

**Service Non Public Funds Final Accounts  
Managing Trustee's Report, Internal Audit  
Board Report and Independent Examiner's Report (SORP 2005 compliant)  
Regimental Accountant Scheme**

Unit: 3 RSME REGT  
Address GIBRALTAR BARRACKS, BLACKWATER, SURREY, GU17 9LP  
In respect of the: RE YACHT CLUB  
Charity Commission registered number: N/A  
for the period from: 01.02.18 to: 30.09.18

**Trustees, who served under the revised Governing Document, during the period:**

From: 01.02.18	To: 30.09.18	Col G P Hatcher
From: 01.02.18	To: 30.09.18	Brig D R ff Innes
From: 01.02.18	To: 30.09.18	Col A R M Wilson
From: 01.02.18	To: 30.09.18	Col J A Hones

**Account Holder(s) during the period:**

From: 01.02.18	To: 07.03.18	Name: Lt Col J Roose
From: 07.03.18	To: 30.09.18	Name: Col A Szabo

**Internal Auditor(s) during the period:**

From: 01.02.18	To: 30.09.18	Name: Capt D Swindell
----------------	--------------	-----------------------

**Associate Auditor(s) during the period:**

From: 00.00.00	To: 00.00.00	Name: 00.00.00
----------------	--------------	----------------

**Regimental Account(s) during the period:**

From: 01.02.18	To: 20.04.18	Name: Mr P Hopper
From: 20.04.18	To: 08.05.18	Name: Sgt M Tikoisuva
From: 08.05.18	To: 30.09.18	Name: Mr P Hopper

Assembled at Minley on 01.10.18 by order of Commanding Officer, 3 RSME Regiment.

**PRINT "SORP" FROM PAXTON PLUS**

**PRINT "BALANCE" FROM PAXTON PLUS**

**PRINT I & E DESIGN REPORT No: 1**

**PRINT I & E DESIGN REPORT No: 2**

**PRINT I & E DESIGN REPORT No: 4**

**PRINT I & E DESIGN REPORT No: 5**

**PRINT DEBTORS LIST**

**PRINT CREDITORS LIST**

**TRIAL BALANCE SHEET**

**Notes to the Accounts (Paras 2 to 12 are to be completed by all funds which have a gross income of £100K or over and those funds already registered with the Charity Regulator, all other funds are to complete Paras 6 and 7 and the declarations at Para 12):**

1. Principal Accounting Policies

- a. Accounting Convention. The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) 2005 (<http://www.charitycommission.gov.uk/investigations/sorp/sorp05docs.asp>)
- b. Incoming Resources. Income is recognised in the period in which the charity is entitled to receipt, and the amount can be measured with reasonable certainty. Grants from other agencies including donations and other income from activities are in furtherance of the charity's objects and are part of the general funds of the charity. A restricted fund is only recognised where this is an agreed and explicit condition of the grant or donor.
- c. Intangible Income. Due to the close collaborative relationship and the manner in which the charity's activities compliment those of the Army, intangible income, reflected in time and use of premises is not quantifiable or measurable and so is not recognised in the accounts.
- d. Resources Expended and Basis of Allocation of Costs. Expenditure is included when incurred or exceptionally where a commitment is made which requires an accrual when payment is to be made in the subsequent accounting period. Similarly, where prepayments are made in recognition of commitments falling due in a subsequent accounting period, the appropriate credit is entered in the accounts and reversed the following year. Grants payable are included in the SOFA when approved by the Managing Trustee. Expenditure is recognised in the period in which it is incurred. The majority of costs are directly attributable to specific activities. Irrecoverable VAT is charged to the activity for which it was incurred.
- e. Governance Costs. Governance costs are the costs of professional advice, holding trustee meetings or committee meetings associated with decision making, any fee for audit or independent examination and any fee incurred in the preparation, statutory filing, printing or copying of the annual report and accounts.
- f. Capitalisation and Depreciation of Tangible Fixed Assets. All assets having a purchase value of more than £500 are capitalised. The cost of tangible fixed assets are written off by equal annual instalments over their expected useful lives using the following methods of depreciation:
- |                                     |  |
|-------------------------------------|--|
| Furniture, fixtures and equipment - | Straight Line over a period of 2 – 10 years. |
| Motor vehicles -                    | Straight Line over a period of 2 – 10 years. |
- Assets with a life of more than one year but with a purchase value of below £500 are included within the inventory but the cost is written off in the year it is incurred and is not depreciated over the useful life of the asset. Where the asset is depreciated over a period of more than 10 years, details of the item and period are to be provided following the notes on page 14.
- g. Fixed Asset Investments. Fixed asset investments are included at market value at the balance sheet date. Any gain or loss on revaluation is shown in the Statement of Financial Activities (SOFA).
- h. Stocks. Purchased stocks are valued at the lower cost or net realisable value making due allowance for any obsolete or slow-moving items.

