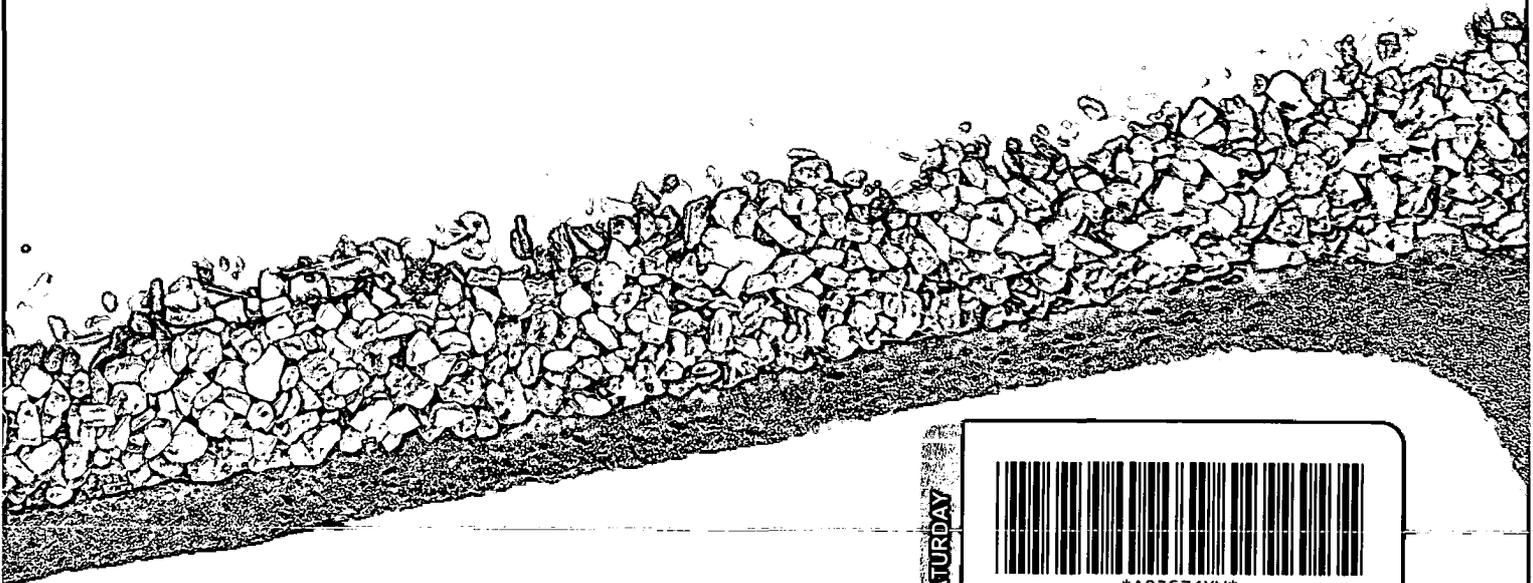


ROYAL YACHTING ASSOCIATION

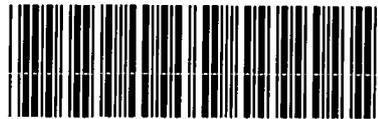


ANNUAL REPORT
&
ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH



SATURDAY



A8J5Z4XV

A22 07/12/2019 #169

COMPANIES HOUSE

COMPANY REGISTERED NUMBER 00878357

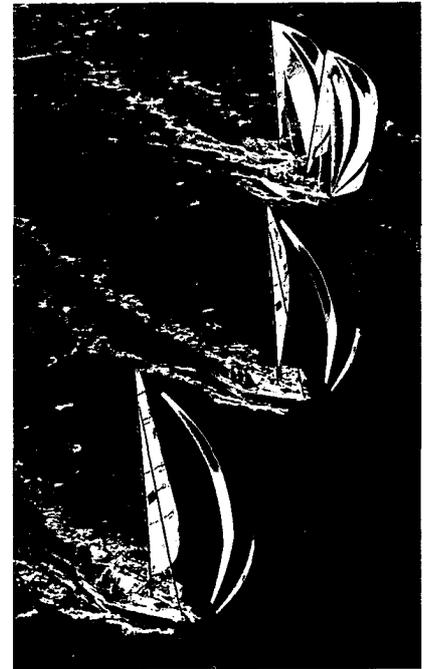
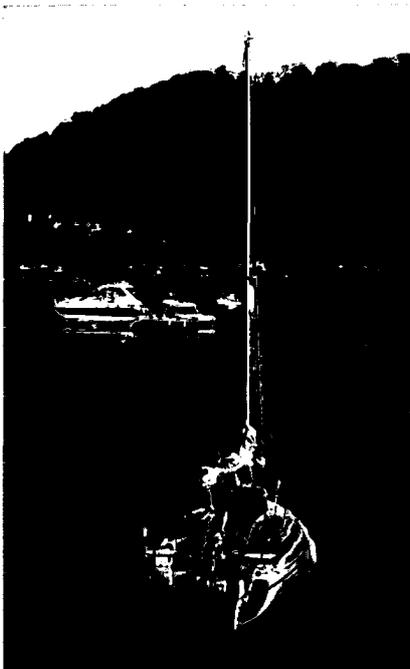
ROYAL YACHTING ASSOCIATION
**ANNUAL REPORT
AND ACCOUNTS
2019**

For the year ended 31st March 2019

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
Notes to the Accounts	17

The RYA Purpose

To promote and protect safe, successful and rewarding British boating



CHAIR'S STATEMENT



I am truly honoured to reflect on the RYA's broad spectrum of activities and achievements since my election as Chair last year. I have immense respect for the organisation and I was delighted to be selected as Chair and help lead us to an even better future.

To have reached a record high of more than 112,000 members reflects not only the efforts undertaken to ensure RYA membership is relevant to all boaters, but also the tremendous contribution made by our members on a voluntary basis. They commit their time, effort and experience to our affiliated clubs and training centres, enabling people to enjoy boating in an accessible and welcoming environment.

I would also like to acknowledge and thank the RYA staff for their hard work and commitment during the past year. The RYA is recognised as one of the UK's, and indeed the world's, leading National Governing Bodies in sport. Without their professionalism and dedication this would not be possible.

