

**Charity Registration No. 1146558**

**Company Registration No. 07508506 (England and Wales)**

**The Egremont Trust (Salcombe)  
(a company Limited by Guarantee)  
Trustee Directors' Report and Unaudited Financial Statements  
For the year ended  
31 January 2021**



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**INFORMATION**

<b>Trustee directors</b>	Mr R Martin Mrs J Martin
<b>Charity number</b>	1146558
<b>Company number</b>	07508506
<b>Registered office</b>	Gardeners Cottage Tithe Hill Churchstow, Kingsbridge Devon TQ7 3QZ
<b>Accountants</b>	Moore Scarrott Limited Calyx House South Road Taunton Somerset TA1 3DU
<b>Bankers</b>	Lloyds TSB 65-67 Fore Street Kingsbridge Devon TQ7 1PN

**TRUSTEE DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 JANUARY 2021**

The Trustee Directors present their report and unaudited financial statements for the year ended 31 January 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum of Association, applicable law, the Companies Act 2006, 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 (FRS102) (effective 1 January 2019).

**Objects of the charity**

The charity is a charitable company limited by guarantee, and its objects are set out in the Memorandum of Association, its governing document. The company was incorporated on 27 January 2011 and commenced on 1 February 2012.

The charity has two main objectives. The first is to maintain a bursary to enable children from disadvantaged backgrounds to use the educational facilities on board the ship MV Egremont, and the sailing courses available locally. This is designed to support and encourage the children to experience a wide range of water based activities including sailing, kayaking, raft building and marine environment education. It is also designed to build confidence by team building, motivation and education. The types of children to benefit from the bursary are those with special needs and behavioural or learning difficulties, children with visual, oral or physical disability and children from inner city or deprived areas.

The second is to raise funds to enable the MV Egremont to be maintained. The ship is a registered national historic ship and a significant landmark in Salcombe. Every 5 years or so, the dry docking, survey and maintenance process has to be completed. It provides accommodation for guests staying in Salcombe and those pursuing RYA sailing courses. As well as providing a safe environment for guests, funds raised by the charity are also used to educate guests and the local community on the ship's substantial heritage.

The charity is managed on a day to day basis by its Trustee Directors, who are the directors under company law. The trustee directors are responsible for the recruitment, appointment, induction and training of new trustee directors.

**Trustee Directors**

The trustee directors who served during the period were:

Mr R Martin  
Mrs J Martin

None of the Trustee Directors has any beneficial interest in the company. All are members of the company and guarantee to contribute £1 each in the event of it winding up.

**Risk factors**

The trustee directors have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to monitor these risks. However, the known risk is that the boat will not be able to return to Salcombe which will impact the charity's ability to fulfil its objectives and this is described in more detail below.

**Governance Code**

The Trustee Directors have reviewed the Governance Code and understand their responsibilities as Trustees in respect of the Charity.

**Review of activities and financial review**

The main current function of the charity is to continue to seek a re-start of the re-purposing project. A key objective of the Trust is to provide a unique sailing experience for special needs and disadvantaged young people.

## **Review of activities and financial review (cont'd)**

A few years ago, the directors received support from a funding team from the private sector which enabled them to send the ship for dry docking and a 30-year life extension project. The ship was expected to return at the end of 2018 so that the Charity could begin preparations to provide sailing courses and other activities during the 2019 summer season.

The ship left Salcombe Harbour in October 2016 and works were started at Sharpness straight away. Emails were received from Salcombe Harbour officials confirming the ship would be welcome back. It soon became clear that there was scope for a larger investment and so works stopped pending further fund raising. The greater funding required was secured in January 2018. However, the Salcombe Harbour Board (SHB) made it known that they could refuse to allow the ship back in the harbour or could at any time in the future refuse to renew the annual moorings licence. The funders for the project decided in June 2018 that SHB were not fully supportive of the project and they withdrew the funding through correctly perceived lack of goodwill emanating from SHB. On July 16<sup>th</sup> 2018 SHB then decided to re-allocate the ship's moorings of 40 years which effectively barred her from returning to her home port. Although there was a huge amount of support for the return of the ship nobody could break through the lack of goodwill and the determination of SHB to block her return. This means that the ship cannot return to Salcombe and to its previous mooring of 40 years.