- i. Funds Accounting. Funds held by the charity are:
- (1) General Purpose/Unrestricted /Designated Funds. These are funds that can be used in accordance with the charitable objects at the discretion of the Managing Trustee. Designated funds are unrestricted funds which have been allocated/earmarked for a particular purpose by the Managing Trustee and are to be declared in the Managing Trustees comments in accordance with Para 12 to these notes stating what they are intended to be used for and when.
  - (2) Endowment Funds. Endowment funds are those investments and other gifts accepted by the unit, the capital sum or property being held in perpetuity and the income only being available for charitable use.
  - (3) Restricted Funds. These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is to be included in the notes to the accounts.
- j. Heritage Assets. In the course of the unit's history, the charity may have acquired gifts, memorabilia, regalia, silverware, antiques and other historical artefacts in the course of distinguished military service in service of the Crown. The value of these pieces is in large part derived from their close association with Regimental history which precludes the use of conventional valuation techniques being applied. Whilst the objects of the charity do not specifically include preservation and conservation, the pieces represent an essential element of celebrating the unit's history and foster esprit-de-corps. Consequently the Managing Trustee considers the charity to hold heritage assets both for functional use and as an element of national history on behalf of the nation. Heritage assets acquired prior to 1 Apr 06 are therefore not capitalised on the balance sheet but a description of those assets is disclosed as part of the notes to the accounts. Heritage assets acquired after 1 Apr 06 where the purchase price is known and which exceed £500.00 are included in the balance sheet at acquisition value but are not depreciated.
- k. Other Costs. Other costs are those costs not incurred in the undertaking of charitable activity in furtherance of the objects of the charity, i.e. the provision of facilities, recreational programmes or activities in furtherance of military efficiency. They are also costs incurred in the making of grants and donations, in the costs of generating funds, i.e. the costs incurred in trading or fundraising undertaken by the charity, or in governance costs.

2. Grants Made. (if total grants are over 5% of the charity's total expenditure).

The charity made the following grants/donations:

Grants to institutions:

Name of institutions	Purpose	Total number of grants given	Total amount of grants paid
Total grants to institutions		0.00	0.00

Grants to individuals:

Purpose	Total number of grants given	Total amount of grants paid
Total	0.00	0.00

3. Related Party Transactions & Remuneration and Expenses

Whilst the charity has a close working relationship with the Army, there are no transactions with the Army which require disclosure under SORP 2005. The only transactions made by the charity in favour of the unit are wholly attributable to the charitable activities of furthering military efficiency. The Managing Trustee is an officer or equivalent and fulfils the role as trustee in accordance with the applicable laws and regulations. In the event that expenses have been paid to the trustee these are disclosed under the Managing Trustee's comments.

4. Analysis of Capital Property

	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Balance b/f	231095.00	-	231095.00
Purchases	0.00	-	0.00
Sales & W/Os	0.00	-	0.00
Depreciation	0.00	-	0.00
Balance c/f	231095.00	-	231095.00

Capital Property consists of 4 club yachts: Right Royal £83,080, Ilex £44880<sup>1</sup>, Trojan £75,482, Hebe £12,000: Sailboard equipment £15,653.