My thanks also go to the RYA Board, who have welcomed me as their new Chair and who, as fellow volunteers, bring great energy and different ideas to the table. I would like particularly to thank John Scott who took the role of Interim Chair, and who I am very pleased has agreed to remain on the Board to bring the benefit of his great experience.

I will not detail the many achievements of the RYA and its members in the past year as this is well explained in the CEO's Strategic Report. I would prefer to share with you some key objectives for my mandate over the next four years.

I am seeking to chair the Board so that there is an effective and harmonious working relationship between the Board and Executive to the benefit of our growing membership base. This means ensuring we are capable of taking tough decisions, whilst maintaining the highest standards of performance, governance and ethics in everything we do.

It is vital that we have the right strategy and approach for listening to, and engaging with, the many varied needs of our members. This is not just a requirement of the UK Code for Sports Governance;

as a members' organisation it is imperative that we listen to the changing needs of our membership, which itself is changing.

Part of this is defining the best future structure to enable effective collaboration between the regions and specialist policy areas. Following a review of the pre-existing Council, we have welcomed the introduction of a new RYA English Regions Forum. Our thanks go to everyone who contributed to the work of RYA Council over the years, as we now seek to determine the best mix of physical events and virtual connections that enable our members to benefit from our new gold-standard engagement strategy.

Like many sports and membership organisations, we face challenges if we are to position the RYA to meet the future needs of our members. How do we attract younger participants and volunteers, especially given the competition from the digital world? How do we avoid excessive regulation? How do we continue our excellent results from the British Sailing Team and maintain our Olympic funding? How do we make sure the RYA is just as relevant for a canal cruiser as a dinghy racer? And, most topically, how do we ensure our members are best advised and represented to Government in the current volatile and uncertain political environment?

None of these questions has an easy answer, but it is an important role of the RYA Board to ensure that these challenges are anticipated and prepared for. I am optimistic for the future and, alongside the rest of the Board, very much look forward to working with you all to meet the opportunities and challenges that we will share together.

A handwritten signature in black ink, appearing to read 'Christopher Preston'. The signature is fluid and cursive, with a long horizontal stroke at the end.

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 22ND NOVEMBER 2019 AT 11:00 AT ONE GREAT GEORGE STREET, WESTMINSTER, LONDON SW1P 3AA

1. To approve the Minutes of the Annual General Meeting of 16th November 2018 (circulated with the Spring 2019 issue of *RYA Magazine*).
2. To receive the Report of the Board of Directors and Accounts for the year ended 31st March 2019 (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. To elect a new Nominated Director to the Board. Candidate details will be sent to members and published at rya.org.uk/go/elect19
6. The meeting to note a new Independent Director appointed by the Board.
7. The meeting to note that there will be a ceremony later in the day to present the following awards:
 - RYA Awards for distinguished services to boating
 - RYA Community Awards
 - RYA Family Award for collective services to boating
 - RYA Sailability Francis Elkin Award for services to sailing for the disabled
8. Any other business
Any matters raised under Agenda Item 8 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.

NOTE TO ALL MEMBERS ATTENDING THE AGM

Please bring your voting paper to the AGM. If you appoint a proxy to attend in your place they must bring the voting paper. Clubs and classes will have received their voting paper with this Annual Report & Accounts. Members will have received this in the Strategic Report included in the autumn issue of *RYA Magazine*. The voting paper forms part of the Strategic Report.

Please note that for security reasons doors will close promptly at 11:00 and late arrivals cannot be accommodated. Please allow sufficient time to enable staff to verify your identity and your right to attend the meeting. Attendees should also bring proof of ID (passport/ driving licence with photo) and a valid RYA membership card (or proxy card in the case of an appointed representative); failure to do so could result in delayed entry. Please note that bag searches may be conducted by security staff.

CHIEF EXECUTIVE'S STRATEGIC REPORT



BUSINESS REVIEW

Our net results for the year exceeded our expectations. Income overall exceeded our forecasts, enabling us to spend more in critical areas such as digital and sport development. Whilst grant funding income has increased by 5%, other income also grew, resulting in 64% of our overall income being self-generated.

Government grants were fully disbursed against specific outcomes, and timing choices have increased the amount we received from UK Sport, in what is the second year of the four year Tokyo cycle. This has partly contributed to the increase in income generated in the UK, nonetheless we have seen an increase in income from all geographical locations.

As a result of the £460,000 increase in non-grant income we have been able to invest in some key areas: primarily the OnBoard programme, where we have commissioned some in-depth academic research to help articulate the links between the national curriculum and sailing. There is a clearer strategy to retain young sailors within the sport, as well as an App to help centres report participation data. We also invested in new racing programmes and in strengthening our IT capacity for the future.

We have revalued the investment property this year, which has created a small notional gain as the value has increased, in part due to the fact that we now have a number of tenants occupying this property which had been vacant for some time.

The actuarial deficit on the final salary pension scheme reduced by £799,000 last year and has reduced by £349,000 this year as a result of asset returns being higher than expected and planned and additional deficit contributions paid by the Association.

The Board approved a revised reserves policy during the year. This produces a measure of reserves that we target to ensure we could continue to meet our obligations in the event of a negative financial event. Despite the increase in cash at bank to £4.6m from £3.7m, resulting in a £420,000 increase in net current assets to £2.3m, our reserves remain within our new policy.

Having fully recovered our reserves to pre-2015 levels we anticipate that we will break even next year - as the Board seeks to continue to invest more strategically in digital opportunities as we approach the planning stage for the 2021-25 cycle.

PRINCIPAL RISKS AND UNCERTAINTIES

Key Performance Indicators are monitored monthly; these translate the key elements of our annual operational plan which is itself derived from our four year strategic plan. The Board and senior managers review these indicators, along with management accounts, the risk register and a safety update at their respective regular meetings. An external evaluation of the way the RYA manages risk was undertaken in the year following recommendations from the Audit and Risk Committee, and a plan is now being developed to address the recommendations arising from this report over the next year and a half.

Major risks and uncertainties for 2019-20 are considered to be:

- Loss of commercial income from training and publications as a result of market conditions, inadequacies in our training offer or competition for training schemes.
- Economic and/or political circumstances have a negative impact on membership numbers and related income.

