



ANNUAL REPORT
— & —
ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH

2017



ANNUAL REPORT AND ACCOUNTS 2017

For the year ended 31st March 2017

Chairman's Statement	03
AGM Agenda	04
Chief Executive's Strategic Report	05
Directors' Report	11
Independent Auditor's Report	12
Statement of Comprehensive Income	13
Statement of Changes in Reserves	13
Statement of Financial Position	14
Statement of Cash Flows	15
Notes to the Accounts	16

The RYA Purpose

To promote and protect safe, successful and rewarding British boating



CHAIRMAN'S STATEMENT



At the end of my first full year as Chairman, I feel great pride at how far we have come and more excited than ever about where we are heading.

I am delighted to report that the Royal Yachting Association has had another very busy and successful year, with each of our core activities: membership, participation, training and performance, helping people across the United Kingdom to enjoy safe, successful and rewarding boating.

With the launch of the refreshed RYA membership categories and with membership numbers reaching an all-time high, this has proved to be a great year for our Association both on and off the water. Going forward, we will continue to improve the value that each of our 109,193 members, no matter what their boating activity or reason for joining, derives from the Association.

At grassroots level it always gives me immense pleasure to see our network of RYA Affiliated Clubs, Sailability groups and Recognised Training Centres continuing to inspire people of all generations, and the number of people now enjoying their time on the water is testament to the hard work of everyone involved. People sometimes perceive boating to be an expensive activity to get into, but many do not realise that there are opportunities to get involved at minimal cost. Breaking down such barriers is vital to ensure the future development of our sport. In my role as RYA Chairman I often witness the generosity and enthusiasm of our dedicated network of volunteers and boating ambassadors working alongside our professional staff across the country. There is a great deal to be proud of and I would like to thank each and every one of you for your support in what has been a truly remarkable year. Your love for boating helps to make it accessible. Our commitment is to support you, doing everything we can to ensure your volunteering activity is both rewarding and enjoyable.

2016 proved to be a fantastic year for the RYA in many ways. Not least, it saw Team GB top the medal table with more gold medals than any other nation at the 2016 Olympic Regatta in Guanabara Bay, Rio. With Golds for Giles Scott (Finn) and Hannah Mills and Saskia Clark (470 Women) and Silver for Nick Dempsey (RS:X) the team's performance secured our place as the best sailing nation for the fourth time in five Games.

Bronze medals for Helena Lucas in the 2.4mR one person keelboat and Alexandra Rickham and Niki Birrell in the SKUD18 two-person keelboat meant Britain's sailors finished on the podium twice for the second consecutive Paralympics and achieved their pre-Rio medal target. It marked the end of an era for Paralympic sailing, but we

will continue to support World Sailing in its efforts to get the sport reinstated for the 2024 Paralympic Games.

In recognition of the team's tremendous achievements in Rio, I must extend my personal thanks, and those of the whole Association, to John Derbyshire OBE, who is set to retire from the organisation in late 2017. With Stephen Park OBE, Olympic Manager, also having moved on in the spring, it marks the dawn of a new era and we must recognise the contribution of these remarkable individuals. They leave the RYA's World Class Programme in great shape with a wealth of talented sailors, coaches and support staff, and a favourable funding award from UK Sport, to underpin our performance strategy for Tokyo 2020 and beyond.

I would also like to recognise the achievements of the The Green Blue and the support they have given in assisting a number of partners to achieve ISO20121 and ISO14001. The Green Blue, working with the British University Sailing Association, created the University Sailing Sustainability Challenge. This provided an ideal platform for university sailors to demonstrate to the rest of the boating community how achievable sustainable boating can be. Check Clean Dry has become key to all inland clubs to reduce the risk of spreading invasive species that threaten Britain's plants and animals.

We work hard to ensure our sport is accessible and attractive to the widest audience. We share our expertise, work with partners, and embrace diversity. There are many goals and objectives that we hope to meet in 2017-18 and I am confident that the newly launched RYA Strategic Plan stands us in good stead to do just that. My sincere thanks go to all those who have contributed to this year's successes and, more importantly, for your future support.

Dave Williamson
Chairman

AGM AGENDA

PATRON

HER MAJESTY THE QUEEN

PRESIDENT

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

NOTICE OF AGM

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE ROYAL YACHTING ASSOCIATION WILL BE HELD ON 24TH NOVEMBER 2017 AT 11:00 AT ONE GREAT GEORGE STREET, WESTMINSTER, LONDON SW1P 3AA

- 1. To approve the Minutes of the Annual General Meeting of 18th November 2016** (circulated with the Spring 2017 issue of *RYA Magazine*).
- 2. To receive the Report of the Board of Directors and Accounts for the year ended 31st March 2017** (together with the report of the Independent Auditor).
- 3. To elect the President for the ensuing year:** HRH The Princess Royal, the retiring President, is eligible for re-election and has signified her willingness to continue to serve in office.
- 4. To appoint the Auditor** and to delegate to the Board of Directors authority to fix the remuneration of the Auditor.
- 5. Special Business** to consider and, if thought fit, to pass the following 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 prefaced by an explanatory document signed by the Chairman, in substitution for, and to the exclusion of, any Articles of Association previously registered with the Registrar of Companies.
- 6. To announce the names of members elected to the Board:** The names of the successful candidates elected by the RYA Council will be announced at the meeting.
- 7. The meeting to note** that there will be a ceremony later in the day to present the following awards:
 - RYA Awards for distinguished services to boating
 - RYA Community Awards
 - RYA Family Award for collective services to boating
 - RYA Sailability Francis Elkin Award for services to sailing for the disabled
- 8. Any other business**

Any matters raised under Agenda Item 8 cannot form part of the official business of the meeting and thus may not be proposed as formal motions. This item is included purely to afford members an opportunity for informal discussion.