<sup>1</sup> 15% of Ilex's ownership is attributed to the Townsend Trust.



Give the number of employees who were engaged in each of the following activities:

	This year	Last year
Costs of generating funds		
Charitable activities		
Other		
Total	0.00	0.00

9. Governance Costs

	This year £	Last year £
Audit or independent examination fee	0.00	0.00

10. Restricted/Endowment Funds

Give details of the movements of the individual funds summarised in the restricted and endowment column of the Statements of Financial Activities (SOFA).

Fund Name	Fund Bal B/F	Incoming Resources for period	Outgoing Resources for period	Transfers	Gains and Losses	Fund Bal C/F
REYC Inshore	15653.00		1880.00	3500.00	+1620.00	17273.00
Hulls Funds	48002.23	4522.52			+4522.52	52524.75
Townsend Trust	19099.27			3000.00	+3000.00	22099.27
H & M Trust	512.89	2500.00	1590.00		+910.00	1422.89
Chatham Branch	0.00	10000.00			+10000.00	10000.00
<b>Totals</b>	83267.39	17022.52	3470.00	6500.00	+20052.52	103319.91

A brief explanation as to the nature and purpose of the charity's Restricted Funds is to be provided.

Name of Restricted Fund	Purpose of fund
REYC (INSHORE)	The REYC (Inshore) fund supports the same aims as the REYC and pursues the Club's objectives in the field of Inshore Sailing, namely, dinghy sailing, windsurfing and kite surfing. It receives grants from the main account as well as grants through the ASA in support of equipment purchases.
TOWNSEND TRUST	The Townsend Trust is a legacy, left to the REYC, in support of sailing for young RE soldiers and exceptionally, young RE officers. It has Trustees, who make grants in support of qualifying REYC activities, including supporting the purchase of sailing hulls.
HULLS	The Hulls Fund is established as a restricted fund to support the purchase of yachts for the REYC. The income to the fund comes from annual transfers from the General Purpose Fund, direct donations from Members over and above their subscriptions, and from a percentage of charter fee income.
H&M TRUST	The H&M Trust (a separate trust set up by the owner of H&M Engineering in the Chatham Dockyard, when the company ceased operating) makes annual grants to the REYC to support the costs incurred by non-commissioned soldiers of the RE when undertaking sailing of any discipline. It is accounted for as a special purpose fund to maintain transparency and ease of reporting to the H&M Trust Trustees periodically, on the use of the funds made available. The grants come with few strings attached and the REYC Committee is empowered to establish the rules governing the funds. H&M Trust grants are made to other RE sports and indeed to other Service sports clubs.
CHATHAM BRANCH	The Chatham Branch Fund has been established as a restricted fund to support the activity of the Club on the River Medway. The income to the fund comes from Member subscriptions for the use of moorings.

11. Heritage Assets.

Heritage assets that are owned by the charity but purchased/acquired prior to 1 Apr 06 are not included in the charity's capital property value (see note 1.j). A list/description of these assets is below:




## 12. Declarations

All of the charity's commitments are provided for in the accounts.

No guarantees have been given to third parties.

The charity has not received any loans that are outstanding at the year-end and secured on assets.

The charity has not granted any loans to institutions or companies connected with the charity.

The charity did not make any ex-gratia payments during the year.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed.

The financial activities, assets and liabilities of all the charity's branches or sections have been included.

The trustees have not changed the year end date or the length of the charity's financial year.

The charity has no designated funds (if there are designated funds the reason for designation and when each designated fund is intended to be used by is to be stated in the Managing Trustee report).

All the charity's operations are continuing operations and there were no operations discontinued or acquired during the year.

No funds (unrestricted, designated, restricted or endowment) are in deficit at the balance sheet date.

The charity has no intangible assets.

There were no inter-fund loans outstanding at the balance sheet date.

None of the charity's functional fixed assets have been re-valued during the year and the charity does not have a policy of revaluation of these assets.

The charity has no subsidiary companies.

The charity has no material fixed assets which have not been capitalised and included in the balance sheet.

