15
Miscellaneous	-	425	**425**	572
Governance costs:				
Accountancy and legal	5,318	-	**5,318**	4,165
	28,742	**47,854**	**76,596**	55,924

Included in the above are recharged wages relating to one employee used on a part time basis. Costs of generating voluntary income include costs relating to two fundraisers who are engaged on a part time basis.
No employees were paid in excess of £60,000.

9 Taxation

The company is a registered charity and its charitable activities are exempt from corporation tax.

10 Trustees' emoluments and key management personnel

No remuneration was received by the trustees during the year and no trustees were reimbursed for expenditure (2022: £nil reimbursed expenses). The key management personnel of the Trust comprise the trustees.

Notes to the financial statements

11 Fixed assets – tangible

	Fixtures & fittings £	Total £
Cost		
At 1 January 2023	1,822	**1,822**
Disposals	-	-
At 31 December 2023	**1,822**	**1,822**
Depreciation		
At 1 January 2023	1,550	**1,550**
Charge for the year	54	**54**
At 31 December 2023	**1,604**	**1,604**
Net book value		
At 31 December 2023	**218**	**218**
At 31 December 2022	272	272

12 Investments

	£
Unlisted investments	
Subsidiary undertaking at cost	
As at 1 January 2023 and 31 December 2023	**1**

The unlisted subsidiary undertaking is Island (Cutter) Limited whose principal activity is the operation of three boats. Its registered office is 17 Halyards, Topsham, Exeter, EX3 0JU. The Island Trust Limited owns 100% of the subsidiary's ordinary shares.

13 Debtors

	2023 £	2022 £
Due within one year:-		
Trade debtors	**244**	**-**
Prepayments and accrued income	**254**	516
Tax recoverable	**4,323**	2,134
Accrued Income	**1,000**	2,125
Amounts owed by subsidiary undertaking	**106,470**	71,414
	112,291	76,189
Due after more than one year:-		
Amounts owed by subsidiary undertaking	**452,456**	514,792
	564,747	590,981

A formal loan agreement exists between the subsidiary and the charity. The amounts due after more than one year are shown net of a provision against recoverability of £793,944 (2022: £466,234).

Notes to the financial statements

14 Creditors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade creditors	**120**	49
Trustee Loan	**70,000**	-
PAYE and social security	**3,038**	2,559
Accruals and deferred income	**3,312**	5,020
	76,470	7,628

15 Members' liability

The company is limited by guarantee. At 31 December 2023 there were 5 members, whose maximum liability in the event of the company being wound up is £10 each.

16 Control

The company is under the control of its Trustees.

Notes to the financial statements

17 Funds

2023

	1 Jan 2023	Incoming resources	Expenditure	Transfer	31 Dec 2023
	£	£	£	£	£
Restricted funds					
The Frank Jackson Foundation-Capital	272,781	-	-	(25,774)	**247,007**
Sailing courses	18,340	60,083	-	(68,443)	**9,980**
Boat refit costs	22,572	40,000	-	(62,572)	**-**
Equipment	-	5,000		(5,000)	**-**
Peter Harrison Foundation	25,100	-	-	(1,200)	**23,900**
	338,793	105,083	-	(162,989)	**280,887**
Unrestricted funds	584,342	328,638	(787,435)	162,989	**288,534**
Total funds	**923,135**	**433,721**	**(787,435)**	**-**	**569,421**

2022

	1 Jan 2022	Incoming resources	Expenditure	Transfer	31 Dec 2022
	£	£	£	£	£
Restricted funds					
The Frank Jackson Foundation - Capital	298,555	-	-	(25,774)	**272,781**
Sailing courses	61,159	46,590	-	(89,409)	**18,340**
Boat refit costs	-	25,075	-	(2,503)	**22,572**
Peter Harrison Foundation	26,300	-	-	(1,200)	**25,100**
Coronavirus Covid-19 support	55,551	-	(47,295)	(8,256)	**-**
	441,565	71,665	(47,295)	(127,142)	**338,793**
Unrestricted funds	344,592	700,166	(587,558)	127,142	**584,342**
Total funds	**786,157**	**771,831**	**(634,853)**	**-**	**923,135**

Restricted funds represent money received by the charity subject to conditions requiring the charity to spend the money on specified purposes.

Notes to the financial statements

17 Funds (continued)

Monies received from The Frank Jackson Foundation were specified for the building of a boat. The boat is held as an asset in Island (Cutter) Limited, the charity's subsidiary company. A transfer will be made each year releasing the depreciation on the asset to unrestricted funds.

Monies received from the Peter Harrison Foundation were restricted for the purposes of the new boat purchase, this has therefore been recorded as restricted. The boat is held as an asset in Island (Cutter) Limited, the charity's subsidiary company. A transfer will be made each year releasing the depreciation on the asset to unrestricted funds.

Donor Acknowledgements

Incoming resources in respect of sailing courses include:

The Steel Charitable Trust	£7,500
TKF Spirit Fund	£5,808

Incoming resources in respect of the Johanna Lucretia refit and maintenance programme 'Next Step Appeal' include awards from:

The Sonardyne Foundation	£25,000 (2022: £25,000)
The Swire Charitable Trust	£15,000

18 Related parties

At 31 December 2023, £1,352,870 (2022: £1,052,440) was owed to the parent charity by its subsidiary (before a provision of £793,944). A formal loan agreement exists between the charity and the Island (Cutter) Limited. Interest is to be paid on the loan at 2% above the base rate of Lloyds Bank, as varied from time to time. During the year £90,132 (2022: £34,098) has been received.

During the year, Trustees S Dobson and C Macdonald-Brown, each loaned the charity £35,000. The loan is interest free with no formal loan agreement. At 31 December 2023, £70,000 (2022: £nil) was owed to the Trustees by the charity.

THE ISLAND TRUST LIMITED

England & Wales - Charity number 1049722

Accounts

The Island Trust Limited
(Limited by Guarantee)

Unaudited Annual Report

Year ended 31 December 2022

Company Registration No: 3107339

Charity Registration No: 1049722

The Island Trust Limited
(Limited by Guarantee)

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The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2022

Trustees' Annual Report

The trustees present their annual report and financial statements of the charitable company for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. Objectives and activities for the public benefit

The charity was formed to enable disadvantaged young people to enjoy the benefits of sailing, which are perceived to help with their personal development, confidence and motivation. The charity caters for any type of disadvantaged young person, none of whom could even contemplate sailing without the trust's help. It has supported the following:

- Young people from inner cities and areas of deprivation
- Those suffering financial hardship
- Those with special educational needs, including
    - The visually and hearing impaired
    - Young people with learning difficulties
    - Young people with learning and/or physical disability
- Those with behavioural difficulties

The trustees confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

2. Achievements and performance

After two years of restrictions due to the Covid-19 pandemic, we were able to return to normal operations in early April 2022, and we sailed through until mid-October, enabling 566 young people to take part in sailing voyages with us. We had a wonderful sailing season taking young people all along the south coast to Hope Cove, Burgh Island, Portmellon Cove, Gorran Haven, Dartmouth, Weymouth, over to The Isle of Wight to take part in the ASTO (Association of Sail Training Organisations) small ships race, to Gosport and Osborne Bay (in the Solent), to Milford Haven and Pembroke Dock (in Wales) and we even managed our first visit in a while to France, sailing over to Paimpol where Pegasus took part in the Classic Channel Regatta. It was fantastic to be able to resume sailing and take young people on so many sailing adventures this year.

We sailed with many groups in 2022 and Next Steps, a home education group from Cornwall, sailed with us for the first time. They were very keen to take part and benefitted hugely from their days out.

After a one-off visit last year when we discovered the extent of the demands and stress among a group of young carers, who are themselves disabled, we were able to start a programme that allows these carers to come sailing with us regularly.

Several individuals who sailed with us showed a particular interest in learning more about sailing both as a sporting activity and as a possible future career. These young people have been recommended by our skippers to return to sail with us on future voyages both to continue to develop their sailing skills and potentially to join our trainee programme.

The impact of our work has been positive, young people who sailed with us have told us that being on board our traditionally rigged boats and taking part in sailing activities enables them to forget the stresses and worries that they felt in their home lives. They enjoyed learning new skills as they sailed together as a team and took part in physical activities they ordinarily would not have been able to participate in.

2. Achievements and performance (continued)

At nearly 78 years old, our venerable flagship, Johanna Lucretia, needed essential restoration works to ensure her ongoing seaworthiness. She underwent a programme of works over the winter of 2022/23 and was ready to re-commence youth sail training in the spring. The total cost was substantial and funding the work has greatly depleted our funds.

The competition for funding has increased since the pandemic and it has become more difficult to obtain. However, we continue to focus our fundraising efforts to ensure that we can meet our charitable aims. We are long established and in 2023 we are celebrating our 50th Anniversary. To have helped so many disadvantaged young people over the last 50 years is a tremendous achievement. We remain as committed as ever to continuing the work of the trust for many years to come.

3. Financial Review

Results

The trust's income increased from £329,440 in 2021 to £771,831 in 2022. This increase was due to a generous legacy.

Johanna Lucretia, our 96ft topsail schooner that is the flagship of our fleet, required an extensive refit and maintenance programme over the winter. Part of the legacy was spent on this in late 2022 and the rest was earmarked for the remaining works that were completed in early 2023. The result is that the trust has returned to the same financial position that it was in prior to receipt of the legacy although, of course, Johanna Lucretia is now in excellent condition.

Our expenditure rose by £128,863. Part of this increase was due to an increase in the amount expended on sailing courses for beneficiaries and the other part reflected the work done to Johanna Lucretia over the winter of 2022/23. As ever the trust has to balance the desire to employ excellent crews and maintain the boats to the highest standards with the need to keep costs under control.