112,419

INDIVIDUAL MEMBERS

£21m

TOTAL INCOME

2.8m

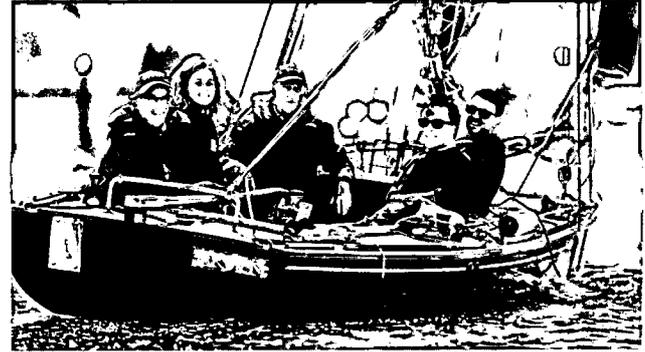
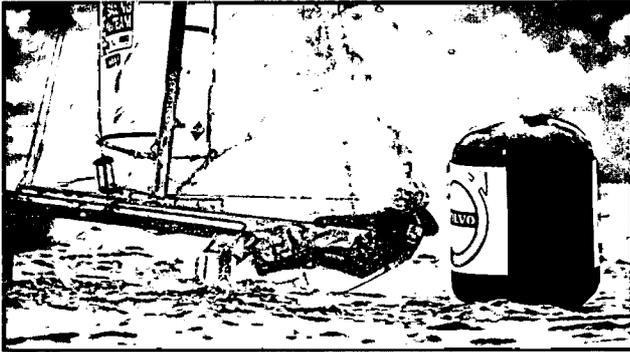
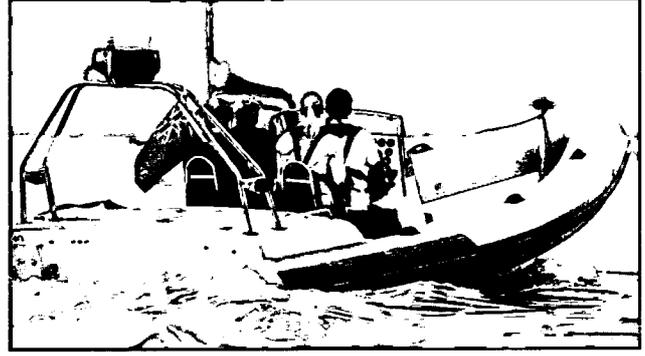
WEBSITE VISITS

58,000

SAILABILITY SESSIONS

880

MANDARIN TRAINING CERTIFICATES SOLD



MEMBERSHIP MATTERS

We are very pleased to report that we close the year with a record membership in excess of 112,400 members. This feat is all the more remarkable when we remember that RYA membership, unlike many national and global National Governing Bodies, is not mandatory. This reflects the efforts undertaken to ensure RYA membership is relevant to all boaters, whoever they are, wherever they live and whatever type of boating they do.

Retention remains steady at 85 per cent, with the average length of membership just under ten years. We have 50,000 Gold Members - those who have been with us for ten years or more - and in the last rolling 12 months we have recruited nearly 19,000 new and re-joining members, with both the Joining Point and Refer a Friend initiatives proving to be very popular.

The Membership Development team is working closely with colleagues, particularly focusing on club and credential holder relations. This approach has also been the focus of effort when working with our colleagues in the Home Countries.

More informed reporting now provides access and insights to enable a more tailored offer to members. Almost 50 per cent of members are active yacht or motor cruisers, while dinghy racing is the fastest growing first interest for our members.

Following negotiations with British Marine on behalf of our members, some 12,000 free tickets were downloaded for the Southampton Boat Show and more than 8,700 visitors enjoyed taking advantage of the exclusive members' lounge and dining arrangements during the ten days of the show.

Nearly 100,000 certificates were issued by RYA House last year – this is in addition to the 150,000 certificates issued by our

Recognised Training Centres. UK instructor membership is at an all-time high of 73 per cent and we expect this to rise over the coming years as our shorebased instructors' membership plans are implemented.

The RYA members' magazine has the highest circulation of all leading British boating magazines, and online views are steadily growing. The member Reward Partners programme goes from strength to strength with work continuing to add additional benefits in sectors such as travel and lifestyle.

Our social media channels have seen an increase of some 8,000 followers, with significantly more two-way engagement with members. We have upgraded the website infrastructure, improving both the performance and efficiency of our online services, and we are redesigning the 'Where's my nearest?' function to provide an improved customer journey and more streamlined user experience.

Improvements in both email open and click rates since the GDPR re-engagement campaign in May have seen open rates of over 50 per cent, more than double the industry average. Work also continues to ensure that the RYA database is clean, non-duplicated, and well-structured and that digital processes are embedded in the internal ways of working across the whole organisation.

REPRESENTING BOATING INTERESTS

The professional staff team at RYA House provides advice and support to individual members and affiliated clubs on a daily basis, offering legal advice and expertise in many areas – including cruising, safety, planning, environment, sustainability, safeguarding and equality. Our work to safeguard the interests of recreational boating has also seen us respond to numerous consultations over the year, including a significant campaign to generate a wider



response to a Department for Education consultation that we hope will see sailing and windsurfing restored to the PE Activity List.

As membership figures increased, the RYA's Government Affairs team has worked hard on behalf of all members to ensure that legislators, regulators and other authorities understand, and take account of, recreational boating activity.

Brexit has been a dominant issue over the year, and the RYA has maintained a strong voice to ensure that the implications for recreational boating are fully recognised by politicians and government officials. In particular, we have voiced our concerns regarding border controls, time limits on the duration of stay both for individuals and those wanting to keep vessels in Europe, the future ability of recreational craft and their contents to travel through Europe without customs restrictions, and the ability of RYA qualification holders to work in the EU.

As the political discussion intensified towards the end of the year, the RYA held briefing meetings with MPs and Lords which raised the political profile of our Brexit issues and resulted in questions being raised in Parliament. We're continuing our dialogue with Government to argue for a Brexit deal which does not impose unreasonable costs, disruption and bureaucracy on recreational boaters.

The RYA reacted swiftly to the European Court decision in October 2018 that the UK Government should not continue to allow recreational boaters to use red diesel, establishing contact with the HMRC officials dealing with the issue. We continue to be part of a stakeholder group providing advice and expertise to HMRC as they consider the UK response to the Court decision.

