



ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH

2020



ANNUAL REPORT AND ACCOUNTS 2020

For the year ended 31st March 2020

Chair's Statement	03
AGM Agenda	04
Chief Executive's Strategic Report	05
Directors' Report	11
Independent Auditor's Report	12
Statement of Comprehensive Income	14
Statement of Changes in Reserves	14
Statement of Financial Position	15
Statement of Cash Flows	16
Analysis of Net Debt	16
Notes to the Accounts	17

The RYA Purpose

To promote and protect safe, successful and rewarding British boating



CHAIR'S STATEMENT



As Chair of your Association, I am pleased to report on another successful year for the RYA, albeit one that concluded just as significant Covid-19 restrictions were introduced in the UK. The many achievements of the RYA and our members during the past year are well-explained in the CEO's Strategic Report, which makes for an uplifting and rewarding read. To set the scene, I would like to highlight some key developments that I consider both significant and encouraging for the future.

We achieved a record number of participants at the 2019 Push the Boat Out, bringing new regular boaters and, hopefully in time, new members; the British Sailing Team were well-prepared for the Olympics in Japan, now postponed to 2021, and we were the only nation to have qualified in all disciplines; The Green Blue programme won the 11th Hour Racing Sustainability Award at the World Sailing Conference; and the record number of very high quality nominations for the volunteer awards made the panel's job extremely difficult.

This is my opportunity to recognise and thank the many people who have contributed to those achievements during the year.

The success of the RYA is enabled by our many volunteers at all levels across our sport. Firstly, I would like to recognise the efforts of those members working on our regional and policy forming committees, in the Home Countries and my fellow non-executive directors on the RYA Board.

I should also express our thanks and appreciation to both UK Sport and Sport England. Their funding is critically important in supporting a broad range of RYA initiatives, including Sailability and other grass-roots programmes, our youth and junior talent pathway, and the British Sailing Team.

I would also particularly like to thank all RYA staff across the UK for their hard work over the year. They have made great efforts in all areas, including developing training, lobbying and advising on key issues, organising very successful events ashore and afloat, supporting our members and athletes and reinforcing our objective to increase boating safety throughout the UK.

This report covers the financial year 2019-2020, which ended on 31st March and was therefore only slightly affected by the Covid-19 pandemic crisis, with lockdown and a ban on all boating activity imposed at the end of the financial year. However, it is important to note that the economic and social consequences of the crisis have had a major effect on the boating community and the operations of the RYA and will continue to do so in the future.

The crisis has posed major challenges for recreational and competitive boating and for the RYA as its national governing body. But together we have risen to the challenge; our e-sailing activity has been hugely popular and we have witnessed phenomenal innovation at boating clubs around the country. Most importantly, we successfully lobbied for boaters to get back on the water safely as part of the first phase of activity that was permitted as lockdown restrictions began to be lifted.

We recognise that there will be financial pressures on many of our individual and affiliate members in the "new normal". We must work hard to ensure participation and membership is maintained and increased. We must all do our bit for our activity and sport to help our communities emerge from the crisis, and help all those who have been affected either physically, mentally, or economically to be able to participate and benefit from the well-being, friendship and enjoyment that boating can bring.

In looking ahead, I would like to highlight the continued efforts the Board and staff will be making to engage with our members. We will work to better understand how volunteers, on whom our sport depends, can be assisted and encouraged in their efforts to welcome participants of all backgrounds, ages, and abilities into boating.

Thank you for your continued, loyal support.

A handwritten signature in black ink, appearing to read 'Chris Preston'.

Christopher Preston
RYA Chair

AGM AGENDA

PATRON

HER MAJESTY THE QUEEN

PRESIDENT

HRH THE PRINCESS ROYAL, KG, KT, GCVO, QSO

NOTICE OF AGM

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE ROYAL YACHTING ASSOCIATION WILL BE HELD ON 20TH NOVEMBER 2020. FURTHER DETAILED INFORMATION WILL BE PROVIDED NEARER TO THIS DATE IN ACCORDANCE WITH OUR ARTICLES OF ASSOCIATION.

1. **To approve the Minutes of the Annual General Meeting of 22nd November 2019** (circulated with the Spring 2020 issue of *RYA Magazine*).
2. **To receive the Report of the Board of Directors and Accounts for the year ended 31st March 2020** (together with the report of the Independent Auditor).
3. **To elect the President for the ensuing year:** HRH The Princess Royal, the retiring President, is eligible for re-election and has signified her willingness to continue to serve in office.
4. **To appoint the Auditor** and to delegate to the Board of Directors authority to fix the remuneration of the Auditor.
5. **Special Business** to consider and, if thought fit, to pass the following resolutions:
 - (a) **That the Company's Articles of Association** be altered so as to take the form of the Articles of Association attached to this resolution and prefaced by an explanatory document signed by the Chair, in substitution for, and to the exclusion of, any Articles of Association previously registered with the Registrar of Companies.
 - (b) **That the Company's Board Regulations** be altered so as to take the form of the Board Regulations attached to this resolution and prefaced by an explanatory document signed by the Chair, in substitution for, and to the exclusion of any Board Regulations previously approved.

Please note the revised Articles of Association and Board Regulations, as well as the explanatory document, will be sent to members in advance of the AGM.

6. Any other business

Any matters raised under Agenda Item 6 cannot form part of the official business of the meeting and thus may not be proposed as formal motions. This item is included to afford members an opportunity for informal discussion.

CHIEF EXECUTIVE'S STRATEGIC REPORT



BUSINESS REVIEW

As forecast, we achieved breakeven for 2019-20 (before pension valuation adjustments), despite the investment of almost £400,000 in the first phase of our digital transformation project. Overall results were largely stable, with income up just over £10,000, 63% of which was generated from RYA activity independent of the grant funding we receive from UK Sport and Sport England. Careful management of our working capital has seen stock and debtors decrease further and we reduced our administrative overheads. As a result Members Funds stood at £8.3m as at 31st March 2020.

The Board instigated a special task group in response to the pandemic, comprising both executive and non-executive directors and key senior staff. This group has developed scenario plans which stress test the Association's ability to survive the immediate reduction we have seen in our income, as well as longer-term impacts. The analysis undertaken has informed and confirmed the Board's assessment that the RYA remains a strong going concern. We are fortunate to have ended this financial year with substantial reserves at the top end of our target holdings, including un-mortgaged commercial properties and a significant cash balance. This will enable us to accommodate the trading loss that we will inevitably make in the coming year.