NOTE TO ALL MEMBERS ATTENDING THE AGM

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

Please allow sufficient time to enable staff to verify your identity and your right to attend the meeting. Attendees should also bring proof of ID (passport/driving licence with photo) and a valid RYA membership card (or proxy card in the case of an appointed representative); failure to do so could result in delayed entry. Please note that bag searches may be conducted by security staff.

CHIEF EXECUTIVE'S STRATEGIC REPORT



BUSINESS REVIEW

The financial reflection of our activity this year has again been extremely positive. Membership subscriptions were up 5% year on year, with a total of 109,193 personal members. Training and publications also showed growth, with a 4% overall increase in revenue and over 205,000 training certificates sold. E-learning remained steady with just over 14,000 candidates enrolled in the year.

Total income was ahead of budget at £22m; an increase of £657k on last year. Almost 60% of this income was derived from non-government sources – a positive result as we move to greater financial independence.

Direct costs increased slightly in line with income and, as in previous years, government grants were fully disbursed against the specific outcomes. In particular, more was invested in communications and our digital platforms as our strategy has developed in these areas and PR values and social media presence increased in the year. Additional monies were also invested in sport development as part of a planned redesign of the core OnBoard programme which has introduced over 500,000 young people to sailing and windsurfing since its launch. Overall net income was £6.5m.

Our London 2012 legacy investment in Portland House continues to prove an asset. Operating income and costs produce a modest surplus before depreciation, but over 4,800 room nights during the year demonstrate its benefit to members, racing squads, affiliated clubs and classes.

Administrative overheads were in line with budget, despite some additional investment in IT systems and ongoing legal costs. The resulting operating surplus before exceptional items of just over £1m has enabled us to rebuild reserves.

The historical powerboat racing claim referenced in last year's accounts was finally settled during the year, with a resultant £890k net gain recognised in the accounts. I am pleased to report that the Association closed the year with net current assets of some £1.2m, and members' funds have recovered to £6.4m, equivalent to the 2012 position.

PRINCIPAL RISKS AND UNCERTAINTIES

Key performance indicators are monitored monthly; these translate the key elements of our annual operational plan which itself is derived from our four year strategic plan. The Board and senior managers review these indicators, along with management accounts and the risk register, at their respective regular meetings. Major risks and uncertainties for 2017-18 are considered to be:

- Political and/or economic instability have a negative impact on our defined benefit pension scheme
- Failure to achieve the conditions of the Code for Sports Governance resulting in loss of funding
- Loss of commercial income whether caused by market conditions, competition or inadequacies in the Association's offer

£22.05m

TOTAL INCOME

2.3m

RYA WEBSITE VISITORS

205,000

TRAINING CERTIFICATES ISSUED

109,193

PERSONAL MEMBERS

5

OLYMPIC AND PARALYMPIC MEDALS



MEMBERSHIP MATTERS

This year heralded the highest RYA membership total ever with 109,193 boaters taking advantage of free advice and support on all aspects of boating, as well as enjoying a range of personal member offers.

There are many reasons why people join the RYA, ranging from specialist and technical boating advice from our in-house experts, to having access to exclusive offers and discounts from over 70 member reward partners helping members keep costs down.

Following two years of research, interviews, analysis and discussion, we launched our new look membership model at the Southampton Boat Show in September. With a more contemporary look and categories to suit, the new membership offer aims to be clearer, simpler and more compelling for existing and future members.

The new model consists of four new categories: Pathway - for those who have just discovered boating; Personal - for recreational boaters; Associate - for boaters who are members of an RYA affiliated club or association; Accredited - for RYA Instructors, RYA race officials, RYA race coach level 2 & 3, commercial endorsements holders, British Youth Sailing Squad and World Class Programme sailors.

An 18-month membership recruitment and retention plan, supported by all RYA departments, is now underway to help strengthen our position as the voice of boating. There has once again been a growth in the number of members whose main interest is in dinghy cruising and 33% of this group is female, as opposed to an average of 22% of the total membership.

Our exclusive member events remain popular and one of this year's highlights saw RYA Gold Members enjoy an exclusive experience at the Southampton Boat Show with members of the British Sailing Team, fresh from Rio 2016.

With the introduction of the new look RYA membership model and with membership numbers at an all-time high, we are committed to providing a more tailored service to our current and potential RYA members, affiliates and volunteers in order to grow our relevance and influence.

REPRESENTING BOATING INTERESTS

It has been another year of determined lobbying to ensure that our members' interests are understood and considered by policy makers both in the Government and the European Commission.

Recognising that a number of regulatory challenges currently faced by British recreational boaters have an EU dimension – such as red diesel, border controls, invasive non-native species, antifoul biocides and European marine protected areas – we have worked tirelessly to engage with the relevant Government departments regarding Brexit in an effort to minimise the potential impact on recreational boaters.

To ensure that those interests are well-represented when the Government balances the competing interests of commercial, environmental and leisure sectors around the UK coast, the RYA launched the 2016 UK Coastal Atlas of Recreational Boating. This latest edition takes a different approach to mapping boating activity, utilising a 'heat map' approach to illustrate the relative density of recreational boating activity.

This robust picture of UK cruising activity provides a very useful data source for those who need to consider recreational boating activity, such as mapping proposed offshore developments or areas for conservation.

Over the past 12 months we have engaged with the maritime community, in particular the MCA, Trinity House, the UK Chamber of Shipping and the British Ports Association, in an effort to minimise any adverse impacts that offshore renewable energy developments might have on navigational safety.