Work also continues to protect freedom of access and rights of navigation in the UK's Marine Protected Areas. As part of this

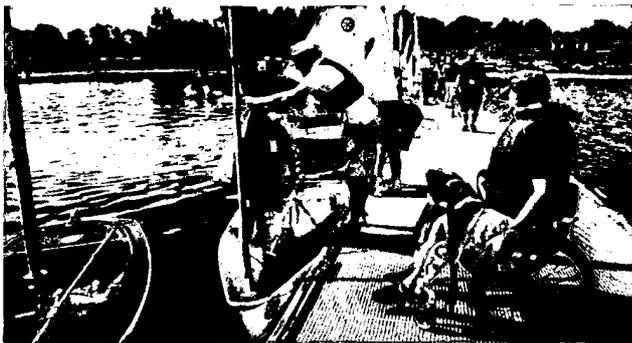
process we have considered the proportionality, enforceability and effectiveness of existing and planned sites and examined the proposed management scenarios, pressing for voluntary initiatives such as those actively promoted by The Green Blue (the RYA's joint environmental programme with British Marine) to be exhausted prior to consideration of any statutory management measures.

The demand for support, advice and resources from The Green Blue has never been stronger, with a heightened interest from the recreational boating community in how we can be part of the solution to minimise plastic pollution and other impacts boating may have on our environment.

PARTICIPATION

RYA Push the Boat Out 2018, run this time throughout May, once again proved to be a huge success, with more than 375 events nationwide offering an opportunity to get out on the water and experience sailing or windsurfing. This success is again down to the hard work of our dedicated army of volunteers.

The long-term future of our sport depends on our ability to attract and retain volunteers to support clubs and deliver sailing activity. Building on this success, more than 40 venues nationwide opened their doors and gave around 3,500 visitors of all ages and abilities the opportunity to get afloat with free 'Try Sailing' taster sessions. Supported by the RYA, the events provided the chance for people to discover the feeling of being on the water whilst sampling life at a local club or training centre. Thank you to everyone who gave their time and energy to volunteer throughout the year – we could not do it without you.



Sailability had a very busy year and continues to help thousands of people with disabilities to take to the water, whilst also supporting Sport England and the Government's ambition to encourage the nation to be more active.

We have recently launched a new marketing campaign #MoreThanSailing which is designed to spread the word that sailing can offer so much to people, particularly those with a disability. It focuses on the stories of people whose life has been transformed through sailing and is currently experiencing good reach and impact on social media.

Whilst the IPC's decision not to reinstate sailing at the Paris 2024 Paralympic Games came as a devastating blow, the RYA has continued to build on its sailing pathways for people with disabilities. British sailors enjoyed success at the Para World Sailing Championships in Sheboygan USA, the Special Olympics World Games in Abu Dhabi and the Blind Match Racing World Championships in Scotland. RYA Sailability helped in the Team UK selection process as sailing made its debut at the 2018 Invictus Games in Sydney. The Powerability scheme, which helps boat users with disabilities gain RYA recognised powerboat training and certification, continues to develop and grow.

The 2019 Dinghy Show was deemed a resounding success, with vibrant visitor numbers and a significant increase in the number of under 15s, presenting a positive signal for the future. The #MyDinghyTribe theme was designed to celebrate the many communities within dinghy sailing which make it such a rich and all-encompassing sport. The weekend also saw several prizes and awards presented, showcasing the fantastic achievement of many deserved winners. These included the Club of the Year, RYA Regional Youth Champion Awards and the University Sailing Sustainability Challenge.

PROMOTING SAFETY AFLOAT

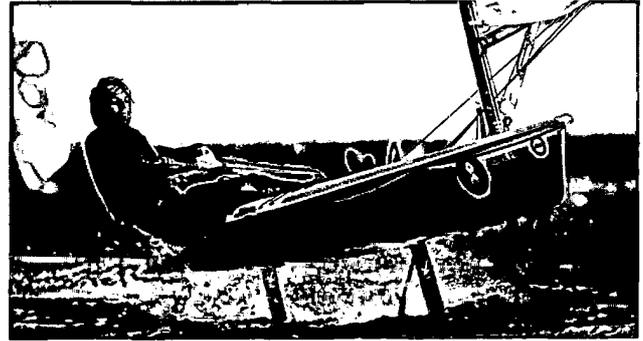
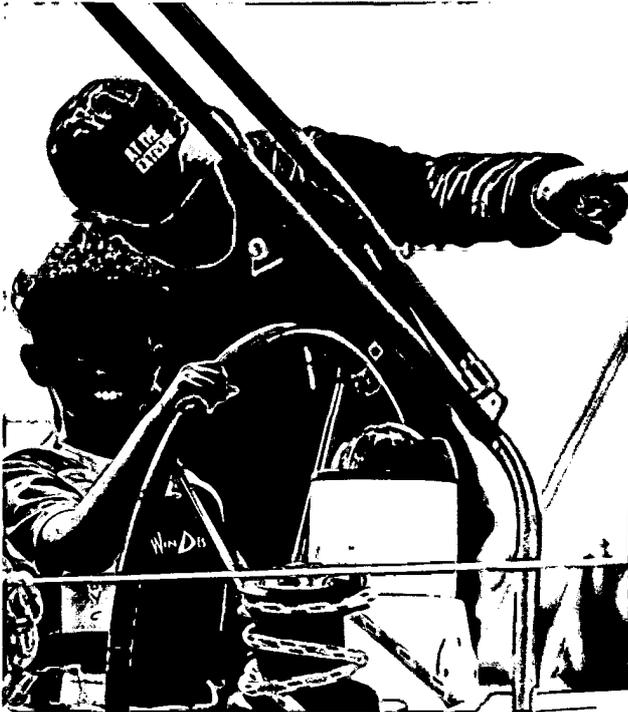
Closer collaboration with our partners, such as the MCA, MAIB and RNLI, has seen us continue to play a leading role in both developing practical safety recommendations, and communicating them to the half a million people in the UK who regularly enjoy boating on our many lakes, rivers, estuaries and coastal waters. This saw a joined-up multi-agency approach to promoting the RYA SafeTrx tracking App at the Southampton Boat Show. Earlier in the year, Her Majesty's Coastguard approved RYA SafeTrx as its replacement for the official voluntary safety identification scheme, better known as CG66. The RYA SafeTrx website offers the full CG66 database function, with additional lifesaving technologies that can inform the Coastguard of voyage plans and dynamic location in the event of distress.