Once again, we are also extremely grateful to the Reardon Smith Nautical Trust, The Frank Jackson Foundation, the Association of Sail Training Organisations (ASTO) and The Ironmongers' Company for their continued annual support.

4. Investment powers and policy

The investment powers are to invest in the name of the charity such parts of the funds as is felt fit and to direct the sale or transposition of such investments and to expend the proceeds of any such sale in furtherance of the objectives of the charity.

The trust's policy is to manage its investments in a manner that aims to provide a high and growing income, while at the same time protecting the capital from the erosive effect of inflation. The trust's policy is also to achieve this objective by investing in one or more major charitable unit trusts rather than investing the money directly itself.

Trustees' Annual Report

5. Risk management

The trustees identify and review from time to time the risks to which the charity is materially exposed and the action to be taken to mitigate them. Presently, they are seen as:

- a lack of funds adequate to support the charity's activities.
- an accident to one of the charity's beneficiaries whose costs are not wholly met by insurance and which results in a substantial claim on the charity for negligence and/or breach of contract.

In respect of the former, trustees raise as much money as they are able and have in place safeguards to ensure they do not commit funds in excess of those available.

In respect of the latter, contracts for the provision of tuition are between those being sponsored and our operating subsidiary, Island (Cutter) Ltd, and the trust's role is to help fund the costs of its activities without being a party to the contract.

6. Reserves policy

The trust's income is largely unpredictable, both as to timing and quantum, whereas operations by the fleet of the subsidiary, Island (Cutter) Ltd, require forward commitments incurring expenditure. The trustees therefore consider it desirable to maintain a general reserve of 6 month's anticipated expenditure. This reserve is deployed in a blend of bank balances.

At 31 December 2022 the trust had free reserves of £584,069 (2021: £343,926). This figure includes loans made to our operating subsidiary Island (Cutter) Ltd for the purchase of our boats. In the opinion of the trustees, a more realistic picture of our financial reserves is given by the trust's cash at bank and in hand. This stood at £339,509 at the end of 2022, up from £132,195 at the end of 2021. Most of the excess cash balance was earmarked to be spent on the completion of the refit and maintenance programme for Johanna Lucretia. This has now occurred and the trust's cash at bank and in hand has returned to a similar level to that at the end of 2021.

7. Plans for future periods

We will work towards building a sustainable future by rebuilding our reserves.

8. Structure, governance and management

Governing document

The company was incorporated on 27 September 1995 and is limited by guarantee, having no share capital. It is a registered charity and is governed by its Memorandum and Articles of Association.

At 31 December 2022 the company had 5 members. In the event of the company being wound up the liability of each member is limited to £10.

Organisation

The Island Trust Limited is administered by a board consisting of at least three trustees and they also serve as directors. The trustees are, in the main, people with professional experience combined with a background of considerable business experience. They currently include people with experience in sailing and people with none, but all sharing a commitment and enthusiasm for bringing the benefits for sail training to young people who because they are disadvantaged in some form or another would otherwise never have the chance to take part.

8. Structure, governance and management (continued)

Appointment of trustees

Trustees are appointed by the members or existing trustees.

Trustee induction and training

Newly appointed trustees are given a full introduction to the background and work of the trust, and are provided with all the necessary documents. They are also encouraged to visit Plymouth where sail training takes place and our boats are based, and to meet and listen to the young people who are benefiting from the work of the trust.

Related parties

During 2006 a subsidiary trading company, Island (Cutter) Limited, was set up, its purpose being to build a boat which is now being chartered to organisations including ourselves. Formal loan agreements exist between the charity and the subsidiary.

Key management personnel remuneration

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 10 to the financial statements.

Trustees' Annual Report

9. Legal and administrative details

Trustees and directors	S C L Dobson (Chairman) S W Arnold C E Cleaves J M Lloyd C J Macdonald-Brown R F Lloyd MBE (passed away 14 October 2022) R F Riding (passed away 11 May 2022)
Independent Examiner	Neil Hitchings FCA Francis Clark LLP Chartered Accountants Centenary House Peninsula Park Rydon Lane EXETER EX2 7XE
Solicitors	TLT LLP One Redcliff Street BRISTOL BS1 6TP
Bankers	Lloyds Bank plc High Street EXETER EX4 3NL
Registered Office	17 Halyards Topsham EXETER EX3 0JU
Registered Number	3107339
Registered Charity Number	1049722

Trustees' Annual Report

10. Trustees' Responsibilities in Relation to the Financial Statements

The charity trustees (who are also the directors of The Island Trust Limited for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

11. Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Board

S C L Dobson
Trustee

Date
15/7/2023

The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2022

Independent Examiner's Report to the Trustees

I report on the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2022.

Responsibilities and basis of report

As the charity's trustees of the Charity (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 Charity 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 charity'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

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

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:

1. accounting records were not kept in respect of the Charity 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.

Signed:

Neil Hitchings

Neil Hitchings FCA
Francis Clark LLP
Chartered Accountants
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date 24/7/23

The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2022

Statement of Financial Activities
(incorporating the Income and Expenditure Account)

	Notes	Restricted funds £	Unrestricted funds £	2022 Total funds £	2021 Total funds £
INCOME					
Donations and legacies	4	71,665	614,457	**686,122**	228,383
Income from charitable activities	5	-	43,397	**43,397**	75,181
Income from other trading activities	6	-	8,214	**8,214**	6,449
Investment income	7	-	34,098	**34,098**	19,427
Total income		**71,665**	**700,166**	**771,831**	329,440
EXPENDITURE					
Cost of raising funds		-	30,729	**30,729**	29,013
Expenditure on charitable activities					
Sailing courses for beneficiaries		-	324,186	**324,186**	208,917
Grants payable		47,295	-	**47,295**	168,060
Other costs	8	-	232,643	**232,643**	100,000
Total expenditure	8	**47,295**	**587,558**	**634,853**	505,990
Net Income/(expenditure) for the year		**24,370**	**112,608**	**136,978**	(176,550)
Transfers between funds	17	(127,142)	127,142	-	-
Net movement in funds		(102,772)	**239,750**	**136,978**	(176,550)
Reconciliation of funds					
Total funds brought forward		441,565	344,592	**786,157**	962,707
Total funds carried forward		**338,793**	**584,342**	**923,135**	786,157

2022

			2022 £	2021 £
Represented by:				
Fixed assets	-	273	**273**	666
Current assets (including debtors over one year)	338,793	591,697	**930,490**	816,934
Liabilities	-	(7,628)	**(7,628)**	(31,443)
	338,793	**584,342**	**923,135**	786,157

2021

			2021 £	2020 £
Represented by:				
Fixed assets	-	666	666	642
Current assets (including debtors over one year)	441,565	375,369	816,934	1,003,546
Liabilities	-	(31,443)	(31,443)	(41,481)
	441,565	344,592	786,157	962,707

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Island Trust Limited

(Limited by Guarantee)

31 December 2022

Balance Sheet

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	11	**272**	665
Investments - unlisted	12	**1**	1
		273	666
Current assets			
Debtors	13	**76,189**	90,794
Debtors due after more than one year	13	**514,792**	593,945
Cash at bank and in hand		**339,509**	132,195
		930,490	816,934
Creditors - Amounts falling due within one year	14	**(7,628)**	(31,443)
Net current assets		**922,862**	785,491
Total assets less current liabilities		**923,135**	786,157
Creditors - Amounts falling due after one year	14	**-**	-
Net assets		**923,135**	786,157
The Funds of the Charity			
Income funds			
Restricted funds	17	**338,793**	441,565
Unrestricted funds	17	**584,342**	344,592
Total charity funds		**923,135**	786,157

The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The trustees acknowledge their responsibilities for:

(i) ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the members of the Board on 15/7/23 and are signed on their behalf by:

S C L Dobson
Trustee

Registered Company Number: 3107339

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Island Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value, unless otherwise stated in the relevant accounting policy note.

The Trustees do not believe that there are material uncertainties in relation to going concern.

The Island Trust Limited is a company limited by guarantee and therefore has no share capital.

The Charity was incorporated in England and Wales and details of the registered office can be found in the reference and administration section of the trustees' report.

The functional currency of the charity is considered to be pounds sterling because it is the currency of the primary economic environment in which the charitable company operates.

(a) **Group accounts**

Advantage has been taken of the exemption from preparing group accounts on the basis that the group is a small group. Accordingly, the financial statements present information about the charity as a single entity and not about the group.

(b) **Fund accounting**

Funds held by the charity are either:

Restricted funds
These funds represent funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Unrestricted general fund
Unrestricted funds are available to spend on any charitable purpose.

(c) **Tangible fixed assets and depreciation**

Tangible fixed assets are included in the accounts at cost and are depreciated over their estimated useful lives at the following rates:

Office equipment	- 20% per annum on the reducing balance basis

(d) **Investments**

Listed investments held as fixed assets are re-valued at market value at the balance sheet date and the unrealised gain or loss taken to the Statement of Financial Activities.

Notes to the financial statements

1 Accounting policies (continued)

(e) Income

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

For legacy income, entitlement is taken as the earlier of the date: when the charity becomes aware that probate has been granted; when the estate has been finalised and notification made by the executors that a distribution will be made; or when the distribution is received.

Investment income is recognised on a receivable basis.

Income in respect of contributions towards sailing activities is recognised when the charity is entitled to the funds.

(f) Expenditure

Expenditure is included on an accruals basis. Overhead and other costs not directly attributable to particular functional activities are apportioned over the relevant categories on the basis of management estimates of the amount of costs relevant to that activity. The irrecoverable element of VAT is included within the item of expense to which it relates.

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Costs of charitable activities include expenditure associated with the cost of sailing activities and include both the direct costs and support costs relating to those activities.