No internal transfers have occurred out of restricted/endowment funds. In the event that a transfer has taken place, full details of the reason for the transfer are disclosed in the Managing Trustee's comments.

All investments held are investment assets in the UK unless otherwise stated.

**Note:** Where any of the declarations are not correct they are to be crossed out and details provided in the Managing Trustees comments.

Additional comments:

**TROJAN Loan.** The Trustees of the Townsend Trust agreed to loan the REYC the sum of £15,000 towards the cost of purchasing the yacht Trojan, recognising the sail training opportunities she would provide for young soldiers, and exceptionally young officers. The terms of the loan were that this should be repaid to the Townsend Trust annually at a sum of £3,000 per year. Prior to the account being closed for audit the fourth payment of £3,000 was paid back leaving the outstanding sum to pay as £3,000. These are managed as internal transfers from GPF to the Restricted Fund.

**Apportionment of interest on deposit account.** The only interest earning sums within the account is that which is held on a deposit account on the Club's behalf by 3 RSME Regt. While the sums accrued are fairly minimal given current interest rates, the only vehicle that would accrue higher interest would be one based on stocks and shares which would present significantly greater risk to the Club's finances. To ensure the interest accrued is disbursed fairly the sums are apportioned on a monthly basis between HULLS, TOWNSEND TRUST and CHATHAM restricted funds using the current interest rates. The calculation is based on the percentage of the deposit account represented by the balance in each fund. Interest is then paid once annually at audit. This has not happened in the current accounting period and will be corrected at next Audit.

Signature:.....

Date:

Col A Szabo

Fund Manager(Regimental Accountant Scheme)/Account Holder (Audit Board Scheme)

## Trustees' Annual Report and Comments:

Address: GIBRALTAR BARRACKS, BLACKWATER, SURREY, GU17 9LP

Charity name and Charity Commission/Regulator registered number: RE YACHT CLUB

Description of the charity's trusts

This should include:

- a. Details, including date if known of the charity's governing document (e.g. trust deed, will, constitution etc); and
- b. A brief explanation of the charity's objects.

Where applicable, you may choose to give details of any specific investment powers of the charity.

Governing Document (e.g. Trust Deed, Constitution)	REYC Constitution, Rules and Bye-laws 2011; Bye-Laws revised 31 Mar 15.
--	---

Objects of the Charity	The promotion of efficiency of the Armed Forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of service personnel.
------------------------	--

Explain briefly how trustees are elected or appointed and details of any induction and trustee training attended.

Trustee selection method	The Commodore and Vice Commodore are Trustees as Officers of the Club and the other 2 Trustees have previously served as Officers of the Club, all elected by Full Members at a General Meeting.
--------------------------	--

Trustee induction and training	The Trustees are all suitably trained for the purposes of their charitable role.
--------------------------------	--

Explain about what the charity is trying to do and how it is going about it. You are only required to provide a brief summary of the main activities and achievements of the charity during the year in relation to its objects.

Summary of main activities in relation to the Charity's objects	<p>The REYC Fund provides its members the opportunity to take part in sailing activities of all kinds. In pursuance of its objects, the Club:</p> <ul style="list-style-type: none"><li>• Maintains 4 offshore yachts berthed at Gosport.</li><li>• Maintains a fleet of windsurfers, which allows members to compete in Army and Inter-Service competitions.</li><li>• Supports Inshore sailing by the maintenance of a dinghy at the Army Inshore Sailing Centre Thorney Island.</li><li>• Supports its members in attending and participating in competition and adventurous training.</li><li>• Organises regattas to promote the skills required for sailing and seamanship.</li></ul>
---	---