After taking specialist advice, and careful consideration of the options, the Trustees have now made the decision to sell the ship as it will no longer be able to support the Charity's objectives and work is ongoing to find a suitable buyer. During this time, Sharpness Dockyard have continued to be supportive. The Trustees and supporters wish to take this opportunity to repeat their thanks.

Once a suitable buyer is found, any surplus funds will be used within the Charity. The long-term intention is to fulfil the objective of maintaining a bursary to allow access to sailing courses for children with special needs and from disadvantaged backgrounds, with a combination of capital received from the sale of the boat, together with support from the general public. The local sailing club have also indicated they would be willing to provide support by offering the Charity the use of their equipment and facilities if required.

The Charity received income in the year of £1,490 (2020: £2,035) in respect of the lottery draw, whereby members of the public pay a regular amount to the charity in exchange for taking part in a prize draw. Prizes of £753 (2020: £909) were paid out in the period and the cost of these prizes has been included within charitable activities. No other donations were received in the year. The loan written off of £67,245 relates to the amount owed to the Trustee Directors and is referred to in more detail as part of the reserves and investment policy notes.

Running costs have broadly remained in line with the previous year. The insurance relates to the period to November 2020. However, as the ship is no longer moored at Salcombe, the insurers declined to offer insurance on the ship for the period from November 2020.

## **Reserves and investment policy**

The total funds held at 31 January 2021 amounted to £99,899 (31 January 2020: £36,116).

During the period October/November 2016 there was a substantial amount of work carried out to repair and refurbish the ship at dock, the cost of which amounted to £275,316. The Trustee Directors have again reviewed the value of the ship in its current condition and consider that the value of £375,000 is still realistic. The refurbishment costs are considered to add value to the asset, as, should it be sold in its current state, it would be worth more at dock with a substantially re-plated hull than if it was still moored. In addition, the ship's teak decks are considered by a marine surveyor/valuer to be worth a significant amount on their own.

With the ship currently in dock, the charity is unable to generate significant income from operations to cover the day to day running costs and so total bank balances have decreased in the year to £1,265 (2020: £1,887).

The amount invoiced for the repairs and refurbishment remains unpaid and is also included within creditors falling due within one year. The dockyard continues to reserve the right to take possession of the ship to recover its costs. The Trustees and the dockyard continue to liaise and explore opportunities and creditors are aware of the ongoing work to find an acceptable outcome.

### **Reserves and investment policy (cont'd)**

Previously, as well as using the funds within the current accounts, the Charity has relied on financial support from Mr and Mrs Martin, the Trustee Directors.

Loans have been provided on an interest free basis and there were no terms for repayment. The balance owed at 31 January 2020 was £67,245. In March 2020, Mr and Mrs Martin took the decision to write off the loan on the basis that it could be a number of years before the Charity is in a position to begin repaying the debt. In addition, Mr and Mrs Martin remain totally committed to ensuring that the project can continue and that the Charity will be able to begin to fulfil its objectives in the future. The amount written off has been included within incoming resources.

### **Statement of Trustee Directors' responsibilities**

The Trustee Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustee Directors to prepare financial statements for each financial year. Under that law the Trustee Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year.

In preparing those financial statements, the Trustee Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Trustee Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Trustee Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Small Company Provisions**

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting Reporting Charities and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small entities.

Signed on behalf of the board of trustees on 27 October 2021

Mr R Martin  
Trustee Director

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE DIRECTORS ON THE UNAUDITED ACCOUNTS OF THE EGREMONT TRUST (SALCOMBE)**

**Independent Examiner's Report**

I report on the accounts of the Charity for the year ended 31 January 2021 which are set out on pages 7 to 12.

**Respective Responsibilities of Trustee Directors and Examiner**

The Trustees (who are the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The Charity's gross income did not exceed £250,000 and I am qualified to undertake the examination by being a member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the Charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- Examine the accounts under Section 145 of the 2011 Act;
- Follow procedures laid down in the general Directions given by the Charity Commission under Section 145(5)(b) of the 2011 Act; and
- State whether particular matters have come to my attention.

