



**ANNUAL REPORT  
AND ACCOUNTS 2011**

**FOR THE YEAR ENDING 31st MARCH 2011**

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# REPORT AND ACCOUNTS 2011

CHAIRMAN'S STATEMENT	04
TREASURER'S REPORT	06
CHIEF EXECUTIVE'S REPORT	08
DIRECTORS' REPORT	14
AUDITORS' REPORT	16
INCOME AND EXPENDITURE ACCOUNT	18
BALANCE SHEET	20
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	21
CASH FLOW STATEMENT	21
NOTES TO THE ACCOUNTS	22
MEMBERS' VOTING & ATTENDANCE PAPER	34

## **THE RYA MISSION**

To promote enjoyable, safe and successful UK sailing and motorboating

## **OBJECTIVES**

To increase participation and enjoyment in boating

To represent recreational boating freedoms and responsibilities

To promote the safety afloat message to all individuals and organisations associated with boating

To raise standards of sailing, windsurfing, motorboating and powerboating in order to enhance competition and for the overall enjoyment of boating throughout the UK

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# AGM AGENDA

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 WEDNESDAY 23rd NOVEMBER 2011 AT 1600 AT ONE GREAT GEORGE STREET, WESTMINSTER, LONDON SW1P 3AA (NEAREST UNDERGROUND STATIONS: ST JAMES'S PARK, WESTMINSTER)

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## AGENDA FOR THE AGM

**1 To approve the Minutes of the Annual General Meeting of 18th November 2010** (circulated in the Spring 2011 *RYA Magazine*).

**2 To receive the Report of the Council and Accounts for the year ended 31st March 2011** (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 appoint the Auditors** and to delegate to the Council authority to fix the remuneration of the Auditors.

**5 Special Business** To consider and, if thought fit, to pass the following Special Resolution:

'That the company's Articles of Association be altered so as to take the form of the Articles of Association attached to this resolution and marked **A**, in substitution for, and to the exclusion of, any Articles of Association previously registered with the Registrar of Companies.'

**6 To elect the Treasurer for the ensuing year**

**7 To announce the names of members elected to the Council**  
The names of the five successful candidates in the election by the personal and life members will be announced at the meeting by the Chief Executive.

**8 The meeting to note that at a special ceremony earlier in the day the President presented the following awards:**

**RYA Awards for distinguished services to yachting:**

Chris Basten	David Darling	George and Nina
Phillip Chorley	Chris Edwards	Sawyer ( <i>J</i> )

**RYA Community Awards in the following categories:**

**Lifetime Commitment**

Tony Ayers	John Edwards	Harry Pye
Rosemary Beeson*	Stan Evans	Peter Simpson
Vivien Brookes	John Friend	Ian Smith
Ray Buksh	Jim Hartshorne	Syd Thomas
Derek Burchell	Ann Heather	Mike Tomkins
Peter Burry	Chris Joyner	Desmond Topping**
William Carruthers	Michael Kneale	Michael Whinney
John Cass	Jeff Manning	Richard Young
Clive Church	Pam Marrs	Gloria Stunell and
Peggy Dorothy	Bryan Martyn	Pat Walker ( <i>J</i> )

**Outstanding Contribution**

Russell Armstrong	Martin Lindsay-Hills	Mike Warbrick
Mark Burkitt	John Ling	William Whiteside
Richard Gaskell	Richard Thisby	
Steve Gibbon	Julie Tomkinson	

**Youth**

Chris Cook	Joe Hunt	Robin Jones
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**RYA Sailability Francis Elkin Award for services to sailing for the disabled:** Hugh de las Casas

**9 Any other business.** Note to Item 9 Any matters raised under Agenda Item 9 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.

*J = Joint Award, \* = Deceased, \*\* = Unable to attend*

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NOTE TO ALL PERSONAL AND LIFE MEMBERS ATTENDING THE AGM  
Please bring your voting paper (attached) to the AGM. If you appoint a proxy to attend in your place then the proxy must bring the voting paper.

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# CHAIRMAN'S STATEMENT



**Richard Langford**  
RYA Chairman

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**THIS IS MY LAST INTRODUCTION TO THE ANNUAL REPORT AND ACCOUNTS AS I COME TO THE END OF MY TERM AS CHAIRMAN OF THE RYA COUNCIL AT THE AGM THIS YEAR.** I have been a member of the Council since 1995, and during this time I have served as chairman of the Windsurfing Committee, Hon Treasurer, Deputy Chairman and, for the last four years, Chairman.

During the past 16 years, the Association has grown from an organisation of 75,000 members to one of 101,000 members, with a turnover rising from £4.3m to £19.8m. This enables us to generate the financial surpluses that are essential in order to underpin the work that we do.

The Association now has a World Class Olympic sailing programme, training schemes in operation around the world, development programmes that fully integrate the needs of disabled sailors, a well-respected environmental awareness scheme and a string of successes in lobbying Government and Europe. All in all, it is a different organisation now – but its unswerving focus remains the same: to protect the boating rights and interests of its members.

The sustained growth over the recent years has led to occasions when the corporate governance structure of the Association has come under review. McKinsey & Co conducted a study in 2001, which looked at this, and its recommendations have stood us in good stead over recent years. However, the topic has again come under consideration. On the one hand there is a strong body of opinion that a Council of 38 members is simply too large to act effectively as the board of directors of a £20m business. On the other hand there is the evident need that

the Council should be able to represent the views of people from all of the geographies, disciplines and activities that make up our sport.