We are extremely proud of our team's response to the pandemic. Swift and decisive action was taken to protect colleagues and leverage financial assistance, and guidance to individual members, clubs and training centres has been provided throughout, in an effort to support members and affiliates and minimise the impact on them.

PRINCIPAL RISKS AND UNCERTAINTIES

We have already seen substantial falls in each of our commercial income streams since March, and the high level of both economic and political uncertainty continues to pose a risk to our revenue-generating capability and overall operations for the remainder of the year. Four major risks have been identified:

By far the greatest risk faced by all businesses in the coming year is the impact of the Coronavirus. It has already affected membership numbers, training and publications income, the recruitment of new participants, and our ability to run events and development programmes. The duration of restrictive containment measures, the possibility of a second wave, and the depth of the wider economic impact are all uncertainties which are next to impossible to quantify.

Secondly, uncertainty remains over the exact nature of the UK's exit from the EU in December; and consequently over any impact on our business model and wider stakeholder network.

Thirdly, we embarked on a major digital transformation project at the end of 2019. This essential part of our strategy followed a careful evaluation of our current digital estate, the software options available, and the most suitable delivery partner to lead this project. With an overall budget of over £1m, and a direct impact on all RYA transactions and stakeholders, the successful delivery of this project must be considered a risk. Diligent project management and close budget scrutiny will be applied to complete this upgrade on time and within budget.

Finally, a triennial review of the Final Salary Pension scheme is scheduled with the trustees over the coming months, with an effective date of 1st April 2020. Whilst we fully expect to reach agreement within 15 months of the effective date on any necessary recovery plan, continued stock market volatility may require the RYA to make a greater level of additional contribution than we have seen in recent years.

111,322

INDIVIDUAL MEMBERS

£21m

TOTAL INCOME

£8.3m

MEMBERS FUNDS

3m

WEBSITE VISITS

25,202

INSTRUCTORS



MEMBERSHIP MATTERS

We are very pleased to report that RYA membership reached an all-time high of 112,826 in September. This is all the more remarkable when we remember that RYA membership, unlike many national and global national governing bodies, is not mandatory. These are nevertheless challenging times for membership organisations, and it has never been more important to focus on looking after our members.

Our instructors are considered to be key ambassadors, and UK instructor membership has remained stable at 74%. We expect this to rise over the coming years as the benefits packages evolve to ensure our credential holders and our practical and shorebased instructors receive an enhanced membership offer they value and that supports their boating and the delivery of RYA training.

Yacht and motor cruisers make up 50% of our membership, while all other forms of boating are well represented within our member base, reflecting the wide appeal of membership to boaters of all types. This variety underscores why it is so critical that we tailor our engagement to serve the interests of our members.

The average length of membership is ten years, and in the last rolling 12 months we have recruited 19,350 new and re-joining members. Many of these new joiners come to us through the International Certificate of Competence (ICC) offer, while Joining Points, particularly those offered by Recognised Training Centres, are also a popular route into the RYA. The Refer a Friend initiative has also been a valuable tool in driving membership numbers, with existing members advocating the benefits of membership to their friends and family.

Once again we were able to negotiate a complimentary ticket for every RYA member to the Southampton International Boat Show, with special concessions for friends and family members. Nearly 10,000

free tickets were claimed and over 8,700 members and their guests joined us in the RYA members' lounge.

It has been another busy year for the RYA's certification team, with over 73,500 certificates issued by RYA House in addition to the 150,000 certificates issued by our Recognised Training Centres. Over 40,000 candidates chose to record their qualification details centrally.

Digital continues to play a significant role in how we engage with and deliver services to our members and stakeholders. This year we commenced the next phase of our digital transformation. Following an extensive selection and design process we have invested in a modern digital platform to support email, commerce and the website. The advantages over the current aging patchwork of technology are that it will enable greater personalisation, a simpler user experience and ease of maintenance. The new platform will launch in early 2021.

Social media channels have continued to grow and play an increasingly important role in our communications mix. Our new social media strategy will enable us to align content more closely to the needs of our varying audiences and ensure that we optimise the use of each channel. Email newsletters continue to deliver strong engagement, with consistently high open and click rates.

RYA Magazine retains the highest circulation of all leading British boating magazines. A change of publisher has seen the design refreshed and enhanced to ensure content is engaging and reflects our broad range of watersports and member interest. Online views grow steadily, and, following members' feedback, is now available in a digital-friendly, browser-based, format.

We have added more benefits to the popular member Reward Partners programme, offering savings on a wide range of retailers and services, including clothing, holidays and insurance.



REPRESENTING BOATING INTERESTS

Our public affairs specialists continued to work tirelessly on a range of issues that could have an adverse impact on recreational boating. Of these, Brexit continues to pose a number of unique challenges.

The RYA has maintained its engagement with Government and its departments to ensure that the impact on recreational boating is fully recognised. Since the revised Withdrawal Agreement and Political Declaration was agreed in October, we have worked on a number of key policy issues that need to be resolved before the end of 2020 in the event that the transition period is not extended. These include financial penalties arising from the end of free movement of goods between the UK and EU, VAT, the impact of the Schengen Agreement on extended cruising in EU community waters and future border controls for recreational boats entering or leaving the UK.

We responded to a number of consultations, including a significant campaign that has successfully reinstated sailing and windsurfing to the PE Activity List following the Department for Education's public consultation. This was a major boost to our work to enable young people to get on the water and to develop within our sport.

We submitted robust responses to consultations on yacht and powerboat safety, offshore renewable energy installations, proposals to withdraw UKHO small craft folios, marine licencing, planning and environmental applications, highly protected marine areas and conservation zones, harbour revision orders and a DfT Maritime Safety Action Plan.

Our strong collaborative relationship with the MCA, MAIB and RNLI saw us once again play a leading role in the development of boating safety education. At the start of the season we launched a new, year-round calendar of short, impactful safety videos covering a broad

range of safety topics, from kill cords and clipping-on to cold water shock and lifejackets, across our website and social media channels.

Our discussions with HMRC continue on the availability of red diesel for recreational craft and the impact that mandating the use of white diesel would have on users of diesel propelled craft operating in UK inland waterways and the coast, especially in the more remote parts of the UK.

