



RYA **ANNUAL** **REPORT** **AND** **ACCOUNTS** **2010**

*for the year ending
31st March 2010*

REPORT & ACCOUNTS 2010

For the year ending 31st March 2010

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The RYA Mission is to promote safe and successful UK sailing and motorboating

- To represent recreational boating rights and responsibilities
- To promote the safety of all individuals and organisations associated with boating
- To raise the standard of sailing, windsurfing, motorboating and powerboating to enhance competition for the overall enjoyment of boating throughout the UK

AGM AGENDA 18th NOVEMBER 2010

Royal Yachting Association

Founded 1875

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 Thursday 18th November 2010 at 4pm at One Great George Street, Westminster, London SW1P 3AA.

(Nearest Underground stations: St James's Park – District and Circle Lines; Westminster – District, Circle and Jubilee Lines.)

AGENDA FOR THE AGM

1. To approve the Minutes of the Annual General Meeting of 19th November 2009 (circulated in the Spring 2010 *RYA Magazine*).
2. To receive the Report of the Council and Accounts for the year ended 31st March 2010 (together with the report of the Auditors).
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 elect the Treasurer for the ensuing year. Mr Michael Wigley, the retiring Treasurer, is eligible for re-election and has signified his willingness to continue to serve in office.

5. To appoint the Auditors and to delegate to the Council authority to fix the remuneration of the Auditors.
6. To announce the names of members elected to the Council. The names of the four successful candidates in the election by the personal and life members will be announced at the meeting by the Chief Executive.
7. The meeting to note that at a special ceremony earlier in the day the President conferred:

Honorary Life Membership of the Association on:

Rod Carr CBE

She also presented the following:

RYA Awards for distinguished services to yachting to:

Hugh Henderson Graham Knox
Roger Palmer

RYA Community Awards in the following categories: Lifetime Commitment

Peter Barnard MBE	Raymond Beer
Kevan Bloor	Victor Cass
Christopher Chacksfield MBE	
Andrew Dickie	Wendy Eagling
Rodney Evans	Peter Glasby
Julia Heap	Ellis Hughes
Ian Lallow	William Mason
Neil McInnes	Richard Mitchell
Barbara Phillips	Marshall Ritchie
Alan Rutterford	Alan Sherlock
Vernon Stratton	Nicholas Taylor
Walter Twelves	David Wainwright

Outstanding Contribution

Christopher Arnell	Charles Benham
Robin Creswell	Katie Daniels
Robert Eastcott	Keith & Alison Gunn
Ian Hall	James Portsmouth
Simon Shaw	Craig Shore
Philip Smith	Kevin Taylor

Youth

Mark Colston	Sam Ford
Samantha Green	Samuel Honour

RYA Sailability Francis Elkin Award for services to sailing for the disabled:

Robert Harper

8. Any other business.

Note to Item 8. 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 purely to afford members an opportunity for informal discussion.

NOTE TO ALL PERSONAL AND LIFE MEMBERS ATTENDING THE AGM

Please bring your voting paper (enclosed) to the AGM. If you appoint a proxy to attend in your place then the proxy must bring the voting paper.

CHAIRMAN'S STATEMENT



Richard Langford
RYA Chairman

The undoubted highlights of the year were the setting up of the Performance Unit in Portland for the Skandia Team GBR sailors and the completion of RYA House Portland - our new accommodation building.

These two facilities represent a fantastic investment in our Olympic sailors, and a great asset for the Association into the future. Both buildings were opened formally by the Princess Royal, our President, in April and are in full and productive use.

Another major step forward achieved during 2009 was an improvement in our communication to members with the introduction of e-newsletters and the deployment of the revamped website. We have also taken our first steps into e-learning with the creation of a module for the CEVNI test. This will be followed in 2010 by an e-learning version of the basic navigation course. I do realise that not all of our members are necessarily very comfortable with the move of services online, but nobody can doubt that it is the way of the future and that we must go with the flow.


This year was the first year of the new quadrennial cycle for Sports Council grants. I am happy to report that we received a very generous funding allocation from Sport England, which will sustain our OnBoard programme for encouraging youth participation and will also allow us to develop our programme for adult participation. These are key elements in our Strategic Plan for 2009-13 and this welcome funding will make a great difference.

Looking within the RYA family, I am pleased to report that we once again held an RYA Community Awards ceremony last November. A total of 49 awards were presented to deserving people from clubs and class associations throughout the UK. It is obvious from the words spoken on the day, and the 'thank you' letters received afterwards, how much the recipients appreciate the gesture. For my own part, I am just amazed at the dedication and hard work of the thousands of volunteers who make our sport run so successfully.

The coming year marks the retirement of two senior staff members: James Stevens, our Training Manager, and David Murray, the Head of Finance and Administration. During their long service (James since 1992 and David since 1999) they have contributed a great deal to the RYA and I wish them both a long and happy retirement.

My final pleasant duty is to welcome formally our new Chief Executive, Sarah Treseder. Despite her relative youth, she has a rock-solid curriculum vitae in the world of business – and she is a very experienced recreational yachtswoman. She has already brought a fresh eye and many good ideas to our work and management, and I am much enjoying working with her during my final year as Chairman.

A handwritten signature in black ink, which appears to read 'Richard Langford'. The signature is written in a cursive style and is positioned above a horizontal line.

A wide-angle photograph of a harbor or coastal area. The water is a deep blue, transitioning to a lighter, rippled blue in the foreground. Numerous sailboats of various sizes and colors are scattered across the horizon. A few motorboats are also visible. The sky is a clear, bright blue with a few wispy clouds near the horizon. The overall scene is peaceful and suggests a popular sailing destination.

During the course of last year, Council reaffirmed the RYA mission statement and set out its six primary objectives for the period 2009 to 2013. The mission is to: 'Promote enjoyable, safe and successful UK sailing and motorboating'

TREASURER'S REPORT



Michael J Wigley, FCA
RYA Honorary Treasurer

The year ended 31st March 2010 saw a return to growth in sales with a turnover of £18.8m (2009: £17.7m).

The surplus on ordinary activities before taxation was £744k, compared to £535k in the prior year. After a provision of £29k in respect of corporation tax, the retained surplus for the year is £716k (2009: £450k). The net assets of the Association have risen to £5.971m (2009: £5.354m).

I said in my report last year that the Association's finances were relatively robust in the face of the recession. Nevertheless, we took the seamanlike precaution of budgeting at that time for reduced income and we stripped out cost from departmental spending. I am pleased to be able to say that income did not come down in the way feared (quite the reverse) and that costs were held under good control. These factors have together led to the healthy surplus we have achieved.

The Chairman has commented on the opening of RYA House Portland. This investment in bricks and mortar is by far the largest single transaction that the Association has ever carried out. We have funded the construction of the building from a combination of liquidated investments and a £3m mortgage loan over 25 years. One result of our good accounting results for 2009 was that we were able to pay down £500k of the mortgage before the year end. Those of our activities that are carried out to generate income are always cash-generating and I am confident that we will be able to clear the mortgage relatively quickly. I do not believe that it weighs unduly heavily upon our finances – indeed, the purchase of RYA House Portland has transformed the balance sheet. I feel that it now represents the sort of net worth that an organisation such as ours should be able to demonstrate.

The corporation tax charge has risen over the past few years as income streams, such as those from insurance commissions and website advertising, have risen. A happy consequence of the

RYA House Portland investment is the availability of capital allowances to offset the tax charge. We shall see handsome benefits from this over the next four or five years.

The FRS 17 valuation of the final salary pension scheme shows assets of £5.6m set against liabilities of £4.9m. The annual FRS 17 valuations of scheme liabilities can be quite volatile, influenced as they are by changes in discount rates and inflation. Decisions on management of the scheme will continue to be made based on the triennial reviews carried out by the scheme actuary. The next such review is due in 2011.