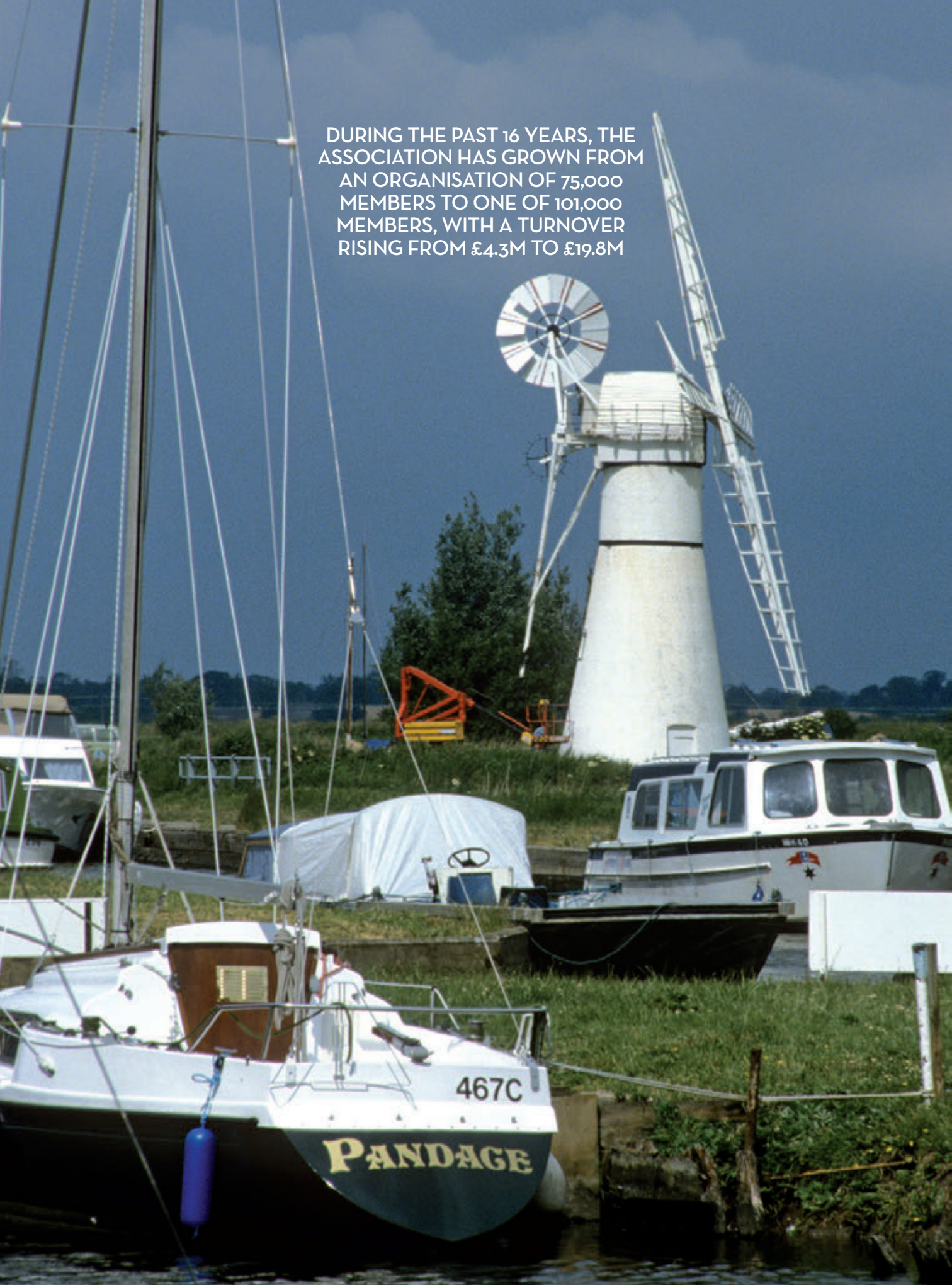
Council has decided that the best way to resolve this conundrum is to divest itself of the functions of the board of directors and to place these responsibilities with a separate Management Board. This Board would contain a mix of volunteers and executive directors from the staff and would be formed so as to contain all the competencies needed of a board of directors in the commercial and regulatory environment of today. Council will then be freed to concentrate on its representational and policy-forming role. This is a model that is being adopted by an increasing number of sporting bodies, and I hope that you will vote for this important change at the AGM.

In concluding these remarks, I would like to pay tribute to the hard work of the excellent staff of the Association. They are spread across the Home Countries, the English regions, Portland and Hamble, but they all share a common purpose and desire – to make the RYA a world-class membership organisation. I give them my thanks for all the support that they have given me over the years.

My final, pleasant task is to thank the many personal members of the Association and the affiliated clubs, who have welcomed and entertained me during my time as Deputy Chairman and Chairman. It has always been a pleasure to engage with you and to share your views and concerns. It is apparent from what you have told me that the Association is held in high regard by its members and the boating public in general. I hope that my successor will find the same. I wish him, or her, fair winds and calm seas.

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.

DURING THE PAST 16 YEARS, THE ASSOCIATION HAS GROWN FROM AN ORGANISATION OF 75,000 MEMBERS TO ONE OF 101,000 MEMBERS, WITH A TURNOVER RISING FROM £4.3M TO £19.8M



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# TREASURER'S REPORT



**Michael J Wigley, FCA**  
RYA Honorary Treasurer

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**THE YEAR ENDED 31<sup>st</sup> MARCH 2011 AGAIN SAW AN INCREASE IN SALES, WITH A TURNOVER OF £19.9m (2010: £18.8m).** The surplus on ordinary activities before taxation was £956k, compared to £744k in the prior year. After a provision of £69k for corporation tax, the retained surplus for the year is £887k (2010: £716k).

Despite the existence of an operating surplus, the net assets of the Association have fallen slightly to £5.805m (2010: £5.971m). This is because of a revaluation of the headquarters buildings at Hamble and the impact of FRS 17. I look at these matters further below.

This has been another year of continuing good fortune for the Association. Membership numbers have risen back to above 100,000 and subscription receipts have risen, the training schemes have performed well and sales of publications have again increased. The income from these three streams has been unflinching, at least so far, through the recession.

It is a matter of comfort that we have been able to make very useful financial surpluses in recent years. This has allowed us to finance our operations from internal resources and continue to build our balance sheet.

As a result of the good operating outturn for 2011, we were able to pay down a further £819k of the mortgage relating to Portland House. I am quite confident that we will be able to clear the balance of the mortgage (which now stands at £1.6m) in 2012 and 2013.

The FRS 17 valuation of the final salary pension scheme this year shows assets of £5.9m set against liabilities of £5.5m. These annual valuations of scheme liabilities can be quite volatile, driven as they are by changes in discount rates and inflation, and that has been the case this year compared to last. There was an actuarial loss of £400k and the effect of this was to cut back the pension scheme asset surplus on the balance sheet from £652k to £396k – which explains part of the decline in net assets. Decisions on the long-term management of the scheme will continue to be made based on the Triennial Reviews carried out by the scheme actuary. The latest review is currently under way, and its results will determine the contribution levels to be applied from 2012.

The two headquarters buildings at Hamble – RYA House and Compass House – had a routine revaluation at the balance sheet date. In the current difficult market for commercial property, they were assessed to have a joint value of £3.335m. This resulted in a reduction of £873k beyond the £347k already recognised as depreciation since the previous revaluation, or £1,220k in total. The £873k has been accounted for by eliminating the revaluation reserve of £653k built up in previous years since the buildings were acquired, and by recognising the balance of £220k as an expense in the income and expenditure account.