We also joined a panel of expert witnesses to give evidence to the Environmental Audit Committee on Marine Protected Areas. The panel session explored how effective engaged stakeholders have been in the designation and implementation of the first two tranches of Marine Protected Areas. It also examined the progress Government has made towards achieving its goal of a Blue Belt around the country.

Following a survey carried out in 2015, we joined forces with the British Coatings Federation and British Marine to develop The DIY Safe Antifouling Initiative 2017. Launched at the London Boat Show, the objective of the initiative is to inform and educate boat owners regarding the hazards associated with antifouling their boats and to highlight the importance of using the appropriate Personal Protective Equipment.

PARTICIPATION

The Watersports Participation Survey 2016 revealed that some 3.5 million people participated in one or more of 12 core boating activities in 2016, the highest number recorded since 2009. The research also found a substantial increase in the number of younger people (aged 16-34) classed as boating enthusiasts. All participants are looking for opportunities to get active on the water throughout the year, with increasingly popular pursuits including small sailboat activities and yacht cruising.

To help meet this appetite for getting afloat, 500 open days were held across the UK in May, as thousands of people took part in RYA Push The Boat Out. Sailing clubs and training centres up and down the country opened their doors to offer free taster sessions. For the first time some 40 invited MPs also joined club members and the visiting public at Push The Boat Out events in their constituencies.

Building on this success, more than 40 venues nationwide opened their doors and welcomed 4,500 visitors of all ages and abilities

to get afloat with free sailing and windsurfing sessions across the summer. Supported by the RYA, the events provided the chance for people to discover the feeling of being on the water whilst sampling life at a local club or training centre.

From July to September the National Disability Sports Organisations and English Federation of Disability Sport, came together, supported by Sport England, to encourage disabled people to be more active. As a result, the RYA pledged its support for the 'Together We Will' campaign, which aims to support and motivate disabled people along with their friends and family to become healthier, stronger and have fun being active. Over the summer, we showcased a series of Sailability ambassador stories from disabled people about how and where they enjoy boating with friends and family.

We also partnered with Mind, the mental health charity, to take part in the Sport England and National Lottery funded 'Get Set to Go' programme in support of the Mental Health Charter for Sport and Recreation. Running over a two-week period, our campaign specifically targeted women with mental health problems and delivered over 18,000 Twitter impressions.

We had significant success with our videos in 2016. With more than one million people seeing the Rio 2016 Olympic promotional video, and surpassing three million total views on the RYA YouTube channel, more people have seen our content than ever before. Together with a 20% increase in website visitors, we expect to see more than 10 million pages of content views on the RYA website this year.

The 66th RYA Suzuki Dinghy Show marked the start of the dinghy sailing season. Some 8,500 dinghy sailing enthusiasts from across the UK made the annual pilgrimage to Alexandra Palace to see hundreds of exhibitors, as well as a wide range of coaching sessions, workshops and talks from some of the sport's biggest names.



Ullswater Yacht Club was crowned RYA Club of the Year 2017, and the Flying 10 was named boat of the show, winning the Concours d'Elegance. Recognising that the RYA youth programmes are the building blocks for the future, the UK's most promising young sailors, windsurfers and powerboaters were also celebrated at the dinghy show with the announcement of the RYA Regional Youth Champion Awards.

PROMOTING SAFETY AFLOAT

In matters of safety it is the commitment, competence, attitudes and motivation of individuals at all levels that determines the end result. In conjunction with other partners such as the MCA, MAIB and RNLI, we continued to play a leading role in both the development of practical safety recommendations, and their communication to the boating public.

We have reviewed and reworked the safety pages on the RYA website to make the information more accessible. These pages contain a considerable amount of knowledge and advice and have proved extremely popular, averaging 5,000 hits per month. Safety information is supported by relevant articles and advice in Cruising News which reaches out to a further 43,000 subscribers.

As a result of a number of Carbon Monoxide poisoning fatalities, we put a considerable amount of effort into raising CO awareness and promoting the installation of alarms. We also continued to work with the MAIB on identifying recommendations following accidents involving the recreational boating sector so that all may learn from them.

The establishment of a European SafeTrx User Group has allowed the development team to work directly with those who are providing life-saving services at sea. The RYA has worked closely with members of the User Group to influence the features and design of SafeTrx, with feedback facilitated through onsite workshops,

conference calls and via a dedicated project management portal. Such cooperation and involvement with the User Group ensures the product remains relevant and fit-for-purpose, particularly for small craft users and day boaters.

EDUCATION AND TRAINING

We have invested in RYA training and qualifications to ensure they remain the world leaders in the developing digital environment, using new technology to complement, not replace, our practical training. Whilst UK centre numbers remained stable, overseas applications for RYA training centre recognition have continued to grow, the total RYA network now being 2,380 centres in 58 countries. This was mirrored by an increase in instructor numbers to 25,114 with a significant proportion of the growth coming from overseas.

It was a solid year in terms of take-up of training courses across most boating sectors, with powerboating this year showing as a standout in terms of increasing numbers. In the dinghy and windsurfing sectors anecdotal evidence suggests that, despite a relatively stable performance in terms of formal courses run, the general participation in club activities and non-RYA training has been very positive. We will be conducting further work in the months ahead to look more deeply into this.

RYA Publications has had another excellent year, with strong sales across most categories as we continue updating and reviewing all titles. The conversion of all RYA titles into digital format was completed in November 2016. The feedback has been excellent, even the most traditional of us finding the enhanced video and animated features difficult to resist. We are confident these publications will continue to set the industry standard.