The Association has had a portfolio of investments in predominantly FTSE 100 stocks for many years. This was the home for the surplus funds generated from operations and it grew slowly until it reached a peak of £2.2m in 2000. Sentiment about the portfolio has changed in recent years and it is no longer felt necessary to keep a war chest for financing challenges to members' interests. Given the property that the Association now owns, there would not be any difficulty in raising another loan if it is ever necessary. This change in sentiment over the investment portfolio means that it has been mostly liquidated (to help finance the property purchases) and only a fairly small remnant remained at the balance sheet date. This remnant comprised the shares (including some bank shares) whose market value was below cost at that time. It is the Finance Committee's intention to sell off these remaining shares when their market value returns to cost. However, in recognition of the fact that this may take some years, it has been decided that it is appropriate to recognise an impairment charge in the Income & Expenditure account for the first time.

This year has seen a sustained programme of effort by the staff to move the basis of accounting for our publications stock from



ABOVE: RYA House Portland - our new accommodation building - opened in April by HRH the Princess Royal, our President

'average costing' to 'first in first out' (FIFO) costing. The reason for doing this was the recognition that FIFO is the most appropriate method for our ever-expanding range of publications. However, the opportunity was taken to tidy up some other stock accounting and handling processes and the result has been an accounting charge of £92k this year – and a drop in the carrying value of the stock in hand.

We are now well into the second year of the Sports Councils' four-year funding cycle leading up to the Olympic Games in 2012. The projects that are funded by the Sports Councils are gathering pace and starting to achieve the required results. This means that we can continue to budget securely for the related grants.

Although we have yet to see the full details of what the change of Government will bring for organisations such as the RYA – and the recessionary pressures in the economy have by no means fully abated – I remain convinced that the Association's finances are in good health. We can face the future with confidence.

**99,343 members,
1,479 affiliated clubs
and class associations**

**80,000 new adults
participating in sailing**

**£18.7m income and £663k
operating surplus**

CHIEF EXECUTIVE'S REPORT



Sarah Treseder
RYA CHIEF EXECUTIVE

This is my first report to the members, having taken over as Chief Executive of the RYA from Rod Carr in February.

Since taking up the post I have been even more impressed by the breadth and depth of what is involved in being a national governing body for sport – and in protecting the interests of the members. My first impression of the RYA and the work that its staff and committees achieve has been very positive.

I will report later on the areas that I believe we should concentrate on for the next year or so. However, before doing this, I will report on our activities during the past year in pursuit of the strategic objectives.

MEMBERSHIP MATTERS

During the year the RYA website was substantially overhauled, with a new design and user-driven architecture. We now receive an average of 75,479 visitor sessions each month. The web shop has been completely revitalised. One-third of new members now join online and sales of publications through the web shop have risen by 32% during the year. Stimulated by the new website, our use of e-newsletters to reach individual members and affiliated clubs has exploded. We now issue four monthly newsletters to members, clubs and class associations: *Cruising News*, *Up to Speed*, *The Club Room* and *InBrief*, as well as members' special offers. A total of 1.5 million e-newsletters were emailed during 2009.

We continue to work on the initiatives to tackle membership lapsing which were proposed by the Accenture study in 2006. The e-newsletters are a large part of that, but we now routinely contact all lapsed members by telephone in order to ask why they have decided to lapse... and, of course, to try to persuade them to stay.

Another initiative in this area is to recognise and reward our long-term members and those, such as the instructors, who put so

much back into the sport. During the year we have introduced Gold Membership, with a wide range of extra benefits, such as receptions at boat shows, to those who have been a member for five years or more. Instructor membership rewards the commitment of our instructors with a variety of benefits, such as discounted safety equipment. There is also further work afoot within the Marketing Department to develop more tailored and specific member benefits, and information about these will be announced as they come to fruition.

A more recent development by the Marketing Department has been the introduction of Youth and Junior Membership categories, as well as an under-25 category, with subscriptions and benefits tailored accordingly.

In 2009 *RYA Magazine* was revamped. While its design and production are now outsourced, the editorial control remains firmly in-house and I hope you will agree that the new-look magazine is a big step forward.

We have also introduced a revised system for setting the subscriptions for affiliated clubs and class associations. Each affiliated body is now placed in a charging band according to its size and pays a flat-rate subscription for its band. This gets away from the old method, which involved tiresome calculations for club secretaries and RYA staff.

The RYA has achieved the Preliminary level of the Equality Standard for Sport, awarded by the five Sports Councils. This involved gathering data on the current profile of participants, gaining an understanding of the barriers faced by under-represented groups, and drawing up an action plan to continue the work of making the sport more inclusive and accessible.

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PARTICIPATION

The RYA has always worked to promote participation in the sport. For many years we have organised events such as the RYA Volvo Dinghy Sailing Show at Alexandra Palace, sponsored for the second year by Volvo, the Honda RYA Youth RIB competition and the various sail and power cruises and musters. However, our efforts received a great boost in 2009 when funding became available from the Sports Councils to help develop adult participation in the sport.

The focus of the funding varies between the different Sports Councils in England, Scotland, Wales and Northern Ireland. However, the enthusiasm to help clubs and other providers of activity to encourage people of all ages and abilities to take to the water is consistent throughout the UK. This support enables the RYA to employ a total of 22 sport development staff across the UK who work with a wide network of sailing and windsurfing providers.

The introduction of new funding in England this year to encourage more adults to go sailing has led to a new wave of activity and a number of new initiatives such as 'Activate Your Laser', which is significantly increasing fleet sizes and enabling sailors to have more fun more often. A small grants programme was also introduced this year to encourage clubs to invest in new boats, boards and equipment, and this has, in turn, helped increase regular participation. We also have plans to encourage yacht owners to use their boats more frequently, and this initiative will be further promoted during 2010.

The Sport Development Department's well-established young people programmes – OnBoard and team15 – continue to attract more youngsters into regular sailing and windsurfing via a network of more than 300 locations across the UK. OnBoard festivals bring a

new and exciting aspect to the programme with vibrant, local events encouraging participation and friendly competition. An increasing number of ex-team15 windsurfers are proving the value of the programme by winning international youth medals in the Techno and RS:X classes.

In partnership with our associated charity, RYA Sailability, our support for people with disabilities continues to grow, and so does the number of participants. An increasing number of clubs and RYA training centres are putting their staff and volunteers forward for disability awareness training, and investing in new equipment to provide life-changing sailing experiences for those with disabilities. The annual Multiclass Regatta for dinghy classes sailed by disabled sailors was again held in conjunction with Sailability. We also now organise an enhanced competition coaching programme to help raise racing standards and ensure that those with potential are identified and progressed through the racing pathway towards the Paralympics squad.

PROMOTING SAFETY AFLOAT

The RYA believes that the best way to promote safety at sea is to encourage the boating public to use our training schemes. However, there are other aspects to our work on safety, and we provide representatives on a wide range of technical and regulatory matters with Government departments and agencies – predominantly the Maritime and Coastguard Agency (MCA) – concentrating on safety of navigation, maritime communications and maritime safety information.

The Cruising Department continues to campaign for a solution to the disposal of out-of-date flares, and the MCA has now



ABOVE: We believe the best way to promote safety afloat is to encourage the boating public to use our training schemes

implemented a limited system for recreational boat owners. We have recently issued advice on alternative methods of alerting the search and rescue services where carriage of distress rockets and flares is not compulsory, having gained RNLi and MCA support for this initiative. Furthermore, the MCA has agreed to trial some of the new alternatives, such as laser flares, and to review the compulsory carriage requirements for Class XII vessels and small coded vessels.

We continue to work with HM Coastguard and the Met Office to develop the weather information available on VHF and the automatic broadcast of localised information by radio telex (NAVTEX). We have been proactive in persuading the Irish and UK coastguards to rebroadcast Portpatrick NAVTEX information from Malin Head.

Tragically, there were two fatal incidents during the year involving RYA-affiliated clubs and events: a dinghy entrapment on Kielder Water and a collision between competing boats in a powerboat race in Dover docks. We carried out our own investigations, and worked closely with the Marine Accident Investigation Branch and those involved, in order to understand the causes of the accidents and to publicise the lessons learnt.