The projects funded by the Sports Councils are continuing apace, and the World Class programme is gearing up for the Olympic Games in 2012. Our grant income remains secure until at least 2013, but we shall have to wait and see what happens



to Government funding, and sponsorship of the Olympic team, after then.

Although there are recessionary pressures still evident in the wider economy, it is obvious that the Association's finances continue to be in good health. We can face the future with confidence.

This is my last report to you as Honorary Treasurer since my term of office expires at the AGM in November. It has been an honour to serve the Association in this capacity over the past seven years. These years have seen a consistent trend of growth and success in the RYA's finances, and I take great pleasure in the part that I have played in achieving this and steering some major projects, such as the building of Portland House and the current governance review.

The Chairman and Chief Executive explain in their reports the proposed changes in governance structure that will be put to the members for consideration at the AGM. It may well be that I shall be the last holder of the office of Honorary Treasurer. Be that as it may, I am proud to have been elected by the members as their Treasurer during the past seven years. I leave with a sense of regret, but also with a feeling of great pride at what has been achieved.

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£ 19.9 m

TURNOVER

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£ 956 k

SURPLUS ON ORDINARY ACTIVITIES  
BEFORE TAXATION

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£ 887 k

RETAINED SURPLUS

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# CHIEF EXECUTIVE'S REPORT



**Sarah Treseder**  
RYA Chief Executive

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## IN MY FIRST REPORT AS CHIEF EXECUTIVE LAST YEAR I SAID THAT MY PRIORITIES WOULD BE:

- To concentrate on enhancing the membership proposition in order to provide more relevant benefits and services to more members.
- To develop a formal strategy for managing our commercial activities in the most efficient and businesslike manner.
- To maximise the performance and participation legacy from the Olympic and Paralympic Games in 2012.

I aimed to ensure that our financial results continued to sustain the RYA 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.

The headline report against these priorities is that: membership grew by 1.7% during the year, with an increase in new joiners and a welcome decrease in lapsed; trading income from non-grant sources grew by 7.9%, whilst gross margins were maintained and sales of RYA publications increased by 3.8%; and we are firmly on track with preparations for 2012, from both a performance and a participation perspective.

You will be able to read more about progress on all these fronts in my report, and see their impact in the accounts.

## MEMBERSHIP MATTERS

During the course of 2010 we introduced several changes in membership. We created new youth, junior and 'under 25' member types, and moved to reward long-term members by providing better benefits for 'gold' members – those with more than five years of membership. Finally, we brought in new services and benefits for all members. All of these innovations have been well-received.

A revamp of the London Boat Show by the British Marine Federation allowed us to redesign and expand the member facilities at the RYA stand at the London Boat Show. Together with a greatly expanded range of talks and activities based on the stand, this was judged to be a great success.

It has been very pleasant to see personal membership numbers holding up throughout the recession. We hope (and believe!) that this is because our members value the work that the RYA does on their behalf.

The services we provide to our clubs took a new turn during the year when we carried out a comprehensive survey of club facilities. This survey revealed many interesting details about the challenges that UK sailing clubs face: it quantified matters such as difficulties with lease renewals, funding clubhouse improvements, and environmental problems with weed or siltation. The results of the survey are guiding the work done by the Legal Department in advising clubs and the Sport Development Department in deploying the efforts of our Regional Development Officers in their work with clubs.





The RYA's joint initiative with the British Marine Federation (BMF) on environmental matters – The Green Blue – marked its fifth birthday this year. During the past five years (thanks to ongoing support from The Crown Estate's Marine Stewardship Fund), the project has helped numerous boating organisations to improve their environmental performance. More than 82 organisations have now benefitted from one-to-one advice from The Green Blue team.

#### **PARTICIPATION**

The mantra for the Sport Development Department in 2010 was 'Activate': a series of programmes and activities designed to encourage existing sailors and windsurfers to take to the water more frequently, and also to convert interested non-sailors into enthused, regular participants. The key to achieving these objectives was the deployment of our field-based team of Regional Development Officers (RDOs), whose role is to educate and inspire clubs and centres to get more people out on the water more often.

The RDOs have a wide portfolio and a grab bag of skills. Backed up by the team at Hamble, they help clubs to engage with a rich mix of activities such as: building dinghy fleet activation programmes, training of instructors, obtaining grants for equipment and using social media to encourage more people into clubs.

In recent years, much of the department's work has been focused on developing participation within the dinghy and windsurfing disciplines. However, acknowledging that a considerable percentage of sailing is done on yachts, we have embarked on a new programme of activities for 2011 targeting marina berth holders and encouraging them to use their boats more often.

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# 1.7

PERCENTAGE INCREASE OF RYA MEMBERSHIP

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# 3.8

PERCENTAGE INCREASE OF THE SALE OF RYA PUBLICATIONS-

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# 280k

NUMBER OF INDIVIDUAL ONBOARD SESSIONS RUN THROUGH THE ONBOARD PROGRAMME SINCE ITS INCEPTION

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The youth programmes are essential to the future health of our sport. The OnBoard programme continues to introduce significant numbers of youngsters from schools and youth groups into clubs and centres. There have been more than 280,000 individual sessions run through the programme since it started. Our club windsurfing programme, Team15, which supports regular windsurfing activity by teenagers, is now in its tenth year.

The 'Making Disability Plain Sailing' programme, which communicates opportunities and connects disabled people with sailing activities, is increasingly recognised as a great strength of sailing. In the past year, we have made a leap forward with the use of social media – which is extending the reach of our excellent Sailability foundation sites through Facebook, Sailability TV and an iPhone app.

Once again, we hosted a Volunteer Awards presentation ceremony and lunch on the day of the AGM in London. These awards are given to those who have made an exceptional contribution to their clubs or class associations. The years of commitment and service given by the award winners are a constant reminder of the significant voluntary effort that keeps our sport alive – and which the RYA is so keen to sustain and expand.

#### **PROMOTING SAFETY AFLOAT**

Safety afloat has been a critical area of activity this year. Following a tragic accident during a powerboat race in Dover Harbour in 2009, the Powerboat Racing Committee has undertaken a fundamental review of all its class rules, race management procedures and safety-related training. This culminated in a three-day seminar earlier this year, which brought together 170 participants, race

officials and observers from the Maritime and Coastguard Agency (MCA) for a thorough review of all aspects of safety in this discipline.