**Basis of Independent Examiner's Report**

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**Independent Examiner's Statement**

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements:

- To keep accounting records in accordance with Section 386 of the Companies Act 2006; and
- To prepare accounts which accord with the accounting records, comply with the accounting requirements of Section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

C M S Longbottom  
Moore Scarrott Limited  
Calyx House  
South Road  
Taunton  
Somerset  
TA1 3DU

Date: 29 October 2021

**The Egremont Trust (Salcombe) (a company Limited by Guarantee)**  
**Trustee Directors' Report and Unaudited Financial Statements**  
**For the year ended 31 January 2021**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 JANUARY 2021**

	Notes	Unrestricted Funds	Restricted Funds	Total 31 January 2021	Total 31 January 2020
		£	£	£	£
<b>Incoming resources</b>					
Grants, donations and legacies	2	1,490	-	1,490	8,255
Other investment income	3	1	-	1	1
Directors' loans written off		67,245	-	67,245	-
<b>Total incoming resources</b>		<u>68,736</u>	<u>-</u>	<u>68,736</u>	<u>8,256</u>
<b>Resources expended</b>					
Charitable activities	4	3,800	-	3,800	4,669
Governance costs	5	1,153	-	1,153	978
<b>Total resources expended</b>		<u>4,953</u>	<u>-</u>	<u>4,953</u>	<u>5,647</u>
<b>Net incoming / (outgoing) resources</b>		63,783	-	63,783	2,609
<b>Gains / (losses) on revaluation of fixed assets</b>		-	-	-	-
<b>Fund balance at 31 January 2020</b>		<u>33,116</u>	<u>3,000</u>	<u>36,116</u>	<u>33,507</u>
<b>Fund balance at 31 January 2021</b>		<u>96,899</u>	<u>3,000</u>	<u>99,899</u>	<u>36,116</u>

The statement of financial activities also complies with the requirements for an Income and Expenditure account under the Companies Act 2006.

All incoming resources and resources expended derive from continuing activities.



**The Egremont Trust (Salcombe) (a company Limited by Guarantee)**  
**Trustee Directors' Report and Unaudited Financial Statements**  
**For the year ended 31 January 2021**

**BALANCE SHEET AS AT 31 JANUARY 2021**  
**COMPANY REGISTRATION NUMBER 07508506**

	Notes	31 January 2021	31 January 2020
<b>Fixed assets</b>			
Tangible assets	8	375,000	375,000
<b>Current assets</b>			
Debtors	9	-	2,751
Cash at bank and in hand		<u>1,265</u>	<u>1,887</u>
			4,638
<b>Current liabilities</b>			
Creditors falling due within one year	10	<u>276,366</u>	<u>343,522</u>
		(275,101)	(343,522)
<b>Total assets</b>		<u>99,899</u>	<u>36,116</u>
<b>Income funds</b>			
Unrestricted funds / (deficit)		37,065	(26,718)
Restricted funds		3,000	3,000
Revaluation reserve		<u>59,834</u>	<u>59,834</u>
<b>Total Charity Funds</b>	11	<u>99,899</u>	<u>36,116</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The Trustee Directors are satisfied that the company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 January 2021. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The Trustee Directors acknowledge their responsibilities for:-

- (a) Ensuring that the company keeps accounting records which comply with section 386 of the Act; and
- (b) Preparing accounts which give a true and fair view of the state of affairs of the company at 31 January 2020 and of its profit for the year then ended in accordance with sections 394 and 395, and otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

Approved by the board of trustees on 27 October 2021 and signed on its behalf.

Mr R Martin  
Trustee Director

## **NOTES TO THE ACCOUNTS**

### **1 Accounting Policies**

#### **1.1 Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Companies Act 2006.

The Egremont Trust (Salcombe) meets the definition of a Public Benefit Entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note (s).

The Trustee Directors consider that there are currently no material uncertainties about the charity's ability to continue as a going concern. There is uncertainty regarding the future of the MV Egremont but the Trustees Directors remain confident that the charity will still be able to fulfil its objectives in the long term. The issues the charity faces and the future plans are referred to in more detail in the Trustee Directors Report.

#### **1.2 Incoming resources**

Incoming resources are recognised in the accounts on the accruals basis, during the period in which they are due, and therefore match any related expenditure.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subject to restrictions on their expenditure imposed by the donor.

#### **1.3 Resources expended**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs incurred directly relating to the charitable company's objectives are included within charitable activities.

