

Charity registration number 1158850

Company registration number 09138930 (England and Wales)

**THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Byatt Mr A M Charlton KC Mrs P A Kyle Mr N McGrigor The Hon. D M Nicholson DL Commodore R Powell OBE The Hon C Sharples Colonel Carron Snagge OBE DL Mr J Stevens	(Appointed 1 January 2023)
Charity number	1158850	
Company number	09138930	
Registered office	The Castle The Parade Cowes Isle of Wight PO31 7QT	
Independent examiner	Moore (South) LLP 9 St Johns Place Newport Isle of Wight England PO30 1LH	
Bankers	Lloyds Bank Plc Newport 22 St Thomas Square Newport Isle of Wight PO30 1SQ	
Patron	HRH The Duke of Edinburgh	
Solicitors	Hampshire Blake Morgan LLP New Kings Court Tollgate Chandler's Ford Eastleigh Hampshire SO53 3LG	
Investment managers	Sarasin & Partners CCLA Investment Finance	

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

CONTENTS

	Page
Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 13

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The charity was incorporated on 21 July 2014, as a company limited by guarantee, and registered as a charity with the Charity Commission in England and Wales on 13 October 2014. The trustees present their annual report and financial statements for the year ended 31 December 2023.

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

Objectives and activities

Working closely with schools, the Isle of Wight VI Form College, other adult education establishments, employers and other youth orientated organisations on the Isle of Wight, the Foundation's objective is to provide targeted, mainly financial, assistance to young people, who live on or have a strong connect to the Isle of Wight. The aim being to help these young people gain access to higher training standards and qualifications, which lead to better quality employment, predominately in the maritime sector, and which they would otherwise not be able to access.

Public benefit

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

Achievements and performance

Significant activities and achievements against objectives

Since 2015 the Foundation has made over 150 grants totalling in excess of £400,000.

During the period to 31st December 2023 £57,085 (2022 £43,638) was committed in Grants to support 33 (2022 – 19) young people. The size of grants ranges from £100 to £5,000. The young people supported come from a wide range of backgrounds and have been helped in a variety of ways including payment of training fees, travel costs, equipment costs and course fees.

A grant for £5,000 was made to Cowes Enterprise College to support their V & VI students involved in their award-winning Maritime Futures project. £4,000 has also been committed to sponsoring a marine welding course to be held in East Cowes, in January '24, by Isle of Wight College, for apprentices.

In October the Foundation hosted a successful reception for more than 80 partners. Not only was this a good marketing event for the activities of the Foundation but it was also a useful networking forum for all those attending.

Financial review

The Foundation has received donations from individual members of the Royal Yacht Squadron and associated Trusts, which together with Gift Aid totalled £48,545 (2022 - £134,919) in 2023. A surplus of £180,814 (2022 deficit of £95,103), including capital gain, has been carried forward in general reserves to 2024. All bursaries and grants to date have been funded out of donations specifically dedicated for that purpose. No donations constitute restricted funds.

In line with the Charity's investment policy, which is closely supervised by the Trustees' Investment Sub-Committee, funds have been placed with two investment managers to generate a return and capital growth. In 2023, following a difficult year in 2022, both investment portfolios have recovered well and continue to grow healthily. By the end of 2023 the charity had achieved its initial target of £2m net Assets. This target was set in 2014 and, taking account of inflation, is equivalent now to about £2.6m, which has become the Trustees' updated target.

Both investment managers offer liquidity funds which generate returns of 5% and can be accessed within 5 working days; so, the intention is to reduce the current bank account balance, which does not accrue interest, to a much lower level.

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Reserves policy

The Foundation is a relatively young charitable organisation seeking to generate a level of assets which will allow it to achieve its objectives.

The Trustees will continue to monitor reserves policy in the light of the demands for grants and financial support, and potential fundraising.

Plans for future periods

The Foundation will continue to make grants in support of its charitable objectives. Trustees have set themselves a target to support 20 applicants, at a total value of £60k, per annum. Opportunities, like Maritime Futures and the maritime welding course, to support groups of eligible young people, will continue to be explored.

A Careers Fair which will involve more than 40 local employers, up to 8 workboats and about 800 students is planned for September 2024.

Structure, governance and management

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

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr J Bennett

(Resigned 1 January 2023)

Mr D Byatt

(Appointed 1 January 2023)

Mr A M Charlton KC

Mrs P A Kyle

Mr N McGrigor

The Hon. D M Nicholson DL

Commodore R Powell OBE

The Hon C Sharples

Colonel Carron Snagge OBE DL

Mr J Stevens

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

Risk Management

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

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees' Responsibilities

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

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

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

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

The trustees' report was approved by the Board of Trustees and signed on its behalf.

Colonel Carron Snagge OBE DL
Trustee

20 September 2024

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

I report to the trustees on my examination of the financial statements of The Royal Yacht Squadron Isle of Wight Foundation (the trust) for the year ended 31 December 2023.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the trust 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 the trust's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the trust as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.