The Council decided to take this initiative further and set up a project team to work on a formal 'safety management system' for the RYA. We are looking for a systematic way to identify hazards and to control related risks, whilst maintaining assurance that the risk controls are effective. The aim is to have a safety management system that is woven into the fabric of the organisation, and that helps us to have a greater understanding of the causes and factors which affect safety within our sport and to take appropriate mitigating action. I will have more to report on this important subject next year.

#### **REPRESENTATION OF MEMBERS' INTERESTS**

One of the areas of agreement between the two Parties in the Coalition Government has been the implementation of the maritime elements of the Marine and Coastal Access Act 2009. The Government is now producing substantial quantities of secondary legislation to bring the principles identified in the Act into effect.

The RYA is closely involved at a national and regional level in the process for identifying potential Marine Conservation Zones and ensuring that any adverse impact on recreational boating is minimised. We highlighted the issues arising from craft boarding by the UKBA Cutter crews and have had a significant influence on the conduct of their activities.

The Government is continuing with its predecessor's plan to transfer the canals and rivers managed by British Waterways to a new



charitable organisation. Although the RYA is, in principle, supportive of the Government's proposal, we are working to ensure that a number of practical issues are resolved before any such transfer takes place.

The RYA is working hard to protect members' rights of navigation in the context of the rapid growth in proposed developments of wind, wave and tidal energy schemes. Leases for the areas of seabed on which the next generation of wind farms might be built were granted a couple of years ago and we continue to engage with the developers to ensure that account is taken of recreational boating activity in their proposals.

The Legal and Cruising departments continue to be closely involved in two very important matters affecting the recreational sector: the consultation on proposals for modernising the Coastguard 2010 and the implementation of the EU Fuel Quality Directive.

We submitted a substantial response to the Coastguard proposals acknowledging that how the Coastguard is organised to manage and coordinate search and rescue is beyond our remit. However, RYA members are important customers of the Coastguard service and they require this to continue to the same high standard and include all of the routine services which contribute to safety at sea.

We have also been much involved in consultations about merging the Fuel Quality Directive into UK legislation and achieved several significant changes in the Government's proposals. As a result of a significant amount of representation and intervention with DfT we have, for the time being at least, secured access in large parts of the UK to supplies of gas oil that is free of biodiesel.

#### RAISING STANDARDS OF PERFORMANCE

The British Keelboat Academy (BKA) is a partnership between the UK Sailing Academy in Cowes and the RYA, which is designed to help young people aged between 18 and 24 to develop the skills needed to take their keelboat racing to a professional level. The partnership completed its second year in 2010 and achieved some excellent results. BKA members crewed *John Merricks II* (a TP 52 supported by the John Merricks Sailing Trust) in the gruelling 1,800nm Sevenstar Round Britain and Ireland Race challenge in the impressive time of eight days, 11 hours and 49 minutes. The boat finished second in the IRC Super Zero Class and in fourth place overall.

Sport England funding under its 'Club and Coach' programme allowed us to run additional coaching courses this year. In total, 48 coach courses produced 148 new race coaches at levels 2 and 3, and keelboat level 2. Topmark courses were run for the Cherub, Laser 2000, Fireball, Europe and Flying 15 class associations during the year, and a very successful national race officials conference was held at Wyboston Lakes in February with a record 185 delegates. The content of the race officer seminars was upgraded and three new courses were introduced: dinghy event safety planning, fleet race umpiring and basic umpiring. The race management teams were identified for the Olympic Test Event in 2011 and the Games in 2012.

In the field of major events, 2010 was an exceptionally busy year. After the Youth Nationals at the Weymouth and Portland National Sailing Academy (WPNSA) in April, highlights included four separate Laser World Championships: radial men and women, then radial youths at Largs SC, followed by senior men and masters at Hayling Island SC. The season was rounded off by another



Skandia Sail for Gold Olympic and Paralympic classes regatta at the WPNSA in August.

Last year was another good year for powerboat racing. There was the 50th anniversary of the Cowes-Torquay-Cowes race won by the legendary boat designer Fabio Buzzi, the 40th anniversary of the Speed Records Week (which began back in 1970 on Windermere and 15 years ago moved to Lake Coniston) and, in a first for the UK, the UIM Formula Future World and Continental Championships.

The Coniston Records Week is the only event in the calendar to bring together all classes of boat, from tiny hydroplanes, through inshore circuit racers to the largest offshore boats. This year there were some 40 entries, all determined to get into the record books, and the fastest speed of the week was in the O3000 Class with a new world record of 146.89mph.

#### EDUCATION AND TRAINING

After a considerable amount of development, the RYA's interactive e-learning platform and its first full course 'Essential Navigation & Seamanship' was launched at the London Boat Show in January 2011. Feedback and take-up on the course from both recognised training centres and students has been encouraging. Our aim of offering broader access to shore-based courses was illustrated by the first student to sign up: a Korean who purchased the course through an RYA school in the Canary Islands.

Last year saw much work to streamline the processes involved with the traditional shore-based course packs. No longer do schools

have the inconvenience of having to return unused packs to the RYA at the end of the financial year. This, along with some changes to the way packs are ordered and produced has resulted in significant cost savings – all of which has been reinvested into reducing the price of the 'Essential Navigation & Seamanship' course, as well as the development of new instructor resources that will be available in 2011.

Despite two years of economic uncertainty, the overall number of students completing RYA courses during the year continued to grow and reached 162,000. Despite a decline in the number of shore-based training centres due to cuts in the Government funding for vocational night-school courses, the total number of training centres has increased. The growth has come from the overseas sector as the RYA training brand continues to develop in terms of recognition and reputation.

#### EMPLOYEE AND HEADQUARTERS MATTERS

The recession has had a discernible impact on staff turnover. People are clearly more prepared to stay where they are for the present – and the number of applicants for each vacancy has increased. However, some traditional factors are still at work. For example, retirements and maternity leave meant that, of the 14 personnel in the Training Department, seven were either new joiners or changed roles in the past 12 months.

Staff development and training continues to be an area of development. The RYA has always invested in basic technical training for the staff (particularly for using our software tools), and I am pleased to report that three senior staff members have recently taken



part in personal development programmes run by the Sports Councils and the Cranfield Institute. My next task is to establish a formal programme to give opportunities for staff at all levels to extend their management and technical skills.

One of the services provided by the headquarters at Hamble is payroll and administration support to the Home Country offices. During the year we welcomed new Chief Operating Officers to the staffs of RYA Scotland and the Welsh Yachting Association. I look forward to strengthening our links with them and with our colleagues in RYA Northern Ireland.

