



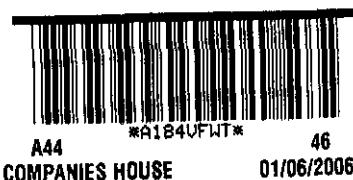
Donnelly Hamilton Brent Ltd

•• CHARTERED ACCOUNTANTS ••
& BUSINESS ADVISERS

Charity Registration No. 1073048

Company Registration No. 3650377 (England and Wales)

THE RONA TRUST
LONDON SAILING PROJECT
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2005



THE RONA TRUST

LONDON SAILING PROJECT

LEGAL AND ADMINISTRATIVE INFORMATION

The London Sailing Project was started by the Right Honourable Derick Viscount Amory as a private charitable venture in 1960, and formalised as a charitable settlement on 1st July 1961. The Rona Trust was first registered as a charity on 1st December 1966 and later commenced to operate as a charitable company limited by guarantee on 1st November 1998 (Charity No: 1073048).

Trustees

Sir Ian Amory Bt.(Chariman)

John Hamilton OBE

- resigned 31st December 2004

Captain Peter Archer

- resigned 31st January 2005

Duncan Farrant

- appointed 31st March 2005

Alan Richardson

Andrew Searle

Giles Thorley

William Whitehouse-Vaux

Christopher Wolley MBE

Secretary

Nicholas Nell

Vessels run by the charity

Rona II

Donald Searle

Helen Mary R

Frigate of Cowes

3 Motor tenders

Charity number

1073048

Company number

3650377

Principal address

Universal Shipyard

Crableck Lane

Salisbury Green

Southampton SO31 7ZN

Auditors

Donnelly Hamilton Brent Limited

Carnac Place

Cams Hall Estate

Fareham

Hampshire

PO16 8UY

Bankers

Lloyds TSB Bank plc

43 West Street

Fareham

Hampshire

PO16 0BE

Investment advisors

Savoy Investment Management Limited

7 Hanover Square

London

W1S 1HQ

THE RONA TRUST LONDON SAILING PROJECT CONTENTS

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THE RONA TRUST

LONDON SAILING PROJECT

TRUSTEES REPORT

FOR THE YEAR ENDED 31 OCTOBER 2005

The Trustees present their report and accounts for the year ended 31 October 2005.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles and Memorandum of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

Objects of the charity

The charity was started by the Right Honourable Derick Viscount Amory as a private charitable venture in 1960, and formalised as a Charitable Settlement on 1 July 1961. The Rona Trust was first registered as a charity on the 1 December 1966 and later commenced to operate as a charitable company limited by guarantee on the 1 November 1998 (Charity No: 1073048).

The main objective of the Rona Trust (London Sailing Project) is to provide opportunities, through sail training, for young people to develop a sense of responsibility, resourcefulness and teamwork, which will help them throughout their lives. This objective has been extended to people who are hearing impaired, visually impaired, or have learning difficulties.

TRAINING

A comprehensive training programme has been provided for our volunteer Afterguard, which included the annual familiarisation voyages, RYA Diesel Engine courses, RYA Radar courses and First Aid courses. Our skippers are reassessed at regular intervals to ensure the highest standards of seamanship.

Frigate of Cowes ran a busy programme of Day and Coastal Skipper courses and continued to provide more general training to help raise the standards of seamanship in our organisation.

DONATIONS

In addition to our core funding from the Amory and Searle Trusts, we were grateful to receive support from the Camelia Botnar Foundation, ASTO and the Hammond Innes Bursary Scheme, Mr Giles Thorley, the Girdlers Company and the Vintners Company.

PROJECT MEMBERS

The Trustees are grateful to the more than 400 active volunteers who continued to support the Trust so well during 2005. There were 61 Skippers, 62 Mates, 147 Watch Officers and 149 Watch Leaders. At the end of the season 3 Mates were invited to become Skippers, and one Helen Mary R Skipper was promoted to 'big boat' Skipper. Five Watch Officers were promoted to Mate, seven Supernumeraries were promoted to Watch Officer and 16 Watch Leaders to Watch Officer. 35 Trainees were promoted to Watch Leader. The result of our long term training and retention of volunteers means that over half of our Skippers started as Trainees.

