

The Island Trust Limited
(Limited by Guarantee)

Unaudited Annual Report

Year ended 31 December 2020

Company Registration No: 3107339

Charity Registration No: 1049722

The Island Trust Limited
(Limited by Guarantee)

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The Island Trust Limited

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Trustees' Annual Report

The trustees present their annual report and financial statements of the charitable company for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. Objectives and activities for the public benefit

The charity was formed to enable disadvantaged young people to enjoy the benefits of sailing, which are perceived to help with their personal development, confidence and motivation. The charity caters for any type of disadvantaged young person, none of whom could even contemplate sailing without the trust's help. It has supported the following:

- Young people from inner cities and areas of deprivation
- Those suffering financial hardship
- Those with special educational needs, including
 - The visually and hearing impaired
 - Young people with learning difficulties
 - Young people with learning and/or physical disability
- Those with behavioural difficulties

The trustees confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

2. Achievements and performance

Whilst for many, 2020, was not a year that we necessarily want to put on record for obvious reasons, we feel that it is important to share with you an account of what was an extraordinary year for The Island Trust. The Covid crisis triggered the first year in our history that we were unable to sail with any of the young people and groups that we had planned to. 2020 was due to be one of our busiest years to date and, therefore, we had to spend many hours, days, and months, painfully and reluctantly cancelling every single voyage. A heart-breaking task when the schedule had been fully booked with so many eager to join us.

Our sea staff were all furloughed; our operating subsidiary, Island (Cutter) Ltd, simply had to take advantage of the Government's job retention scheme in order to protect long-term jobs and our overall survival. Our shore-based staff continued working through 2020, their roles focusing on the survival of The Island Trust, regularly meeting with the Board of Trustees to navigate through the ever-evolving crisis. Work-loads increased with the complexities of the furlough scheme and grant monitoring, whilst processing refunds for individuals and groups who were unable to sail with us. Fundraising in a pandemic was never going to be an easy task with fundraising events cancelled and some regular funding routes no longer available. Our fundraising manager worked hard to identify the opportunities that would enable our survival, successfully. We are so very grateful for the continued support of our regular and new supporters and funders, many of whom, including the Association of Sail Training Organisations (ASTO), the Reardon Smith Nautical Trust and The Frank Jackson Foundation, identified the need for emergency funding in the early stages of the crisis and have continued to support us throughout the crisis. In addition, many grant funders allowed us to re-purpose previously agreed funding to cover ongoing operational costs which we continued to incur despite being unable to sail. We also secured funding through grants made available from the Department for Digital, Culture, Media & Sport distributed by Sport England, The National Lottery Heritage Fund, and The National Lottery Community Fund. This essential funding replaced lost sailing revenue ordinarily generated by Island (Cutter) Ltd, thus ensuring our survival for which we are thankful.

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Trustees' Annual Report

2. Achievements and performance (continued)

Throughout we used social media to stay in touch with our sailing community, often using competitions, such as many staff, supporters and trustees participating in the nationwide 2.6 Challenge. Our Ocean Discoverability project manager and 'on board ocean educator,' who is also a Marine Conservation Society Sea Champion, gave a webinar for schools on 'Life Beneath the Keel', revealing the range of marine wildlife to be found in Plymouth Yacht Haven marina, and how it all linked together with the ocean ecosystem. He also gave a live-streamed event from Plymouth Yacht Haven, as part of an international maritime festival hosted by the Ocean Institute in California, USA in September. In the run up to the festival, he published a series of fourteen daily blogs on the plants, plant-like organisms, and animals that live in the sea. We informed the special schools and groups that we work with of these resources and offered them similar opportunities to live-stream to their classrooms.

At the end of an unusually quiet, yet strangely hectic summer, some of our sea staff were able to return to work in late Autumn, with the help of a grant from The National Lottery Heritage Fund. This enabled us to carry out essential maintenance and repair work on the boats over the winter, painting, varnishing and making essential engine repairs. Johanna Lucretia was fitted with a new sail and electronics, while Moosk had her 5-year survey and rudder removed for maintenance. Alongside many other tasks these were all completed in time for the delayed start of our sailing season in May 2021.

Whilst we were successful in obtaining funding and donations to ensure our survival, we had to raise further funds to support our operations. Members of the board of trustees extended personal loans to ensure that we were able to cover our ongoing operational costs whilst our income was so reduced. Island (Cutter) Ltd also gained local authority grants from Plymouth City Council and took out a Business Bounce Back loan which will have to be repaid over time.

Both the Trust and its operating subsidiary, Island (Cutter) Ltd, have a sound financial history so the position we found ourselves in was obviously not where we had planned to be. Although the future remains uncertain for us, as for many, with reduced numbers and a delayed 2021 start due to government restrictions, our sailing voyages are now fully booked for the year, and we are cautious and confident that our valuable work will continue.