For the past decade, or more, the staff structure at Hamble has included a Marketing Department. This department was charged with a widespread of responsibilities: membership promotion and benefits, affiliated club benefits, boat show presence, publishing the *RYA Magazine*, managing the website and providing public relations and communications with the members and the public. This mixture has meant that membership promotion and benefits has not received all the attention and resources that it might, and should, have got. By the time you read this report we will have transferred the staff dealing with club affiliations and boat shows to the Sport Development department – where they will take on the primary responsibility for providing a human face and single point of contact for our services to member clubs. The remaining staff will be co-located with the Membership Services department (the call centre team who deal with members' general enquiries) to form an integrated unit, which will focus exclusively on the services and benefits we provide for the personal members of the Association. This is an exciting development, which I hope will reinforce our ability to respond to members' needs.

#### LOOKING TO THE FUTURE

The Chairman has talked about the proposal to bring in a new, smaller Board of Directors to focus on the management of the business activities of the Association. I, and the other members of the senior staff team, welcome this development and very much look forward to working together with the new Board.

Finally, whatever your interests and inclinations, it's hard not to be excited by the prospect of the XXXth Olympiad taking place next year in the UK. The RYA is rolling out a 'Sail for Gold' Activation Programme, with three primary components which aim to:

- **Inspire** on- and off-the-water activities in clubs and elsewhere to get new and existing sailors out on the water and to join in the spirit of the Olympics.
- **Celebrate** our Olympic and Paralympic heritage with an exciting exhibition of photos and memorabilia from previous Games, which will tour the UK from January 2012 and will be in Weymouth during the Games.
- **Support** the world's most successful Olympic classes sailing team – the British sailing team – by signing up as an official supporter on the RYA website and spectating in Weymouth and Portland.

I do hope that you will be able to take part in this once-in-a-lifetime opportunity.

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# 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 OBE**  
Chairman

**D A J Blackburn KCVO CB, S Clark**  
Deputy Chairman

**F Barron, J Elliott**  
Chairman Training Committee

**R C Batt, L Walker**  
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

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**The following Officers retired from  
the Council at the Annual General  
Meeting on 18th November 2010**

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.

**ELECTED BY THE PERSONAL  
AND LIFE MEMBERS**

**C Barry**  
**D C Beadsworth**  
**T Bowden**  
**N G Bown**  
**P M A Bryans**  
**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**  
**J C Selby**

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**The following members retired from  
the Council at the Annual General  
Meeting on 18th November 2010  
(except where otherwise stated)**

**EX OFFICIO**  
**D A J Blackburn KCVO CB**  
**R C Batt** (16th June 2010)  
**F Barron** (9th March 2011)

**SUPERNUMERARY**  
**G Holt MBE**

**EX OFFICIO REGIONAL  
CHAIRMEN**  
**S Ede** Yorkshire & Humberside  
**J C Edwards** (11th December 2010) Eastern  
**R H E Holmes** West Midlands  
**H Mackay** (26th March 2011) Scotland

**ELECTED BY THE PERSONAL  
AND LIFE MEMBERS**  
**N G Bown**  
**P E Burry**  
**M K Burwood**

**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  
**J Glen** Scotland  
**R H E Holmes** West Midlands  
**H Ingleson** Yorkshire & Humberside  
**M Kelly** 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  
**A Woolford** Thames Valley  
**F Wylie** Eastern

**SUPERNUMERARY**  
**C Atkins** ISAF Council  
**G Holt MBE** Disabled Sailing  
**M Shefras MBE** Thames Valley

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**The following became members of the  
Council from the Annual General  
Meeting on 18th November 2010  
(except where otherwise stated)**

**EX OFFICIO**  
**L Walker** (16th June 2010)  
**J Elliott** (9th March 2011)

**SUPERNUMERARY**  
None

**EX OFFICIO REGIONAL  
CHAIRMEN**  
**J Glen** (26th March 2011) Scotland  
**M Kelly** West Midlands  
**A Woolford** (22nd April 2010) Thames Valley  
**F Wylie** (11th December 2010) Eastern

**ELECTED BY THE PERSONAL  
AND LIFE MEMBERS**  
**T Bowden**  
**P M A Bryans**  
**J C Selby**



## CORPORATE GOVERNANCE STATEMENT

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 geographical area, discipline and activity within the sport, and to balance the interests of the personal members and the affiliated clubs and class associations. 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. Council members and senior staff complete an annual certificate in accordance with Financial Reporting Standard No. 8 detailing any transactions with the RYA in which they, or their close family members, have an 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 monthly by the senior staff management team and by Council on a biannual basis.

Following an audit of financial controls and management processes carried out in late 2009 on behalf of the Sports Councils, it was agreed that governance and risk avoidance would be improved if the governance review was brought to a successful conclusion. The following matters have already been implemented, or are in the course of implementation: preparing an annual operational plan, strengthening the risk management process, formalising the purchasing/contracting procedures, improving disaster planning and considering a process for the self-evaluation of Council and its Committees.

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

- Any failure to maintain and enhance membership numbers: leading to a loss of subscription income and a threat to the



Association's position as a National Governing Body capable of speaking for the wider 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 the 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 cashflow of the Association.

#### STATEMENT OF 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 they have 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 15th June 2011.

D L Murray, FCMA: Company Secretary  
Registered Office: RYA House, Ensign Way, Hamble, Hants SO31 4YA



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# INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of the Royal Yachting Association for the year ended 31st March 2011 which comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 16, 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## 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 2011 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## OPINION ON OTHER MATTER 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Riley (Senior statutory auditor)  
for and on behalf of Haysmacintyre,  
Statutory Auditor, Fairfax House,  
15 Fulwood Place, London WC1V 6AY

## INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2011

	NOTE	2011 £	2010 £
<b>TURNOVER</b>	2	19,858,625	18,810,401
Direct expenditure	3	<u>14,019,895</u>	<u>13,313,136</u>
Net income		5,838,730	5,497,265
Administrative expenditure	4	<u>5,098,200</u>	<u>4,834,359</u>
<b>OPERATING SURPLUS</b>	6	740,530	662,906
Return on investments	7	134,123	9,462
Rental income		65,267	78,231
Gains on disposal of tangible fixed assets		7,594	96,276
Impairment of investments	10	-	(102,422)
Other income		<u>9,120</u>	<u>-</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		956,634	744,453
<b>TAXATION</b>	8	69,400	28,709
<b>RETAINED SURPLUS FOR THE YEAR</b>	16	<u><u>887,234</u></u>	<u><u>715,744</u></u>