Working in partnership, in 2016 the RYA and World Sailing jointly announced the launch of the brand new World Sailing App. Using eBook technology and RYA expertise, the World Sailing App is



now the one-stop-shop for the 2017-2020 Racing Rules of Sailing and associated documents for sailors across the globe. Not only can sailors access the rules and the associated cases in a quick, easy and very portable format when they need it, we are also working with participating Member National Authorities to submit their rules and associated documents over the coming months, so that we end up with one integrated eBook linking rules and cases in multiple languages.

RAISING PERFORMANCE STANDARDS

British sailors are consistently amongst the world's best, whilst sailing is one of the top UK Olympic sports, and the RYA continues to provide a vibrant pathway for competitors, coaches and race officials to help ensure this continues.

The summer was action-packed with the Rio 2016 Olympic Games, Paralympic Games, the Sail for Gold Roadshow and a whole host of try sailing days taking place.

After a week of highs and lows, Britain once again topped the sailing medal table, with Golds for Giles Scott (Finn) and Hannah Mills and Saskia Clark (470 Women) and Silver for Nick Dempsey in the RS:X windsurfing, securing Britain's place as the best sailing nation for the fourth time in five Games.

During the Olympic Medal Race week the RYA Sail for Gold Roadshow toured the country, stopping at eight venues, each with a special connection to our Rio Olympians. At each venue hundreds of visitors had the chance to enjoy free sailing sessions, with members of the British Sailing Team on hand to offer coaching tips and a host of shore side activities, before heading to the clubhouse to cheer on the sailors in their medal races.

It was the end of an era for Paralympic sailing when the curtain officially came down on the Rio 2016 Games. Bronze medals for Helena Lucas in the 2.4mR one person keelboat and Alexandra

Rickham and Niki Birrell in the SKUD18 two-person keelboat, in the final races of the regatta, meant Britain's sailors finished on the podium twice for the second Paralympics running and achieved their pre-Rio medal target.

British Sailing Team successes outside the Games saw Giles Scott capture a fourth Finn world title, whilst Nick Thompson claimed a second consecutive Laser world crown and Alison Young became the first British woman to win a world championship title in a solo Olympic dinghy class. Megan Pascoe sealed her first world title at the 2.4mR Open Worlds.

At the RYA Zone and Home Country Championships over 1,000 of the UK's best young sailors battled blustery autumnal weather at eight venues around the UK. Over 250 sailors competed at this year's RYA Eric Twinn Youth and Junior Team Racing Championship in October, completing over 200 races at Oxford Sailing Club.

The British Youth Sailing Team won eight medals and was crowned Nations Cup winner for the first time at the 2016 EUROSOF Youth European Championship in Austria. The EUROSOFs, which take place annually, see Europe's top youth sailors come together to battle for European honours. The team was represented by two boats in each class, with sailors having been selected from the 2016 RYA Youth National Championship.

Powerboat racing held 91 racing events across the three disciplines of circuit, offshore and jetsport. 19 British National Championship titles along with various National and World Speed records have been contested by over 460 competitors of varying ages in different racing categories.

As a result of the Board-led review of powerboat racing, a number of significant changes were implemented in 2016 to bring about much needed changes to the RYA's role as the National Governing Body for the sport and to help to ensure the continued success of powerboat



racing overall in the UK. These include clarifying the RYA's role in event management and a complete committee re-structure. Further changes have also been implemented with improved training and instructor syllabuses.

LOOKING TO THE FUTURE

2017 marks the beginning of our new four-year strategic planning cycle. Going forward, we are committed to being more tailored in everything we do in order to increase our relevance and value to members, affiliates and stakeholders.

I am immensely proud of the team effort that has achieved our highest ever membership tally and I am confident that we will continue to grow our membership in the year ahead. We will endeavour to modernise, streamline and tailor every support service in order to maximise the impact of member and government funds.

The RYA has an important role to play in lobbying European institutions to ensure that boaters may continue their sporting and recreational activities with the minimum of regulatory intervention. During the forthcoming Brexit negotiations and transition period we will strive to ensure that legislators, regulators and other authorities understand, and take account of, recreational boating activity.

Our efforts to increase boating participation will shift to a more demand-led approach in order to increase both the number and diversity of participants in all types of boating. As the first National Governing Body to achieve the Advanced Level of the Equality Standard for Sport, we are continuing to gather data to gain a greater understanding of participants and challenging external perceptions of the sport.

We believe that taking personal responsibility is fundamental and we are renowned for our preferred 'education not legislation' approach. RYA qualifications are respected the world over. We work constantly to ensure that the highest standards are maintained and strive to put candidates' needs and preferences at the heart of every scheme in order to remain the world's best-known and best-regarded boating training provider.

On the performance front, strategic planning for the Tokyo Olympic cycle is already underway. A number of British Sailing Team athletes, coaches and support staff have had their first recce and taste of sailing at the 2020 venue during the Enoshima Olympic Week last October.

With sailing not currently included in the Paralympic programme for Tokyo 2020, Britain's six-strong team will now decide what comes next for each of them as World Sailing, supported in its efforts by the RYA, bids to get the sport restored to the slate for the 2024 Paralympics.

Ultimately it is our goal to be the most successful nation in boating competition, in order to inspire grassroots participants, volunteers, coaches and the champions of the future alike. With your support, we can and will achieve this. May I thank you all for your contribution to what has proved to be a remarkable year for the Association. I look forward to your support as we take our next steps towards being more tailored in everything we do.

Sarah Treseder
Chief Executive

For the purposes of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014 the Chief Executive's Report satisfies the requirements of the "Strategic Report" and was approved by the Board as such on 29th June 2017.