#### **1.4 Fixed assets**

A revaluation basis has been applied to the MV Egremont and ancillary equipment due to the nature of the assets held. The value has been agreed by the Trustee Directors who have considerable knowledge of the area and sea-faring vessels.

### **2 Grants, donations and legacies**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>31 January</b>	<b>31 January</b>
	<b>£</b>	<b>£</b>	<b>2021</b>	<b>2020</b>
Grants	-	-	-	6,220
Donations	1,490	-	1,490	2,035
	<u>1,490</u>	<u>-</u>	<u>1,490</u>	<u>8,255</u>

**3 Investment income**

	<b>31 January 2021 £</b>	<b>31 January 2020 £</b>
Bank interest received	1	1
	<u>1</u>	<u>1</u>

**4 Direct charitable expenditure**

	<b>31 January 2021 £</b>	<b>31 January 2020 £</b>
Fundraising	753	909
Repairs and maintenance	-	-
General insurance	2,750	3,288
Heat & light	-	(28)
Telephone	96	98
Sundry expenses	49	99
Rent	-	132
Bank charges	152	171
	<u>3,800</u>	<u>4,669</u>

**5 Governance costs**

	<b>31 January 2021 £</b>	<b>31 January 2020 £</b>
Accountancy	1,153	978
	<u>1,153</u>	<u>978</u>

**6 Trustee Directors**

None of the Trustee Directors (or any persons connected with them) received any remuneration during the period.

**7 Employees**

Number of employees

There were no employees during the period.

**8 Fixed assets**

	<b>Plant &amp; Machinery £</b>	<b>Total £</b>
<b>Cost:</b>		
At 1 February 2020	375,000	375,000
Additions	-	-
Revaluation	-	-
At 31 January 2021	<u>375,000</u>	<u>375,000</u>
<b>Depreciation:</b>		
At 1 February 2020	-	-
Realised in period on revaluation	-	-
At 31 January 2021	<u>-</u>	<u>-</u>
<b>Net book value:</b>		
At 31 January 2021	<u>375,000</u>	<u>375,000</u>
At 31 January 2020	<u>375,000</u>	<u>375,000</u>

The Plant and Machinery comprises the Ship MV Egremont and ancillary equipment.

Mr Richard Martin, a Trustee Director, has reviewed the carrying value of the assets and considers that the valuation of £375,000 is still realistic as of 31 January 2021. This is based on the current market conditions and Mr Martin's extensive experience and knowledge of MV Egremont. In arriving at the estimated value Mr Martin also sought external advice on the value of the teak decking, which, on its own is worth a considerable amount of money on the open market.

The historical cost of the asset was £16,689. The accumulated depreciation was £1,628.

**9 Debtors**

	<b>31 January 2021 £</b>	<b>31 January 2020 £</b>
Prepayments	-	2,751
	<u>-</u>	<u>2,751</u>

**10 Creditors**

	<b>31 January 2021 £</b>	<b>31 January 2020 £</b>
Accruals	1,050	960
Other creditors	275,316	342,562
	<u>276,366</u>	<u>343,522</u>

**11 Analysis of net assets between funds – 2021**

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 January 2021 are represented by:			
Fixed assets	315,166	-	315,166
Net current (liabilities) / assets	(278,101)	3,000	(275,101)
Revaluation reserve	59,834	-	59,834
	<u>96,899</u>	<u>3,000</u>	<u>99,899</u>

**Analysis of net assets between funds – 2020**

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 January 2020 are represented by:			
Fixed assets	315,166	-	315,166
Net current (liabilities) / assets	(341,884)	3,000	(338,884)
Revaluation reserve	59,834	-	59,834
	<u>33,116</u>	<u>3,000</u>	<u>36,116</u>

**12 Company status**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation. The company is controlled by its trustee directors.

**13 Related party transactions**

During the year the following related party transactions were made:

**Mr R and Mrs J Martin**

Mr and Mrs Martin, two of the Trustee Directors, were owed £67,245 as of 31 January 2020. In March 2020 the decision was made to write off this loan. These funds were lent on an interest free basis and there are no terms for repayment. This is referred to in more detail in the Trustees Report.

At the balance sheet date the amount due to Mr and Mrs Martin was £NIL (2020: £67,245).