Following the announcement of the Government's lockdown due to the pandemic, our cruising and legal teams reacted quickly to the vast increase in enquiries from individual members, clubs and recognised training centres. We published up to date advice and information on our Covid-19 hub as the situation evolved, covering its impact on RYA events and training courses, along with comprehensive legal, financial and insurance guidance and support.

GETTING AFLOAT

Increasing participation continues to be a primary focus for the RYA, in particular supporting our clubs, centres and other affiliates to develop their activities in line with the ever increasing pace of change we are experiencing in society. The 2019 Affiliated Clubs Conferences built on the 'Futures' theme of the previous year but focused on 'Putting People First' and presented the latest RYA research on volunteering alongside other more general club development topics. A total of 586 delegates from 289 clubs joined us and feedback was again very positive.

Meanwhile, clubs and centres appreciated the opportunity to hold Push the Boat Out events throughout the month of May in 2019, this time attracting 33,671 people to the 270 clubs and centres who signed up to the programme.



Our youth engagement programme, OnBoard, continues to grow from its re-launch in 2017 and provides UK clubs and centres with a toolkit of resources to engage new youngsters into boating. 278 clubs and centres around the UK are now part of the OnBoard programme which is an increase of 50 since the re-launch.

Sailability continues to be a jewel in the crown of the RYA and we have worked hard to better capture and promote the awe-inspiring stories which highlight the accessibility of sailing and boating, and the powerful impact it can have on people of all abilities. Over 180 delegates from Sailability groups across the UK attended the RYA Sailability National Conference, where the RYA Sailability Annual Awards were presented, recognising the invaluable contribution made by sailors, volunteers and partners across six categories.

Thousands of dinghy sailors across the UK attended the 69th RYA Dinghy Show with over 170 exhibitors filling the halls across four new zones. The theme was '*A World of Opportunity - see where dinghy sailing can take you*' celebrating the wealth of opportunities that the sport provides. The weekend saw several prizes and awards presented, showcasing the fantastic achievement of the many deserved winners, including RYA and Yachts & Yachting Club of the Year. After 25 years at Alexandra Palace, the RYA announced that the show will move to Farnborough International Exhibition and Conference Centre for 2021, news which was welcomed by many exhibitors.

In late March 2020, the RYA postponed all directly organised events and training in response to the developing Covid-19 crisis. Our focus quickly turned to developing guidance and support for affiliated clubs and centres, with our team of regional development

officers delivering online development forums to nearly 500 clubs and over 900 people within just one week.

SUSTAINABILITY

Over the past year we have invested further in our sustainability agenda, and have made significant progress towards embedding sustainability within our operations. Our environmental policy statement has been re-written to align with our ambition to take a lead in making our sector sustainable for the long term.

To show our commitment, we signed up to the UN Global Compact. The Compact commits us to take action in the areas of Human Rights, Labour, the Environment and Anti-Corruption so takes a broad view of sustainability in line with our thinking. In our own sector, we have also signed up to the UN's Sports for Climate Action framework, which connects us to other sporting bodies that are taking real action on sustainability issues.

Over the past 15 years The Green Blue has continued to provide resources to members, clubs, affiliates and the boating industry. During 2019 we signed a new three year contract with British Marine to secure the future of this joint programme. A new, modern website, with enhanced content for all of our stakeholders, was launched at the Southampton Boat Show in September. In recognition of the lead that the RYA and The Green Blue have taken on sustainability issues, we were awarded the World Sailing 11th Hour Racing Sustainability Award in November 2019, fighting off stiff competition from other organisations around the world.

During the year over 200 staff, club and committee members attended sustainability workshops. This consultation process will prove key



to embedding our new sustainability strategy in our day-to-day operations. During this time we have also taken tactical decisions on some significant areas of impact, including moving our energy supplies for buildings in both Hamble and Portland to a green energy supplier.

Our sustainability team is excited to be moving forward with the new strategy, and to validating our performance through accreditation to environmental management system standards ISO14001 and ISO20121.

EDUCATION AND TRAINING

2020 marks the 50th anniversary of the introduction of RYA training and qualifications. The overall number of recognised training centres has remained stable with continued growth overseas, and we now have a network of more than 2,400 training centres in 58 countries. The number of qualified instructors has grown steadily, with strong demand across all training disciplines for instructor courses.

Our ability to engage directly with more instructors saw both the Yachtmaster and Training conferences held at new and significantly larger venues. The events attracted a number of new delegates and an increased international presence. Sustainability and mental health were themes embedded in both events.

Investment in our schemes ensures that they remain the world leaders in the developing digital environment, using new technology to complement, not replace, our practical training. We have developed the RYA Interactive site and a new collaboration with an electronic chart manufacturer will improve resources for teaching electronic navigation in the classroom.

RYA Publications enjoyed another strong year, with positive sales growth across virtually all categories. Following the ongoing popularity of RYA eBooks, we have expanded into another digital publishing format with the launch of RYA Audiobooks. The *RYA Yachtmaster Handbook* and *RYA VHF Handbook* were the first two titles to be released, with additional publications planned. These new audiobooks will deliver our expertise and guidance to an even wider audience.

With a range of RYA publications now licensed in Mandarin, as well as dual-language certificates, we are well positioned to assist in making sailing in China more mainstream and accessible, as well as providing job opportunities for RYA-qualified instructors to work abroad. To support this, we have entered into an MOU with the Chinese Yachting Association and look forward to working more closely with them.

Twelve young people have now benefitted from the Trinity House RYA Yachtmaster Scholarship since its launch in 2018. This collaboration supports those who wish to work within the small commercial vessel sector in the UK and overseas.

As the year came to a close our focus turned to supporting RYA training centres as they adapted to the vital changes required during the pandemic. As well as lobbying Government for support for small businesses and self-employed workers, we created and shared digital aids to assist centres in the delivery of RYA and non-RYA training via online or video conference sessions. We worked closely with the MCA to ensure the extension of commercial endorsements, medical certificates and vessel code certificates, and relaxed many elements of RYA training recognition guidance to allow more flexible learning options.