Moore (South) LLP

Kevin R Cooper BA FCA DChA

9 St Johns Place

Newport

Isle of Wight

PO30 1LH

England

Dated: 20 September 2024

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income and endowments from:			
Donations and legacies	2	41,095	134,919
Investments	3	52,711	48,517
Other income	4	19,475	-
Total income		<u>113,281</u>	<u>183,436</u>
Expenditure on:			
Charitable activities	5	67,343	50,109
Total expenditure		<u>67,343</u>	<u>50,109</u>
Net gains/(losses) on investments	10	<u>134,876</u>	<u>(228,430)</u>
Net income/(expenditure) and movement in funds		<u>180,814</u>	<u>(95,103)</u>
Reconciliation of funds:			
Fund balances at 1 January 2023		<u>1,821,024</u>	<u>1,916,126</u>
Fund balances at 31 December 2023		<u>2,001,838</u>	<u>1,821,023</u>

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

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	12		1,896,729		1,761,853
Current assets					
Debtors	13	4,520		7,970	
Cash at bank and in hand		112,444		71,157	
		116,964		79,127	
Creditors: amounts falling due within one year	14	(11,855)		(19,957)	
Net current assets			105,109		59,170
Total assets less current liabilities			2,001,838		1,821,023
Net assets			2,001,838		1,821,023
The funds of the trust					
Unrestricted funds			2,001,838		1,821,023
			2,001,838		1,821,023

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 December 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on 20 September 2024

Colonel Carron Snagge OBE DL
Trustee

Company registration number 09138930 (England and Wales)

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Royal Yacht Squadron Isle of Wight Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is The Castle, The Parade, Cowes, Isle of Wight, PO31 7QT.

1.1 Accounting convention

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 Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The trust is a Public Benefit Entity as defined by FRS 102.

The trust has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity. Expendable Endowments permit the Charity to spend the capital sum on suitable capital projects with the permission of the donor. Income arising on the endowment funds can be used in accordance with the objects of the charity and is transferred to the general funds.

Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against relevant fund.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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

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

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

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

1.5 Expenditure

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

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

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

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

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

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

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.8 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

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

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts		
Donations from individuals	48,545	125,550
Donations from Charitable Trusts, Yacht Clubs and others	-	9,369
Gift Aid recoverable	(7,450)	-
	<u>41,095</u>	<u>134,919</u>

3 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Sarsins investment income	23,004	22,654
CCLA investment income	29,707	25,863
	<u>52,711</u>	<u>48,517</u>

4 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	<u>19,475</u>	<u>-</u>

Other income includes write off of historical unspent grants.

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Expenditure on charitable activities

	2023	2022
	£	£
Direct costs		
Fund raising expenses	1,805	-
Grant funding of activities (see note 6)	62,085	43,638
Share of support and governance costs (see note 7)		
Support	603	2,848
Governance	2,850	3,623
	<u>67,343</u>	<u>50,109</u>
Analysis by fund		
Unrestricted funds	<u>67,343</u>	<u>50,109</u>

6 Grants payable

	2023	2022
	£	£
Grants to institutions:		
Grants to local schools	5,000	32,820
Education grants in respect of individuals	<u>57,085</u>	<u>10,818</u>

7 Support costs allocated to activities

	2023	2022
	£	£
Insurance	-	801
Meetings	278	184
Bank charges	125	97
Advertising	-	1,475
Internet	-	293
Loyalty Credits	-	(2)
Sundry expenses	200	-
Governance costs	<u>2,850</u>	<u>3,623</u>
	<u>3,453</u>	<u>6,471</u>
Analysed between:		
<u>Charitable activities</u>		
Support & governance	<u>3,453</u>	<u>6,471</u>

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-

The administration and support of the Trust's work, is provided by the staff of The Royal Yacht Squadron. It is not possible to quantify the cost of wages gifted in kind.

There were no employees whose annual remuneration was more than £60,000.

10 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investments	134,876	(228,430)

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Fixed asset investments

	Listed Investments £
Cost or valuation	
At 1 January 2023	1,761,853
Valuation changes	134,876
At 31 December 2023	1,896,729
Carrying amount	
At 31 December 2023	1,896,729
At 31 December 2022	1,761,853

THE ROYAL YACHT SQUADRON ISLE OF WIGHT FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Fixed asset investments

(Continued)

Fixed Asset Investments had additions of £Nil in the year (2022: £130,000).

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

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	4,000	7,970
Prepayments and accrued income	520	-
	<u>4,520</u>	<u>7,970</u>

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Education grants payable	9,095	16,849
Accruals and deferred income	2,760	3,108
	<u>11,855</u>	<u>19,957</u>

15 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 December 2023 £
General funds	<u>1,821,024</u>	<u>113,281</u>	<u>(67,343)</u>	<u>134,876</u>	<u>2,001,838</u>
Previous year:					
	At 1 January 2022 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 December 2022 £
General funds	<u>1,916,126</u>	<u>183,436</u>	<u>(50,109)</u>	<u>(228,430)</u>	<u>1,821,023</u>

16 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).