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

The notes on pages 22 to 33 form part of the financial statement

## BALANCE SHEET

31st MARCH 2011

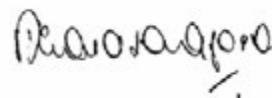
	NOTE	2011 £	2011 £	2010 £	2010 £
<b>TANGIBLE FIXED ASSETS</b>	9		8,522,522		9,549,863
<b>INVESTMENTS</b>	10		<u>157,144</u>		<u>207,268</u>
			8,679,666		9,757,131
<b>CURRENT ASSETS</b>					
Stocks	11	859,728		895,434	
Debtors	12	1,522,855		1,406,697	
Cash at bank	19(b)	<u>366,688</u>		<u>453,311</u>	
			2,749,271		2,755,442
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13(a)	<u>(4,064,149)</u>		<u>(4,436,648)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,314,878)</u>		<u>(1,681,206)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			7,364,788		8,075,925
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	13(b)		(1,899,421)		(2,718,353)
<b>DEFERRED TAXATION</b>	15		(55,973)		(38,115)
<b>PENSION ASSET</b>	20(c)		396,000		652,000
<b>NET ASSETS (INCLUDING PENSION)</b>			<u>5,805,394</u>		<u>5,971,457</u>
<b>FINANCED BY:</b>					
<b>ACCUMULATED FUND</b>	16		5,805,394		5,318,160
<b>REVALUATION RESERVE</b>	16		-		653,297
<b>MEMBERS' FUNDS</b>	17		<u>5,805,394</u>		<u>5,971,457</u>

The financial statements were approved and authorised for issue by the RYA Council  
on 15th June 2011 and were signed below on its behalf by:

M J WIGLEY, FCA  
HON TREASURER



R E D LANGFORD  
CHAIRMAN



The notes on pages 22 to 33 form part of the financial statement

# STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

## 31st MARCH 2011

	NOTE	2011 £	2010 £
Surplus for the year after taxation		887,234	715,744
Loss on revaluation of tangible fixed assets		(653,297)	-
Actuarial loss	20(f)	(400,000)	(98,000)
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT</b>	17	<u>(166,063)</u>	<u>617,744</u>

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED 31st MARCH 2011

	NOTE	2011 £	2011 £	2010 £	2010 £
Operating surplus		740,530		662,906	
Depreciation		468,328		551,908	
Loss on revaluation of tangible fixed assets		220,475		-	
Pension contributions		(118,000)		(168,000)	
Current and past service cost		108,000		91,000	
Decrease in stocks		35,706		58,927	
Increase in debtors		(116,158)		(123,880)	
(Decrease)/increase in creditors		<u>(408,096)</u>		<u>948,807</u>	
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			930,785		2,021,668
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>					
Interest received		1,990		16,743	
Dividends and other income received		<u>79,515</u>		<u>85,385</u>	
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			81,505		102,128
<b>TAXATION</b>					
Corporation tax paid			<u>(15,591)</u>		<u>(47,895)</u>
			996,699		2,075,901
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>					
Payments to acquire tangible fixed assets		(324,315)		(5,324,752)	
Receipts from sales of tangible fixed assets		17,150		103,844	
Payments to acquire investments		-		(36,654)	
Receipts from sales of investments		<u>43,129</u>		<u>147,424</u>	
			(264,036)		(5,110,138)
<b>FINANCING</b>					
Receipts from new loan		-		3,000,000	
Repayment of loan		<u>(819,286)</u>		<u>(500,000)</u>	
			(819,286)		2,500,000
<b>DECREASE IN CASH</b>	19		<u>(86,623)</u>		<u>(534,237)</u>

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# 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:

Leasehold land	0%
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.

## 2. TURNOVER

Income is derived from the following sources:	<b>2011</b> £	<b>2010</b> £
Subscriptions and donations	3,876,380	3,661,778
Sales of goods and services	5,324,268	4,933,365
Events and coaching	2,397,240	2,287,235
Sports Council grants receivable	2,360,835	2,102,254
Other grants	295,976	332,882
World Class Programme grants and fees	5,603,926	5,492,887
	<u>19,858,625</u>	<u>18,810,401</u>

Income is derived from the following geographical locations:	£	£
United Kingdom	18,551,233	17,783,049
European Union	754,378	675,373
Rest of the World	553,014	351,979
	<u>19,858,625</u>	<u>18,810,401</u>

## 3. DIRECT EXPENDITURE

	£	£
Membership promotion and services	1,005,528	692,288
Cost of goods and services sold	2,607,044	2,673,252
Events and coaching	2,180,186	2,082,926
Sports Council grants disbursed	2,360,835	2,102,254
Other grants	262,376	269,529
World Class Programmes	5,603,926	5,492,887
	<u>14,019,895</u>	<u>13,313,136</u>

## 4. ADMINISTRATIVE EXPENDITURE

	£	£
Establishment expenses	394,348	273,300
Staff costs (Note 5)	3,371,574	3,319,337
Finance costs	106,718	135,724
Administrative overheads	1,225,560	1,105,998
	<u>5,098,200</u>	<u>4,834,359</u>

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## 5. STAFF COSTS

	2011 £	2010 £
Total Salaries	4,170,558	4,049,160
Total Social Security Costs	447,082	433,972
Total Pension and Life Assurance Costs	<u>366,635</u>	<u>379,724</u>
	4,984,275	4,862,856
Less staff costs included in Direct Expenditure	(1,612,701)	(1,543,519)
	<u><u>3,371,574</u></u>	<u><u>3,319,337</u></u>

The average number of employees during the year was:	NUMBER	NUMBER
Senior Management	18	18
Executive Officers and Coaches	56	53
Administration and Support	78	77
	<u>152</u>	<u>148</u>

No remuneration is paid to the Officers of the Association or to the other members of the Council. A total of £34,697 (2010: £32,703) was paid to defray travel costs and expenses incurred by members of Council.

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### 5(a). FINAL SALARY PENSION SCHEME COMMITMENTS

The Association has a non-contributory pension scheme for certain of its 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 2008. 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 £118,000 (2010: £168,000). The next triennial review is due as at 1st April 2011.

The most recent FRS 17 valuation as at 31st March 2011 showed that the market value of the scheme's assets was £5,920,000 (2010: £5,587,000).

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

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### 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 £407,270 (2010: £301,896).