Following a number of high-profile keel failures in recent years, the Technical Department has been instrumental in gaining international approval of a new keel structure standard to be introduced soon.

6,450 kids' initial sailing sessions with OnBoard

3,700 regular OnBoard participants

22,685 participants among sailors with disabilities

Chief Executive's Report (continued)



MEMBERS' INTERESTS

The Legal Department heads our work on monitoring and responding to European, national and local legislative proposals that would create unnecessary regulation or costs for recreational boat owners. Internationally, we continue to work with the International Sailing Federation (ISAF) and the UK delegation to the International Maritime Organisation (IMO) to represent recreational interests at the IMO Marine Environment Protection Committee and the IMO Sub-Committee on Safety of Navigation.

In Europe, the RYA provides the secretariat function for the European Boating Association (EBA). We work with the EBA to minimise the impact of offshore renewable energy installations on our sport, and to monitor the likely effect of the Marine Strategy Framework Directive on access to water for recreational boaters. We are also working with the EBA to challenge the implementation of the UK Government's proposed e-Borders programme.

This year has seen the UK's Marine and Coastal Access Act 2009 receive Royal Assent. We were able to secure several amendments during the passage of the Bill to protect the interests of recreational boaters, and we are now working on the raft of secondary legislation that the Government will be producing to bring the principles identified in the Act into effect. In particular, we are closely involved at a national and regional level in the process for identifying potential Marine Conservation Zones.


Members continue to be concerned about the e-Borders programme and we have met with the UK Border Agency (UKBA) on several occasions to highlight the impracticalities of the proposed measures. The RYA has given evidence to the Home Affairs Select Committee and has briefed the key spokespersons in the main

political parties to challenge the introduction of the programme in the recreational boating sector. The RYA has also challenged, at an official and ministerial level, the conduct of the UKBA cutter fleet's boarding of recreational vessels.

RYA staff and volunteers work hard to protect rights of navigation in the context of the rapid growth in proposed developments of wind, wave and tidal energy schemes. In order to promote a better understanding of recreational boaters' use of coastal waters by Government agencies, the General Lighthouse Authorities and commercial developers, we have published a second edition of the *UK Coastal Atlas of Recreational Boating*.

We continue to represent the interests of inland waterway boaters in relation to legislation such as the Water Framework Directive, in order to minimise its impact on their activities, and also in relation to the ongoing strategic management of the waterways by navigation authorities such as the Environment Agency, British Waterways and the Broads Authority.

The number of requests for advice from personal members and affiliated clubs continues to increase on a wide variety of topics, and we now publish a catalogue of guidance notes offering advice on a wide range of boating-related legal issues.



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Chief Executive's Report (continued)



RAISING PERFORMANCE

At international level, Skandia Team GBR was the top nation in the 2009 ISAF Sailing World Cup series – a series of seven Olympic classes' regattas – and won five medals at World Championships and five gold medals at European Championships. Our disabled sailors won two medals at the IFDS World Championships.

We now have 550 youth and junior sailors in Zone/Home Country squads and 165 sailors in National Junior squads. The number of Volvo RYA Champion Clubs increased to 164 across the UK. Six-hundred-and-forty Team GBR sailors attended 41 international regattas with the help of grants or RYA coach support, and 65 of our coaches gained international coaching experience. In 2009 the Team had eight World Champions and nine European Champions.

During the year the Racing Department forged a new partnership with the UK Sailing Academy to create the British Keelboat Academy (BKA), with 40 sailors selected for National and development squads. The programme operates in a similar manner to the Youth Squad, with the RYA providing a subsidy to keep costs to sailors at a reasonable level.

The very valuable club and coach funding from Sport England allowed a number of additional coaching and race officer courses to be run. We were also able to undertake the development of new teaching aids, such as online video coaching, posters, DVD/CD-ROMs, coaching handbooks and literature.

In the racing rules area, the content of all mark laying, race management, judging and umpiring seminars was rewritten in order to reflect changes in the rules and to provide the latest guidance. In addition, we have worked on making the seminars more interactive

2,032 recognised training centres in the UK and 330 centres in 40 countries

3,650 Yachtmaster and 14,600 ICC certificates issued

75,479 web visits each month

and practical. Our National Judging Seminar has been adopted by ISAF, translated into Spanish, and is being translated into French and probably a Chinese dialect. The range of courses for club volunteers has been extended to include mark laying and using a GPS unit, and a dinghy safety fleet management course is planned. The *RYA Case Book* was totally refreshed following changes to the Racing Rules of Sailing 2009-2012. The content was edited, all diagrams were standardised, and it is now printed in colour for the first time. The guidance notes were further expanded, particularly concerning the 2009 rules changes and their impact on competitors and race committees. A PowerPoint presentation of the rules, including the changes, was also devised. It was pleasing to hear that it had been found useful in many countries and, indeed, translated into Spanish.



ABOVE: In 2009, 17-year-old Anya Colley won two World titles in Arizona

During 2009 we organised several major events at the newly completed Weymouth and Portland National Sailing Academy. These included the Sail for Gold Regatta which is now firmly established as one of the ISAF Sailing World Cup events and attracted 700 competitors in 2009. We are looking forward to holding several international Laser class events during 2010: the Standard and Radial, Masters and Radial Youth World Championships. These will be made up of two events each at Hayling Island and Largs and we expect to see some 1,250 entrants from around the world.

Last year was another successful year for powerboat racing in the UK. In August, the UK hosted its first ever Junior JT250 European Championships. Three of our top junior racers went head to head with each other and 11 teams from five European nations. August also saw the 49th annual Cowes-Torquay-Cowes race. This legendary race is known as one of the oldest and most demanding endurance challenges in the world of powerboat racing, and more than 21 competitors took part. Among them were several teams who had competed in the 2008 Round Britain Powerboat Race, including Team Scorpion, piloted by Shelley Jory, with one of the World's most famous navigators on board: Sir Robin Knox-Johnston. They finished fourth overall and first in their class.

In September the UK's circuit racers dominated in the Formula 4 World Championships. At the final round of the Championship in Hungary, British racer Scott Curtis was crowned F4 World Champion.

Britain's top jet ski racers headed to the World Finals in Arizona in October where they claimed eight world titles, including two for 17-year-old Anya Colley driving *Pink Lady*. She was one of 600

entries from 37 different nations taking part in the finals. The RYA's Jet Sport Racing Team GB secured the Nations Cup, beating off competition from 36 nations. Every British rider finished within the top ten in their respective competitions, proving the formidable quality of the UK's powerboat racers.

The Powerboat Racing Department and the UK's powerboat racers can look forward to an exciting rest of the year, with the 50th anniversary of the Cowes-Torquay-Cowes Classic race, the 10th anniversary of the One Design Championship Zapcat racing, the Round Ireland Powerboat Race and The Formula Future World Championships.

The RYA Portsmouth Yardstick Scheme, which has been under constant development since its conception, is currently undergoing a major review on how to gather the all-important information from clubs required to enable the publication of the Portsmouth Numbers (PN) list. The race results website collects race results from clubs and then analyses them before returning adjusted numbers back to the clubs. This year, the data from the website was used by the Technical Department in assessing the PN list for 2010 and it proved to be much more consistent in assessing the relative performances of boats.



EDUCATION AND TRAINING

RYA training courses are now run in 40 countries, with 2,032 recognised centres in the UK and 330 abroad, and we are the first national sailing authority in the world to have gained accreditation of its training schemes by ISAF. With such a broad participation base, the need to ensure that we know who is qualified becomes ever more pressing, and it is necessary to introduce new measures to prevent fraud and verify certificates. As a result, training centres running Powerboat Level 2 courses can now register their successful trainees online on the RYA website, and this means that we will now have a centralised record of who holds these certificates. We will look to expand central recording of certificates to other qualifications in future.