Trustees

The trustees, who are also the directors for the purpose of company law, who served during the year were:

Sir Ian Amory Bt. (Chairman)

William Whitehouse-Vaux

Chris Wolley MBE

Giles Thorley

Alan Richardson

John Hamilton OBE

(Resigned 31 December 2004)

Andrew Searle

Captain Peter Archer

(Resigned 31 January 2005)

Duncan Farrant

(Appointed 31 March 2005)

**THE RONA TRUST
LONDON SAILING PROJECT
TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2005**

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Review of financial position

The raising of unrestricted funds was less successful in 2005 than in the previous year, which benefited from a significant corporate donation. The reported shortfall in crew fees is due to two factors. First, our volunteers now have the option to make charitable donations rather than pay crew fees. Secondly, the 2004 figures included an early payment of £6,000 in respect of voyage fees. Income and gains from investments amounted to £9,000. A further £9,000 was recovered under the Gift Aid scheme. New offices were leased for a ten year period at Universal Marina at a cost of £12,000 per annum, an increase of £4,500 on the old Rovacabins.

Whilst there was an operational loss incurred in the year of £34,000, there has been an increase in restricted funds by means of new boat fundraising of £44,000 and investment funds of £2,000. This resulted in an overall increase of £13,000. In addition, unrealised gains in valuations of yachts of £86,000, coupled with the increase in value of investments of £6,000 has increased the total reserves of the charity by £105,000.

The decision has been taken to build a new boat in accordance with our vessel replacement programme. Fundraising will carry on in parallel to the fit-out which will be carried out using our own facilities. The new boat investment fund will be used in the building of the new boat and will be replaced when the next vessel is sold. This fund is invested with London stockbrokers with instructions that they are to be invested in medium risk stocks. The Trustees' investment powers are governed by the Memorandum of Association, which permits the charity's funds to be invested for furtherance of the charity's objects, subject only to conditions imposed by law.

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to at least two months of unrestricted expenditure. The Trustees believe that this level of reserves is satisfactory given the predictable sources of income and anticipated costs. These funds are reflected in the Balance Sheet by "Operating funds" and "Investments".

Risk factors

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that processes for identifying and monitoring risks have been established, so that the necessary steps can be taken to lessen these risks.

The Trustees continually monitor all volunteers for their suitability for manning sail training voyages and ensure that, where required, they hold the appropriate Royal Yachting Association (RYA) qualifications. Checks are also made with the Criminal Records Bureau. The Trustees have also established a skipper revalidation process so they are reassessed at regular intervals to ensure that the highest standards of seamanship are maintained.

The Trustees also ensure that the Trust's sail training vessels comply with the appropriate certification laid down by the Maritime and Coastguard Agency (MCA).

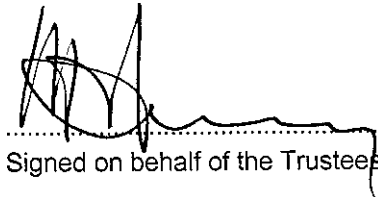
Asset cover for funds

Note 13 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

**THE RONA TRUST
LONDON SAILING PROJECT
TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2005**

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Donnelly Hamilton Brent Limited be reappointed as auditors of the company will be put to the Annual General Meeting.


Signed on behalf of the Trustees

Dated: 25.4.06

THE RONA TRUST

LONDON SAILING PROJECT

STATEMENT OF TRUSTEES RESPONSIBILITIES

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

THE RONA TRUST

LONDON SAILING PROJECT

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE RONA TRUST

We have audited the accounts of The Rona Trust for the year ended 31 October 2005 set out on pages 7 to 18. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 10.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of trustees and auditors

As described on page 4, the trustees, who are also the directors of The Rona Trust for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Trustees Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**THE RONA TRUST
LONDON SAILING PROJECT
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF THE RONA TRUST**

Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 31 October 2005 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Donnelly Hamilton Brent Ltd

Donnelly Hamilton Brent Limited
Chartered Accountants
Registered Auditor
A member firm of the UK 200 Group