The fifth edition of the RYA Safety Advisory Notice was issued at the start of Boat Fire Safety Week 2018. It featured six new topics to help boaters think in practical terms about their safety afloat.

The issue of alcohol and boating has resurfaced and will be under discussion this year. As a responsible National Governing Body, the RYA encourages all boaters to behave responsibly by understanding how alcohol can affect their safety and the safety of others. Whilst we already urge boaters not to mix alcohol and boating, we stated in 2018 that we would not object to legislation based on compelling evidence, provided that it was clear, understandable and enforceable.

The RYA has engaged constructively with the Department for Transport and will work with government and other relevant stakeholders on an awareness campaign in line with our policy message – 'Don't Mix Alcohol and Boating'.

These central themes: look after yourself, have a plan, keep in touch and know your limits, underpin our ethos of self-reliance and responsibility for safety on board in all matters.



EDUCATION AND TRAINING

We believe that knowledge, skills and experience are the foundations on which personal safety and responsibility are built. A significant aspect of our work is therefore aimed at ensuring boaters are well-equipped to make their own decisions through training courses and awareness initiatives.

As such, we have invested in RYA training and qualifications to ensure they remain the world leaders in the developing digital environment, using new technology to complement, not replace, our practical training.

Overseas applications for RYA training centre recognition have continued to grow, the total RYA network now being 2,380 centres in 58 countries. Our instructor numbers also continue to grow steadily with strong demand across all training disciplines for instructor courses.

Our ability to engage directly with more instructors has been improved with the selection of a new and significantly larger venue for our Yachtmaster Scheme annual instructor conference. This year's event saw a more diverse group of attendees than ever before, with many younger instructors attending for the first time.

Two very exciting areas of development in 2018 have been foiling and foreign languages. With the conclusion of a 12-month pilot of both RYA dinghy and windsurfing foiling courses, we are now rolling out this scheme across many more RYA training centres. As well as offering a new way for existing sailors to develop new skills, foiling provides a wonderful platform from which to attract new entrants.

We have now started the delivery of RYA dinghy training in Mandarin. This is a major milestone for RYA training, which to date has only ever been delivered in English. With the translation of five key RYA publications to support this initiative, we are well-

positioned to assist in making sailing in China more mainstream and accessible to the wider population as well as providing job opportunities for RYA qualified instructors to work abroad.

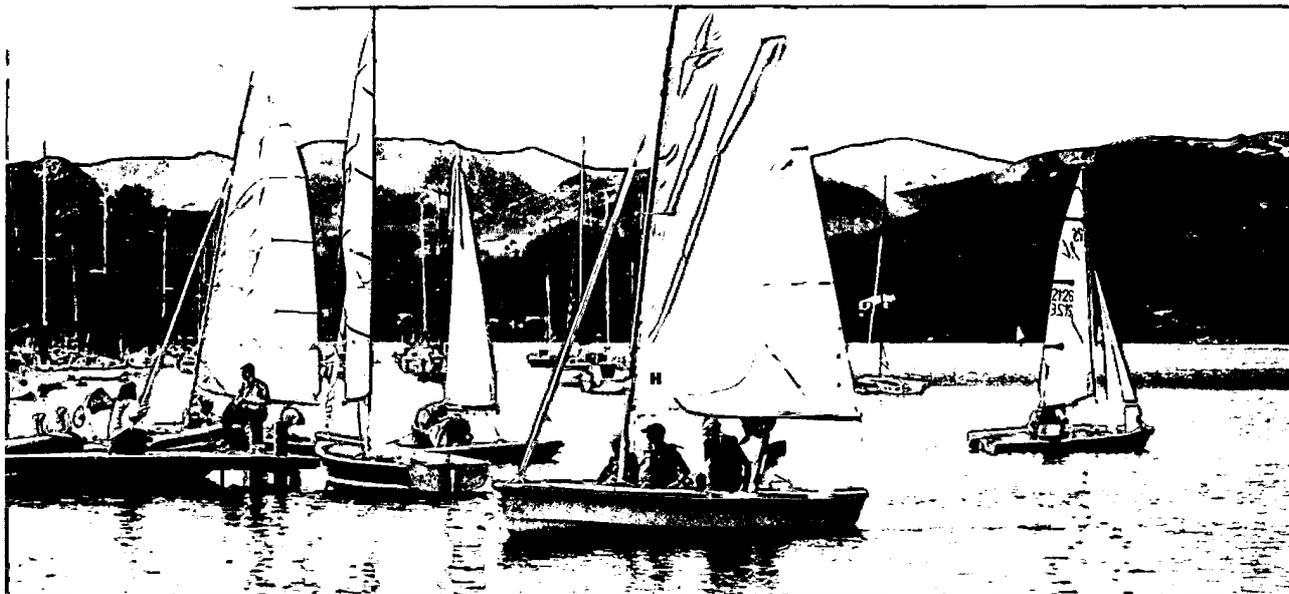
RAISING PERFORMANCE STANDARDS

The RYA led the way in the racing world in 2018 – from putting sailors on podiums, to delivering World Class race officials, coaches and events. In the run up to Tokyo 2020 the British Sailing Team's elite athletes continued their mission to bring home medals. The team successfully qualified GBR in all ten classes at the Aarhus World Cup, before completing the season at a week-long regatta in the Olympic waters of Enoshima. In November, as kite foiling and double-handed offshore keelboat racing were selected as events for the Paris 2024 Olympics, the RYA launched its #kite4gold programme to identify talented young athletes capable of winning gold in five years' time.

In our traditional classes the pathway to the British Sailing Team remains strong and vibrant, thanks to the work of British Youth Sailing. More than 1,500 children went to eight Regional Junior Championships regattas throughout the RYA's zones and home nations to enjoy two days of messing about in boats – with a serious racing element there for those who wanted to go head to head with Britain's best.

In the world of yacht and keelboat racing, the Royal Thames Yacht Club clinched the British Keelboat League title, while a new tranche of talented young sailors was selected for the British Keelboat Academy.

After 55 years the governance of the sport of powerboat racing was transferred from the RYA to bodies drawn from within the sport, with the handover of all policies and procedures. We look forward to a thrilling season of racing in the UK.