DIRECTORS' REPORT

THE DIRECTORS WHO HELD OFFICE FROM 1ST APRIL 2016 TO 31ST MARCH 2017 WERE AS FOLLOWS:

NON-EXECUTIVE

Dave Williamson, Chairman
Vernon Harten-Ash, Deputy Chairman
Sarah Hanratty
Michael Moore*

Joanna Poulton
John Scott
Joe Seet

EXECUTIVE

Sarah Treseder, Chief Executive
David Strain, Finance Director

*Resigned 16 February 2017

STATUS

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

CORPORATE GOVERNANCE STATEMENT

The RYA supports the principles and procedures of good corporate governance as set out in the Code for Sports Governance published by Sport England and UK Sport. The directors intend to comply fully with this new code at the earliest opportunity.

The affairs of the RYA are managed by the staff under the direction of the CEO. The Chairman and Deputy Chairman sit on the Board ex-officio. The Finance Director is appointed as a Director by Council. The election of the non-executive directors is informed by a matrix of the competencies and skills desired to be represented on the Board. The Board carries out an annual exercise to review its own performance and the performance of individual directors.

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

The RYA Council is the body that directly represents the interests of the members of the Association. Its primary function is to ensure that the members' boating interests, rights and wishes are reflected in the Association's policies and high level strategies. It also oversees the Board's performance on behalf of members. Council has established policy-forming committees for each area of the Association's activities. Members of the committees are volunteers who have demonstrable expertise in the relevant areas.

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

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable law and 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 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

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

AUDITOR

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

On behalf of the Board on 29th June 2017

David Strain FCCA

Director

Registered Office:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RYA

We have audited the financial statements of the Royal Yachting Association for the year ended 31st March 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2017 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, based on the work undertaken in the course of the audit, the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

David Cox (Senior Statutory Auditor)

for and on behalf of haysmacintyre, Statutory Auditor
26 Red Lion Square
London
WC1R 4AG

29th June 2017

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2017

	Note	2017 £	2016 £
Revenue	3	22,045,801	21,389,081
Direct expenditure	4	(15,572,323)	(15,318,093)
Net revenue		6,473,478	6,070,988
Administrative expenditure		(5,312,990)	(5,281,901)
Exceptional administrative items	5	887,519	720,682
Total administrative expenditure	6	(4,425,471)	(4,561,219)
Operating surplus	8	2,048,007	1,509,769
Interest receivable and similar income		8,654	5,983
Gains on disposal of tangible fixed assets		3,613	31,913
Surplus on ordinary activities before taxation		2,060,274	1,547,665
Taxation	9	(96,315)	(50,811)
Retained surplus for the financial year		1,963,959	1,496,854
Other comprehensive losses:			
Remeasurement of net defined benefit pension liability	19	(286,000)	(197,000)
Total comprehensive income for the year		1,677,959	1,299,854

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

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31ST MARCH 2017

	Accumulated Fund £
At 1st April 2015	3,453,556
Surplus and total comprehensive income for the year	1,299,854
At 31st March 2016	4,753,410
Surplus and total comprehensive income for the year	1,677,959
At 31st March 2017	6,431,369

The notes on pages 16 to 26 form part of the financial statements.

STATEMENT OF FINANCIAL POSITION

31ST MARCH 2017

	Note	2017		2016	
		£	£	£	£
Tangible fixed assets	10		6,208,118		6,417,862
Investment properties	11		522,500		522,500
			6,730,618		6,940,362
Current assets					
Stocks	12	307,820		306,655	
Debtors	13	2,162,252		1,712,832	
Cash at bank		2,500,625		1,302,033	
		4,970,697		3,321,520	
Creditors: amounts falling due within one year	14	(3,728,457)		(4,119,240)	
Net current assets/(liabilities)			1,242,240		(797,720)
Total assets less current liabilities			7,972,858		6,142,642
Creditors: amounts falling due after more than one year	15		(157,953)		(184,281)
Provisions for liabilities	17		(61,536)		(61,951)
Pension liability	19		(1,322,000)		(1,143,000)
Net assets			6,431,369		4,753,410
Financed by:					
Accumulated fund			6,431,369		4,753,410
Members' funds			6,431,369		4,753,410

The financial statements were approved and authorised for issue by the Board on 29th June 2017 and were signed below on its behalf by:



Dave Williamson
Chairman

Company Number: 00878357

The notes on pages 16 to 26 form part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2017

	2017		2016	
	£	£	£	£
Cash flows from operating activities				
Surplus for the financial year	1,963,959		1,496,854	
Adjustments for:				
Tax charge for the year	96,315		50,811	
Depreciation of tangible fixed assets	285,437		331,565	
Investment income	(8,654)		(5,983)	
Gain on disposal of tangible fixed assets	(3,613)		(31,913)	
Defined benefit pension contributions	(181,000)		(215,000)	
Net pension expense	74,000		95,000	
(Increase)/decrease in stocks	(1,165)		60,741	
Increase in debtors	(449,420)		(316,049)	
(Decrease)/increase in creditors	(461,104)		1,074,577	
Decrease in provision for legal costs	-		(2,337,878)	
Net cash from operating activities	1,314,755		202,725	
Income taxes paid	(52,737)		(88,669)	
Net cash generated from operating activities		1,262,018		114,056
Cash flows from investing activities				
Proceeds from sale of tangible fixed assets	5,707		46,722	
Purchases of tangible assets	(77,787)		(169,298)	
Interest received	8,654		5,983	
Net cash flow used in investing activities		(63,426)		(116,593)
Net increase/(decrease) in cash and cash equivalents		1,198,592		(2,537)
Cash and cash equivalents at the beginning of the year		1,302,033		1,304,570
Cash and cash equivalents at the end of the year		2,500,625		1,302,033

The notes on pages 16 to 26 form part of the financial statements

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) General information

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

(b) Accounting basis

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investment properties, and in accordance with applicable accounting standards (FRS 102).