Initiatives from Government agencies bring a constant pressure on our training schemes. This year, under instructions from the MCA, we have introduced five-yearly inspections for the 700 centres running our marine radio SRC operators' courses – and this has brought additional costs to the centres which, inevitably, will be passed on to students. We have, however, successfully resisted pressure from the Sports Councils to introduce the UK Coaching Certificate which would have required all our instructors to requalify. Again, after much negotiation, an initiative by the Child Protection in Sport Unit to require our instructors to attend a three-hour child protection course every three years was adapted to a revision of our current teaching on this subject during our instructor courses.

The major initiative in the Training Department at present is the introduction of e-learning. Over the next few years all recognised centres will have the option of delivering a range of our courses online. We are confident that this service, which lends itself to home

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study, will enhance participation on our shore-based navigation courses. It also has a variety of other applications, including coach and instructor updating, and providing an interactive site for exchange of information with racing squad members which we will develop. We have appointed a dedicated E-learning Manager to lead the project.

We regard our publications as another vital arm in our efforts to educate and train boaters in all disciplines. Once again, 2009 was a year of sales growth with a good deal of media attention at the launch of new books at the Southampton and London boat shows and the Volvo Dinghy Sailing Show. Our extensive publications catalogue has made its first steps into the digital age with the introduction of a new iPhone application. This has adapted the very



ABOVE: Our Green Blue initiative continues to promote the sustainable use of coastal and inland waters

popular *RYA Handy Guide to the Racing Rules* into an 'app' which can be accessed at the touch of a button. The Publications Department plans to introduce more apps in the future, the next being 'boat handling'. A further indication of the growing popularity of our books can be seen in the fact that RYA Publications are currently published in over 80 foreign editions, which are available in more than 16 different languages.

The Green Blue, the RYA's environmental awareness programme established in 2005 in partnership with the British Marine Federation, is another arm of our educational effort. The project continues to promote the sustainable use of coastal and inland waters throughout the UK's recreational boating sector. During 2009 a new grant from the Crown Estate supported the appointment of a Sustainable Facilities Officer to work more closely with marine organisations, including a number of RYA clubs and training centres; to help them achieve substantial cost savings through changes to waste, water and energy management. A significant number of marine organisations and individual boaters have been encouraged to change their perceptions of environmental sustainability and to modify their activities to make them more environmentally friendly.

During the year, a joint initiative by The Green Blue and RYA Sailability to encourage mobile phone recycling was launched by HRH the Princess Royal. This scheme has the joint merits of fundraising for Sailability and helping to prevent toxic landfill. It helped The Green Blue to win *Practical Boat Owner's* inaugural Green Award for best environmental initiative.

EMPLOYEE MATTERS

The Association employs 146 staff at Hamble and across the English regions. A further 12 staff are payrolled and administered by Hamble on behalf of RYA Scotland and RYA Northern Ireland. In addition, the Welsh Yachting Association employs four staff.

Council places considerable value on involving the staff in the evolution of the Association and its policies and procedures affecting them as employees. The staff are kept as fully informed as possible through departmental and general meetings, and have the opportunity to discuss progress, plans, performance and all issues affecting the Association.

The Association is committed to the principle of equal opportunity in staff recruitment, regardless of age, race, gender, marital status, sexual orientation, religious belief, ethnic origin, nationality or disability. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment can continue and that appropriate adjustments are made to their workplace. It is the policy of the Association that training, career development and promotion of disabled persons is considered on the same basis as that of all other employees.

As explained by the Hon Treasurer in his report, the impact of the 2008/2009 recession was less severe than anticipated and we have been able to return to normal recruitment to fill staff vacancies.

Chief Executive's Report (continued)



Perhaps as a result of the recession, staff turnover during 2009 was at a low level of 10% and we have experienced little difficulty in recruiting new staff. All staff received an inflation-related pay increase in 2010.

HEADQUARTERS MATTERS

The Association now owns three buildings: the two headquarters buildings at Hamble, Hampshire and the accommodation building at Portland. In addition, on behalf of the World Class Programme we lease a boat store near Hamble and an Olympic Squad performance Unit at Portland. We are very conscious of the need for good stewardship of the buildings and the necessity of minimising our environmental impact. We sort and recycle all waste, control and minimise our energy usage and will shortly introduce a 'cycle to work' scheme for the staff. There is a staff suggestion scheme for promoting ideas for cost savings.

We are also conscious of our position as a major employer in Hamble, and that many suppliers, sailors, coaches and examiners rely on us for a major part of their income. We make every effort to pay our bills within suppliers' terms and carry out fortnightly payment runs in order to do so.

MANAGEMENT AUDIT

A 'management audit' was carried out in November 2009 by independent external auditors on behalf of the Sports Councils. The objective of such an audit is to assess a governing body's ability to effectively manage and account for funding from Exchequer and Lottery sources. The auditors look at such matters as: corporate structure, risk management and financial controls. I am pleased to

record that the outcome was that: 'There is a reasonable governance and financial framework in place to enable the organisation to achieve its objectives and ensure public funds are properly managed and accounted for,' and that this is the top level of assessment given by such audits. The auditors further commented that: 'The controls in place are generally sound and we found a number of examples of particularly good practice.' However, they did say that: 'There are areas where some work is needed to ensure that we are fully compliant with expected practice.' Action is in hand to address the areas identified for further work.

LOOKING TO THE FUTURE

As Chief Executive, my priorities will be to:

- Concentrate on enhancing the 'membership proposition' in order to provide more relevant benefits and services to more members. I am very struck by the fact that, of the whole boating public (2.5 million according to surveys), only some 99,000 are RYA members.
- Develop a formal strategy for managing those of our activities that are of a commercial nature in the most efficient and business-like manner.
- Build on our connection with the Olympic Games in 2012.

In tackling these priorities I will ensure that our financial results continue to sustain us as a solid and solvent organisation; one which has a strong staff leadership team and the ability for every individual staff member to undertake self-development and training.

I look forward to updating you on all of these matters next year.

DIRECTORS' REPORT

The members of Council are the Directors of the Association. The Directors who held office during the year were as follows:

ELECTED BY THE AGM

HRH The Princess Royal KG KT

GCVO QSO

President

M J Wigley FCA

Hon Treasurer

EX OFFICIO

R Langford

Chairman

D A J Blackburn KCVO CB

Deputy Chairman

F Barron

Chairman Training Committee

R C Batt

Chairman Technical Committee

S Clark

Chairman Marketing Committee

D Darbyshire

Chairman Cruising and Government Affairs Committee, Chairman Audit Committee

O Franks

Chairman Sport Development Committee

P Stacey

Chairman Powerboat Racing Committee

R Wilson

Chairman Racing Committee

ELECTED BY THE PERSONAL AND

LIFE MEMBERS

C Barry

D C Beadsworth

N G Bown

P E Burry

M K Burwood

P T Corner RD*

T C J Elbrick

H Ingleson

P F King

N Lane

D Lewin

E Ramsden MBE

EX OFFICIO REGIONAL CHAIRMEN

C H Basten Wales

J J Colville Northern Ireland

D Dunn South West

S Ede Yorkshire & Humberside

J C Edwards Eastern

R H E Holmes West Midlands

H Mackay Scotland

H Nelson East Midlands

A Rowe South East

R W Russell OBE Southern

D Wheldon North East

D Williamson North West

SUPERNUMERARY

C Atkins ISAF Council

G Holt Disabled Sailing

M Shefras MBE Thames Valley

The following officers retired from the Council at the Annual General Meeting on 19th November 2009

President

HRH The Princess Royal KG KT

GCVO QSO

Honorary Treasurer

M J Wigley FCA

HRH The Princess Royal and Mr Wigley being eligible and willing to stand were re-elected to their respective offices.

The following members retired from the Council at the Annual General Meeting on 19th November 2009

Ex Officio None
Supernumerary None

Ex Officio Regional Chairman
S Adair Northern Ireland

Elected by the Personal and Life Members
J Friend
A Lockett
D C Reed

The following became members of the Council from the Annual General Meeting on 19th November 2009

Ex Officio None
Supernumerary None

Ex Officio Regional Chairman
J J Colville Northern Ireland

Elected by the Personal and Life Members
P T Corner RD*
T C J Elbrick
D Lewin

Directors' Report (continued)

CORPORATE GOVERNANCE

The Council, as the Board of Directors, supports the principles and procedures of good corporate governance as set out in the Combined Code published by the Financial Reporting Council. This code was drawn up for listed companies, so the RYA is not obliged, nor able, to follow it completely. However, Council strives to implement it as far as is practicable for a sports governing body.