(g) Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments which are initially recognised at transaction value. The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Investments;
- Intercompany loan

2 Legal status of the trust

The trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

Notes to the financial statements

3 Subsidiary undertakings

The charity wholly owns the UK subsidiary Island (Cutter) Limited. The subsidiary's principal activity is the hire of boats for transport for in excess of ten people. Trading results for the year ended 31 December 2022, extracted from its accounts, are shown below:

	2022	2021
	£	£
Turnover and other income	**503,585**	528,337
Cost of sales and administration costs	**(657,229)**	(502,783)
Interest payable	**(35,031)**	(20,636)
Profit/(Loss) for the financial year	**(188,675)**	4,918

The assets and liabilities of the subsidiary were:

Tangible fixed assets	**652,579**	703,274
Current assets	**69,740**	25,471
Current liabilities	**(173,360)**	(134,314)
Creditors due after more than one year	**(1,015,193)**	(871,990)
Aggregate share capital and reserves - deficiency	**(466,234)**	(277,559)

4 Donations and legacies

	2022 Restricted Funds	2022 Unrestricted Funds	2022 Total	2021 Total
	£	£	£	£
Donations	71,665	109,974	**181,639**	228,070
Legacies	-	504,483	**504,483**	313
	71,665	**614,457**	**686,122**	228,383

Of the £686,122 (2021: £228,383) income from donations and legacies in 2022, £71,665 (2021: £176,573) were restricted funds and £614,457 (2021: £51,810) were unrestricted.

5 Income from charitable activities

	2022 Restricted Funds	2022 Unrestricted Funds	2022 Total	2021 Total
	£	£	£	£
Sailing activities	-	43,397	**43,397**	75,181
	-	43,397	**43,397**	75,181

The income was wholly for sailing activities, all of which was unrestricted.

Notes to the financial statements

6 Income from other trading activities

	2022 Restricted Funds £	2022 Unrestricted Funds £	2022 Total £	2021 Total £
Fundraising events	-	8,214	**8,214**	6,449
	-	8,214	**8,214**	6,449

7 Investment income

	2022 Restricted Funds £	2022 Unrestricted Funds £	2022 Total £	2021 Total £
Dividends	-	-	**-**	-
Interest	-	34,098	**34,098**	19,427
	-	34,098	**34,098**	19,427

All comparative income was unrestricted.

8 Expenditure

	2022 Restricted Funds £	2022 Unrestricted Funds £	2022 Total £	2021 Total £
Sailing expenses	-	298,886	**298,886**	164,852
Depreciation	-	105	**105**	166
Support costs (Note 8a)	-	55,924	**55,924**	72,912
Grants payable – Covid19 support paid to subsidiary	47,295	-	**47,295**	168,060
Other costs – provision against amounts due from subsidiary	-	232,355	**232,355**	100,000
Loss on disposal of fixed asset	-	288	**288**	-
	47,295	587,558	**634,853**	505,990

For the year ended 31 December 2022 expenditure on charitable activities (including grants payable) was £371,481 (2021: £376,977) of which £324,186 (2021: £146,400) was unrestricted and £47,295 (2021: 230,577) was restricted. Cost of raising funds of £30,729 (2021: £29,013) was unrestricted.

Notes to the financial statements

8a Allocation of support costs

The Trust allocates its support costs on the basis of usage as shown below:

Support costs	2022 Sailing Activities £	2022 Costs of raising funds £	2022 Total £	2021 Total £
Wages	15,368	28,430	**43,798**	62,523
Printing, postage and stationery	1,117	-	**1,117**	805
Running expenses	3,153	-	**3,153**	3,087
Travel and subsistence	1,266	-	**1,266**	196
Bank charges	111	-	**111**	110
Campaign costs	-	339	**339**	267
Donation collection costs	-	278	**278**	112
Subscriptions	-	290	**290**	290
Fundraising	-	820	**820**	825
PR & Marketing	15	-	**15**	389
Miscellaneous	-	572	**572**	193
Governance costs:				
Accountancy and legal	4,165	-	**4,165**	4,115
	25,195	30,729	**55,924**	72,912

Included in the above are recharged wages relating to one employee used on a part time basis. Costs of generating voluntary income include costs relating to two fundraisers who are engaged on a part time basis.
No employees were paid in excess of £60,000.

9 Taxation

The company is a registered charity and its charitable activities are exempt from corporation tax.

10 Trustees' emoluments and key management personnel

No remuneration was received by the trustees during the year and no trustees were reimbursed for expenditure (2021: £nil reimbursed expenses). The key management personnel of the Trust comprise the trustees.

Notes to the financial statements

11 Fixed assets – tangible

	Fixtures & fittings £	Total £
Cost		
At 1 January 2022	9,349	**9,349**
Disposals	(7,527)	**(7,527)**
At 31 December 2022	**1,822**	**1,822**
Depreciation		
At 1 January 2022	8,684	**8,684**
Charge for the year	105	**105**
Eliminated on disposal	(7,239)	**(7,239)**
At 31 December 2022	**1,550**	**1,550**
Net book value		
At 31 December 2022	**272**	**272**
At 31 December 2021	665	665

12 Investments

	£
Unlisted investments	
Subsidiary undertaking at cost	
As at 1 January 2022 and 31 December 2022	**1**

The unlisted subsidiary undertaking is Island (Cutter) Limited whose principal activity is the operation of three boats. Its registered office is 17 Halyards, Topsham, Exeter, EX3 0JU. The Island Trust Limited owns 100% of the subsidiary's ordinary shares.

13 Debtors

	2022 £	2021 £
Due within one year:-		
Prepayments and accrued income	**516**	478
Tax recoverable	**2,134**	1,473
Accrued Income	**2,125**	-
Amounts owed by subsidiary undertaking	**71,414**	88,843
	76,189	90,794
Due after more than one year:-		
Amounts owed by subsidiary undertaking	**514,792**	593,945
	590,981	684,739

A formal loan agreement exists between the subsidiary and the charity. The amounts due after more than one year are shown net of a provision against recoverability of £466,234 (2021: £233,879).

Notes to the financial statements

14 Creditors

	2022 £	2021 £
Amounts falling due within one year:		
Trade creditors	**49**	552
Trustee Loan	**-**	25,000
PAYE and social security	**2,559**	3,191
Accruals and deferred income	**5,020**	2,700
	7,628	31,443
Amounts falling due after one year:		
Trustee Loan	**-**	-
	-	-

15 Members' liability

The company is limited by guarantee. At 31 December 2022 there were 5 members, whose maximum liability in the event of the company being wound up is £10 each.

16 Control

The company is under the control of its Trustees.

Notes to the financial statements

17 Funds

2022

	1 Jan 2022	Incoming resources	Expenditure	Transfer	31 Dec 2022
	£	£	£	£	£
Restricted funds					
The Frank Jackson Foundation- Capital	298,555	-	-	(25,774)	**272,781**
Sailing courses	61,159	46,590	-	(89,409)	**18,340**
Boat refit costs	-	25,075	-	(2,503)	**22,572**
Peter Harrison Foundation	26,300	-	-	(1,200)	**25,100**
Coronavirus Covid-19 support	55,551	-	(47,295)	(8,256)	**-**
	441,565	71,665	(47,295)	(127,142)	**338,793**
Unrestricted funds	344,592	700,166	(587,558)	127,142	**584,342**
Total funds	**786,157**	**771,831**	**(634,853)**	**-**	**923,135**

2021

	1 Jan 2021	Incoming resources	Expenditure	Profit/(loss) on Investments/ Transfer	31 Dec 2021
	£	£	£	£	£
Restricted funds					
The Frank Jackson Foundation	15,000	-	-	(15,000)	**-**
The Frank Jackson Foundation - Capital	324,330	-	-	(25,775)	**298,555**
Sailing courses	91,356	49,684	(79,881)	-	**61,159**
Equipment	-	440	-	(440)	**-**
Peter Harrison Foundation	27,500	-	-	(1,200)	**26,300**
Coronavirus Covid-19 support	79,798	126,449	(150,696)	-	**55,551**
	537,984	176,573	(230,577)	(42,415)	**441,565**
Unrestricted funds	424,723	152,867	(275,413)	42,415	**344,592**
Total funds	**962,707**	**329,440**	**(485,871)**	**-**	**786,157**

Restricted funds represent money received by the charity subject to conditions requiring the charity to spend the money on specified purposes.

Notes to the financial statements

17 Funds (continued)

Monies received from The Frank Jackson Foundation were specified for the building of a boat. The boat is held as an asset in Island (Cutter) Limited, the charity's subsidiary company. A transfer will be made each year releasing the depreciation on the asset to unrestricted funds.

Monies received from the Peter Harrison Foundation were restricted for the purposes of the new boat purchase, this has therefore been recorded as restricted. The boat is held as an asset in Island (Cutter) Limited, the charity's subsidiary company. A transfer will be made each year releasing the depreciation on the asset to unrestricted funds.

Other restricted donations during the year related to specific sail training trips and the refit and maintenance programme for Johanna Lucretia, of which £18,340 and £22,572 respectively, remains to be spent in 2023.

The remaining Coronavirus Covid-19 support was fully expended during the year.

18 Related parties

At 31 December 2022, £1,052,440 (2021: £916,667) was owed to the parent charity by its subsidiary (before a provision of £466,234). A formal loan agreement exists between the charity and the Island (Cutter) Limited. Interest is to be paid on the loan at 2% above the base rate of Lloyds Bank, as varied from time to time. During the year £34,040 (2021: £19,417) has been received.