27th April 2006

Carnac Place
Cams Hall Estate
Fareham
Hampshire
PO16 8UY

THE RONA TRUST
LONDON SAILING PROJECT
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 OCTOBER 2005

| | Notes | Operational funds £ | Investment funds £ | Restricted funds £ | Total 2005 £ | Total 2004 £ |
|---|-------|------------------------|-----------------------|-----------------------|--------------------|--------------------|
| Incoming resources | | | | | | |
| Donations | 2 | 223,338 | - | 44,625 | 267,963 | 234,008 |
| Activities in furtherance of the charity's activities | | | | | | |
| Investment income | 3 | 661 | 2,747 | - | 3,408 | 3,327 |
| Other income | 4 | 85,651 | - | - | 85,651 | 114,859 |
| Total incoming resources | | 309,650 | 2,747 | 44,625 | 357,022 | 352,194 |
| Resources expended | | | | | | |
| Costs of generating funds: | | | | | | |
| Investment manager's fees | | - | 120 | - | 120 | - |
| | | - | 120 | - | 120 | - |
| Net incoming resources available | | 309,650 | 2,627 | 44,625 | 356,902 | 352,194 |
| Costs of generating funds: | | | | | | |
| Direct charitable expenditure | | 246,347 | - | - | 246,347 | 251,191 |
| Cost of activities in furtherance of the charity's objects: | | | | | | |
| Management and administration | | 97,662 | - | - | 97,662 | 90,763 |
| Total charitable expenditure | | 344,009 | - | - | 344,009 | 341,954 |
| Total resources expended | 5 | 344,009 | 120 | - | 344,129 | 341,954 |
| Net (outgoing)/incoming resources after transfers | | (34,359) | 2,627 | 44,625 | 12,893 | 10,240 |
| Gains on investment assets | | - | 6,073 | - | 6,073 | 2,830 |
| Revaluation on vessels | | - | 86,417 | - | 86,417 | - |
| Net movement in funds | | (34,359) | 95,117 | 44,625 | 105,383 | 13,070 |
| Fund balances at 1 November 2004 | | 68,437 | 496,547 | 1,307 | 566,291 | 553,221 |
| Fund balances at 31 October 2005 | | 34,078 | 591,664 | 45,932 | 671,674 | 566,291 |

THE RONA TRUST
LONDON SAILING PROJECT
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2005

| | 2005 £ | 2004 £ |
|-------------------------------------|---------------|---------------|
| Total income | 357,022 | 352,194 |
| Total expenditure from income funds | 344,129 | 341,954 |
| Net income for the year | 12,893 | 10,240 |

The summary income and expenditure account is derived from the statement of financial activities on page 7 which, together with the notes on pages 10 to 18, provides full information on the movements during the year on all funds of the charity.

STATEMENT OF RECOGNISED GAINS AND LOSSES

| | | |
|--|----------------|---------------|
| Net income for the year | 12,893 | 10,240 |
| Unrealised gains on investment assets held by income funds | 6,073 | 2,830 |
| Revaluation of tangible fixed assets | 86,417 | - |
| Net movement in funds | 105,383 | 13,070 |

THE RONA TRUST
LONDON SAILING PROJECT
BALANCE SHEET
AS AT 31 OCTOBER 2005

| | Notes | 2005 £ | £ | 2004 £ | £ |
|---|-------|-----------|---|-----------|---|
| Fixed assets | | | | | |
| Yachts | 8 | 510,000 | | 423,583 | |
| Restricted fund - part built yacht | | 16,061 | | - | |
| Tangible assets | 9 | 9,969 | | 4,672 | |
| Investments | 10 | 81,664 | | 72,690 | |
| | | | | | |
| | | 617,694 | | 500,945 | |
| Current assets | | | | | |
| Stocks | | 1,245 | | 1,556 | |
| Debtors | 11 | 44,316 | | 35,062 | |
| Cash at bank and in hand | | 35,127 | | 36,449 | |
| | | | | | |
| | | 80,688 | | 73,067 | |
| Creditors: amounts falling due within one year | 12 | (26,708) | | (7,721) | |
| | | | | | |
| Net current assets | | 53,980 | | 65,346 | |
| | | | | | |
| Total assets less current liabilities | | 671,674 | | 566,291 | |
| | | | | | |
| Income funds | 13 | | | | |
| Restricted funds | | 45,932 | | 1,307 | |
| Unrestricted funds: | | | | | |
| Operational funds | | 34,078 | | 68,437 | |
| Investment funds | | | | | |
| Yachts | | 510,000 | | 423,583 | |
| Investments | | 81,664 | | 72,964 | |
| | | | | | |
| | | 591,664 | | 496,547 | |
| | | | | | |
| | | 671,674 | | 566,291 | |

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements for the year ended 31 October 2005 were approved by the trustees

Signed  Trustee

Date 25.4.06

Signed  Trustee

Date 25.4.06

THE RONA TRUST
LONDON SAILING PROJECT
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2005

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Trading income is shown net of related expenses as this better reflects the contribution of these activities to the charity.