The RYA is governed by the Council of 38 members. The composition of Council is intended to reflect every activity within the sport and to balance the interests of the personal members and the affiliated clubs. Members of Council may not be financially rewarded for their work for the RYA. A register of Council members' interests is maintained, which details any personal or business interests which 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.

Upon appointment all new members of Council are provided with an information pack and invited to attend an induction day which is designed to provide a closer understanding of the RYA's operations and strategy.

Council has established an Operations Committee, a Central Finance Committee, an Audit Committee and departmental committees for each area of the Association's activities. Council, and the committees, meet four times each year to consider reports from the staff and to formulate policy. Membership of committees is restricted to volunteers who have demonstrable experience and qualifications in the relevant areas.

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Association maintains a Strategic Plan and the current version covers the period 2009-13. The Plan contains key performance indicators and targets and these are monitored by Council on a quarterly basis.

A Risk Register is maintained and this is reviewed formally by Council on an annual basis.

Following an audit of management processes carried out in late 2009 on behalf of the Sports Councils, it has been agreed that governance and risk avoidance would be improved if Council and its committees carried out some form of self-evaluation. Other improvements will also take place: developing a more formal, annual management plan, strengthening the risk management process, formalising the purchasing/contracting procedures and improving disaster planning.

The major risks facing the Association in the near future are considered to be:

- Any failure to maintain and enhance membership numbers in the face of the continuing recession: leading to a loss of subscription income and a threat to the Association's position as a national governing body speaking for a wide representation of the boating public.
- Any event that damages the Association's reputation as a responsible, well-managed body, particularly if this were to threaten its status as a suitable recipient of Sports Council grants.
- Any failure to manage income-generating activities in a properly commercial manner: leading to budget deficits and the inability to generate sufficient funds to underpin the RYA's representative activities.
- Any significant reduction in the availability of grants and sponsorship funding: requiring cutbacks in the major programmes for the development of the sport such as OnBoard and adult participation, and/or threatening the success of the World Class Programme.
- Any breach of the loan covenants that may cause the mortgage loan to become repayable on demand.
- Any collapse in the value of the assets of the pension fund which leads to the need to pay pensioners' benefits from the cash flow of the Association.

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare financial statements for each financial year, which 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 then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which 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

So far as the Directors are aware, there is no relevant audit information of which the company's Auditors are 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 Auditors are aware of that information.

The Council, as the Board of Directors, confirm that it has complied with the above responsibilities.

AUDITORS

A resolution reappointing haysmacintyre will be proposed at the AGM in accordance with S 485 of the Companies Act 2006.

By order of the Board on 16th June 2010.

D L Murray FCMA
Company Secretary

Registered Office:
RYA House
Ensign Way, Hamble,
Southampton, Hampshire
SO31 4YA

The Association maintains a Strategic Plan and the current version covers the period 2009-13. The Plan contains key performance indicators and targets and these are monitored by Council on a quarterly basis



INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of the Royal Yachting Association for the year ended 31st March 2010, which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses 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).

This report is made solely to the company's members, as a body, in accordance with Section 495 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 Auditors' 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 Directors and Auditors

As explained more fully in the Directors' Responsibilities statement set out on page 20, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair

view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31st March 2010 and of its surplus for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.
- The financial statements are not in agreement with the accounting records and returns.
- Certain disclosures of Directors' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.

David Riley (Senior Statutory Auditor)

for and on behalf of haysmacintyre,
Statutory Auditor
Fairfax House
15 Fulwood Place
London WC1V 6AY
16th June 2010

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31st March 2010

	Note	2010 £	2009 £ As restated
TURNOVER	2	18,810,401	17,693,262
Direct expenditure	3	<u>13,313,136</u>	<u>11,704,805</u>
Net income		5,497,265	5,988,457
Administrative expenditure	4	<u>4,834,359</u>	<u>5,688,859</u>
OPERATING SURPLUS	6	662,906	299,598
Return on investments	7	9,462	154,182
Rental income		78,231	81,270
Gains on disposal of tangible fixed assets	9(a)	96,276	-
Impairment of investments	10	<u>(102,422)</u>	<u>-</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		744,453	535,050
TAXATION	8	<u>28,709</u>	<u>84,975</u>
RETAINED SURPLUS FOR THE YEAR	16	<u><u>715,744</u></u>	<u><u>450,075</u></u>

The nature of two activities has been reassessed during the year: the programmes funded by Sport England grants and expenditure on 'membership promotion and services'. It was felt that expenditure on the Sport England programmes should more properly be shown under the 'Direct Expenditure' heading, instead of 'Administrative Expenditure'. Income and expenditure on 'membership promotion and services' was previously shown net under the 'Administrative Expenditure' heading. It has been moved to the 'Turnover' and 'Direct Expenditure' headings as appropriate. The prior year figures on this page, and in Notes 2, 3 and 4, have also been reclassified to reflect this change in practice.

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

BALANCE SHEET

As at 31st March 2010

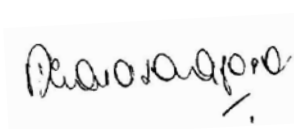
	Note	2010		2009	
		£	£	£	£
TANGIBLE FIXED ASSETS	9		9,549,863		4,784,597
INVESTMENTS	10		207,268		434,885
			9,757,131		5,219,482
CURRENT ASSETS					
Stocks	11	895,434		954,361	
Debtors	12	1,406,697		1,282,817	
Cash at bank	19(b)	453,311		987,548	
			2,755,442		3,224,726
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13(a)	(4,436,648)		(3,763,495)	
NET CURRENT LIABILITIES			(1,681,206)		(538,769)
TOTAL ASSETS LESS CURRENT LIABILITIES			8,075,925		4,680,713
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13(b)		(2,718,353)		-
DEFERRED TAXATION	15		(38,115)		-
PENSION ASSET	20(b)		652,000		673,000
NET ASSETS (INCLUDING PENSION)			<u>5,971,457</u>		<u>5,353,713</u>
FINANCED BY:					
ACCUMULATED FUND	16		5,318,160		4,700,416
REVALUATION RESERVE	16		653,297		653,297
MEMBERS' FUNDS	17		<u>5,971,457</u>		<u>5,353,713</u>

The financial statements were approved and authorised for issue by the RYA Council on 16th June 2010 and were signed below on its behalf by:

M J WIGLEY FCA
Hon Treasurer



RED LANGFORD
Chairman



The notes on pages 26 to 37 form part of the financial statement

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31st March 2010

	Note	2010 £	2009 £
Surplus for the year after taxation		715,744	450,075
Actuarial loss	20(e)	(98,000)	(453,000)
Total gains and losses recognised since last annual report	17	<u>617,744</u>	<u>(2,925)</u>

CASH FLOW STATEMENT

For the year ended 31st March 2010

	Note	2010		2009	
		£	£	£	£
Operating surplus		662,906		299,598	
Depreciation		551,908		522,522	
Profit on sale of tangible fixed assets		-		396	
Pension contributions		(168,000)		(188,000)	
Current and past service cost		91,000		129,000	
Decrease/(increase) in stocks		58,927		(244,825)	
(Increase)/decrease in debtors		(123,880)		818,273	
Increase/(decrease) in creditors		948,807		(1,318,376)	
Net cash inflow from operating activities			2,021,668		18,588
Returns on investment and servicing of finance					
Interest received		16,743		28,562	
Dividends and other income received		85,385		95,535	
Net cash inflow from returns on investments and servicing of finance			102,128		124,097
Taxation					
Corporation tax paid			(47,895)		(60,975)
Capital expenditure and financial investment			2,075,901		81,710
Payments to acquire tangible fixed assets		(5,324,752)		(328,701)	
Receipts from sales of tangible fixed assets		103,844		19,899	
Payments to acquire investments		(36,654)		(84,071)	
Receipts from sales of investments		147,424		145,088	
Financing			(5,110,138)		(247,785)
Receipts from new loan		3,000,000		-	
Repayment of loan		(500,000)		-	
			2,500,000		-
(Decrease) in cash	19		<u>(534,237)</u>		<u>(166,075)</u>

The notes on pages 26 to 37 form part of the financial statement

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting basis

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of long leasehold premises, and in accordance with applicable accounting standards.