(c) Exemption from preparing group accounts

The Royal Yachting Association is the sole member of the RYA Foundation, a charitable company limited by guarantee. In the opinion of the directors the size and assets of the subsidiary charity mean that the presentation of the combined results and financial position in consolidated financial statements is not material for the purpose of giving a true and fair view. These financial statements present the results and position of the Royal Yachting Association as a single entity and not as a group.

(d) Going concern

The directors have reviewed the Association's current financial position and are satisfied that the Association will continue to be able to meet its liabilities as they fall due. As such, the Association's financial statements have been prepared on the going concern basis.

(e) Income recognition

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

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

Grants related to expenditure on tangible fixed assets are deferred fully in the year of receipt and are then credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grants relate. Grants of a revenue nature are credited to income in the period to which they relate. The amounts

shown in the Statement of Financial Position in respect of grants consist of the total grants receivable to date, less the amounts so far credited to income.

(f) Foreign currencies

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

(g) Tangible fixed assets and depreciation

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

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

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

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

(h) Investment properties

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

(i) Stock

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

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

(j) Financial instruments - assets and liabilities

The Association has applied sections 11 and 12 of FRS 102 to account for all of its financial instruments.

Cash and cash equivalents

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

Debtors and creditors

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

(k) Taxation

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

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

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

(l) Employee benefits

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

Short term benefits

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

Defined benefit pension scheme

The Association has a defined benefit pension scheme, the assets of which are administered by trustees. The liability recognised in the Statement of Financial Position in respect of the defined benefit

pension scheme is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the scheme assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. Annually the Association engages an independent actuary to calculate the obligation.

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

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

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

Defined contribution pension plans

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

(m) Leasing

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

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Key areas subject to judgement and estimation are as follows:

(a) Investment property

The Association carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The property is a mixed use property and has been separated between tangible fixed assets and investment property as the directors consider that its value can be measured reliably. The property was last professionally valued as at 31st March 2014 and the fair value of the investment property has been estimated as an apportionment of that valuation.

In determining the fair value as at the reporting date the directors have concluded that there has been no material change in the fair value of the investment property.

(b) Defined benefit pension scheme

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

3. REVENUE

	2017 £	2016 £
Revenue is derived from the following sources:		
Subscriptions	4,735,820	4,488,720
Sales of goods and services	6,353,032	6,203,031
Events and coaching	1,769,714	1,307,261
Sports Council grants receivable	2,302,646	2,397,834
Other income, grants and donations	147,242	136,163
UK Sport grants receivable	6,737,347	6,856,072
	<u>22,045,801</u>	<u>21,389,081</u>
Revenue is derived from the following geographical locations:		
United Kingdom	19,607,814	19,099,582
Europe	1,664,081	1,513,800
Rest of the World	773,906	775,699
	<u>22,045,801</u>	<u>21,389,081</u>

4. DIRECT EXPENDITURE

	2017 £	2016 £
Membership services and promotion	1,369,002	1,304,987
Costs of goods and services sold	2,835,366	2,852,507
Events and coaching	2,301,328	1,807,591
Sports Council grants disbursed	2,302,646	2,397,834
Other grants and donations directly disbursed	26,634	99,102
UK Sport grants disbursed	6,737,347	6,856,072
	<u>15,572,323</u>	<u>15,318,093</u>

5. EXCEPTIONAL ADMINISTRATIVE ITEMS

	2017 £	2016 £
Compensation received	1,000,000	-
Related legal costs incurred	(112,481)	(127,196)
Provision for claimant's legal costs reversed	-	847,878
	<u>887,519</u>	<u>720,682</u>

The above amounts relate to a claim in respect of a powerboat racing accident in 2005. The claimant's lawyers had submitted a claim for legal costs of £3.3m which the Association disputed. The legal costs claim was settled for £2.45m during the prior year and the excess provision was reversed in 2016 resulting in a net credit. The Association had disputed the liability for legal costs and reached a full and final settlement in March 2017 regarding this matter. The settlement amount was outstanding as at 31st March 2017 and received by the Association on 20th April 2017, resulting in a further net credit.

6. ADMINISTRATIVE EXPENDITURE

	2017 £	2016 £
Establishment expenses	222,541	182,457
Staff costs (Note 7)	3,912,379	3,921,343
Finance costs	111,954	110,127
Administrative overheads	1,066,116	1,067,974
Exceptional Item (Note 5)	(887,519)	(720,682)
	<u>4,425,471</u>	<u>4,561,219</u>

7. STAFF COSTS

	2017 £	2016 £
Salaries	4,786,858	4,733,498
Social Security Costs	468,879	458,853
Pension and Life Assurance Costs	652,072	795,330
	<u>5,907,809</u>	<u>5,987,681</u>
Less staff costs included in Direct Expenditure	(1,995,430)	(2,066,338)
	<u>3,912,379</u>	<u>3,921,343</u>
The average monthly number of employees during the year was:		
Senior Management	25	25
Executive Officers and Coaches	55	55
Administration and Support	79	85
	<u>159</u>	<u>165</u>

The compensation paid or payable to key management personnel, being the two executive directors, for employee services is £270,432 (2016: £251,716). Remuneration paid to the two executive directors during the year amounted to £258,132 (2016: two executive directors; £175,876). The number of directors to whom retirement benefits are accruing under defined contribution pension schemes was 1 (2016: 2). The total contribution in respect of these directors was £12,300 (2016: £75,840). No remuneration was paid to non-executive directors.