<p>Summary of main achievements of the Charity during the year</p>	<p>The REYC has enjoyed a busy year for each of its operating divisions and branches. It has supported its members participating in both Service and civilian events, raising the profile of the Club and the Corps in the process. The Club has increased the numbers of its members participating in events and has likewise seen an increase in other rank participation, partially through delivery of targeted novice sailing events, wider military team building activities and the Club initiative to reinvigorate dinghy sailing for Service personnel on the River Medway.</p> <p>Notable results for both individuals and the team at the Inter corps, Inter Service and National Dinghy Championships have been the highlight within the Inshore Division. Offshore continues to compete well amongst our Corps peers and its activity levels, both AT and cruising continue to grow in a positive fashion. Finally the Regions operating division has continued to provide the horsepower to run the club, corral support to the Corps from its retired community and offer their experience and mentorship to current serving members. The Corps has won this year's Army Offshore, Dinghy and Windsurfing championships with two soldiers selected for the Army's elite sportsman programme.</p> <p>Following a detailed review of the Club's governance arrangements that incorporated legal, financial, MoD, RYA and MCA advice, the Members agreed that the Club should become an Association Model Charitable Incorporated Organisation (CIO). This change will not affect the name, purpose or ethos of the Club. Members' rights and privileges and the usage of our yachts, dinghies and other equipment will not be affected. To enable the proposed changes, a proposed Constitution was submitted to the Charity Commission (CC) in the format required for their approval. Adoption of the draft Constitution and migration from current to new governance arrangements was approved by the members at the Club's AGM in Apr 18. Formal notification from the CC has now also been received and accordingly the Royal Engineer Yacht Club has been entered onto the Register of Charities with the Registered Charity Number 1178311.</p>
--	---

Provide a brief review of the financial position of the charity. This should include the principal types of income.

<p>Financial Review</p>	<p>The REYC income comes primarily from members' subscriptions, voluntary donations, Corps' grants and grants provided through the ASA, eg Army Welfare and Nuffield Trust.</p> <p>The REYC remains solvent, with the 12 year hulls forecast appearing to remain viable for 4 hulls based on current Income and Expenditure. The Townsend Trust maintains a 15% holding in the value of Ilex. The financial plan for all parts of the Club is regularly reviewed to better inform any decisions to change the current hulls plan and Club spending, also to support bids for external grants. The Inshore account and property has been incorporated into the Main account. Work to treat the Chatham account in a similar manner to Offshore as required by Club Rules is nearing conclusion with the establishment of the Chatham Branch Restricted Fund to bring their activity onto the Main account alongside completion of work to develop the branch asset register.</p> <p>The REYC is completing the formal transfer of its assets from the old organisation to the new, before closing the old organisation; it is expected that this can be achieved by the end of this year. Revised Rules and Bylaws are in draft for member consideration at AGM 19 whilst in the interim the Trustees have adopted the old Rules as an interim step.</p> <p>To meet with CC financial requirements the Club will move its arrangements from 3 RSME Regt as a Service Fund Excepted charity to adopt CC approved civilian practices as required by a CIO. Accountancy and Audit support going forward will be provided by the Corps' Treasurer at Chatham. 'Physical'</p>
-------------------------	---

	<p>banking arrangements will remain unchanged with Account migration to be completed at the point of this Audit.</p> <p>Yacht value has been reviewed once again against the prevailing market conditions. A weak pound / favourable euro and buoyant 2<sup>nd</sup> hand market for yachts, particularly those of the Club's type, have resulted in these assets retaining their value and correspondingly the Club has chosen not to depreciate in this foreshortened audit period. Their value will be reassessed at on first audit of the CIO at the close of its accounting period on 31 Dec 18 and the value of other Club property will be formally accounted for at this time.</p>
--	--

The Trustees should give in their report a description of the following policies:

- a. For the selection of investments for the charity.
- b. For determining the level of income reserves held, stating and explaining the level of reserves held.
- c. Where grants are made by the charity, the selection of individuals and institutions who are to receive grants out of the assets of the charity.

Financial reserves policy	The Vice Commodore has in place a 12 year Financial Plan, reviewed annually, that reflects the Club's equipment replacement programme funded through the Specific Purpose Fund, the Hulls Fund, and other sources.
---------------------------	--

Investments selection policy and performance of those investments.	There are no investments held in this fund. Investment income comes from the investments made by the Central Bank 3 RSME Regt. Only a minimal level of working capital is held in the current account, all other sums are held in the deposit account where it accrues the best interest available within the Service Funds Accounts scheme.
--	--

Provide the name of all trustees/the Managing Trustee(s) during the report year.