LOOKING TO THE FUTURE

As we head into another exciting year across the whole spectrum of RYA activities, we can all feel justifiably proud to have achieved the highest ever membership base during our 143-year history.

To ensure the continued growth of our sport, we must work together to make RYA membership more relevant to new and younger generations of boaters with different and changing needs, behaviours, values, expectations and ways of communicating.

Brexit will undoubtedly remain one of the dominant issues for our government affairs professionals over the coming year. The current political uncertainties mean that it's more important than ever before for the RYA to ensure that the implications for recreational boating are fully recognised by politicians and government officials.

The RYA is responsible for one of the UK's most successful Olympic medal winning sports. Our coaching and development schemes actively support 800 of our country's top sailors, from talented juniors to Olympic and World champions, and the performance team certainly has a busy year ahead in the run up to Tokyo 2020.

We will also seek to build upon our successful investment in RYA training and qualifications to ensure they remain the world leaders in the developing digital environment, whilst also maintaining our rate of global expansion beyond the current RYA network of 2,380 centres in 58 countries.

As the environment and sustainability remain high on the public agenda, we continue to engage with the Marine Protected Area designation and Marine Plan processes, both of which have a potential impact on access and behaviours. We understand the importance placed on sustainability by our members and, in the

coming year, will address the global, national and industry drivers for action by launching our own organisation-wide sustainability strategy.

The biggest misconception about boating is that it is expensive, elitist and that you need to own a boat, which is simply not true. Clubs are welcoming and friendly places and a good way to connect with other members of your local community. Many offer affordable membership options and opportunities to rent boats for free or low cost, as well as inexpensive junior sailing programmes for youngsters to get OnBoard.

Going forward, we will continue to challenge existing misconceptions about our sport by promoting the many positive effects of sailing and windsurfing on both physical and mental health. With your support, we can strive to encourage many more youngsters to escape from modern day life, switch off their screens and get active outdoors.

I would like to thank all of you, staff, volunteers, partners and, most importantly, our members, for your ongoing support. Increasing participation and membership against a backdrop of rising competition from the digital world is undoubtedly a challenge; but a challenge that I know will certainly be rewarding if we are successful. I look forward to sharing our progress in next year's report.

Sarah Treseder OBE
Chief Executive

DIRECTORS' REPORT

THE DIRECTORS WHO HELD OFFICE FROM 1ST APRIL 2018 TO 27TH JUNE 2019 WERE AS FOLLOWS:

NON-EXECUTIVE

Christopher Preston, Chair*
John Scott
Joe Seet
Sarah Hanratty**
Vernon Harten-Ash

Katie Snowball
Ronan Harte
Christophe Boulanger
Natasha Gladman***

*Appointed 28th June 2018 **Resigned 16th November 2018 ***Appointed 16th November 2018

EXECUTIVE

Sarah Treseder OBE, Chief Executive
David Strain, Finance Director

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 27th June 2019

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 2019 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 2019 and of its surplus 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

27th June 2019

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2019

	Note	2019 £	2018 £
Revenue	3	21,009,165	20,171,679
Direct expenditure	4	(14,427,849)	(13,480,340)
Net revenue		6,581,316	6,691,339
Administrative expenditure	5	(6,083,530)	(5,864,657)
Operating surplus	7	497,786	826,682
Interest receivable and similar income		16,002	5,572
Gains on disposal of tangible fixed assets		5,442	1,479
Rental income		27,033	-
Fair value gain on investment property	10	37,500	-
Surplus on ordinary activities before taxation		583,763	833,733
Taxation	8	(19,827)	(115,560)
Retained surplus for the financial year		563,936	718,173
Other comprehensive gains/(losses):			
Remeasurement of net defined benefit pension liability	18	209,000	568,000
Total comprehensive income for the year		772,936	1,286,173

All revenue, and the operating surplus, is derived from continuing activities.

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31ST MARCH 2019

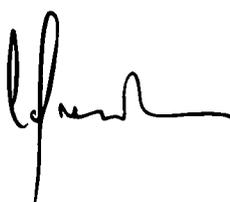
	Accumulated Fund £
At 1st April 2017	6,431,369
Surplus and total comprehensive income for the year	1,286,173
At 31st March 2018	7,717,542
Surplus and total comprehensive income for the year	772,936
At 31st March 2019	8,490,478

STATEMENT OF FINANCIAL POSITION

31ST MARCH 2019

	Note	2019		2018	
		£	£	£	£
Tangible fixed assets	9		6,053,531		6,025,877
Investment properties	10		<u>560,000</u>		<u>522,500</u>
			6,613,531		6,548,377
Current assets					
Stocks	11	269,559		288,600	
Debtors	12	1,469,554		1,462,284	
Cash at bank		<u>4,571,701</u>		<u>3,712,097</u>	
		6,310,814		5,462,981	
Creditors: amounts falling due within one year	13		<u>(3,999,080)</u>		<u>(3,575,240)</u>
Net current assets			<u>2,311,734</u>		<u>1,887,741</u>
Total assets less current liabilities			8,925,265		8,436,118
Creditors: amounts falling due after more than one year	14		(194,941)		(131,625)
Provisions for liabilities	16		(65,846)		(63,951)
Pension liability	18		<u>(174,000)</u>		<u>(523,000)</u>
Net assets			<u>8,490,478</u>		<u>7,717,542</u>
Financed by:					
Accumulated fund			<u>8,490,478</u>		<u>7,717,542</u>
Members' funds			<u>8,490,478</u>		<u>7,717,542</u>

The financial statements were approved and authorised for issue by the Board on 27th June 2019 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 2019

	2019		2018	
	£	£	£	£
Cash flows from operating activities				
Surplus for the financial year	563,936		718,173	
Adjustments for:				
Tax charge for the year	19,827		115,560	
Depreciation of tangible fixed assets	331,119		305,547	
Investment income	(16,002)		(5,572)	
Rental income	(27,033)		-	
Gain on disposal of tangible fixed assets	(5,442)		(1,479)	
Defined benefit pension contributions	(192,000)		(307,000)	
Net pension expense	52,000		76,000	
Decrease in stocks	19,041		19,220	
(Increase)/decrease in debtors	(7,270)		699,968	
Increase/(decrease) in creditors	541,888		(176,702)	
Fair value gain	(37,500)		-	
Net cash from operating activities	1,242,564		1,443,715	
Income taxes paid	(72,666)		(115,988)	
Net cash generated from operating activities		1,169,898		1,327,727
Cash flows from investing activities				
Proceeds from sale of tangible fixed assets	5,650		1,479	
Purchases of tangible assets	(358,979)		(123,306)	
Interest received	16,002		5,572	
Rental income	27,033		-	
Net cash flow used in investing activities		(310,294)		(116,255)
Net increase in cash and cash equivalents		859,604		1,211,472
Cash and cash equivalents at the beginning of the year		3,712,097		2,500,625
Cash and cash equivalents at the end of the year		4,571,701		3,712,097

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 and are satisfied that the Association will continue to be able to meet its liabilities as they fall due. As such, the Association's 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.