Income tax recoverable in relation to donations under received Gift Aid or deeds of covenant is recognised at the time of the donation.

1.3 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|-------------------|---|
| Yachts | No depreciation |
| Office Rovacabins | 10% straight line |
| Motor Tenders | 10% straight line with residual value of £500 |
| Computer | 33% straight line |
| Motor vehicles | 20% straight line |

No depreciation is provided in respect of yachts as it is the charity's policy to maintain the yachts in immaculate condition such that the residual values of the yachts are at least the same as the costs.

1.5 Leasing and hire purchase commitments

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

**THE RONA TRUST
LONDON SAILING PROJECT
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2005**

1 Accounting Policies

(continued)

1.6 Investments

Fixed asset investments are stated at market value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Accumulated funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Both the operational and the investment funds are unrestricted, but the trustees wish to show the split between the operational arm of the charity (London Sailing Project) and the investment arm (Rona Trust).

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The only restricted fund in the accounts relates to those donations and expenses incurred for the construction of the new yacht, currently named Ocean 62.

THE RONA TRUST
LONDON SAILING PROJECT
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2005

2 Donations

| | Unrestricted funds £ | Restricted funds £ | Total 2005 £ | Total 2004 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Donations and gifts | 223,338 | 44,625 | 267,963 | 234,008 |
| Donations and gifts | | | | |
| Unrestricted funds: | | | | |
| Viscount Amory Charitable Trust | | | 71,000 | 72,750 |
| Searle Trust | | | 53,626 | 51,939 |
| Association of Sea Training Organisations | | | 18,000 | 23,400 |
| Camelia Botnar Foundation | | | 25,000 | 20,000 |
| Giles Thorley | | | 15,000 | 13,750 |
| Keith Knowles | | | 5,000 | 8,846 |
| Sundry Donations | | | 6,994 | 8,467 |
| Christine Perrin | | | - | 2,000 |
| Timberland | | | - | 19,700 |
| Scottish Courage | | | - | 2,000 |
| Mr A Stannah | | | - | 5,706 |
| Worshipful Company of Girdlers | | | 2,000 | 2,000 |
| UK Sailing Academy | | | - | 1,600 |
| AWE plc | | | 1,615 | - |
| Afterguard donations | | | 25,103 | - |
| | | | <u>223,338</u> | <u>232,158</u> |
| Restricted funds: | | | | |
| Admiral Taverns | | | 25,000 | - |
| R Butler | | | 10,000 | - |
| Carlsberg | | | 7,000 | - |
| Les Rees | | | 1,000 | - |
| Sundry donations | | | 1,625 | 1,850 |
| | | | <u>44,625</u> | <u>1,850</u> |

The restricted fund donations are purely for allocation to the Ocean 62 vessel.

THE RONA TRUST
LONDON SAILING PROJECT
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2005

3 Investment income

| | Operational funds £ | Investment funds £ | Total 2005 £ | Total 2004 £ |
|--------------------------------|------------------------|-----------------------|--------------------|--------------------|
| Income from listed investments | - | 2,163 | 2,163 | 2,735 |
| Interest receivable | 661 | 858 | 1,519 | 592 |
| Tax credits written off | - | (274) | (274) | - |
| | <u>661</u> | <u>2,747</u> | <u>3,408</u> | <u>3,327</u> |

4 Other income

| | 2005 £ | 2004 £ |
|-------------------|---------------|----------------|
| Crew fees | 56,608 | 92,888 |
| Race income | 13,836 | 12,284 |
| Frigate income | 4,532 | 6,753 |
| Courses | 1,452 | 1,505 |
| Sale of souvenirs | 656 | 364 |
| Gift aid | 8,567 | 1,065 |
| | <u>85,651</u> | <u>114,859</u> |

THE RONA TRUST
LONDON SAILING PROJECT
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2005