## 6. OPERATING SURPLUS

	2011 £	2010 £
Surplus on ordinary activities is stated after charging/(crediting):		
Depreciation		
– included in direct expenses	209,255	201,866
– included in general expenses and establishment expenses	228,263	350,042
Loss on revaluation of tangible fixed assets	220,475	-
Operating lease rentals - land and buildings	27,514	22,624
Auditors' remuneration		
– audit fees	30,200	31,600
– non audit fees	9,409	8,000
Gain on disposal of tangible fixed assets	7,594	-
	<u>          </u>	<u>          </u>

## 7. RETURN ON INVESTMENTS

	£	£
Dividends and interest		
– On quoted investments	5,128	7,144
– On deposits	1,990	16,743
	7,118	23,887
Net (loss) on sale of investments	(6,995)	(14,425)
Net return from other finance income relating to the defined benefit pension scheme (Note 20 (f))	134,000	-
	<u>134,123</u>	<u>9,462</u>

## 8. TAXATION

	£	£
UK Corporation tax	60,650	24,699
Corporation tax under/(over) provision in prior years	(9,108)	(34,105)
	51,542	(9,406)
Deferred taxation (Note 15)	17,858	38,115
	<u>69,400</u>	<u>28,709</u>
<b>TAX CHARGE RECONCILIATION</b>		
Surplus on ordinary activities before tax	956,634	744,453
Surplus on ordinary activities multiplied by the standard rate of UK corporation tax of 21% (2010: 21%)	200,894	156,335
Effects of:		
Amounts not taxable	(103,852)	(65,734)
Capital allowances	(36,392)	(65,902)
Amount relating to prior year	(9,108)	(34,105)
Current tax charge	<u>51,542</u>	<u>(9,406)</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

	LONG LEASEHOLD PREMISES £	FIXTURES, FITTINGS, VEHICLES & EQUIPMENT £	TOTAL £
<b>COST/VALUATION</b>			
At 1st April 2010	9,106,856	4,496,688	13,603,544
Additions	5,004	319,623	324,627
Disposals	-	(2,129,423)	(2,129,423)
Revaluation	(1,249,878)	-	(1,249,878)
At 31st March 2011	<u>7,861,982</u>	<u>2,686,888</u>	<u>10,548,870</u>
<b>DEPRECIATION</b>			
At 1st April 2010	384,927	3,668,754	4,053,681
Charge for year	173,716	294,612	468,328
On disposals	-	(2,119,555)	(2,119,555)
Revaluation	(376,106)	-	(376,106)
At 31st March 2011	<u>182,537</u>	<u>1,843,811</u>	<u>2,026,348</u>
<b>NET BOOK VALUE</b>			
Hamble:	3,335,000	327,605	3,662,605
Portland:	<u>4,344,445</u>	<u>515,472</u>	<u>4,859,917</u>
At 31st March 2011	<u>7,679,445</u>	<u>843,077</u>	<u>8,522,522</u>
At 31st March 2010	<u>8,721,929</u>	<u>827,934</u>	<u>9,549,863</u>

At 31st March 2011 the two long leasehold properties at Hamble were valued at £3,335,000 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:

	2011 £	2010 £
Cost	8,645,885	8,640,881
Accumulated depreciation	(725,556)	(562,227)
	<u>7,920,329</u>	<u>8,078,654</u>

## 10. INVESTMENTS

<b>COST</b>	<b>£</b>
At 31st March 2010	207,268
Disposals	(50,124)
	<u>          </u>
At 31st March 2011	<u>157,144</u>

All investments are listed and dealt with on a recognised stock exchange. The market value of the investments at 31st March 2011 was £157,144 (2010: £207,268). The investments are held at cost less a provision for diminution in value of £102,422.

## 11. STOCK

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Finished products	746,553	728,700
Work in progress (Note 1 (c))	113,175	166,734
	<u>          </u>	<u>          </u>
	<u>859,728</u>	<u>895,434</u>

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

## 12. DEBTORS

	<b>£</b>	<b>£</b>
Trade debtors	705,077	671,297
Other debtors	528,207	474,902
Prepayments	289,571	260,498
	<u>          </u>	<u>          </u>
	<u>1,522,855</u>	<u>1,406,697</u>

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

	£	£
Bank loan	86,681	86,681
Trade creditors	1,198,098	1,143,816
Corporation tax	60,650	24,699
Other taxes and social security payments	126,867	122,866
Other creditors	36,814	224,075
Accruals	225,986	347,982
Subscriptions in advance	1,647,500	1,600,583
Deferred grants (Note 14)	44,454	217,831
Other deferred income	637,099	668,115
	<u>4,064,149</u>	<u>4,436,648</u>

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

	£	£
Bank loan	1,594,033	2,413,319
Deferred grants	305,388	305,034
	<u>1,899,421</u>	<u>2,718,353</u>
Debt maturity: amounts payable		
Due within one year	86,681	86,681
Due between 1 to 2 years	104,167	104,167
Due between 2 to 5 years	312,501	312,501
Due in more than 5 years	1,177,365	1,996,651
	<u>1,680,714</u>	<u>2,500,000</u>

The Association took out a loan 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. 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

	<b>CAPITAL</b> £	<b>REVENUE</b> £	<b>TOTAL</b> £
Balance at 1st April 2010	335,998	186,867	522,865
Grants received	38,882	7,977,456	8,016,338
Grants released	(29,746)	(8,159,615)	(8,189,361)
	<u>345,134</u>	<u>4,708</u>	<u>349,842</u>
Balance at 31st March 2011	<u>345,134</u>	<u>4,708</u>	<u>349,842</u>

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

## 15. DEFERRED TAXATION

	<b>2011</b> £	<b>2010</b> £
Deferred taxation in respect of: Accelerated capital allowances	55,973	38,115
	<u>55,973</u>	<u>38,115</u>
Movement in year: 1st April 2010	38,115	-
Charged to income and expenditure account	17,858	38,115
	<u>55,973</u>	<u>38,115</u>
31st March 2011	<u>55,973</u>	<u>38,115</u>

## 16. RESERVES

	<b>ACCUMULATED</b> <b>FUND</b> £	<b>REVALUATION</b> <b>RESERVE</b> £	<b>TOTAL</b> £
At 1st April 2010	5,318,160	653,297	5,971,457
Retained surplus for the year	887,234	-	887,234
Actuarial loss (Note 20 (e))	(400,000)	-	(400,000)
Loss on revaluation of tangible fixed assets	-	(653,297)	(653,297)
	<u>5,805,394</u>	<u>-</u>	<u>5,805,394</u>
At 31st March 2011	<u>5,805,394</u>	<u>-</u>	<u>5,805,394</u>
		<b>2011</b> £	<b>2010</b> £
Accumulated Fund excluding pension asset		5,409,394	4,666,160
Pension reserve (Note 20 (c))		396,000	652,000
		<u>5,805,394</u>	<u>5,318,160</u>
Accumulated Fund including pension asset		<u>5,805,394</u>	<u>5,318,160</u>

## 17. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2011 £	2010 £
Surplus for the year before appropriations	887,234	715,744
Other gains and losses (Note 20 (f))	(400,000)	(98,000)
Impairment	<u>(653,297)</u>	<u>-</u>
Net (decrease)/increase in members' funds	(166,063)	617,744
Opening members' funds	5,971,457	5,353,713
Closing members' funds	<u><u>5,805,394</u></u>	<u><u>5,971,457</u></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 2011 was 101,040 (2010: 99,343).