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 accounting 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 2019 and the fair value of the investment property has been estimated as an apportionment of that valuation.

(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.

3. REVENUE

	2019 £	2018 £
Revenue is derived from the following sources:		
Subscriptions	4,997,083	4,905,522
Sales of goods and services	6,893,063	6,513,044
Events and coaching	1,382,762	1,409,965
Sports Council grants receivable	1,844,758	1,831,417
Other income, grants and donations	114,366	95,772
UK Sport grants receivable	5,777,133	5,415,959
	<u>21,009,165</u>	<u>20,171,679</u>
Revenue is derived from the following geographical locations:		
United Kingdom	18,241,501	17,578,044
Europe	1,972,694	1,815,427
Rest of the World	794,970	778,208
	<u>21,009,165</u>	<u>20,171,679</u>

4. DIRECT EXPENDITURE

	2019 £	2018 £
Membership services and promotion	1,495,179	1,290,483
Costs of goods and services sold	2,968,491	2,916,262
Events and coaching	2,306,576	2,002,229
Sports Council grants disbursed	1,844,758	1,831,417
Other grants and donations directly disbursed	35,712	23,990
UK Sport grants disbursed	5,777,133	5,415,959
	<u>14,427,849</u>	<u>13,480,340</u>

5. ADMINISTRATIVE EXPENDITURE

	2019 £	2018 £
Establishment expenses	273,703	265,624
Staff costs (Note 6)	4,357,701	4,143,631
Finance costs	99,269	108,598
Administrative overheads	1,352,857	1,346,804
	<u>6,083,530</u>	<u>5,864,657</u>

6. STAFF COSTS

	2019 £	2018 £
Salaries	5,115,121	4,891,332
Social Security Costs	501,870	482,563
Pension and Life Assurance Costs	680,168	644,125
	<u>6,297,159</u>	<u>6,018,020</u>
Less staff costs included in Direct Expenditure	<u>(1,939,458)</u>	<u>(1,874,389)</u>
	<u>4,357,701</u>	<u>4,143,631</u>
The average monthly number of employees during the year was:		
Senior Management	30	28
Executive Officers and Coaches	59	56
Administration and Support	70	72
	<u>159</u>	<u>156</u>

The compensation paid or payable to key management personnel, being the two executive directors, for employee services is £292,690 (2018: £269,974).

Remuneration paid to the two executive directors during the year amounted to £278,690 (2018: two executive directors; £256,649). The remuneration of the highest paid director was £183,866. The number of directors to whom retirement benefits are accruing under defined contribution pension schemes was 1 (2018: 1). The total contribution in respect of these directors was £14,000 (2018: £13,325). No remuneration was paid to non-executive directors.

7. OPERATING SURPLUS

	2019 £	2018 £
Surplus on ordinary activities is stated after charging:		
Depreciation	331,119	305,547
Operating lease rentals	150,389	149,975
Auditor's remuneration:		
Audit fees – current year	28,600	27,500
Non audit fees	11,428	9,500

8. TAXATION

	2019 £	2018 £
UK corporation tax	51,889	113,168
Corporation tax over-provision in previous years	(33,957)	(23)
Deferred taxation	1,895	2,415
	<u>19,827</u>	<u>115,560</u>
Surplus on ordinary activities before tax	<u>583,763</u>	<u>833,733</u>
Surplus on ordinary activities multiplied by the standard rate of UK corporation tax of 19% (2018: 19%)	110,915	158,409
Effects of:		
Amounts not taxable	(100,985)	(84,037)
Fixed asset differences	26,202	41,211
Short-term timing differences	17,652	-
Amount relating to prior year	(33,957)	(23)
Total tax charge	<u>19,827</u>	<u>115,560</u>

9. TANGIBLE FIXED ASSETS

	Long leasehold premises £	Specialised property £	Fixtures, fittings, vehicles & equipment £	Total £
Cost				
At 1st April 2018	2,722,500	3,500,000	2,776,496	8,998,996
Additions	-	-	358,979	358,979
Disposals	-	-	(730,015)	(730,015)
At 31st March 2019	<u>2,722,500</u>	<u>3,500,000</u>	<u>2,405,460</u>	<u>8,627,960</u>
Depreciation				
At 1st April 2018	241,930	311,104	2,420,085	2,973,119
Change for year	60,481	77,777	192,861	331,119
On disposals	-	-	(729,809)	(729,809)
At 31st March 2019	<u>302,411</u>	<u>388,881</u>	<u>1,883,137</u>	<u>2,574,429</u>
Net book value				
At 31st March 2019	<u>2,420,089</u>	<u>3,111,119</u>	<u>522,323</u>	<u>6,053,531</u>
At 31st March 2018	<u>2,480,570</u>	<u>3,188,896</u>	<u>356,411</u>	<u>6,025,877</u>

The Association's long leasehold premises and specialised property are stated at deemed cost. 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. 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, as at 31st March 2019.

10. INVESTMENT PROPERTY

	£
Fair value	
At 1st April 2018 and 1st April 2017	522,500
Movement during the year	<u>37,500</u>
At 31st March 2019	<u>560,000</u>

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

11. STOCK

	2019 £	2018 £
Finished products	262,085	271,216
Work in progress	<u>7,474</u>	<u>17,384</u>
	<u>269,559</u>	<u>288,600</u>

Replacement cost is not significantly different to the amounts stated above. Total stock expense in the year was £503,417 (2018: £523,193).