RAISING PERFORMANCE STANDARDS

This was a strong year for racing. The outstanding result at the Tokyo 2020 Test Event in August 2019 saw British sailors return home with six medals in total and nine class finishes in the top ten. This in turn led to 12 athletes earning selection for Team GB with three more sailors completing the line-up in early 2020.

Olympic racing returned to Weymouth and Portland National Sailing Academy with the 49er, 49erFX and Nacra 17 European Championships all held at the venue. Its world-class facilities also played host to the RYA Youth National Championships, which was the largest in the event's history.

Over 1,500 children competed in eight Regional Junior Championships regattas throughout the RYA's zones and home nations.

In the world of yacht and keelboat racing, a new tranche of talented young sailors was selected for the British Keelboat Academy which in turn will continue to support the British Keelboat League.

The RYA Race Officials Academy saw 24 male and female 18-35 year-olds work towards race official qualifications during its first full year. The planned Regional Race Official Conferences were cancelled due to Covid-19, but were quickly adapted to informative webinars and successfully delivered to 250 race officials across the UK.

The technical department continues to liaise closely with the MCA and has supported them in drafting revisions to the SCV Codes of Practice.

The decision to postpone the Tokyo 2020 Olympic Games due to the Covid-19 outbreak was of course devastating but completely understandable in these challenging times. The team and its support staff are now focussed on the Games in 2021.

LOOKING TO THE FUTURE

As we go to press with this Annual Report, our primary concern remains the well-being of our members, affiliated clubs and classes, recognised training centres, instructors, staff and volunteers as we continue to tackle the Covid-19 pandemic. These are unique and uncertain times, however the RYA is extremely fortunate to be entering this period in a robust financial position with a team

who are passionate about supporting our members, affiliates and recognised training centres through these difficult times.

In light of the current uncertainty we have taken the decision to defer the publication of our next four-year strategy until March 2022. This will better enable us to meet the strategic challenges ahead as well as allow us the appropriate time to consult with stakeholders. A transitional plan will be published for 2021-2022.

The British Sailing Team is focused on the run up to the rearranged Tokyo Olympic Games, which will now take place from 23 July to 8 August next year. As such, we have welcomed the guidance from the Department of Culture, Media and Sport, which sets out how elite athletes in England can return to training.

Our plans to reinvigorate junior racing by placing more emphasis on regional and club racing will see the current system of U16 national and zone squads replaced with Regional Training Groups from the autumn. These groups will promote inclusive and accessible training across the English regions with the ultimate goal of encouraging more young sailors to take up and stay in the sport.

Our focus on ensuring that boaters get the best possible outcome from Brexit will also continue over the coming months. As we face increasing pressure from competing commercial, environmental and leisure interests, it's more important than ever that the RYA ensures that the implications for recreational boating are fully recognised by politicians and government officials.

It promises to be an unprecedented and challenging year ahead. I am, however, confident that it will also prove to be a rewarding one, as we roll out our new organisation-wide sustainability strategy and countdown to the launch of our new digital platform. All of this is made possible by the ongoing support of our staff, volunteers, partners and, most importantly, our members. It is our combined voice, with over 112,000 members, that ensures our boating interests are consistently represented and widely considered.

Thank you for your continued support.

Sarah Treseder OBE
Chief Executive

DIRECTORS' REPORT

THE DIRECTORS WHO HELD OFFICE FROM 1ST APRIL 2019 TO 24TH JUNE 2020 WERE AS FOLLOWS:

NON-EXECUTIVE

Christopher Preston, Chair	John Scott
Christophe Boulanger	Katie Snowball
Natasha Gladman	Ronan Harte
Fiona Kidd*	Joe Seet**
Peter Catterall*	Vernon Harten-Ash**

EXECUTIVE

Sarah Treseder OBE, Chief Executive
David Strain, Finance Director

*Appointed 22nd November 2019 **Resigned 22nd November 2019

STATUS

The Royal Yachting Association is a company limited by guarantee and is referred to in this Report and Financial Statements either as "the Association", "the Company" or "the RYA".

CORPORATE GOVERNANCE STATEMENT

The RYA supports the principles and procedures of good corporate governance as set out in the Code for Sports Governance published by Sport England and UK Sport.

The affairs of the RYA are managed by the staff under the direction of the CEO. The Finance Director is appointed as a Director by the Board. The election (whether by the membership or by the Board) of the non-executive directors is informed by a matrix of the competencies and skills desired to be represented on the Board. The Board carries out an annual exercise to review its own performance and that of individual directors.

Non-executive members of the Board may not be financially rewarded for their work as directors. A register of Board members' interests is maintained which details any personal or business interests that could give rise to a conflict of interest. The Association maintains Directors' and Officers' Insurance in line with S.234 of the Companies Act 2006.

Policy-forming committees are established for each area of the Association's activities. Members of these committees are volunteers who have demonstrable expertise in the relevant areas. Their primary function is to ensure that the members' boating interests, rights and wishes are reflected in the Association's policies and high level strategies.

The Audit and Risk Committee assesses financial reporting, risk management, safety issues and procedures and it reports to the Board in this role.

The Chief Executive is responsible for implementing the strategy approved by the Board in accordance with RYA policy, leading and managing the staff and overseeing the RYA's day-to-day operations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting

Practice (UK Accounting Standard and applicable law) including FRS 102 "The financial reporting standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDIT INFORMATION

As far as the directors are aware, there is no relevant audit information of which the Company's Auditor is unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information. The Board of Directors confirms it has complied with the above responsibilities.

AUDITOR

A resolution re-appointing Haysmacintyre LLP will be proposed at the AGM in accordance with S.485 of the Companies Act 2006.

On behalf of the Board on 24th June 2020

David Strain FCCA

Director

Registered Office:

RYA House, Ensign Way, Hamble, Hampshire SO31 4YA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RYA

OPINION

We have audited the financial statements of the Royal Yachting Association for the year ended 31st March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31st March 2020 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements

any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are signed.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report and the Strategic Report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Cox (Senior Statutory Auditor)

for and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place,
London
EC4R 1AG

24th June 2020

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2020

	Note	2020 £	2019 £
Revenue	3	21,019,243	21,009,165
Direct expenditure	4	(14,805,607)	(14,427,849)
Net revenue		6,213,636	6,581,316
Administrative expenditure	5	(6,317,505)	(6,083,530)
Operating (deficit)/surplus	7	(103,869)	497,786
Interest receivable and similar income		67,311	16,002
Gains on disposal of tangible fixed assets		25,070	5,442
Rental income		53,129	27,033
Fair value gain on investment property	10	-	37,500
Surplus on ordinary activities before taxation		41,641	583,763
Taxation	8	(50,748)	(19,827)
Retained (deficit)/surplus for the financial year		(9,107)	563,936
Other comprehensive (losses)/gains:			
Remeasurement of net defined benefit pension liability	18	(202,000)	209,000
Total comprehensive income for the year		(211,107)	772,936

All revenue, and the operating (deficit)/surplus, is derived from continuing activities.