8. OPERATING SURPLUS

	2017 £	2016 £
Surplus on ordinary activities is stated after charging:		
Depreciation	285,437	331,565
Operating lease rentals	166,898	138,728
Auditor's remuneration:		
Audit fees – current year	26,500	27,925
Audit fees – previous year	-	4,500
Non audit fees	7,870	12,637

9. TAXATION

	2017 £	2016 £
UK corporation tax	116,151	78,843
Corporation tax over provision in previous years	(19,421)	-
Deferred taxation	(415)	(28,032)
	<u>96,315</u>	<u>50,811</u>
Surplus on ordinary activities before tax	<u>2,060,274</u>	<u>1,547,665</u>
Surplus on ordinary activities multiplied by the standard rate of UK corporation tax of 20% (2016: 20%)	412,055	309,533
Effects of:		
Amounts not taxable	(347,946)	(297,017)
Fixed asset differences	51,627	38,295
Amount relating to prior year	(19,421)	-
Total tax charge	<u>96,315</u>	<u>50,811</u>

10. TANGIBLE FIXED ASSETS

	Long leasehold premises	Specialised property	Fixtures, fittings, vehicles & equipment	Total
	£	£	£	£
Cost				
At 1st April 2016	2,722,500	3,500,000	3,149,824	9,372,324
Additions	-	-	77,787	77,787
Disposals	-	-	(393,216)	(393,216)
At 31st March 2017	<u>2,722,500</u>	<u>3,500,000</u>	<u>2,834,395</u>	<u>9,056,895</u>
Depreciation				
At 1st April 2016	120,969	155,550	2,677,943	2,954,462
Change for year	60,480	77,777	147,180	285,437
On disposals	-	-	(391,122)	(391,122)
At 31st March 2017	<u>181,449</u>	<u>233,327</u>	<u>2,434,001</u>	<u>2,848,777</u>
Net book value				
At 31st March 2017	<u>2,541,051</u>	<u>3,266,673</u>	<u>400,394</u>	<u>6,208,118</u>
At 31st March 2016	<u>2,601,531</u>	<u>3,344,450</u>	<u>471,881</u>	<u>6,417,862</u>

The Association's long leasehold premises and specialised property are stated at deemed cost. The two long leasehold properties at Hamble were valued at £3,245,000 on an open market valuation of which £522,500 has been apportioned to investment property. The specialised property at Portland was valued at £3,500,000 on a depreciated replacement cost basis. All valuations were carried out by Hughes Ellard, Chartered Surveyors as at 31st March 2014.

11. INVESTMENT PROPERTY

	2017 £	2016 £
Fair value		
At 31st March 2017 and 1st April 2016	522,500	522,500
	<u>522,500</u>	<u>522,500</u>

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

12. STOCK

	2017 £	2016 £
Finished products	271,767	272,533
Work in progress	36,053	34,122
	<u>307,820</u>	<u>306,655</u>

Replacement cost is not significantly different to the amounts stated above. Total stock expense in the year was £501,486 (2016 - £479,268).

13. DEBTORS

	2017 £	2016 £
Trade debtors	479,189	505,992
Other debtors	1,340,744	456,189
Prepayments	342,319	750,651
	<u>2,162,252</u>	<u>1,712,832</u>

Other debtors includes £27,755 (2016 - £25,427) falling due after more than one year.

14. CREDITORS

AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	913,204	1,087,784
Corporation tax	109,466	72,158
Other creditors	30,615	37,766
Accruals	384,042	349,217
Subscriptions in advance	2,056,075	1,958,433
Deferred grants (Note 16)	44,738	211,686
Other deferred income	190,317	402,196
	<u>3,728,457</u>	<u>4,119,240</u>

15. CREDITORS

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Deferred grants (Note 16)	<u>157,953</u>	<u>184,281</u>

The fit out of the elite Performance Unit in Portland Marina was funded by a capital grant from Sport England, which is disclosed in Note 16. 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.

16. DEFERRED GRANTS

	Capital £	Revenue £	Total £
Balance at 1st April 2016	210,609	185,358	395,967
Reverse accrued grants brought forward	-	210,000	210,000
Grants received	-	8,663,045	8,663,045
Grants released	(26,328)	(9,039,993)	(9,066,321)
Balance at 31st March 2017	<u>184,281</u>	<u>18,410</u>	<u>202,691</u>

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

17. PROVISIONS FOR LIABILITIES

Deferred Taxation £

Balance at 1st April 2016	61,951
Credited to Statement of Comprehensive Income	(415)
Balance at 31st March 2017	<u>61,536</u>

Deferred taxation relates to accelerated capital allowances.

18. FINANCIAL INSTRUMENTS

The Association has the following debt instruments measured at amortised cost

	2017 £	2016 £
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	479,189	505,992
Other debtors	1,340,744	456,189
Cash at bank and in hand	<u>2,500,625</u>	<u>1,302,033</u>
	<u>4,320,558</u>	<u>2,264,214</u>
Financial liabilities measured at amortised cost:		
Trade creditors	<u>913,204</u>	<u>1,087,784</u>

19. PENSION BENEFITS

The Association provides pension benefits to employees as follows:

Defined contribution scheme

Since 1st April 2003 all new staff have been eligible to join a single group personal pension plan ("GPPP"). Since 1st April 2014 all eligible workers have been enrolled into the Association's GPPP under automatic enrolment legislation (the existing GPPP satisfies the conditions of a qualifying scheme). The Association's contribution to the GPPP is equivalent to 10% of annual salary (and the employees' is 3%). Contributions to the scheme are charged to the Statement of Comprehensive Income as they become payable. The premiums paid into these plans amounted to £568,144 (2016: £622,400). The Association contributes to individual pension plans for certain staff who joined before 1st April 2003 at a rate of 12.5% of annual salary on a monthly basis. Contributions are charged to the Statement of Comprehensive Income as they become payable.