12. DEBTORS

	2019 £	2018 £
Trade debtors	507,659	595,227
Other debtors	568,116	360,468
Prepayments	393,779	362,832
Accrued grants	-	<u>143,757</u>
	<u>1,469,554</u>	<u>1,462,284</u>

Other debtors includes £27,197 (2018: £9,463) falling due after more than one year.

13. CREDITORS

AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	942,517	757,937
Corporation tax	51,889	106,623
Other creditors	22,921	27,426
Accruals	443,344	376,628
Subscriptions in advance	2,134,834	2,109,432
Deferred grants (Note 15)	60,606	28,086
Other deferred income	<u>342,969</u>	<u>169,108</u>
	<u>3,999,080</u>	<u>3,575,240</u>

14. CREDITORS

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Deferred grants (Note 15)	<u>194,941</u>	<u>131,625</u>

15. GRANTS

	Capital £	Revenue £	Total £
Balance at 1st April 2018	157,953	(141,999)	15,954
Grants received	-	7,887,812	7,887,812
Grants released	<u>(26,328)</u>	<u>(7,621,891)</u>	<u>(7,648,219)</u>
Balance at 31st March 2019	<u>131,625</u>	<u>123,922</u>	<u>255,547</u>
Amounts falling due within one year	26,328	34,278	60,606
Amounts falling due after more than one year	<u>105,297</u>	<u>89,644</u>	<u>194,941</u>
	<u>131,625</u>	<u>123,922</u>	<u>255,547</u>

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 £131,625 disclosed above as capital grant relates to the Performance Unit.

16. PROVISIONS FOR LIABILITIES

	Deferred Taxation £
Balance at 1st April 2018	63,951
Debited to Statement of Comprehensive Income	<u>1,895</u>
Balance at 31st March 2019	<u>65,846</u>

Deferred taxation relates to accelerated capital allowances.

17. FINANCIAL INSTRUMENTS

	2019 £	2018 £
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	507,659	595,227
Other debtors	<u>568,116</u>	<u>360,468</u>
	<u>1,075,775</u>	<u>955,695</u>
Financial liabilities measured at amortised cost:		
Trade creditors	<u>942,517</u>	<u>757,937</u>

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 £597,662 (2018: £551,763).

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 2018) 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 £192,000 (2018: £307,000). The next triennial review will be carried out at 1st April 2020. The most recent FRS 102 valuation as at 31st March 2019 showed that the market value of the scheme's assets was £11,469,000 (2018: £11,301,000). 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 2019.

(a) Assumptions:

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

	2019	2018
Discount rate	2.4%	2.6%
Retail price inflation (RPI)	3.2%	3.1%
Consumer price inflation (CPI)	2.2%	2.1%
Salary increase rate	2.2%	2.1%
Pension increases		
- Pre 2004 pensions	5.0%	5.0%
- 2004-2006 pensions	2.1%	2.0%
- Post 2006 pensions	1.9%	1.8%
Revaluation of deferred pensions in excess of GMP	2.2%	2.1%

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

	At 31st March 2019	At 31st March 2018
For a male aged 65 now	21.5	21.8
At 65 for a male aged 45 now	22.5	22.8
For a female aged 65 now	23.2	23.7
At 65 for a female aged 45 now	24.3	24.9

Mortality rates as at 31st March 2019 incorporate actual observed reductions over the last year.

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

	At 31st March 2019		At 31st March 2018	
	Proportion	£'000	Proportion	£'000
Investment assets	77%	8,801	74%	8,414
Insured pensions	23%	2,668	26%	2,887
Fair value of plan assets		<u>11,469</u>		<u>11,301</u>
Value of funded obligations		<u>(11,643)</u>		<u>(11,824)</u>
Net defined benefit pension liability		<u>(174)</u>		<u>(523)</u>

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

	2019 £'000	2018 £'000
Opening fair value of plan assets	11,301	11,753
Interest income	290	289
Asset gains/(losses)	189	(360)
Contributions	192	307
Benefits paid	<u>(503)</u>	<u>(688)</u>
Closing fair value of plan assets	<u>11,469</u>	<u>11,301</u>

Expected contributions to the scheme in the year to 31st March 2020 are £117,000, of which £76,000 had been prepaid as at 31st March 2019.

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

	2019 £'000	2018 £'000
Opening defined benefit obligation	11,824	13,075
Current service cost	41	46
Interest cost	301	319
Actuarial gains	(20)	(928)
Benefits paid	<u>(503)</u>	<u>(688)</u>
Closing defined benefit obligation	<u>11,643</u>	<u>11,824</u>

(e) Amounts charged to Statement of Comprehensive Income:

	2019 £'000	2018 £'000
Current service cost - charged to staff pension costs	41	46
Net interest expense - charged to finance expense	<u>11</u>	<u>30</u>
Total Charged to Statement of Comprehensive Income	<u>52</u>	<u>76</u>

(f) Amounts recognised in other comprehensive losses:

	2019 £'000	2018 £'000
Actual return less interest income recognised in the year	189	(360)
Effect of assumptions changes on benefit obligation	20	928
Remeasurement of net defined benefit pension liability	<u>209</u>	<u>568</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:

	2019 £	2018 £
Land and buildings		
Within one year	95,973	95,032
Between two and five years	254,051	303,368
After more than five years	2,875	46,656
	<u>352,899</u>	<u>445,056</u>
Other operating leases		
Within one year	12,317	71,283
Between two and five years	-	8,988
	<u>12,317</u>	<u>80,271</u>

20. 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.

	2019 £	2018 £
Net income/(deficit) for the year ended 31st March	<u>40,619</u>	<u>(25,137)</u>
Total Funds carried forward as at 31st March	<u>165,258</u>	<u>124,639</u>

The Association provides administrative support to assist the RYA Foundation in carrying out its activities at no charge. During the year, the Association made donations to the RYA Foundation totalling £35,712 (2018: Nil).

21. 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 2019 was 113,912 (2018: 112,541).

22. RELATED PARTY TRANSACTIONS

During the year grants totalling £19,340 (2018: £14,000) 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.



**RYA House
Ensign Way
Hamble
Southampton
Hampshire
SO31 4YA**

**T: 023 8060 4100
F: 023 8060 4299**

www.rya.org.uk

Company Registration Number: 878357