5 Total resources expended

| | Staff costs £ | Depreciation £ | Other costs £ | Total 2005 £ | Total 2004 £ |
|---|---------------------|-------------------|---------------------|--------------------|--------------------|
| Costs of generating funds: | | | | | |
| Investment managers' fees | - | - | 120 | 120 | - |
| Direct charitable expenditure | - | - | 246,347 | 246,347 | 251,191 |
| Management and administration | 58,969 | 3,708 | 34,985 | 97,662 | 90,763 |
| | <u>58,969</u> | <u>3,708</u> | <u>281,452</u> | <u>344,129</u> | <u>341,954</u> |
| Direct charitable expenditure comprises of : | | | | | |
| Boat repairs and maintenance | | | | 77,481 | 74,057 |
| Food expenses | | | | 32,921 | 31,929 |
| Fuel and berthing expenses | | | | 17,967 | 15,172 |
| Race expenses | | | | 3,472 | 15,021 |
| Frigate expenses | | | | 1,774 | 4,335 |
| Crew travel expenses | | | | 9,866 | 9,117 |
| Crew clothing expenses | | | | 8,121 | 9,237 |
| Insurance | | | | 24,184 | 25,113 |
| Wages | | | | 70,561 | 67,210 |
| | | | | <u>246,347</u> | <u>251,191</u> |
| Other management and administration costs comprise: | | | | | |
| Rent, rates and service charges | | | | 11,161 | 6,000 |
| Office running expenses | | | | 10,800 | 8,329 |
| Advertising | | | | 211 | 553 |
| Postage and stationery | | | | 1,187 | 1,442 |
| Motor and travel expenses | | | | 2,618 | 685 |
| Accountancy | | | | 2,840 | 2,894 |
| Audit | | | | 1,350 | 1,350 |
| Bank charges & interest | | | | 198 | 440 |
| Courses and training | | | | 2,372 | 2,520 |
| Miscellaneous and fundraising | | | | 848 | 6,918 |
| Staff costs | | | | 1,400 | 2,111 |
| New yacht campaign expenditure | | | | - | 1,543 |
| | | | | <u>34,985</u> | <u>34,785</u> |

Management and administration costs include payments to the auditors of £1,350 (2004- £1,350) for audit fees and £2,840 (2004- £2,894) for other services.

THE RONA TRUST
LONDON SAILING PROJECT
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2005

6 Trustees

None of the trustees (nor any persons connected with them) received any remuneration or benefits from the charity during the year.

7 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2005 Number | 2004 Number |
|----------------|----------------|----------------|
| Administration | 2 | 2 |
| Maintenance | 3 | 3 |
| | <u>5</u> | <u>5</u> |

Employment costs

| | 2005 £ | 2004 £ |
|--------------------|----------------|----------------|
| Wages and salaries | <u>126,179</u> | <u>119,917</u> |

There were no employees whose annual emoluments were £50,000 or more.

8 Yachts

| | Donald Searle £ | Frigate of Helen Mary R Cowes £ | £ | Rona II £ | Total £ |
|--------------------------|-----------------------|---------------------------------------|----------------|----------------|----------------|
| Cost or valuation | | | | | |
| At 1 November 2004 | 120,000 | 33,583 | 85,000 | 185,000 | 423,583 |
| Revaluations in year | <u>30,000</u> | <u>1,417</u> | <u>15,000</u> | <u>40,000</u> | <u>86,417</u> |
| At 31 October 2005 | <u>150,000</u> | <u>35,000</u> | <u>100,000</u> | <u>225,000</u> | <u>510,000</u> |
| Net book value | | | | | |
| At 31 October 2005 | <u>150,000</u> | <u>35,000</u> | <u>100,000</u> | <u>225,000</u> | <u>510,000</u> |
| At 31 October 2004 | <u>120,000</u> | <u>33,583</u> | <u>85,000</u> | <u>185,000</u> | <u>423,583</u> |

The large yachts were revalued by John Winterbotham and Partners, International Marine Surveyors, as at 10th April 2006.