(b) Subscriptions

Subscriptions are receivable on 12 different dates during the year and the credit to the income and expenditure account represents the proportion received appropriate to the period.

(c) Stock

Stock and work in progress have been valued at the lower of cost and net realisable value. Stocks are 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.

(d) Depreciation

Leasehold land and buildings are stated at valuation. All other tangible fixed assets are stated at cost.

A full valuation is undertaken every five years and an interim valuation every three years. Any surplus or deficit is transferred to the revaluation reserve unless any impairment relates to a permanent diminution in value, in which case it is taken to the income and expenditure account.

Depreciation is calculated using the straight line method to write down the cost of all assets, except for land, over their expected useful lives using the following rates:

	Percentage
Leasehold land	Nil
Leasehold buildings	2
Fixtures, fittings, vehicles and equipment	7-50

(e) Investments

Investments are included at cost less provision for permanent diminution. Profits or losses generated on disposal of investments are recorded in the year in which the disposal is made.

(f) Grants

Grants related to expenditure on tangible fixed assets are deferred fully in the year of receipt and are then credited to the

income and expenditure account at the same rate as the depreciation on the assets to which the grants relate. Grants of a revenue nature are credited to income in the period to which they relate. The amounts shown in the balance sheet in respect of grants consist of the total grants receivable to date, less the amounts so far credited to income.

(g) Deferred taxation

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. It is the Association's policy not to discount deferred tax to reflect the time value of money.

(h) Pension costs

The Association has a defined benefit pension scheme, the assets of which are administered by trustees. The Association complies with FRS 17 'Retirement Benefits', and all subsequent amendments, and the pension scheme surplus or deficit is recognised in full. The movement in the surplus/deficit is split between administrative expenditure, return on investments and in the statement of total recognised gains and losses.

During the course of last year, Council reaffirmed the RYA mission statement and set out its six primary objectives for the period 2009 to 2013. The mission is to: 'Promote enjoyable, safe and successful UK sailing and motorboating'



Notes to the accounts (continued)
For the year ended 31st March 2010

2. TURNOVER

	2010	2009
	£	£
		As restated
Income is derived from the following sources:		
Subscriptions and donations	3,661,778	3,875,269
Sales of goods and services	4,933,365	4,637,117
Events and coaching	2,287,235	2,234,601
Sports Council grants receivable	2,102,254	1,253,625
Other grants	332,882	838,691
World Class Programme grants and fees	5,492,887	4,853,961
	<u>18,810,401</u>	<u>17,693,262</u>
Income is derived from the following geographical locations:		
	£	£
United Kingdom	17,783,049	16,793,280
European Union	675,373	575,003
Rest of the World	351,979	324,979
	<u>18,810,401</u>	<u>17,693,262</u>

3. DIRECT EXPENDITURE

	£	£
Membership promotion and services	692,288	813,414
Cost of goods and services sold	2,673,252	2,547,880
Events and coaching	2,082,926	2,116,658
Sports Council grants disbursed	2,102,254	1,253,625
Other grants	269,529	119,269
World Class Programmes	5,492,887	4,853,961
	<u>13,313,136</u>	<u>11,704,805</u>

4. ADMINISTRATIVE EXPENDITURE

	£	£
Establishment expenses	273,300	394,250
Staff costs (Note 5)	3,319,337	3,824,107
Finance costs	135,724	56,397
Administrative overheads	1,105,998	1,414,106
	<u>4,834,359</u>	<u>5,688,859</u>

5. STAFF COSTS

	2010 £	2009 £ As restated
Total Salaries	4,049,160	4,087,388
Total Social Security Costs	433,972	422,784
Total Pension and Life Assurance Costs	379,724	592,272
	<u>4,862,856</u>	<u>5,102,444</u>
Less staff costs included in Direct Expenditure	(1,543,519)	(1,278,337)
	<u><u>3,319,337</u></u>	<u><u>3,824,107</u></u>

The average number of employees during the year was:	Number	Number
Senior Management	18	19
Executive Officers and Coaches	53	54
Administration and Support	77	70
	<u>148</u>	<u>143</u>

No remuneration is paid to the Officers of the Association nor to the other members of the Council. A total of £32,703 (2009: £29,205) was paid to defray travel costs and expenses incurred by members of Council.

5(a). FINAL SALARY PENSION SCHEME COMMITMENTS

The Association has a non-contributory pension scheme for certain senior managers and coaches 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. Contributions to the scheme are charged to the Income and Expenditure account so as to spread the cost of the pensions over the employees' working lives with the Association. The contributions (currently 28.6% of salary) are determined by a qualified actuary on the basis of triennial valuation using a variant of the entry age method.

The most recent triennial valuation available was at 1st April 2009. The value of the assets represented 109% of the benefits that had accrued to members, after allowing for expected future increases in earnings. 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) assumptions which have the most effect include mortality rates. The contributions for the year were £168,000 (2009: £188,000). The next triennial review is due as at 1st April 2011.

The most recent FRS 17 valuation as at 31st March 2010 showed that the market value of the scheme's assets was £5,587,000 (2009: £4,318,000).

Senior managers who joined from 1st April 2001 have been offered membership of the group personal pension plan.

5(b). OTHER PENSIONS

The Association contributes to individual pension plans for certain coaches and middle managers who joined before 1st April 2003 at a rate of 12.5% of annual salary on a monthly basis. The premiums paid are charged to the Income and Expenditure account.

Since 1st April 2003 all new staff have been eligible to join a single group personal pension plan. The Association's contribution to the GPPP is equivalent to 10% of annual salary (and the employees' is 3%). The premiums paid are charged to the Income and Expenditure account.

The premiums paid into these plans amounted to £301,896 (2009: £280,944).

6. OPERATING SURPLUS

	2010 £	2009 £
Surplus on ordinary activities is stated after charging/(crediting):		
Depreciation		
- included in direct expenses	201,866	56,789
- included in general expenses and establishment expenses	350,042	465,734
Operating lease rentals - land and buildings	22,624	-
Auditors' remuneration		
- audit fees	31,600	31,100
- non audit fees	8,100	6,710
Gain on disposal of tangible fixed assets	<u>-</u>	<u>396</u>

7. RETURN ON INVESTMENTS

	£	£
Dividends and interest		
- on quoted investments	7,144	14,265
- on deposits	<u>16,743</u>	<u>28,562</u>
	23,887	42,827
Net (loss)/profit on sale of investments	(14,425)	(5,645)
Net return from other finance income (Note 20 (e))	-	117,000
	<u>9,462</u>	<u>154,182</u>

8. TAXATION

	£	£
UK corporation tax	24,699	82,000
Corporation tax under/(over) provision in prior years	<u>(34,105)</u>	<u>2,975</u>
	(9,406)	84,975
Deferred taxation (Note 15)	<u>38,115</u>	<u>-</u>
	<u>28,709</u>	<u>84,975</u>
Tax charge reconciliation		
Surplus on ordinary activities before tax	<u>744,453</u>	<u>535,050</u>
Surplus on ordinary activities multiplied by the standard rate of UK Corporation tax of 21% (2009: 28%)	156,335	149,814
Effects of:		
Amounts not taxable	(65,734)	(46,789)
Small companies relief	-	(18,951)
Sale of investments	-	1,580
Capital allowances	(65,902)	(3,654)
Amount relating to prior year	(34,105)	2,975
Current tax charge	<u>(9,406)</u>	<u>84,975</u>

Factors that may affect future tax charges

No significant timing differences arise in respect of the profits subject to tax and no material deferred tax asset or liability exists.