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31ST MARCH 2020

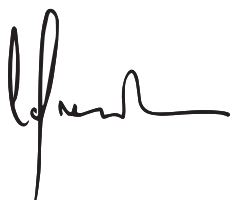
	Accumulated Fund £
At 1st April 2018	7,717,542
Total comprehensive income for the year	772,936
At 31st March 2019	8,490,478
Total comprehensive income for the year	(211,107)
At 31st March 2020	8,279,371

STATEMENT OF FINANCIAL POSITION

31ST MARCH 2020

	Note	2020		2019	
		£	£	£	£
Tangible fixed assets	9		5,970,809		6,053,531
Investment properties	10		560,000		560,000
			6,530,809		6,613,531
Current assets					
Stocks	11	229,100		269,559	
Debtors	12	1,153,296		1,469,554	
Cash at bank		4,313,097		4,571,701	
		5,695,493		6,310,814	
Creditors: amounts falling due within one year	13	(3,301,810)		(3,999,080)	
Net current assets			2,393,683		2,311,734
Total assets less current liabilities			8,924,492		8,925,265
Creditors: amounts falling due after more than one year	14		(265,902)		(194,941)
Provisions for liabilities	16		(75,219)		(65,846)
Pension liability	18		(304,000)		(174,000)
Net assets			8,279,371		8,490,478
Financed by:					
Accumulated fund			8,279,371		8,490,478
Members' funds			8,279,371		8,490,478

The financial statements were approved and authorised for issue by the Board on 24th June 2020 and were signed below on its behalf by:



Christopher Preston
Chair

Company Number: 00878357

The notes on pages 17 to 27 form part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2020

	2020		2019	
	£	£	£	£
Cash flows from operating activities				
(Deficit)/surplus for the financial year	(9,107)		563,936	
Adjustments for:				
Tax charge for the year	50,748		19,827	
Depreciation of tangible fixed assets	389,403		331,119	
Investment income	(67,311)		(16,002)	
Rental income	(53,129)		(27,033)	
Gain on disposal of tangible fixed assets	(25,070)		(5,442)	
Defined benefit pension contributions	(117,000)		(192,000)	
Net pension expense	45,000		52,000	
Decrease in stocks	40,459		19,041	
Decrease/(increase) in debtors	316,258		(7,270)	
(Decrease)/increase in creditors	(614,972)		541,888	
Fair value gain	-		(37,500)	
Net cash from operating activities	(44,721)		1,242,564	
Income taxes paid	(52,712)		(72,666)	
Net cash generated from operating activities		(97,433)		1,169,898
Cash flows from investing activities				
Proceeds from sale of tangible fixed assets	32,702		5,650	
Purchases of tangible assets	(314,313)		(358,979)	
Interest received	30,020		19,405	
Rental income	53,129		27,033	
Net cash flow used in investing activities		(198,462)		(306,891)
Exchange rate gains/(losses) on cash and cash equivalents		37,291		(3,403)
Net increase in cash and cash equivalents		(258,604)		859,604
Cash and cash equivalents at the beginning of the year		4,571,701		3,712,097
Cash and cash equivalents at the end of the year		4,313,097		4,571,701

ANALYSIS OF NET DEBT

FOR THE YEAR ENDED 31ST MARCH 2020

	At 1st April 2019	Cash flows	At 31st March 2020
Cash at bank and in hand	4,571,701	(258,604)	4,313,097

The notes on pages 17 to 27 form part of the financial statements.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) General information

The Association is a private Company limited by guarantee and incorporated in England and Wales (Company number 00878357). The Association's registered office address is RYA House, Ensign Way, Hamble, Hampshire SO31 4YA.

(b) Accounting basis

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investment properties, and in accordance with applicable accounting standards (FRS 102). The financial statements are presented in sterling which is also the functional currency of the Association.

(c) Exemption from preparing group accounts

The Association is the sole member of the RYA Foundation, a charitable Company limited by guarantee. In the opinion of the directors the size and assets of the subsidiary charity mean that the presentation of the combined results and financial position in consolidated financial statements is not material for the purpose of giving a true and fair view. Therefore the RYA has taken the exemption from preparing consolidated financial statements permitted under Section 402 of the Companies Act 2006. These financial statements present the results and position of the RYA as a single entity and not as a group.

(d) Going concern

The directors have reviewed the Association's current financial position, including detailed profit and loss modelling and cashflow forecasting for the next 12 months. The Government's response to Covid-19 is constantly evolving whilst they balance factors such as public health and the overall economy. Certainty over restrictions is currently provided on a three weekly review cycle by Government. Beyond this period, Directors have used a degree of judgement in forecasting results, based on emerging situations in countries which are more progressed in the pandemic than the UK, and the Chief Medical Officers statement that he will be advising the Government to lift restrictions in a phased manner. The directors are satisfied that the Association will continue to be able to meet its liabilities as they fall due. As such these financial statements have been prepared on the going concern basis.

(e) Revenue recognition

Revenue is recognised at the fair value of the consideration receivable for the sale of goods and/or services in the ordinary nature of the business. Revenue is shown net of Value Added Tax for goods sold and services provided and is recognised in the accounting period in which the supply is made.

Annual personal members' subscriptions are received on different dates during the year and the credit to the Statement of Comprehensive Income represents the proportion receivable appropriate to the accounting period. Affiliated club subscriptions are due in January for the calendar year and the credit to the Statement of Comprehensive Income represents the proportion received appropriate to the accounting period.

Grants related to expenditure on tangible fixed assets are deferred fully in the year of receipt and are then credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grants relate. Grants of a revenue nature are credited to revenue in the period to which they relate. The amounts shown in the Statement of Financial Position in respect of grants consist of the total grants receivable to date, less the amounts so far credited to revenue.