THE ISLAND TRUST LIMITED

England & Wales - Charity number 1049722

Accounts

The Island Trust Limited

(Limited by Guarantee)

Unaudited Annual Report

Year ended 31 December 2021

Company Registration No: 3107339

Charity Registration No: 1049722

The Island Trust Limited
(Limited by Guarantee)

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The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2021

Trustees' Annual Report

The trustees present their annual report and financial statements of the charitable company for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. Objectives and activities for the public benefit

The charity was formed to enable disadvantaged young people to enjoy the benefits of sailing, which are perceived to help with their personal development, confidence and motivation. The charity caters for any type of disadvantaged young person, none of whom could even contemplate sailing without the trust's help. It has supported the following:

- Young people from inner cities and areas of deprivation
- Those suffering financial hardship
- Those with special educational needs, including
    - The visually and hearing impaired
    - Young people with learning difficulties
    - Young people with learning and/or physical disability
- Those with behavioural difficulties

The trustees confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

2. Achievements and performance

After a delayed start to the 2021 sailing season due to the ongoing Covid-19 restrictions, we joyously began sailing again in May. Our first voyages were with five local primary schools as part of The Spirit of Adventure project, giving children from Plymouth the chance to enjoy hands-on adventures aboard traditional wooden sailing ships. We sailed alongside three other sailing organisations as part of the delayed Mayflower 400 Ocean Festival. Spirit of Adventure connected children with both the Mayflower story and the ocean. It gave many children, including disadvantaged, some living in poverty, children in care and young carers, the chance to go sailing in Plymouth Sound on ships that, ordinarily, they would not have access to.

With Covid adjustments to our procedures and, in the first few weeks, reduced numbers of young people on board, we sailed through to the end of the season in October. We successfully sailed with close to 600 young people who joined us for a range of day voyages and week-long residential voyages. Our popular specialist day sailing voyages for disabled young people on the Ocean Discoverability programme also re-started in May, enabling 87 young people to enjoy the experience of sailing and explore marine life.

We introduced our beneficiaries to many destinations along the southwest coast, exploring in Cornwall down to Fowey and Falmouth and, on one voyage, sailing around Land's End onwards to St Ives and Carbis Bay, anchoring amidst all the military ships keeping an eye on the G7 summit! They then sailed on to join the Seafair Haven Festival at Milford Haven, Wales. Other voyages took young people east, calling in on our wonderful Devon coves, bays and estuaries, and onwards to participate in the Association of Sail Training Organisations (ASTO) small ships race off the Isle of Wight, safely navigating stormy seas.

The number of home educated students sailing with us continues to grow. Some of these young people may have a learning disability or difficulty which makes attending mainstream school difficult, whilst for others the benefit of exercising their independence, facing fresh challenges and camaraderie amongst fresh faces broadens their life experiences. Such are the pleasures of a sailing adventure at sea!

2. Achievements and performance (continued)

Some schools and groups were unable to join us in 2021 due to the restrictions but we look forward to welcoming them back in future years. To re-coup lost revenue and to avoid gaps in our sailing schedule we temporarily increased the number of commercial sailing voyages including the introduction of a very successful adult wild swimming voyage. These all helped to raise funds to support our charitable aims. That said, as we write this review part way through 2022, fundraising has become fiercely competitive as a direct result of the Covid-19 pandemic, so we are working ever harder to seek funding to support our much-needed work.

3. Financial Review

Results

The Trust's income decreased from £458,383 in 2020 to £329,440 in 2021. In 2020 the Trust received much Covid related support from Sport England, The National Lottery Heritage Fund and The National Lottery Community Fund. In 2021 this support continued in the early part of the year but was curtailed as our operations returned close to normal after a delayed start to the season. As voyages for beneficiaries restarted, we returned to relying on funding from our traditional sources – charities that support our activities, donations from individuals and voyage fees from those who come sailing with us.

In the early part of 2021, the Covid support funding received by the Island Trust was made available to our operating subsidiary Island (Cutter) Ltd through a direct grant of £168,060. These funds were used to cover operating costs that would, in a normal year, be covered by funding from the traditional sources mentioned above. Thus 2021 was something of a transition year as Covid support funding in the early part of the year was replaced by funding from traditional sources as we were able to resume sailing operations.

Once again, we are also extremely grateful to the Reardon Smith Nautical Trust, The Frank Jackson Foundation and the Association of Sail Training Organisations (ASTO) who have been very generous with their support for us during this testing time, plus a new partnership with The Ironmongers' Company.

4. Investment powers and policy

The investment powers are to invest in the name of the charity such parts of the funds as is felt fit and to direct the sale or transposition of such investments and to expend the proceeds of any such sale in furtherance of the objectives of the charity.

The trust's policy is to manage its investments in a manner that aims to provide a high and growing income, while at the same time protecting the capital from the erosive effect of inflation. The trust's policy is also to achieve this objective by investing in one or more major charitable unit trusts rather than investing the money directly itself.

In order to purchase Johanna Lucretia all our investments were sold. We hope to rebuild our reserves and investments gradually over time.

Trustees' Annual Report

5. Risk management

The trustees identify and review from time to time the risks to which the charity is materially exposed and the action to be taken to mitigate them. Presently, they are seen as:

- a lack of funds adequate to support the charity's activities.
- an accident to one of the charity's beneficiaries whose costs are not wholly met by insurance and which results in a substantial claim on the charity for negligence and/or breach of contract.

In respect of the former, trustees raise as much money as they are able and have in place safeguards to ensure they do not commit funds in excess of those available.

In respect of the latter, contracts for the provision of tuition are between those being sponsored and our operating subsidiary, Island (Cutter) Ltd, and the trust's role is to help fund the costs of its activities without being a party to the contract.

6. Reserves policy

The trust's income is largely unpredictable, both as to timing and quantum, whereas operations by the fleet of the subsidiary, Island (Cutter) Ltd, require forward commitments incurring expenditure. The trustees therefore consider it desirable to maintain a general reserve of 6 month's anticipated expenditure. This reserve is deployed in a blend of bank balances.

At 31 December 2021 the trust had free reserves of £343,926 (2020: £424,081). This figure includes loans made to our operating subsidiary Island (Cutter) Ltd for the purchase of our boats. In the opinion of the trustees, a more realistic picture of our financial reserves is given by the trust's cash at bank and in hand. This stood at £132,195 at the end of 2021, down from £173,731 at the end of 2020.

7. Plans for future periods

Once we are able to resume our sailing activities, we will work towards a building a sustainable future for the combined operation by rebuilding our reserves.

8. Structure, governance and management

Governing document

The company was incorporated on 27 September 1995 and is limited by guarantee, having no share capital. It is a registered charity and is governed by its Memorandum and Articles of Association.

At 31 December 2021 the company had 7 members. In the event of the company being wound up the liability of each member is limited to £10.

Organisation

The Island Trust Limited is administered by a board consisting of at least three trustees and they also serve as directors. The trustees are, in the main, people with professional experience combined with a background of considerable business experience. They currently include people with experience in sailing and people with none, but all sharing a commitment and enthusiasm for bringing the benefits for sail training to young people who because they are disadvantaged in some form or another would otherwise never have the chance to take part.

8. Structure, governance and management (continued)

Appointment of trustees

Trustees are appointed by the members or existing trustees.

Trustee induction and training

Newly appointed trustees are given a full introduction to the background and work of the trust, and are provided with all the necessary documents. They are also encouraged to visit Plymouth where sail training takes place and our boats are based, and to meet and listen to the young people who are benefiting from the work of the trust.

Related parties

During 2006 a subsidiary trading company, Island (Cutter) Limited, was set up, its purpose being to build a boat which is now being chartered to organisations including ourselves. Formal loan agreements exist between the charity and the subsidiary.

Key management personnel remuneration

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 10 to the financial statements.

The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2021

Trustees' Annual Report

9. Legal and administrative details

Trustees and directors	R F Lloyd MBE (Secretary) R F Riding C J Macdonald-Brown J M Lloyd S C L Dobson (Chairman) S W Arnold C E Cleaves
Independent Examiner	Neil Hitchings FCA Francis Clark LLP Chartered Accountants Centenary House Peninsula Park Rydon Lane EXETER EX2 7XE
Solicitors	TLT LLP One Redcliff Street BRISTOL BS1 6TP
Bankers	Lloyds Bank plc High Street EXETER EX4 3NL
Registered Office	17 Halyards Topsham EXETER EX3 0JU
Registered Number	3107339
Registered Charity Number	1049722

10. Trustees' Responsibilities in Relation to the Financial Statements

The charity trustees (who are also the directors of the Island Trust Limited for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

11. Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Board

R F LLOYD
Secretary

24 August 2022

The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2021

Independent Examiner's Report to the Trustees

I report on the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity's trustees of the Charity (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 Charity 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 charity'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

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

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:

1. accounting records were not kept in respect of the Charity 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.