9. TANGIBLE FIXED ASSETS

COST/VALUATION	Long leasehold premises £	Fixtures, fittings, vehicles & equipment £	Total £
At 1st April 2009	4,690,863	3,881,747	8,572,610
Additions	4,415,993	908,759	5,324,752
Disposals	-	(293,818)	(293,818)
At 31st March 2010	<u>9,106,856</u>	<u>4,496,688</u>	<u>13,603,544</u>
DEPRECIATION			
At 1st April 2009	212,470	3,575,543	3,788,013
Charge for year	172,457	379,451	551,908
On disposals	-	(286,240)	(286,240)
At 31st March 2010	<u>384,927</u>	<u>3,668,754</u>	<u>4,053,681</u>
NET BOOK VALUE			
Hamble:	4,290,299	195,511	4,485,810
Portland:	4,431,630	632,423	5,064,053
At 31st March 2010	<u>8,721,929</u>	<u>827,934</u>	<u>9,549,863</u>
At 31st March 2009	<u>4,478,393</u>	<u>306,204</u>	<u>4,784,597</u>

(a) The disposal of the fleet of eight J80 keelboats during the year generated a gain of £80,626.

(b) At 31st March 2006 the two long-leasehold properties at Hamble were valued at £4,555,000 by Hughes Ellard, Chartered Surveyors. The long-leasehold property at Portland is included at cost. The RYA Council does not believe that the carrying value stated above is materially misstated. If all of the properties were stated on an historical basis, the amounts would be as follows:

	2010 £	2009 £
Cost	8,640,881	4,224,888
Accumulated depreciation	(562,227)	(389,409)
	<u>8,078,654</u>	<u>3,835,479</u>

10. INVESTMENTS

	£
COST	
At 31st March 2009	434,885
Additions	36,654
Disposals	(161,849)
Impairment	(102,422)
At 31st March 2010	<u>207,268</u>

All investments are listed and dealt with on a recognised stock exchange. The market value of the investments at 31st March 2010 was £207,268 (2009: £259,960).

11. STOCK

	2010	2009
	£	£
Finished products	728,700	817,961
Work in progress (Note 1 (c))	166,734	136,400
	<u>895,434</u>	<u>954,361</u>

Replacement cost is not significantly different to the amounts stated above.

12. DEBTORS

	£	£
Trade debtors	671,297	739,759
Other debtors	474,902	264,342
Prepayments	260,498	278,714
	<u>1,406,697</u>	<u>1,282,817</u>

13 (a) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	£
Bank loan	86,681	-
Trade creditors	1,143,816	920,699
Corporation tax	24,699	82,000
Other taxes and social security payments	122,866	129,849
Other creditors	224,075	165,487
Accruals	347,982	314,335
Subscriptions in advance	1,600,583	1,511,127
Deferred grants (Note 14)	217,831	37,086
Other deferred income	668,115	602,912
	<u>4,436,648</u>	<u>3,763,495</u>

13 (b) CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	£	£
Bank loan	2,413,319	-
Deferred grants	305,034	-
	<u>2,718,353</u>	<u>-</u>
Debt maturity: amounts payable		
Due within one year	86,681	-
Due between 1 to 2 years	104,167	-
Due between 2 to 5 years	312,501	-
Due in more than 5 years	1,996,651	-
	<u>2,500,000</u>	<u>-</u>

The Association took out a loan of £3,000,000 in June 2009 to finance the acquisition of RYA House Portland. The interest rate is 1.25% above one month sterling LIBOR and the loan is secured on certain assets of the Association. The loan is repayable over 25 years, with the first year being an interest-only period. The sum of £500,000 was repaid before the balance sheet date. The fit-out of the elite Performance Unit in Portland Marina was funded by a capital grant from Sport England. 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.

14. DEFERRED GRANTS

	£
Balance at 1st April 2009	37,086
Grants received	8,219,343
Grants released	(7,733,564)
	<u>522,865</u>
Balance at 31st March 2010	<u>522,865</u>

Grants are released to Income and Expenditure account to match expenditure (including depreciation) incurred on the defined programmes.

15. DEFERRED TAXATION

	2010 £	2009 £
Deferred taxation in respect of:		
Accelerated capital allowances	<u>38,115</u>	<u>-</u>
Movement in year:		
1st April 2009	-	-
Charged to income and expenditure account	38,115	-
	<u>38,115</u>	<u>-</u>
31st March 2010	<u>38,115</u>	<u>-</u>

16. RESERVES

	Accumulated Fund £	Revaluation Reserve £	Total £
At 1st April 2009	4,700,416	653,297	5,353,713
Retained surplus for the year	715,744	-	715,744
Actuarial loss (Note 20 (e))	(98,000)	-	(98,000)
	<u>5,318,160</u>	<u>653,297</u>	<u>5,971,457</u>
At 31st March 2010	<u>5,318,160</u>	<u>653,297</u>	<u>5,971,457</u>

	2010 £	2009 £
Accumulated Fund excluding pension asset	4,666,160	4,027,416
Pension reserve (Note 20 (b))	652,000	673,000
	<u>5,318,160</u>	<u>4,700,416</u>
Accumulated Fund including pension asset	<u>5,318,160</u>	<u>4,700,416</u>

17. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2010 £	2009 £
Surplus for the year before appropriations	715,744	450,075
Other gains and losses (Note 20 (e))	(98,000)	(453,000)
	<u>617,744</u>	<u>(2,925)</u>
Net increase/(decrease) in members' funds	617,744	(2,925)
Opening members' funds	5,353,713	5,356,638
	<u>5,971,457</u>	<u>5,353,713</u>
Closing members' funds	<u>5,971,457</u>	<u>5,353,713</u>

18. 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 he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the Association contracted before he ceases 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 2010 was 99,343 (2009: 100,472).

19. NOTES TO THE CASH FLOW STATEMENT

	2010	2009
	£	£
(a) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		
(Decrease) in cash in the year	(534,237)	(166,075)
Cash inflow from debt financing	(2,500,000)	-
Movement in net funds/debt	(3,034,237)	(166,075)
Opening net funds	987,548	1,153,623
Closing net debt	<u>(2,046,689)</u>	<u>987,548</u>

(b) ANALYSIS OF CHANGES IN NET FUNDS/DEBT

	At	Cash flow	At
	1st April		31st March
	2009	£	2010
	£		£
Cash at bank	987,548	(534,237)	453,311
Debt due within one year	-	(86,681)	(86,681)
Debt due after one year	-	(2,413,319)	(2,413,319)
Total	<u>987,548</u>	<u>(3,034,237)</u>	<u>(2,046,689)</u>

20. FINAL SALARY PENSION SCHEME COMMITMENTS

(a) The Association complies with Financial Reporting Standard (FRS) 17 and the subsequent amendment dated December 2009 which aligns the disclosure and accounting requirements to that of IAS 19 'Employee Benefits'. The valuation set out below has been based on the triennial valuation at 1st April 2008, as updated by a qualified actuary, in order to assess the assets/(liabilities) of the scheme on the FRS 17 basis at 31st March 2010. This Note introduces the necessary changes in disclosures and restates prior year figures where appropriate.

The principal actuarial, and main financial, assumptions used to calculate the scheme liabilities under FRS 17 (as amended) are:

	2010	2009	2008
Rate of increase in salaries	3.10%	2.70%	3.50%
Rate of increase of pensions in payment for service up to 31st March 2004	5.00%	5.00%	5.00%
Rate of increase of pensions in payment for service between 1st April 2004 and 31st March 2006 (LPI maximum 5%)	3.10%	2.70%	3.20%
Rate of increase of pensions in payment for service after 1st April 2006 (LPI maximum 2.5%)	2.40%	2.40%	2.50%
Discount rate	5.60%	7.20%	6.40%
Inflation rate	3.10%	2.70%	3.20%
Rate of revaluation for pensions in deferment	3.10%	2.70%	3.20%

20. FINAL SALARY PENSION SCHEME COMMITMENTS (continued)

The assumption on the rate of increase in salaries has been based on the forecast inflation rate. An increase of 0.5% in the assumed rate would increase liabilities by between 5% and 10%.