(f) Foreign currencies

Foreign currency transactions are translated into sterling at the spot exchange rate at the date of transactions, or at an average rate where this approximates the actual rate of the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the period in which they arise.

(g) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses.

Land and buildings include long leasehold premises and specialised property. Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate the depreciable amounts to their residual values over their estimated useful lives using the following rates:

Leasehold buildings	2%
Specialised property	2%
Fixtures, fittings, vehicles and equipment	7-50%

(h) Investment properties

Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the Statement of Comprehensive Income.

(i) Stock

Stock and work in progress have been valued at the lower of cost and net realisable value. Stocks are generally represented by paper and electronic publications. Work in progress represents costs associated with publications not yet available for resale.

For finished goods cost is calculated on the first in first out method and for work in progress cost reflects costs incurred to date.

(j) Financial instruments - assets and liabilities

The Association has applied sections 11 and 12 of FRS 102 to account for all of its financial instruments. The Association only employs basic financial instruments in the running of its day to day operations, being the following items:

Cash and cash equivalents

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

Debtors and creditors

Debtors and creditors with no stated interest rates are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income within administrative expenses.

(k) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Current and deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date.

(l) Employee benefits

The Association provides a range of benefits to employees including paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

Defined benefit pension scheme

The Association operates the RYA Retirement Benefits Scheme, a UK registered trust-based pension scheme that provides defined benefits. Trustees are responsible for running the scheme and are required to act in the best interests of the beneficiaries of the scheme. The liability recognised in the Statement of Financial Position in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the scheme assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. Annually the Association engages an independent actuary to calculate the obligation.

The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated duration of the future periods (discount rate). The fair value of the scheme's assets is measured in accordance with the FRS 102 fair value hierarchy and includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts, together with the return on plan assets, less amounts included in net interest, are disclosed as Remeasurement of Net Defined Benefit Pension Liability. The cost of the defined benefit plan is recognised as employee costs and comprises:

- The increase in the pension benefit liability arising from employee service during the year; and
- The cost of plan introductions, benefit changes, curtailments and settlements

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the scheme assets. The cost is recognised in administrative costs as Finance Costs.

Defined contribution pension plans

The Association operates a group personal pension scheme under which the Association makes fixed contributions to a separate entity. The contributions are recognised as an expense when they fall due. The assets of the pension plans are held separately from the Association in independently administered funds.

(m) Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Association's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgement and estimation are as follows:

(a) Investment property

The Association carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The property is a mixed use property and has been separated between tangible fixed assets and investment property as the directors consider that its value can be measured reliably. The property was last professionally valued as at 31st March 2020 and the fair value of the investment property has been estimated as an apportionment of that valuation. Management have reviewed factors for impairment in light of Covid-19 and determined that no impairment is considered appropriate.

(b) Defined benefit pension scheme

The Association has obligations to pay pension benefits under a defined benefit pension scheme. The cost of these benefits and the present value of the obligation depend on a number of factors including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. The directors, in consultation with the scheme's actuary agree the key factors and estimates that determine the net pension obligation in the Statement of Financial Position on the basis of historical experience and current trends.

In accordance with the Statement of Investment Principles, the pension scheme is invested in a number of different funds including one that owns commercial property. The trustees consider these investments to be long term in nature and it can be expected over the life of the investment for there to be some periods of turbulence but the trustees have confidence in the future investment performance of this fund. Due to the restrictions imposed as a result of Covid-19 there are some difficulties in valuing this investment, however management consider that no impairment is required.

3. REVENUE

	2020 £	2019 £
Revenue is derived from the following sources:		
Subscriptions	4,959,123	4,997,083
Sales of goods and services	6,853,649	6,893,063
Events and coaching	1,376,930	1,382,762
UK Sport grants receivable	5,904,398	5,777,133
Sports Council grants receivable	1,769,154	1,844,758
Other income, grants and donations	155,989	114,366
	<u>21,019,243</u>	<u>21,009,165</u>

Revenue is derived from the following geographical locations:

United Kingdom	18,243,496	18,241,501
Europe	1,946,350	1,972,694
Rest of the World	829,397	794,970
	<u>21,019,243</u>	<u>21,009,165</u>

4. DIRECT EXPENDITURE

	2020 £	2019 £
Membership services and promotion	1,958,320	1,495,179
Costs of goods and services sold	2,871,919	2,968,491
Events and coaching	2,251,470	2,306,576
UK Sport grants disbursed	5,904,398	5,777,133
Sports Council grants disbursed	1,769,154	1,844,758
Other grants and donations directly disbursed	50,346	35,712
	<u>14,805,607</u>	<u>14,427,849</u>

5. ADMINISTRATIVE EXPENDITURE

	2020 £	2019 £
Establishment expenses	268,769	273,703
Staff costs (Note 6)	4,639,430	4,357,701
Finance costs	94,206	99,269
Administrative overheads	1,315,100	1,352,857
	<u>6,317,505</u>	<u>6,083,530</u>

6. STAFF COSTS

	2020 £	2019 £
Salaries	5,324,467	5,115,121
Social Security Costs	531,494	501,870
Pension and Life Assurance Costs	702,022	680,168
	<u>6,557,983</u>	<u>6,297,159</u>
Less staff costs included in Direct Expenditure	<u>(1,918,553)</u>	<u>(1,939,458)</u>
	<u>4,639,430</u>	<u>4,357,701</u>
The average monthly number of employees during the year was:		
Senior Management	29	30
Executive Officers and Coaches	63	59
Administration and Support	73	70
	<u>165</u>	<u>159</u>

The compensation paid or payable to key management personnel, being the two executive directors, for employee services is £294,125 (2019: £292,690).

Remuneration paid to the two executive directors during the year amounted to £279,825 (2019: two executive directors; £278,690). The remuneration of the highest paid director was £189,865 (2019: £183,866). The number of directors to whom retirement benefits are accruing under defined contribution pension schemes was 1 (2019: 1). The total contribution in respect of these directors was £14,300 (2019: £14,000). No remuneration was paid to non-executive directors.