## 19. NOTES TO THE CASH FLOW STATEMENT

	2011 £	2010 £
<b>(a) RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET (DEBT)/FUNDS</b>		
Decrease in cash in the year	(86,623)	(534,237)
Cash outflow from debt financing	<u>819,286</u>	<u>(2,500,000)</u>
Movement in net debt	732,663	(3,034,237)
Opening net (debt)/funds	<u>(2,046,689)</u>	<u>987,548</u>
Closing net debt	<u><u>(1,314,026)</u></u>	<u><u>(2,046,689)</u></u>

### (b) ANALYSIS OF CHANGES IN NET DEBT

	AT 1st APRIL 2010 £	CASH FLOW £	AT 31st MARCH 2011 £
Cash at bank	453,311	(86,623)	366,688
Debt due within one year	(86,681)	-	(86,681)
Debt due after one year	(2,413,319)	819,286	(1,594,033)
Total	<u><u>(2,046,689)</u></u>	<u><u>732,663</u></u>	<u><u>(1,314,026)</u></u>

## 20. FINAL SALARY PENSION SCHEME COMMITMENTS

**(a)** The Association complies with Financial Reporting Standard (FRS) 17 and the subsequent amendment dated December 2010 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 2011. 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:

	2011	2010	2009
Rate of increase in salaries	3.75%	3.10%	2.70%
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%)	3.00%	3.10%	2.70%
Rate of increase of pensions in payment for service after 1st April 2006 (LPI maximum 2.5%)	2.40%	2.40%	2.40%
Discount rate	5.25%	5.60%	7.20%
Inflation rate	3.00%	3.10%	2.70%
Rate of revaluation for pensions in deferment	3.00%	3.10%	2.70%

**(b)** 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 2011 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 2011	31st MARCH 2010
For a male aged 65 now	20.9	20.9
At 65 for a male aged 45 now	22.8	22.7
For a female aged 65 now	24.2	24.1
At 65 for a female aged 45 now	26.2	26.1

**(c) THE ASSETS IN THE SCHEME AND THE EXPECTED RATE OF RETURN WERE:**

	2011 %	2011 £'000	2010 %	2010 £'000	2009 %	2009 £'000
Equities	6.0%	3,939	8.50%	3,634	7.50%	2,233
Bonds*	5.5%	1,461	5.40%	1,480	4.17%	1,582
Cash and other assets	4.9%	510	2.0%	473	0.50%	503
Total market value of assets		5,920		5,587		4,318
Defined benefit obligation		(5,524)		(4,935)		(3,645)
Restriction under paragraph 41 of FRS 17**		-		-		(165)
Net pension asset		396		652		673

\*For 2011 a weighted average return has been calculated for the actual holding of bonds in the pension fund.

\*\*The surplus in 2009 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 2011 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 (50%). The remainder of the assets are directly managed by the trustees. At 31st March 2011 the assets were split between equities (67%), UK Government and corporate bonds (25%) and property funds and cash (8%). The trustees' policy is to remain weighted toward equities in anticipation of better returns over the longer term.

**(d) MOVEMENT IN SCHEME'S ASSETS DURING THE YEAR:**

	2011 £'000	2010 £'000
Assets at beginning of the year	5,587	4,318
Expected return on the assets	410	262
Actuarial gains	51	1,116
Contributions received	118	168
Benefits paid	(246)	(277)
Assets at the end of the year	5,920	5,587

**(e) MOVEMENT IN THE DEFINED BENEFIT OBLIGATION (I.E. LIABILITIES) DURING THE YEAR:**

	2011 £'000	2010 £'000
Defined benefit obligation at beginning of the year	4,935	3,645
Current service cost	72	91
Interest on obligation	276	262
Actuarial losses	451	1,214
Past service cost	36	-
Benefits paid	(246)	(277)
Defined benefit obligation at the end of the year	5,524	4,935

**(f) COMPONENTS OF THE DEFINED BENEFIT COST:**

	2011 £'000	2010 £'000
<b>AMOUNTS CHARGED TO OPERATING PROFIT</b>		
Current service cost	72	91
Past service cost	36	-
	108	91

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011

<b>AMOUNTS CREDITED TO RETURN ON INVESTMENTS</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Expected return on assets	410	262
Interest on liabilities	(276)	(262)
Net financial return	<u>134</u>	<u>-</u>

<b>AMOUNTS RECOGNISED IN THE STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Actual return less expected return on assets	51	1,116
Experience (losses)/gains on the liabilities	(63)	56
Change in assumptions	(388)	(1,270)
Actuarial loss	<u>(400)</u>	<u>(98)</u>

**(g) FIVE-YEAR HISTORY**

THE FOLLOWING DISCLOSURES WILL BE BUILT UP OVER TIME AS A FIVE-YEAR HISTORY:

	<b>2011 £'000</b>	<b>2010 £'000</b>	<b>2009 £'000</b>	<b>2008 £'000</b>	<b>2007 £'000</b>
Difference between the actual and expected return on assets	51	1,116	(1,365)	(477)	27
- percentage of scheme assets	1%	20%	32%	9%	1%
Experience gains (losses) on liabilities	(63)	56	343	(389)	(51)
- percentage of scheme liabilities	1%	1%	9%	9%	1%
Total amount recognised in the Statement of Total Recognised Gains and Losses	(400)	(98)	(453)	(12)	216
- percentage of scheme liabilities	7%	2%	12%	0.3%	5%

**(h) 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 (pensioner member-nominated) 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 2011. 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:

	<b>2011</b>	<b>2010</b>
Land and buildings	£	£
Expiring after more than 5 years	<u>28,560</u>	<u>28,560</u>





FIRST 40.1

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# PERSONAL AND LIFE MEMBERS' VOTING AND 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 **16th November 2011**. 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.

2011 VOTING POWER 43

2011 VOTING POWER 43

2011 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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