Signed:

Neil Hitchings

Neil Hitchings FCA
Francis Clark LLP
Chartered Accountants
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

30/8/22

The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2021

Statement of Financial Activities
(incorporating the Income and Expenditure Account)

	Notes	Restricted funds £	Unrestricted funds £	2021 Total funds £	2020 Total funds £
INCOME					
Donations and legacies	4	176,573	51,810	**228,383**	395,356
Income from charitable activities	5	-	75,181	**75,181**	36,053
Income from other trading activities	6	-	6,449	**6,449**	6,680
Investment income	7	-	19,427	**19,427**	20,294
Total income		**176,573**	**152,867**	**329,440**	458,383
EXPENDITURE					
Cost of raising funds		-	29,013	**29,013**	7,930
Expenditure on charitable activities					
Sailing courses for beneficiaries		79,881	129,036	**208,917**	68,843
Grants payable		150,696	17,364	**168,060**	141,910
Other costs		-	100,000	**100,000**	133,879
Total expenditure	8	**230,577**	**275,413**	**505,990**	352,562
Net Income/(expenditure) for the year		**(54,004)**	**(122,546)**	**(176,550)**	105,821
Transfers between funds	17	(42,415)	42,415	-	-
Net movement in funds		**(96,419)**	**(80,131)**	**(176,550)**	105,821
Reconciliation of funds					
Total funds brought forward		537,984	424,723	**962,707**	856,886
Total funds carried forward		**441,565**	**344,592**	**786,157**	962,707

2021

			2021 £	2020 £
Represented by:				
Fixed assets	-	666	**666**	642
Current assets (including debtors over one year)	441,565	375,369	**816,934**	1,003,546
Liabilities	-	(31,443)	**(31,443)**	(41,481)
	441,565	**344,592**	**786,157**	962,707

2020

			2020 £	2019 £
Represented by:				
Fixed assets	-	642	642	509
Current assets (including debtors over one year)	537,984	465,562	1,003,546	891,662
Liabilities	-	(41,481)	(41,481)	(35,285)
	537,984	424,723	962,707	856,886

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Island Trust Limited

(Limited by Guarantee)

31 December 2021

Balance Sheet

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	11	**665**	641
Investments - unlisted	12	**1**	1
		666	642
Current assets			
Debtors	13	**90,794**	92,258
Debtors due after more than one year	13	**593,945**	737,557
Cash at bank and in hand		**132,195**	173,731
		816,934	1,003,546
Creditors - Amounts falling due within one year	14	**(31,443)**	(16,481)
Net current assets		**785,491**	987,065
Total assets less current liabilities		**786,157**	987,707
Creditors - Amounts falling due after one year	14	**-**	(25,000)
Net assets		**786,157**	962,707
The Funds of the Charity			
Income funds			
Restricted funds	17	**441,565**	537,984
Unrestricted funds	17	**344,592**	424,723
Total charity funds		**786,157**	962,707

The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The trustees acknowledge their responsibilities for:

(i) ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the members of the Board on 24 August 2022 and are signed on their behalf by:

R F LLOYD
Trustee

Registered Company Number: 3107339

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Island Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value, unless otherwise stated in the relevant accounting policy note.

The Trustees do not believe that there are material uncertainties in relation to going concern.

The Island Trust Limited is a company limited by guarantee and therefore has no share capital.

The Charity was incorporated in England and Wales and details of the registered office can be found in the reference and administration section of the trustees' report.

The functional currency of the charity is considered to be pounds sterling because it is the currency of the primary economic environment in which the charitable company operates.

(a) **Group accounts**

Advantage has been taken of the exemption from preparing group accounts on the basis that the group is a small group. Accordingly, the financial statements present information about the charity as a single entity and not about the group.

(b) **Fund accounting**

Funds held by the charity are either:

Restricted funds
These funds represent funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Unrestricted general fund
Unrestricted funds are available to spend on any charitable purpose.

(c) **Tangible fixed assets and depreciation**

Tangible fixed assets are included in the accounts at cost and are depreciated over their estimated useful lives at the following rates:

Office equipment	- 20% per annum on the reducing balance basis

(d) **Investments**

Listed investments held as fixed assets are re-valued at market value at the balance sheet date and the unrealised gain or loss taken to the Statement of Financial Activities.

Notes to the financial statements

1 Accounting policies (continued)

(e) Income

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

For legacy income, entitlement is taken as the earlier of the date: when the charity becomes aware that probate has been granted; when the estate has been finalised and notification made by the executors that a distribution will be made; or when the distribution is received.

Investment income is recognised on a receivable basis.

Income in respect of contributions towards sailing activities is recognised when the charity is entitled to the funds.

(f) Expenditure

Expenditure is included on an accruals basis. Overhead and other costs not directly attributable to particular functional activities are apportioned over the relevant categories on the basis of management estimates of the amount of costs relevant to that activity. The irrecoverable element of VAT is included within the item of expense to which it relates.

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Costs of charitable activities include expenditure associated with the cost of sailing activities and include both the direct costs and support costs relating to those activities.

(g) Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments which are initially recognised at transaction value. The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Investments;
- Intercompany loan

2 Legal status of the trust

The trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

Notes to the financial statements

3 Subsidiary undertakings

The charity wholly owns the UK subsidiary Island (Cutter) Limited. The subsidiary's principal activity is the hire of boats for transport for in excess of ten people. Trading results for the year ended 31 December 2021, extracted from its accounts, are shown below:

	2021	2020
	£	£
Turnover and other income	**528,337**	229,237
Cost of sales and administration costs	**(502,783)**	(423,549)
Interest payable	**(20,636)**	(21,202)
Profit/(Loss) for the financial year	**4,918**	(215,514)

The assets and liabilities of the subsidiary were:

Tangible fixed assets	**703,274**	752,076
Current assets	**25,471**	29,005
Current liabilities	**(134,314)**	(142,123)
Creditors due after more than one year	**(871,990)**	(921,435)
Aggregate share capital and reserves - deficiency	**(277,559)**	(282,477)

4 Donations and legacies

	2021 Restricted Funds	2021 Unrestricted Funds	2021 Total	2020 Total
	£	£	£	£
Donations	176,573	51,497	**228,070**	390,356
Legacies	-	313	**313**	5,000
	176,573	51,810	**228,383**	395,356

Of the £228,383 (2020: £395,356) income from donations and legacies in 2021, £176,573 (2020: £270,640) were restricted funds and £51,810 (2020: £124,716) were unrestricted.

5 Income from charitable activities

	2021 Restricted Funds	2021 Unrestricted Funds	2021 Total	2020 Total
	£	£	£	£
Sailing activities	-	75,181	**75,181**	36,053
	-	75,181	**75,181**	36,053

The income was wholly for sailing activities, all of which was unrestricted.

Notes to the financial statements

6 Income from other trading activities

	2021 Restricted Funds £	2021 Unrestricted Funds £	2021 Total £	2020 Total £
Fundraising events	-	6,449	**6,449**	6,680
	-	6,449	**6,449**	6,680

7 Investment income

	2021 Restricted Funds £	2021 Unrestricted Funds £	2021 Total £	2020 Total £
Dividends	-	-	-	-
Interest	-	19,427	**19,427**	20,294
	-	19,427	**19,427**	20,294

All comparative income was unrestricted.

8 Expenditure

	2021 Restricted Funds £	2021 Unrestricted Funds £	2021 Total £	2020 Total £
Sailing expenses	79,881	84,971	**164,852**	2,255
Depreciation	-	166	**166**	102
Support costs (Note 8a)	-	72,912	**72,912**	74,416
Grants payable – Covid19 support paid to subsidiary	150,696	17,364	**168,060**	141,910
Other costs – provision against amounts due from subsidiary	-	100,000	**100,000**	133,879
	230,577	275,413	**505,990**	352,562

For the year ended 31 December 2021 expenditure on charitable activities (including grants payable) was £376,977 (2020: £210,753) of which £146,400 (2020 £133,147) was unrestricted and £230,577 (2020: £77,606) was restricted. Cost of raising funds of £29,013 (2020 £7,930) was unrestricted.

Notes to the financial statements

8a Allocation of support costs

The Trust allocates its support costs on the basis of usage as shown below:

Support costs	**2021 Sailing Activities** £	**2021 Costs of raising funds** £	**2021 Total** £	**2020 Total** £
Wages	35,586	26,937	**62,523**	57,500
Printing, postage and stationery	805	-	**805**	1,242
Running expenses	3,087	-	**3,087**	3,056
Travel and subsistence	196	-	**196**	345
Bank charges	110	-	**110**	111
Campaign costs	-	267	**267**	16
Donation collection costs	-	112	**112**	108
Subscriptions	-	290	**290**	290
Fundraising	-	825	**825**	7,497
PR & Marketing	-	389	**389**	-
Miscellaneous	-	193	**193**	19
Governance costs:				
Accountancy and legal	4,115	-	**4,115**	4,232
	43,899	29,013	**72,912**	74,416

Included in the above are recharged wages relating to one employee used on a part time basis. Costs of generating voluntary income include costs relating to two fundraisers who are engaged on a part time basis.
No employees were paid in excess of £60,000.

9 Taxation

The company is a registered charity and its charitable activities are exempt from corporation tax.

10 Trustees' emoluments and key management personnel

No remuneration was received by the trustees during the year and no trustees were reimbursed for expenditure (2020: £nil reimbursed expenses). The key management personnel of the Trust comprise the trustees.

Notes to the financial statements

11 Fixed assets – tangible

	Fixtures & fittings £	Total £
Cost		
At 1 January 2021	9,159	9,159
Additions	190	190
At 31 December 2021	**9,349**	**9,349**
Depreciation		
At 1 January 2021	8,518	8,518
Charge for the year	166	166
At 31 December 2021	**8,684**	**8,684**
Net book value		
At 31 December 2021	**665**	**665**
At 31 December 2020	641	641

12 Investments

	£
Unlisted investments	
Subsidiary undertaking at cost	
As at 1 January 2021 and 31 December 2021	1

The unlisted subsidiary undertaking is Island (Cutter) Limited whose principal activity is the operation of three boats. Its registered office is 17 Halyards, Topsham, Exeter, EX3 0JU. The Island Trust Limited owns 100% of the subsidiary's ordinary shares.

13 Debtors

	2021 £	2020 £
Due within one year:-		
Prepayments and accrued income	**478**	576
Tax recoverable	**1,473**	1,316
Accrued Income	**-**	-
Amounts owed by subsidiary undertaking	**88,843**	90,366
	90,794	92,258
Due after more than one year:-		
Amounts owed by subsidiary undertaking	**593,945**	737,557
	684,739	829,815

A formal loan agreement exists between the subsidiary and the charity. The amounts due after more than one year are shown net of a provision against recoverability of £233,879 (2020 £133,879).

Notes to the financial statements

14 Creditors

	2021 £	2020 £
Amounts falling due within one year:		
Trade creditors	**552**	22
Trustee Loan	**25,000**	6,000
PAYE and social security	**3,191**	3,359
Accruals and deferred income	**2,700**	7,100
	31,443	16,481
Amounts falling due after one year:		
Trustee Loan	**-**	25,000
	-	25,000

15 Members' liability

The company is limited by guarantee. At 31 December 2021 there were 7 members, whose maximum liability in the event of the company being wound up is £10 each.