7. OPERATING SURPLUS

	2020 £	2019 £
Surplus on ordinary activities is stated after charging:		
Depreciation	389,403	331,119
Foreign exchange (gains)/losses	(34,345)	6,108
Operating lease rentals	125,830	150,389
Auditor's remuneration:		
Audit fees – current year	31,500	28,600
Non audit fees: Corporation tax compliance	4,100	4,000
Non audit fees: Other services	2,798	7,428

The RYA Foundation, a charitable subsidiary, has incurred audit fees of £5,000 (2019: £4,800) payable to the auditors of the RYA.

The RYA Retirement Benefit Scheme has incurred audit fees of £5,830 (2019: £5,300) payable to the auditors of the RYA.

8. TAXATION

	2020 £	2019 £
UK corporation tax	40,728	51,889
Corporation tax under/(over) provision in previous years	647	(33,957)
Deferred taxation	9,373	1,895
	<u>50,748</u>	<u>19,827</u>
Surplus on ordinary activities before tax	<u>41,641</u>	<u>583,763</u>
Surplus on ordinary activities multiplied by the standard rate of UK corporation tax of 19% (2019: 19%)	7,912	110,915
Effects of:		
Amounts not taxable	(26,956)	(100,985)
Fixed asset differences	70,300	26,202
Short-term timing differences	(1,155)	17,652
Amount relating to prior year	647	(33,957)
Total tax charge	<u>50,748</u>	<u>19,827</u>

9. TANGIBLE FIXED ASSETS

	Long leasehold premises £	Specialised property £	Fixtures, fittings, vehicles & equipment £	Total £
Cost				
At 1st April 2019	2,722,500	3,500,000	2,405,460	8,627,960
Additions	-	-	314,313	314,313
Disposals	-	-	(149,328)	(149,328)
At 31st March 2020	<u>2,722,500</u>	<u>3,500,000</u>	<u>2,570,445</u>	<u>8,792,945</u>
Depreciation				
At 1st April 2019	302,411	388,881	1,883,137	2,574,429
Change for year	60,481	77,777	251,145	389,403
On disposals	-	-	(141,696)	(141,696)
At 31st March 2020	<u>362,892</u>	<u>466,658</u>	<u>1,992,586</u>	<u>2,822,136</u>
Net book value				
At 31st March 2020	<u>2,359,608</u>	<u>3,033,342</u>	<u>577,859</u>	<u>5,970,809</u>
At 31st March 2019	<u>2,420,089</u>	<u>3,111,119</u>	<u>522,323</u>	<u>6,053,531</u>

The Association's long leasehold premises and specialised property are stated above at deemed cost. However it should be noted that as at 31st March 2019 the two long leasehold properties at Hamble were valued at £3,120,000 on an open market valuation of which £560,000 has been apportioned to investment property (note 2a). The specialised property at Portland was valued at £3,280,000 on a depreciated replacement cost basis. All valuations were carried out by Lambert Smith Hampton, Chartered Surveyors.

10. INVESTMENT PROPERTY

	£
Fair value	
At 1st April 2018	522,500
Movement during the year ended 31st March 2019	37,500
At 31st March 2019	560,000
Movement during the year ended 31st March 2020	-
At 31st March 2020	560,000

The historical cost of the investment property held at fair value is £816,729. The investment property is a long leasehold property.

11. STOCK

	2020 £	2019 £
Finished products	220,960	262,085
Work in progress	8,140	7,474
	<u>229,100</u>	<u>269,559</u>

Replacement cost is not significantly different to the amounts stated above. Total stock expense in the year was £532,571 (2019: £503,417).

12. DEBTORS

	2020 £	2019 £
Trade debtors	439,217	507,659
Other debtors	346,993	568,116
Prepayments	354,368	393,779
Accrued grants	12,718	-
	<u>1,153,296</u>	<u>1,469,554</u>

Other debtors includes £14,991 (2019: £27,197) falling due after more than one year.

13. CREDITORS

AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	506,976	942,517
Corporation tax	40,552	51,889
Other creditors	5,721	22,921
Accruals	406,505	443,344
Subscriptions in advance	2,139,020	2,134,834
Deferred grants (Note 15)	104,075	60,606
Other deferred income	98,961	342,969
	<u>3,301,810</u>	<u>3,999,080</u>

14. CREDITORS

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Deferred grants (Note 15)	265,902	194,941

15. GRANTS

	Capital £	Revenue £	Total £
Balance at 1st April 2019	131,625	123,922	255,547
Grants received	-	7,801,592	7,801,592
Grants released	(26,328)	(7,673,552)	(7,699,880)
Balance at 31st March 2020	105,297	251,962	357,259
Amounts falling due within one year	26,328	65,029	91,357
Amounts falling due after more than one year	78,969	186,933	265,902
	105,297	251,962	357,259

Grants are released to the Statement of Comprehensive Income to match expenditure (including depreciation) incurred on the defined programmes.

The fit out of the elite Performance Unit in Portland Marina was funded by a capital grant from Sport England in 2009. Sport England has taken a legal charge on the 15-year lease to the effect that the grant may be repayable if the Association breaks the lease during this period. The full amount of £105,297 disclosed above as capital grant relates to the Performance Unit.

16. PROVISIONS FOR LIABILITIES

	Deferred Taxation £
Balance at 1st April 2019	65,846
Debited to Statement of Comprehensive Income	9,373
Balance at 31st March 2020	75,219

Deferred taxation relates to accelerated capital allowances.

17. FINANCIAL INSTRUMENTS

	2020 £	2019 £
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	439,217	507,659
Other debtors	346,993	568,116
Cash at bank and in hand	4,313,097	4,571,701
	5,099,307	5,647,476
Financial liabilities measured at amortised cost:		
Trade creditors	506,976	942,517

18. PENSION BENEFITS

The Association provides pension benefits to employees as follows:

Defined Contribution Scheme

All eligible workers are enrolled into the Association's group personal pension plan (GPPP) under automatic enrolment legislation (the GPPP satisfies the conditions of a qualifying scheme and all new staff have been eligible to join the GPPP since April 2003). The Association's contribution to the GPPP is equivalent to 10% of annual salary (and the employee's is 3%). Contributions are charged to the Statement of Comprehensive Income as they become payable. The premiums paid into these plans amounted to £619,151 (2019: £597,662).