THE RONA TRUST
LONDON SAILING PROJECT
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2005

9 Other fixed assets

| | Office Rovacabins £ | Motor Tenders £ | Computer £ | Motor vehicles £ | Total £ |
|-----------------------|---------------------------|-----------------------|---------------|------------------------|------------|
| Cost | | | | | |
| At 1 November 2004 | 11,393 | 14,500 | 3,465 | 9,597 | 38,955 |
| Additions | 6,779 | - | 2,225 | - | 9,004 |
| Disposals | (9,008) | - | - | - | (9,008) |
| At 31 October 2005 | 9,164 | 14,500 | 5,690 | 9,597 | 38,951 |
| Depreciation | | | | | |
| At 1 November 2004 | 7,961 | 13,500 | 3,226 | 9,596 | 34,283 |
| Disposals | (7,196) | - | - | - | (7,196) |
| Charge for the year | 916 | - | 979 | - | 1,895 |
| At 31 October 2005 | 1,681 | 13,500 | 4,205 | 9,596 | 28,982 |
| Net book value | | | | | |
| At 31 October 2005 | 7,483 | 1,000 | 1,485 | 1 | 9,969 |
| At 31 October 2004 | 3,432 | 1,000 | 239 | 1 | 4,672 |

Net book value at 31 October 2005 represents fixed assets used for:

Direct charitable purposes:

| | | | | | |
|-----------------|---|-------|---|---|-------|
| Investment fund | - | 1,000 | - | - | 1,000 |
|-----------------|---|-------|---|---|-------|

Other purposes:

| | | | | | |
|-------------------------------|-------|---|-------|---|-------|
| Management and administration | 7,483 | - | 1,485 | 1 | 8,969 |
|-------------------------------|-------|---|-------|---|-------|

| | | | | | |
|--|-------|-------|-------|---|-------|
| | 7,483 | 1,000 | 1,485 | 1 | 9,969 |
|--|-------|-------|-------|---|-------|

THE RONA TRUST
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10 Fixed asset investments

| | Quoted investments £ |
|--|----------------------------|
| Market value at 1 November 2004 | 72,690 |
| Disposals at opening book value | (18,000) |
| Movement in Earnings account | 3,021 |
| Movement in Dealings account | 17,880 |
| Change in value in the year | 6,073 |
| Market value at 31 October 2005 | 81,664 |
| Historical cost: | |
| At 31 October 2005 | 66,735 |
| At 31 October 2004 | 64,810 |

11 Debtors

| | 2005 £ | 2004 £ |
|--------------------------------|---------------|---------------|
| Other debtors | 21,670 | 18,630 |
| Prepayments and accrued income | 22,646 | 16,432 |
| | <u>44,316</u> | <u>35,062</u> |

12 Creditors: amounts falling due within one year

| | 2005 £ | 2004 £ |
|-----------------|---------------|--------------|
| Bank overdrafts | 15,129 | - |
| Other creditors | 7,274 | 3,571 |
| Accruals | 4,305 | 4,150 |
| | <u>26,708</u> | <u>7,721</u> |

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13 Analysis of net assets between funds

| | Operational funds £ | Investment funds £ | Restricted funds £ | Total £ |
|--|---------------------------|--------------------------|--------------------------|----------------|
| Fund balances at 31 October 2005 are represented by: | | | | |
| Yachts | - | 510,000 | 16,061 | 526,061 |
| Other tangible fixed assets | 9,969 | - | - | 9,969 |
| Investments | - | 81,664 | - | 81,664 |
| Current assets | 50,817 | - | 29,871 | 80,688 |
| Creditors: amounts falling due within one year | (26,708) | - | - | (26,708) |
| | <u>34,078</u> | <u>591,664</u> | <u>45,932</u> | <u>671,674</u> |
| Unrealised gains included above: | | | | |
| On tangible fixed assets and investments | - | 92,490 | - | 92,490 |
| | <u>-</u> | <u>92,490</u> | <u>-</u> | <u>92,490</u> |
| Reconciliation of movements in unrealised gains on investment and tangible assets | | | | |
| Net gains on market value investments | | 6,073 | | 6,073 |
| Revaluation on vessels | - | 86,417 | - | 86,417 |
| | <u>-</u> | <u>86,417</u> | <u>-</u> | <u>86,417</u> |
| Unrealised gains at 31 October 2005 | - | 92,490 | - | 92,490 |
| | <u>-</u> | <u>92,490</u> | <u>-</u> | <u>92,490</u> |

14 Commitments under operating leases

At 31 October 2005 the company had annual commitments under non-cancellable operating leases as follows:

| | 2005 £ | 2004 £ |
|--------------------|---------------|---------------|
| Land and building | | |
| Expiry date: | | |
| In over five years | <u>12,195</u> | <u>12,195</u> |