16 Control

The company is under the control of its Trustees.

Notes to the financial statements

17 Funds

2021

	1 Jan 2021	Incoming resources	Expenditure	Transfer	31 Dec 2021
	£	£	£	£	£
The Frank Jackson Foundation	15,000	-	-	(15,000)	**-**
The Frank Jackson Foundation - Capital	324,330	-	-	(25,775)	**298,555**
Sailing courses	91,356	49,684	(79,881)	-	**61,159**
Boat refit costs	-	-	-	-	**-**
Equipment	-	440	-	(440)	**-**
Next Step Appeal (formerly new boat appeal)	-	-	-	-	**-**
Peter Harrison Foundation	27,500	-	-	(1,200)	**26,300**
Coronavirus Covid-19 support	79,798	126,449	(150,696)	-	**55,551**
	537,984	176,573	(230,577)	(42,415)	**441,565**
Unrestricted funds	424,723	152,867	(275,413)	42,415	**344,592**
Total funds	962,707	329,440	(485,871)	-	**786,157**

2020

	1 Jan 2020	Incoming resources	Expenditure	Profit/(loss) on Investments/ Transfer	31 Dec 2020
	£	£	£	£	£
The Frank Jackson Foundation	15,000	15,000	-	(15,000)	**15,000**
The Frank Jackson Foundation - Capital	350,105	-	-	(25,775)	**324,330**
Sailing courses	49,506	43,050	(1,200)	-	**91,356**
Boat refit costs	-	8,000	-	(8,000)	**-**
Equipment	500	3,000	-	(3,500)	**-**
Next Step Appeal (formerly new boat appeal)	35,073	28,400	-	(63,473)	**-**
Peter Harrison Foundation	28,700	-	-	(1,200)	**27,500**
Coronavirus Covid-19 support	-	173,190	(76,406)	(16,986)	**79,798**
	478,884	270,640	(77,606)	(133,934)	**537,984**
Unrestricted funds	378,002	187,743	(274,956)	133,934	**424,723**
Total funds	856,886	458,383	(352,562)	-	**962,707**

Restricted funds represent money received by the charity subject to conditions requiring the charity to spend the money on specified purposes.

Monies received from The Frank Jackson Foundation were specified for the building of a boat. The boat is held as an asset in Island (Cutter) Limited, the charity's subsidiary company. A transfer will be made each year releasing the depreciation on the asset to unrestricted funds.

17 Funds (continued)

Monies received from the Peter Harrison Foundation were restricted for the purposes of the new boat purchase, this has therefore been recorded as restricted. The boat is held as an asset in Island (Cutter) Limited, the charity's subsidiary company. A transfer will be made each year releasing the depreciation on the asset to unrestricted funds.

Donor Acknowledgements

Incoming resources in respect of sailing courses include:

Ovingdean Hall Foundation Grant	£2,000
The Eveson Charitable Trust	£2,200
TKF Spirit Fund	£7,080
The Whirlwind Charitable Trust	£10,000

Incoming resources in respect of Coronavirus Covid-19 support include:

The National Lottery Heritage Fund	£9,710
The Rank Foundation	£13,874
The National Lottery Heritage Fund – Culture Recovery Fund	£95,150

18 Related parties

At 31 December 2021, £916,667 (2020: £961,802) was owed to the parent charity by its subsidiary (before a provision of £233,879). A formal loan agreement exists between the charity and the Island (Cutter) Limited. Interest is to be paid on the loan at 2% above the base rate of Lloyds Bank, as varied from time to time. During the year £19,417 (2020: £20,285) has been received.

THE ISLAND TRUST LIMITED

England & Wales - Charity number 1049722

Accounts

The Island Trust Limited

(Limited by Guarantee)

Unaudited Annual Report

Year ended 31 December 2020

Company Registration No: 3107339

Charity Registration No: 1049722

The Island Trust Limited
(Limited by Guarantee)

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The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2020

Trustees' Annual Report

The trustees present their annual report and financial statements of the charitable company for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. Objectives and activities for the public benefit

The charity was formed to enable disadvantaged young people to enjoy the benefits of sailing, which are perceived to help with their personal development, confidence and motivation. The charity caters for any type of disadvantaged young person, none of whom could even contemplate sailing without the trust's help. It has supported the following:

- Young people from inner cities and areas of deprivation
- Those suffering financial hardship
- Those with special educational needs, including
    - The visually and hearing impaired
    - Young people with learning difficulties
    - Young people with learning and/or physical disability
- Those with behavioural difficulties

The trustees confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

2. Achievements and performance

Whilst for many, 2020, was not a year that we necessarily want to put on record for obvious reasons, we feel that it is important to share with you an account of what was an extraordinary year for The Island Trust. The Covid crisis triggered the first year in our history that we were unable to sail with any of the young people and groups that we had planned to. 2020 was due to be one of our busiest years to date and, therefore, we had to spend many hours, days, and months, painfully and reluctantly cancelling every single voyage. A heart-breaking task when the schedule had been fully booked with so many eager to join us.

Our sea staff were all furloughed; our operating subsidiary, Island (Cutter) Ltd, simply had to take advantage of the Government's job retention scheme in order to protect long-term jobs and our overall survival. Our shore-based staff continued working through 2020, their roles focusing on the survival of The Island Trust, regularly meeting with the Board of Trustees to navigate through the ever-evolving crisis. Work-loads increased with the complexities of the furlough scheme and grant monitoring, whilst processing refunds for individuals and groups who were unable to sail with us. Fundraising in a pandemic was never going to be an easy task with fundraising events cancelled and some regular funding routes no longer available. Our fundraising manager worked hard to identify the opportunities that would enable our survival, successfully. We are so very grateful for the continued support of our regular and new supporters and funders, many of whom, including the Association of Sail Training Organisations (ASTO), the Reardon Smith Nautical Trust and The Frank Jackson Foundation, identified the need for emergency funding in the early stages of the crisis and have continued to support us throughout the crisis. In addition, many grant funders allowed us to re-purpose previously agreed funding to cover ongoing operational costs which we continued to incur despite being unable to sail. We also secured funding through grants made available from the Department for Digital, Culture, Media & Sport distributed by Sport England, The National Lottery Heritage Fund, and The National Lottery Community Fund. This essential funding replaced lost sailing revenue ordinarily generated by Island (Cutter) Ltd, thus ensuring our survival for which we are thankful.

2. Achievements and performance (continued)

Throughout we used social media to stay in touch with our sailing community, often using competitions, such as many staff, supporters and trustees participating in the nationwide 2.6 Challenge. Our Ocean Discoverability project manager and 'on board ocean educator,' who is also a Marine Conservation Society Sea Champion, gave a webinar for schools on 'Life Beneath the Keel', revealing the range of marine wildlife to be found in Plymouth Yacht Haven marina, and how it all linked together with the ocean ecosystem. He also gave a live-streamed event from Plymouth Yacht Haven, as part of an international maritime festival hosted by the Ocean Institute in California, USA in September. In the run up to the festival, he published a series of fourteen daily blogs on the plants, plant-like organisms, and animals that live in the sea. We informed the special schools and groups that we work with of these resources and offered them similar opportunities to live-stream to their classrooms.

At the end of an unusually quiet, yet strangely hectic summer, some of our sea staff were able to return to work in late Autumn, with the help of a grant from The National Lottery Heritage Fund. This enabled us to carry out essential maintenance and repair work on the boats over the winter, painting, varnishing and making essential engine repairs. Johanna Lucretia was fitted with a new sail and electronics, while Moosk had her 5-year survey and rudder removed for maintenance. Alongside many other tasks these were all completed in time for the delayed start of our sailing season in May 2021.

Whilst we were successful in obtaining funding and donations to ensure our survival, we had to raise further funds to support our operations. Members of the board of trustees extended personal loans to ensure that we were able to cover our ongoing operational costs whilst our income was so reduced. Island (Cutter) Ltd also gained local authority grants from Plymouth City Council and took out a Business Bounce Back loan which will have to be repaid over time.

Both the Trust and its operating subsidiary, Island (Cutter) Ltd, have a sound financial history so the position we found ourselves in was obviously not where we had planned to be. Although the future remains uncertain for us, as for many, with reduced numbers and a delayed 2021 start due to government restrictions, our sailing voyages are now fully booked for the year, and we are cautious and confident that our valuable work will continue.

3. Financial Review

Results

The Trust's income increased from £361,052 in 2019 to £458,383 in 2020. As mentioned above, in 2020 we had to raise significant sums through grants made available from the Department for Digital, Culture, Media & Sport distributed by Sport England, The National Lottery Heritage Fund, and The National Lottery Community Fund. This funding essentially replaced income that our operating subsidiary, Island (Cutter) Ltd, would, in a normal year, generate from sailing activities. These funds were made available to Island (Cutter) Ltd through a direct grant of £141,910 and through an increase in the inter-company loan of £133,879. The funds were used to cover the operating costs mentioned in the preceding section. As the addition to the loan was used to cover operating costs, the Trustees have decided to make a provision against recoverability of £133,879.

Once again, we are also extremely grateful to the Reardon Smith Nautical Trust, The Frank Jackson Foundation and the Association of Sail Training Organisations (ASTO) who have been very generous with their support for us during this testing time.

Trustees' Annual Report

4. Investment powers and policy

The investment powers are to invest in the name of the charity such parts of the funds as is felt fit and to direct the sale or transposition of such investments and to expend the proceeds of any such sale in furtherance of the objectives of the charity.

The trust's policy is to manage its investments in a manner that aims to provide a high and growing income, while at the same time protecting the capital from the erosive effect of inflation. The trust's policy is also to achieve this objective by investing in one or more major charitable unit trusts rather than investing the money directly itself.