Royal Yachting Association Retirement Benefit Scheme

The Royal Yachting Association Retirement Benefit Scheme is a non-contributory pension scheme for certain staff who joined before 31st March 2001 which provides retirement benefits based on final salary and length of service. The assets of the scheme are held separately from those of the Association. Future service funding rates (42.4% of pensionable salary from 1st April 2019) are determined by the scheme actuary as part of the triennial valuation.

The most recent triennial valuation available was at 1st April 2017. The value of the assets represented 96% of the benefits that had accrued to members, after allowing for expected future increases in earnings. This was equivalent to a deficit of £552,000. The financial assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in pensionable salaries. The principal non-financial assumption that has the most effect is mortality rates. The contributions for the year were £117,000 (2019: £192,000). The next triennial review will be carried out at 1st April 2020. The most recent FRS 102 valuation as at 31st March 2020 showed that the market value of the scheme's assets was £11,590,000 (2019: £11,469,000). The valuation set out below has been based on the triennial valuation at 1st April 2017, as updated by a qualified actuary, in order to assess the assets/(liabilities) of the scheme in accordance with FRS 102 at 31st March 2020.

(a) Assumptions:

The principal actuarial, and main financial, assumptions used to calculate the scheme liabilities under FRS 102 are:

	2020	2019
Discount rate	2.3%	2.4%
Retail price inflation (RPI)	2.9%	3.2%
Consumer price inflation (CPI)	2.3%	2.2%
Salary increase rate	2.3%	2.2%
Pension increases		
- Pre 2004 pensions	5.0%	5.0%
- 2004-2006 pensions	2.3%	2.1%
- Post 2006 pensions	1.9%	1.9%
Revaluation of deferred pensions in excess of GMP	2.3%	2.2%

Assuming retirement at age 65, the life expectancies based on the mortality assumptions are illustrated as follows:

	At 31st March 2020	At 31st March 2019
For a male aged 65 now	21.7	21.5
At 65 for a male aged 45 now	22.7	22.5
For a female aged 65 now	24.0	23.2
At 65 for a female aged 45 now	25.2	24.3

Mortality rates as at 31st March 2020 incorporate actual observed reductions over the last year.

(b) Scheme assets and net defined benefit pension liability:

	At 31st March 2020		At 31st March 2019	
	Proportion	£'000	Proportion	£'000
Investment assets	78%	9,015	77%	8,801
Insured pensions	22%	2,583	23%	2,668
Fair value of plan assets		11,598		11,469
Value of funded obligations		(11,902)		(11,643)
Net defined benefit pension liability		<u>(304)</u>		<u>(174)</u>

(c) Analysis of the change in the fair value of plan assets:

	2020	2019
	£'000	£'000
Opening fair value of plan assets	11,469	11,301
Interest income	271	290
Asset gains	215	189
Contributions	117	192
Benefits paid	(474)	(503)
Closing fair value of plan assets	<u>11,598</u>	<u>11,469</u>

Expected contributions to the scheme in the year to 31st March 2021 are £41,000.

(d) Analysis of the change in the defined benefit obligation:

	2020	2019
	£'000	£'000
Opening defined benefit obligation	11,643	11,824
Current service cost	42	41
Interest cost	274	301
Actuarial losses/(gains)	417	(20)
Benefits paid	(474)	(503)
Closing defined benefit obligation	<u>11,902</u>	<u>11,643</u>

(e) Amounts charged to Statement of Comprehensive Income:

	2020	2019
	£'000	£'000
Current service cost - charged to staff pension costs	42	41
Net interest expense - charged to finance expense	3	11
Total Charged to Statement of Comprehensive Income	<u>45</u>	<u>52</u>

(f) Amounts recognised in other comprehensive losses:

	2020	2019
	£'000	£'000
Actual return less interest income recognised in the year	215	189
Effect of assumptions changes on benefit obligation	(417)	20
Remeasurement of net defined benefit pension liability	<u>(202)</u>	<u>209</u>

(g) General disclosures

The trustees are appointed by the Association. The current incumbents are: David Murray (pensioner member-nominated); Paul Bryans (RYA nominated) and Smith & Williamson Trust Corporation, an independent Corporate Trustee. The Directors recognise the Association's obligation to meet the liabilities of the scheme.

19. OPERATING LEASE COMMITMENTS

At year end the Association had the following future minimum rentals payable in respect of non-cancellable operating leases:

	2020	2019
	£	£
Land and buildings		
Within one year	92,124	95,973
Between two and five years	206,102	254,051
After more than five years	-	2,875
	<u>298,226</u>	<u>352,899</u>
Other operating leases		
Within one year	10,013	12,317
Between two and five years	13,351	-
	<u>23,364</u>	<u>12,317</u>

20. OPERATING LEASE RECEIVABLES

At the date of the statement of financial position the Association had the following future minimum rentals receivables in respect of non-cancellable operating leases.

	2020	2019
	£	£
Land and buildings		
Within one year	36,287	48,382
Between two and five years	-	36,287
	<u>36,287</u>	<u>84,669</u>

21. RYA FOUNDATION

The RYA Foundation is the charitable arm of the Association. Its trustees have a remit to promote participation in boating by those who are disadvantaged by reason of youth, age, infirmity or disability, financial hardship or social circumstances. As stated in Note 1(c) the Association is the sole member of the RYA Foundation, a charitable Company limited by guarantee.

	2020 £	2019 £
Net (deficit)/income for the year ended 31st March	<u>(75,351)</u>	<u>40,619</u>
Total Funds carried forward as at 31st March	<u>89,707</u>	<u>165,258</u>

The Association provides administrative support to assist the RYA Foundation in carrying out its activities at no charge. During the year, the Association received donations and legacies totalling £44,057 from our members and the public that were subsequently paid to the RYA Foundation (2019: £37,056).

22. LIABILITY OF MEMBERS

Every full member of the Association undertakes to contribute to the assets of the Association, in the event of the same being wound up while they are a member or within one year after they cease to be a member, for payment of the debts and liabilities of the Association contracted before they ceased to be a member, and of the costs, charges, and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding £1. The number of members of all categories at 31st March 2020 was 112,809 (2019: 113,912).

23. RELATED PARTY TRANSACTIONS

During the year grants totalling £25,900 (2019: £19,340) were made to a close family member of a director of the Association. These grants were provided in accordance with the Association's normal policies and procedures subject to the rules governing World Class Programme funding of which the recipient is a member.



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