Royal Yachting Association Retirement Benefit Scheme

The Royal Yachting Association Retirement Benefit Scheme is a non-contributory pension scheme for certain staff who joined before 31st March 2001 which provides retirement benefits based on final salary and length of service. The assets of the scheme are held separately from those of the Association. Future service funding rates (currently 34.5% of pensionable salary) are determined by the scheme actuary as part of the triennial valuation.

The most recent triennial valuation available was at 1st April 2014. The value of the assets represented 94% of the benefits that had accrued to members, after allowing for expected future increases in earnings. This was equivalent to a deficit of £463,000. The financial assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in pensionable salaries. The principal (non-financial) assumptions which have the most effect include mortality rates. The contributions for the year were £181,000 (2016: £215,000). The next triennial review will be carried out over the next financial year as at 1st April 2017. The most recent FRS 102 valuation as at 31st March 2017 showed that the market value of the scheme's assets was £11,753,000 (2016: £10,022,000). The valuation set out below has been based on the triennial valuation at 1st April 2014, as updated by a qualified actuary, in order to assess the assets/(liabilities) of the scheme in accordance with FRS 102 at 31st March 2017.

(a) Assumptions

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

	2017	2016
Discount rate	2.5%	3.7%
Retail price inflation (RPI)	3.3%	2.7%
Consumer price inflation (CPI)	2.3%	1.7%
Salary increase rate	2.3%	1.7%
Pension increases		
- Pre 2004 pensions	5.0%	5.0%
- 2004-2006 pensions	2.2%	1.7%
- Post 2006 pensions	1.9%	1.6%
Revaluation of deferred pensions in excess of GMP	2.3%	1.7%

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

	At 31st March 2017	At 31st March 2016
For a male aged 65 now	21.9	22.0
At 65 for a male aged 45 now	23.0	23.5
For a female aged 65 now	23.7	24.3
At 65 for a female aged 45 now	25.0	25.9

Mortality rates as at 31st March 2016 incorporate actual observed reductions over the last year.

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

	At 31st March 2017		At 31st March 2016	
	Proportion	£'000	Proportion	£'000
Investment assets	70%	8,249	67%	6,703
Insured pensions	30%	3,504	33%	3,319
Fair value of plan assets		11,753		10,022
Value of funded obligations		(13,075)		(11,165)
Net defined benefit pension liability		<u>(1,322)</u>		<u>(1,143)</u>

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

	2017	2016
	£'000	£'000
Opening fair value of plan assets	10,022	10,513
Interest income	366	355
Asset gains/(losses)	1,631	(684)
Contributions	181	215
Benefits paid	(447)	(377)
Closing fair value of plan assets	<u>11,753</u>	<u>10,022</u>

Expected contributions to the scheme in the year to 31st March 2018 are £106,560.

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

	2017	2016
	£'000	£'000
Opening defined benefit obligation	11,165	11,579
Current service cost	34	63
Interest cost	406	387
Actuarial losses/(gains)	1,917	(487)
Benefits paid	(447)	(377)
Closing defined benefit obligation	<u>13,075</u>	<u>11,165</u>

(e) Amounts charged to Statement of Comprehensive Income:

	2017	2016
	£'000	£'000
Current service cost - charged to staff pension costs	34	63
Net interest expense - charged to finance expense	40	32
Total Charged to Statement of Comprehensive Income	<u>74</u>	<u>95</u>

(f) Amounts recognised in other comprehensive losses

	2017	2016
	£'000	£'000
Actual return less interest income recognised in the year	1,631	(684)
Effect of assumptions changes on benefit obligation	(1,917)	487
Remeasurement of net defined benefit pension liability	<u>(286)</u>	<u>(197)</u>

(g) General disclosures

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

20. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Land and buildings		
Within one year	78,668	78,668
Between two and five years	254,672	254,672
After more than five years	110,324	173,992
	<u>443,664</u>	<u>507,332</u>
Other operating leases		
Within one year	82,230	80,821
Between two and five years	44,940	56,110
	<u>127,170</u>	<u>136,931</u>

21. RYA FOUNDATION

As stated in Note 1(c) the Association is the sole member of the RYA Foundation, a charitable company limited by guarantee.

	2017 £	2016 £
Net income for the year ended 31st March	<u>57,436</u>	<u>4,229</u>
Total Funds carried forward as at 31st March	<u>149,776</u>	<u>99,441</u>

The Association provides administrative support to assist the RYA Foundation in carrying out its activities at no charge. During the year, the Association made donations to the RYA Foundation totalling £25,000 (2016: £97,000).

22. LIABILITY OF MEMBERS

Every full member of the Association undertakes to contribute to the assets of the Association, in the event of the same being wound up while they are a member or within one year after they cease to be a member, for payment of the debts and liabilities of the Association contracted before they ceased to be a member, and of the costs, charges, and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding £1. The number of members of all categories at 31st March 2017 was 110,662 (2016: 108,784).

23. RELATED PARTY TRANSACTIONS

During the year grants and loans totalling £15,000 (2016: £43,000) were made to a close family member of a director of the Association. These grants and loans were provided in accordance with the Association's normal policies and procedures subject to the rules governing World Class Programme funding of which the recipient is a member.





RYA House
Ensign Way
Hamble
Southampton
Hampshire
SO31 4YA

T: 023 8060 4100
F: 023 8060 4299

www.rya.org.uk

Company Registration Number: 878357