In order to purchase Johanna Lucretia all our investments were sold. We hope to rebuild our reserves and investments gradually over time.

5. Risk management

The trustees identify and review from time to time the risks to which the charity is materially exposed and the action to be taken to mitigate them. Presently, they are seen as:

- a lack of funds adequate to support the charity's activities.
- an accident to one of the charity's beneficiaries whose costs are not wholly met by insurance and which results in a substantial claim on the charity for negligence and/or breach of contract.

In respect of the former, trustees raise as much money as they are able and have in place safeguards to ensure they do not commit funds in excess of those available.

In respect of the latter, contracts for the provision of tuition are between those being sponsored and our operating subsidiary, Island (Cutter) Ltd, and the trust's role is to help fund the costs of its activities without being a party to the contract.

6. Reserves policy

The trust's income is largely unpredictable, both as to timing and quantum, whereas operations by the fleet of the subsidiary, Island (Cutter) Ltd, require forward commitments incurring expenditure. The trustees therefore consider it desirable to maintain a general reserve of 6 month's anticipated expenditure. This reserve is deployed in a blend of bank balances.

At 31 December 2020 the trust had free reserves of £424,081 (2019: £377,493). This figure includes loans made to our operating subsidiary Island (Cutter) Ltd for the purchase of our boats. In the opinion of the trustees, a more realistic picture of our financial reserves is given by the trust's cash at bank and in hand. This stood at £173,731 at the end of 2020, up from £29,024 at the end of 2019.

7. Plans for future periods

Once we are able to resume our sailing activities, we will work towards a building a sustainable future for the combined operation by rebuilding our reserves.

8. Structure, governance and management

Governing document

The company was incorporated on 27 September 1995 and is limited by guarantee, having no share capital. It is a registered charity and is governed by its Memorandum and Articles of Association.

At 31 December 2020 the company had 7 members. In the event of the company being wound up the liability of each member is limited to £10.

Organisation

The Island Trust Limited is administered by a board consisting of at least three trustees and they also serve as directors. The trustees are, in the main, people with professional experience combined with a background of considerable business experience. They currently include people with experience in sailing and people with none, but all sharing a commitment and enthusiasm for bringing the benefits for sail training to young people who because they are disadvantaged in some form or another would otherwise never have the chance to take part.

Appointment of trustees

Trustees are appointed by the members or existing trustees.

Trustee induction and training

Newly appointed trustees are given a full introduction to the background and work of the trust, and are provided with all the necessary documents. They are also encouraged to visit Plymouth where sail training takes place and our boats are based, and to meet and listen to the young people who are benefiting from the work of the trust.

Related parties

During 2006 a subsidiary trading company, Island (Cutter) Limited, was set up, its purpose being to build a boat which is now being chartered to organisations including ourselves. Formal loan agreements exist between the charity and the subsidiary.

Key management personnel remuneration

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 10 to the financial statements.

9. Legal and administrative details

Trustees and directors	R F Lloyd MBE (Secretary) R F Riding C J Macdonald-Brown J M Lloyd S C L Dobson (Chairman) C D Humphreys (resigned 31 March 2020) S W Arnold C E Cleaves (appointed 27 February 2020)
Independent Examiner	Neil Hitchings FCA Francis Clark LLP Chartered Accountants Centenary House Peninsula Park Rydon Lane EXETER EX2 7XE
Solicitors	TLT LLP One Redcliff Street BRISTOL BS1 6TP
Bankers	Lloyds Bank plc High Street EXETER EX4 3NL
Registered Office	10 Manston Terrace EXETER EX2 4NP
Registered Number	3107339
Registered Charity Number	1049722

10. Trustees' Responsibilities in Relation to the Financial Statements

The charity trustees (who are also the directors of the Island Trust Limited for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

11. Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Board

R F LLOYD
Secretary

30 September 2021

The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2020

Independent Examiner's Report to the Trustees

I report on the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Charity (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 Charity 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 charity'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

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

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:

1. accounting records were not kept in respect of the Charity 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.

Signed:

Neil Hitchings FCA
Francis Clark LLP
Chartered Accountants
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

30 September 2021

The Island Trust Limited

(Limited by Guarantee)

Year ended 31 December 2020

Statement of Financial Activities
(incorporating the Income and Expenditure Account)

	Notes	Restricted funds £	Unrestricted funds £	2020 Total funds £	2019 Total funds £
INCOME					
Donations and legacies	4	270,640	124,716	**395,356**	242,592
Income from charitable activities	5	-	36,053	**36,053**	78,029
Income from other trading activities	6		6,680	**6,680**	16,311
Investment income	7	**-**	20,294	**20,294**	24,120
Total income		**270,640**	**187,743**	**458,383**	361,052
EXPENDITURE					
Cost of raising funds		-	7,930	**7,930**	27,834
Expenditure on charitable activities					
Sailing courses for beneficiaries		1,200	67,643	**68,843**	345,332
Grants payable		76,406	65,504	**141,910**	-
Other costs		**-**	133,879	**133,879**	**-**
Total expenditure	8	**77,606**	**274,956**	**352,562**	373,166
Net Income/(expenditure) for the year		**193,034**	**(87,213)**	**105,821**	(12,114)
Transfers between funds	17	(133,934)	133,934	-	-
Net movement in funds		**59,100**	**46,721**	**105,821**	(12,114)
Reconciliation of funds					
Total funds brought forward		478,884	378,002	**856,886**	869,000
Total funds carried forward		**537,984**	**424,723**	**962,707**	856,886

2020

			2020 £	2019 £
Represented by:				
Fixed assets	-	642	**642**	509
Current assets (including debtors over one year)	537,984	465,562	**1,003,546**	891,662
Liabilities	-	(41,481)	**(41,481)**	(35,285)
	537,984	424,723	**962,707**	856,886

2019

			2019 £	2018 £
Represented by:				
Fixed assets	-	509	509	636
Current assets (including debtors over one year)	478,884	412,778	891,662	872,260
Liabilities	-	(35,285)	(35,285)	(3,896)
	478,884	378,002	856,886	869,000

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Island Trust Limited

(Limited by Guarantee)

31 December 2020

Balance Sheet

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	11	**641**	508
Investments - unlisted	12	**1**	1
		642	509
Current assets			
Debtors	13	**92,258**	99,446
Debtors due after more than one year	13	**737,557**	763,192
Cash at bank and in hand		**173,731**	29,024
		1,003,546	891,662
Creditors - Amounts falling due within one year	14	**(16,481)**	(10,285)
Net current assets		**987,065**	881,377
Total assets less current liabilities		**987,707**	881,886
Creditors - Amounts falling due after one year	14	**(25,000)**	(25,000)
Net assets		**962,707**	856,886
The Funds of the Charity			
Income funds			
Restricted funds	17	**537,984**	478,884
Unrestricted funds	17	**424,723**	378,002
Total charity funds		**962,707**	856,886

The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The trustees acknowledge their responsibilities for:

(i) ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the members of the Board on 30 September 2021 and are signed on their behalf by:

R F LLOYD
Trustee

Registered Company Number: 3107339

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Island Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value, unless otherwise stated in the relevant accounting policy note.

The Trust has been fortunate to receive large donations from several organisations with whom we have long standing relationships as well as funding through grants made available from the Department for Digital, Culture, Media & Sport distributed by Sport England, The National Lottery Heritage Fund, and The National Lottery Community Fund. This essential funding replaced lost sailing revenue ordinarily generated by Island (Cutter) Ltd, thus ensuring our survival for which we are thankful. Consequently, the Directors/Trustees are satisfied that The Island Trust remains a going concern.

The Island Trust Limited is a company limited by guarantee and therefore has no share capital.

The Charity was incorporated in England and Wales and details of the registered office can be found in the reference and administration section of the trustees' report.

The functional currency of the charity is considered to be pounds sterling because it is the currency of the primary economic environment in which the charitable company operates.

(a) **Group accounts**

Advantage has been taken of the exemption from preparing group accounts on the basis that the group is a small group. Accordingly, the financial statements present information about the charity as a single entity and not about the group.

(b) **Fund accounting**

Funds held by the charity are either:

Restricted funds
These funds represent funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Unrestricted general fund
Unrestricted funds are available to spend on any charitable purpose.

(c) **Tangible fixed assets and depreciation**

Tangible fixed assets are included in the accounts at cost and are depreciated over their estimated useful lives at the following rates:

Office equipment	- 20% per annum on the reducing balance basis

Notes to the financial statements

1 Accounting policies (continued)

(d) **Investments**

Listed investments held as fixed assets are re-valued at market value at the balance sheet date and the unrealised gain or loss taken to the Statement of Financial Activities.

(e) **Income**

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

For legacy income, entitlement is taken as the earlier of the date: when the charity becomes aware that probate has been granted; when the estate has been finalised and notification made by the executors that a distribution will be made; or when the distribution is received.

Investment income is recognised on a receivable basis.

Income in respect of contributions towards sailing activities is recognised when the charity is entitled to the funds.

(f) **Expenditure**

Expenditure is included on an accruals basis. Overhead and other costs not directly attributable to particular functional activities are apportioned over the relevant categories on the basis of management estimates of the amount of costs relevant to that activity. The irrecoverable element of VAT is included within the item of expense to which it relates.

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Costs of charitable activities include expenditure associated with the cost of sailing activities and include both the direct costs and support costs relating to those activities.