Trustees' names	From: 01.02.18 To 30.09.18 Col G P Hatcher	From: 01.02.18 To 30.09.18 Brig D R ff Innes	From: 01.02.18 To 30.09.18 Col A R M Wilson	From: 01.02.18 To 30.09.18 Col J A Hones
-----------------	--	--	---	--

Serious Incidents	None
-------------------	------

Public Benefit Statement	<p>This fund provides public benefit by assisting service personnel to perform more effectively their roles within the Armed Forces of the Crown. It does this by <i>providing and supporting sporting and adventure training activities</i>. This assistance enables service personnel to face the challenges and danger associated with military service by developing and maintaining <i>teamwork; skills; fitness; confidence, character, spirit and attitude; and morale</i>. As a result the fund promotes the efficiency of the Armed Forces of the Crown by enhancing the British Army's capability to undertake the roles demanded of it including the defence of the United Kingdom and its interests.</p> <p>(The Trustees confirm that they have paid due regard to the Charity Commission of England and Wales's guidance on public benefit when deciding what activities the charity should undertake.)</p>
--------------------------	---

Additional comments (include any declarations which were not correct (Pg12/13)):

Signature:.....

Date:

Col G P Hatcher  
for Trustees

## Internal Auditor's/Audit Board Report

1. We have examined the books of account and records from which the final accounts were prepared and have obtained all the information and explanations that were necessary for the purpose of our internal audit.
2. We certify that end of period checks have been conducted in accordance with Service Funds Regulations.
3. Subject to the observations given below we are satisfied that proper books of account have been kept and that the final accounts give a true and fair view of the results of transactions over the period and of the state of the Fund's affairs as at the date of the balance sheet. Subject also to observations we are satisfied that cash and bank balances and stocks on hand have been properly checked at prescribed intervals and that adequate insurance exists.
4. We have stamped and signed the original books of account and the original records we have checked. All vouchers relating to this account period have been cancelled.
5. We have made the following observations whilst carrying out the internal audit:
  - a. Previous observations have been actioned (list those observations outstanding).
  - b. The account is well managed and supported by its members.
  - c. It is noted that there is £5400 shown in the debtors book for Welfare Grant towards windsurfing equipment. It is recommended the committee trace this to clear the debt soonest.
  - d. The RE Yacht Club became a Charitable Incorporated Organisation (CIO) as of 09 May 2018, it is noted this will be the last audit as a Service Fund and the account will move to the Corps Treasurer for period ending 31 Dec 18.

Signature:.....

Date:

Capt D Swindell

Internal Auditor

## **Comd/SO2 SPS – Independent Examiner’s Report on the Accounts, and Comments**

### Respective Responsibilities of Trustees and Examiner

The Charity’s Trustees are responsible for the preparation of the accounts. The Charity’s Trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed.

It is my responsibility to:

- a. Examine the accounts (under section 43(3)(a) of the Act).
- b. Follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the Act).
- c. State whether particular matters have come to my attention.

### Basis of Independent Examiner’s Statement

My examination was carried out in accordance with General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

### Independent Examiner’s Statement

In connection with my examination, no matter has come to my attention (other than that disclosed overleaf\*):

- a. Which gives me reasonable cause to believe that in any material respect the requirements:
  - (1) To keep accounting records in accordance with section 41 of the 1993 Act:
  - (2) To prepare accounts which accord with the accounting records and comply with the accounting requirements of the Act:have not been met.
- b. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

\* Delete as applicable.



**Comd/SO2 SPS – Independent Examiner’s Report on the Accounts, and Comments**

Disclosure Section (Only to be completed if the examiner needs to highlight material problems/discrepancies)

Give here brief details of any items that the examiner wishes to disclose

Comd/SO2 SPS Comments

Independent Examiner’s \_\_\_\_\_  
Signature

Name \_\_\_\_\_

Date: \_\_\_\_\_

Appointment \_\_\_\_\_