The rates for increases in pensions in payment are governed by the rules of the scheme.

The discount rate is based on the Barclays Sterling Non-Gilts Index of AA rated, sterling-denominated, investment grade bonds with terms of more than 25 years. A reduction in the assumed rate of 0.25% would increase the liabilities for non-pensioner members by some 5%.

The inflation rate is a best estimate assumption of future RPI over the long term. The assumption has been guided by the Bank of England's published 'implied inflation curve' over 20 years. An increase in the assumed rate of 0.25% would increase liabilities for non-pensioner members by some 5%.

The rate of revaluation for pensions in deferment is the actual inflation rate, capped at 5%.

The assumption for mortality rates is based on table PA92, with medium cohort mortality improvements subject to a 1% minimum to the annual improvements. Members are treated as if they are two years older. The mortality assumptions used at 31st March 2009 followed the PA92 table projected to the calendar year 2003, with a reduction of 0.3% to the discount rate to allow for mortality improvements.

Assuming retirement at age 60, the life expectancies based on the mortality assumption are illustrated as follows:

	31st March 2010	31st March 2009
For a male aged 65 now	20.9	20.8
At 65 for a male aged 45 now	22.7	22.6
For a female aged 65 now	24.1	24.0
At 65 for a female aged 45 now	26.1	26.0

(b) The assets in the scheme and the expected rate of return were:

	2010 %	2010 £'000	2009 %	2009 £'000	2008 %	2008 £'000
Equities	8.50%	3,634	7.50%	2,233	8.00%	3,513
Bonds*	5.40%	1,480	4.17%	1,582	6.20%	1,244
Cash and other assets	2.0%	473	0.50%	503	5.25%	573
		<u>5,587</u>		<u>4,318</u>		<u>5,330</u>
Total market value of assets		5,587		4,318		5,330
Defined benefit obligation		(4,935)		(3,645)		(4,215)
Restriction under paragraph 41 of FRS 17**		-		-		(165)
		<u>652</u>		<u>673</u>		<u>950</u>
Net pension asset		<u>652</u>		<u>673</u>		<u>950</u>

* For 2010 a weighted average return has been calculated for the actual holding of bonds in the pension fund.

** The surplus in 2008 was restricted following advice from the scheme's actuary. If the surplus had not been restricted it would have been £1,115,000. The surplus in 2010 is not subject to a restriction.

The majority of the assets of the fund are divided between an investment in the Rathbones UK Managed Pension Fund (32%) and a portfolio managed by Savoy Investment Managers (51%). The remainder of the assets are directly managed by the trustees. At 31st March 2010 the assets were split between equities (65%), UK Government and corporate bonds (27%) and property funds and cash (8%). The trustees' policy is to remain weighted toward equities in anticipation of better returns over the longer term.

(c) Movement in scheme's assets during the year:

	2010 £'000	2009 £'000
Assets at beginning of the year	4,318	5,330
Expected return on the assets	262	387
Actuarial gains (losses)	1,116	(1,365)
Contributions received	168	188
Benefits paid	(277)	(222)
	<u>5,587</u>	<u>4,318</u>
Assets at the end of the year	<u>5,587</u>	<u>4,318</u>

20. FINAL SALARY PENSION SCHEME COMMITMENTS (continued)

(d) Movement in the defined benefit obligation (ie liabilities) during the year:

	2010	2009
	£'000	£'000
Defined benefit obligation at the beginning of the year	3,645	4,215
Current service cost	91	106
Interest on obligation	262	270
Actuarial losses (gains)	1,214	(747)
Past service cost	-	23
Benefits paid	(277)	(222)
	<u>4,935</u>	<u>3,645</u>

(e) Components of the defined benefit cost:

	2010	2009
	£'000	£'000
Amounts charged to operating profit		
Current service cost	91	106
Past service cost	-	23
	<u>91</u>	<u>129</u>

Amounts credited to return on investments

	2010	2009
	£'000	£'000
Expected return on assets	262	387
Interest on liabilities	(262)	(270)
	<u>-</u>	<u>117</u>

Amounts recognised in the Statement of Total Recognised Gains and Losses

	2010	2009
	£'000	£'000
Actual return less expected return on assets	1,116	(1,365)
Experience gains on the liabilities	56	343
Change in assumptions	(1,270)	404
	<u>(98)</u>	<u>(618)</u>
Actuarial loss	(98)	(618)
Restriction under paragraph 41 of FRS17	-	165
	<u>(98)</u>	<u>(453)</u>

(f) Five-year history

The following disclosures will be built up over time as a five-year history:

	2010	2009	2008	2007
	£'000	£'000	£'000	£'000
Difference between the actual and expected return on assets	1,116	(1,365)	(477)	27
- percentage of scheme assets	20%	32%	9%	1%
Experience gains (losses) on liabilities	56	343	(389)	(51)
- percentage of scheme liabilities	1%	9%	9%	1%
Total amount recognised in the Statement of Total Recognised Gains and Losses	(98)	(453)	(12)	216
- percentage of scheme liabilities	2%	12%	0.3%	5%

(g) General disclosures

The trustees are appointed by the Association and the members. The current incumbents are: the Hon Treasurer (ex officio), the Head of Finance (ex officio and also a member of the scheme) and the Sports Development Manager (member-nominated).

The scheme is currently fully funded, both in terms of the valuation carried out for the triennial review as at 1st April 2008 and the FRS 17 valuation as at 31st March 2010. The Association, in the form of the members of the RYA Council in their role as Directors of the company, recognises its obligation to meet the liabilities of the scheme.

21. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Association had the following commitments in respect of non-cancellable operating leases:

	2010	2009
	£	£
Land and buildings		
Expiring after more than five years	<u>28,560</u>	<u>-</u>

PERSONAL AND LIFE MEMBERS' VOTING & ATTENDANCE

APPOINTMENT OF A PROXY

Personal and Life Members may appoint a proxy to attend and vote at the AGM on their behalf. A form of appointment is enclosed with this mailing. If you wish to appoint the Chairman of the meeting to act as your proxy please complete the card appropriately and return it to RYA House to arrive by 11th November. If you appoint someone else as your proxy that person must bring the form of appointment to the meeting in order to gain admittance.

VOTING SLIPS

In the event of the Chairman calling a card vote, this sheet enables Personal and Life Members (or their proxies) to vote in a card poll on up to three matters.

A resolution at the meeting may be put to a card vote. If during the debate on the resolution an amendment has been moved, the amendment must be voted upon first. If the amendment is defeated, then the meeting will vote upon the original resolution. In either event, the Chairman will read the resolution (or amendment) and will then ask those who wish to vote **For** the resolution (or amendment) to detach part A from this sheet and hand it to the tellers. The tellers will then count votes cast **For** the resolution. Subsequently, the tellers will collect part A from those who wish to vote **Against** the same resolution (or amendment).

Parts B and C will (if necessary) be used on a second and third card vote.

2010 VOTING POWER 43

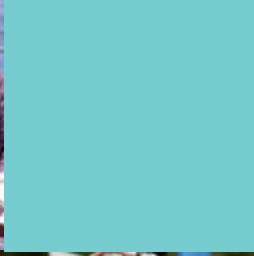
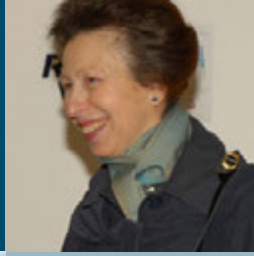
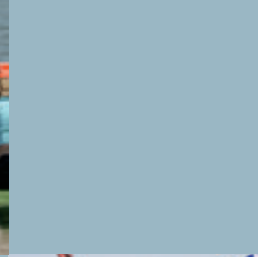
2010 VOTING POWER 43

2010 VOTING POWER 43

A

B

C





Royal Yachting Association

(incorporated as a company Limited by guarantee and not having a share capital)

Company Registered Number 878357

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