(g) **Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments which are initially recognised at transaction value. The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Investments;
- Intercompany loan

Notes to the financial statements

2 Legal status of the trust

The trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

3 Subsidiary undertakings

The charity wholly owns the UK subsidiary Island (Cutter) Limited. The subsidiary's principal activity is the hire of boats for transport for in excess of ten people. Trading results for the year ended 31 December 2019, extracted from its accounts, are shown below:

	2020	2019
	£	£
Turnover and other income	**229,237**	489,733
Cost of sales and administration costs	**(423,549)**	(496,322)
Interest payable	**(21,202)**	(24,388)
Profit/(Loss) for the financial year	**(215,514)**	(30,977)

The assets and liabilities of the subsidiary were:

Tangible fixed assets	**752,076**	796,064
Current assets	**29,005**	32,947
Current liabilities	**(142,123)**	(132,780)
Creditors due after more than one year	**(921,435)**	(763,192)
Aggregate share capital and reserves - deficiency	**(282,477)**	(66,961)

4 Donations and legacies

	2020 Restricted Funds	2020 Unrestricted Funds	2020 Total	2019 Total
	£	£	£	£
Donations	270,640	119,716	**390,356**	205,592
Legacies	-	5,000	**5,000**	37,000
	270,640	124,716	**395,356**	242,592

Of the £395,356 (2019: £242,592) income from donations and legacies in 2020, £270,640 (2019: £171,598) were restricted funds and £124,716 (2019: £70,994) were unrestricted.

5 Income from charitable activities

	2020 Restricted Funds	2020 Unrestricted Funds	2020 Total	2019 Total
	£	£	£	£
Sailing activities	-	36,053	**36,053**	78,029
	-	36,053	**36,053**	78,029

The income was wholly for sailing activities, all of which was unrestricted.

Notes to the financial statements

6 Income from other trading activities

	2020 Restricted Funds £	2020 Unrestricted Funds £	2020 Total £	2019 Total £
Fundraising events	-	6,680	**6,680**	16,311
	-	6,680	**6,680**	16,311

7 Investment income

	2020 Restricted Funds £	2020 Unrestricted Funds £	2020 Total £	2019 Total £
Dividends				-
Interest	-	20,294	**20,294**	24,120
	-	20,294	**20,294**	24,120

All comparative income was unrestricted.

8 Expenditure

	2020 Restricted Funds £	2020 Unrestricted Funds £	2020 Total £	2019 Total £
The Frank Jackson Foundation	-	-	-	15,000
Sailing expenses	1,200	1,055	**2,255**	274,741
Boat refit costs	-	-	**-**	**-**
Equipment	-	-	-	14,500
Depreciation	-	102	**102**	127
Support costs (Note 8a)	-	74,416	**74,416**	68,798
Grants payable – Covid19 support paid to subsidiary	76,406	65,504	**141,910**	-
Other costs – provision against amounts due from subsidiary	-	133,879	**133,879**	-
	77,606	274,956	**352,562**	373,166

For the year ended 31 December 2020 expenditure on charitable activities (including grants payable) was £210,753 (2019: £345,332) of which £133,147 (2019: £223,483) was unrestricted and £77,606 (2019: £121,849) was restricted. Cost of raising funds of £7,930 (2019 £27,834) was unrestricted. Other costs of £133,879 (2019 £Nil) were unrestricted.

Notes to the financial statements

8a Allocation of support costs

The Trust allocates its support costs on the basis of usage as shown below:

	2020 Sailing Activities	2020 Costs of raising funds	2020 Total	2019 Total
Support costs	**£**	**£**	**£**	**£**
Wages	57,500	-	**57,500**	30,947
Printing, postage and stationery	1,242	-	**1,242**	1,740
Running expenses	3,056	-	**3,056**	3,512
Travel and subsistence	345	-	**345**	451
Bank charges	111	-	**111**	181
Campaign costs	-	16	**16**	2,223
Donation collection costs	-	108	**108**	18
Subscriptions	-	290	**290**	286
Fundraising	-	7,497	**7,497**	25,294
PR & Marketing	-	-	**-**	180
Miscellaneous	-	19	**19**	13
Governance costs:				
Accountancy and legal	4,232	-	**4,232**	3,953
	66,486	7,930	**74,416**	68,798

Included in the above are recharged wages relating to one employee used on a part time basis. Costs of generating voluntary income include costs relating to two fundraisers who are engaged on a part time basis.
No employees were paid in excess of £60,000.

9 Taxation

The company is a registered charity and its charitable activities are exempt from corporation tax.

10 Trustees' emoluments and key management personnel

No remuneration was received by the trustees during the year and no trustees were reimbursed for expenditure (2019: £nil reimbursed expenses). The key management personnel of the Trust comprise the trustees.

Notes to the financial statements

11 Fixed assets – tangible

	Fixtures & fittings £	Total £
Cost		
At 1 January 2020	8,924	8,924
Additions	235	235
At 31 December 2020	**9,159**	**9,159**
Depreciation		
At 1 January 2020	8,416	8,416
Charge for the year	102	102
At 31 December 2020	**8,518**	**8,518**
Net book value		
At 31 December 2020	**641**	**641**
At 31 December 2019	508	508

12 Investments

	£
Unlisted investments	
Subsidiary undertaking at cost	
As at 1 January 2020 and 31 December 2020	1

The unlisted subsidiary undertaking is Island (Cutter) Limited whose principal activity is the operation of three boats. Its registered office is 10 Manston Terrace, Exeter, Devon, EX2 4NP. The Island Trust Limited owns 100% of the subsidiary's ordinary shares.

13 Debtors

	2020 £	2019 £
Due within one year:-		
Prepayments and accrued income	**576**	423
Tax recoverable	**1,316**	1,575
Accrued Income	-	28,400
Amounts owed by subsidiary undertaking	**90,366**	69,048
	92,258	99,446
Due after more than one year:-		
Amounts owed by subsidiary undertaking	**737,557**	763,192
	829,815	862,638

A formal loan agreement exists between the subsidiary and the charity. The amounts due after more than one year are shown net of a provision against recoverability of £133,879 (2019 £Nil).

Notes to the financial statements

14 Creditors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade creditors	**22**	382
Trustee Loan	**6,000**	6,000
PAYE and social security	**3,359**	1,403
Accruals and deferred income	**7,100**	2,500
	16,481	10,285
Amounts falling due after one year:		
Trustee Loan	**25,000**	25,000
	25,000	25,000

15 Members' liability

The company is limited by guarantee. At 31 December 2020 there were 7 members, whose maximum liability in the event of the company being wound up is £10 each.

16 Control

The company is under the control of its Trustees.

Notes to the financial statements

17 Funds

2020

	1 Jan 2020	Incoming resources	Expenditure	Transfer	31 Dec 2020
	£	£	£	£	£
The Frank Jackson Foundation	15,000	15,000	-	(15,000)	**15,000**
The Frank Jackson Foundation - Capital	350,105	-	-	(25,775)	**324,330**
Sailing courses	49,506	43,050	(1,200)	-	**91,356**
Boat refit costs	-	8,000	-	(8,000)	**-**
Equipment	500	3,000	-	(3,500)	**-**
Next Step Appeal (formerly new boat appeal)	35,073	28,400	-	(63,473)	**-**
Peter Harrison Foundation	28,700	-	-	(1,200)	**27,500**
Coronavirus Covid-19 support	-	173,190	(76,406)	(16,986)	**79,798**
	478,884	270,640	(77,606)	(133,934)	**537,984**
Unrestricted funds	378,002	187,743	(274,956)	133,934	**424,723**
Total funds	856,886	458,383	(352,562)	-	**962,707**

2019

	1 Jan 2019	Incoming resources	Expenditure	Profit/(loss) on Investments/ Transfer	31 Dec 2019
	£	£	£	£	£
The Frank Jackson Foundation	15,000	15,000	(15,000)	-	**15,000**
The Frank Jackson Foundation - Capital	375,880	-	-	(25,775)	**350,105**
Sailing courses	30,330	111,525	(92,349)	-	**49,506**
Boat refit costs	-	-	-	-	**-**
Equipment	5,000	10,000	(14,500)	-	**500**
New boat appeal	-	35,073	-	-	**35,073**
Peter Harrison Foundation	29,900	-	-	(1,200)	**28,700**
	456,110	171,598	(121,849)	(26,975)	**478,884**
Unrestricted funds	412,890	189,454	(251,317)	26,975	**378,002**
Total funds	869,000	361,052	(373,166)	-	**856,886**

Restricted funds represent money received by the charity subject to conditions requiring the charity to spend the money on specified purposes.

Monies received from The Frank Jackson Foundation were specified for the building of a boat. The boat is held as an asset in Island (Cutter) Limited, the charity's subsidiary company. A transfer will be made each year releasing the depreciation on the asset to unrestricted funds.

Notes to the financial statements

17 Funds (continued)

Monies received from the Peter Harrison Foundation were restricted for the purposes of the new boat purchase, this has therefore been recorded as restricted. The boat is held as an asset in Island (Cutter) Limited, the charity's subsidiary company. A transfer will be made each year releasing the depreciation on the asset to unrestricted funds.

Donor Acknowledgements

Incoming resources in respect of sailing courses include:

The Norman Family Charitable Trust	£1,000
The Steel Charitable Trust	£5,000
The Northbrook Community Trust	£7,150
The Whirlwind Charitable Trust	£10,000

Incoming resources in respect of equipment include:

The DWF Foundation	£3,000

Incoming resources in respect of boat refit costs and the Next Step Appeal include awards from:

The Swire Charitable Trust - Moosk
Reardon Smith Nautical Trust – Johanna Lucretia

Incoming resources in respect of Coronavirus Covid-19 support include:

The National Lottery Heritage Fund	£9,500
Sport England Grant	£10,000
The National Lottery Heritage Fund – Culture Recovery Fund	£71,190
The National Lottery Community Fund	£75,000

18 Related parties

At 31 December 2020, £961,802 (2019: £832,240) was owed to the parent charity by its subsidiary (before a provision of £133,879). A formal loan agreement exists between the charity and the Island (Cutter) Limited. Interest is to be paid on the loan at 2% above the base rate of Lloyds Bank, as varied from time to time. During the year £20,285 (2019: £24,093) has been received.