3. Financial Review

Results

The Trust's income increased from £361,052 in 2019 to £458,383 in 2020. As mentioned above, in 2020 we had to raise significant sums through grants made available from the Department for Digital, Culture, Media & Sport distributed by Sport England, The National Lottery Heritage Fund, and The National Lottery Community Fund. This funding essentially replaced income that our operating subsidiary, Island (Cutter) Ltd, would, in a normal year, generate from sailing activities. These funds were made available to Island (Cutter) Ltd through a direct grant of £141,910 and through an increase in the inter-company loan of £133,879. The funds were used to cover the operating costs mentioned in the preceding section. As the addition to the loan was used to cover operating costs, the Trustees have decided to make a provision against recoverability of £133,879.

Once again, we are also extremely grateful to the Reardon Smith Nautical Trust, The Frank Jackson Foundation and the Association of Sail Training Organisations (ASTO) who have been very generous with their support for us during this testing time.

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4. Investment powers and policy

The investment powers are to invest in the name of the charity such parts of the funds as is felt fit and to direct the sale or transposition of such investments and to expend the proceeds of any such sale in furtherance of the objectives of the charity.

The trust's policy is to manage its investments in a manner that aims to provide a high and growing income, while at the same time protecting the capital from the erosive effect of inflation. The trust's policy is also to achieve this objective by investing in one or more major charitable unit trusts rather than investing the money directly itself.

In order to purchase Johanna Lucretia all our investments were sold. We hope to rebuild our reserves and investments gradually over time.

5. Risk management

The trustees identify and review from time to time the risks to which the charity is materially exposed and the action to be taken to mitigate them. Presently, they are seen as:

- a lack of funds adequate to support the charity's activities.
- an accident to one of the charity's beneficiaries whose costs are not wholly met by insurance and which results in a substantial claim on the charity for negligence and/or breach of contract.

In respect of the former, trustees raise as much money as they are able and have in place safeguards to ensure they do not commit funds in excess of those available.

In respect of the latter, contracts for the provision of tuition are between those being sponsored and our operating subsidiary, Island (Cutter) Ltd, and the trust's role is to help fund the costs of its activities without being a party to the contract.

6. Reserves policy

The trust's income is largely unpredictable, both as to timing and quantum, whereas operations by the fleet of the subsidiary, Island (Cutter) Ltd, require forward commitments incurring expenditure. The trustees therefore consider it desirable to maintain a general reserve of 6 month's anticipated expenditure. This reserve is deployed in a blend of bank balances.

At 31 December 2020 the trust had free reserves of £424,081 (2019: £377,493). This figure includes loans made to our operating subsidiary Island (Cutter) Ltd for the purchase of our boats. In the opinion of the trustees, a more realistic picture of our financial reserves is given by the trust's cash at bank and in hand. This stood at £173,731 at the end of 2020, up from £29,024 at the end of 2019.

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7. Plans for future periods

Once we are able to resume our sailing activities, we will work towards a building a sustainable future for the combined operation by rebuilding our reserves.

8. Structure, governance and management

Governing document

The company was incorporated on 27 September 1995 and is limited by guarantee, having no share capital. It is a registered charity and is governed by its Memorandum and Articles of Association.

At 31 December 2020 the company had 7 members. In the event of the company being wound up the liability of each member is limited to £10.

Organisation

The Island Trust Limited is administered by a board consisting of at least three trustees and they also serve as directors. The trustees are, in the main, people with professional experience combined with a background of considerable business experience. They currently include people with experience in sailing and people with none, but all sharing a commitment and enthusiasm for bringing the benefits for sail training to young people who because they are disadvantaged in some form or another would otherwise never have the chance to take part.

Appointment of trustees

Trustees are appointed by the members or existing trustees.

Trustee induction and training

Newly appointed trustees are given a full introduction to the background and work of the trust, and are provided with all the necessary documents. They are also encouraged to visit Plymouth where sail training takes place and our boats are based, and to meet and listen to the young people who are benefiting from the work of the trust.

Related parties

During 2006 a subsidiary trading company, Island (Cutter) Limited, was set up, its purpose being to build a boat which is now being chartered to organisations including ourselves. Formal loan agreements exist between the charity and the subsidiary.

Key management personnel remuneration

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 10 to the financial statements.

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Trustees' Annual Report

9. Legal and administrative details

Trustees and directors

R F Lloyd MBE (Secretary)
R F Riding
C J Macdonald-Brown
J M Lloyd
S C L Dobson (Chairman)
C D Humphreys (resigned 31 March 2020)
S W Arnold
C E Cleaves (appointed 27 February 2020)

Independent Examiner

Neil Hitchings FCA
Francis Clark LLP
Chartered Accountants
Centenary House
Peninsula Park
Rydon Lane
EXETER
EX2 7XE

Solicitors

TLT LLP
One Redcliff Street
BRISTOL
BS1 6TP

Bankers

Lloyds Bank plc
High Street
EXETER
EX4 3NL

Registered Office

10 Manston Terrace
EXETER
EX2 4NP

Registered Number

3107339

Registered Charity Number

1049722

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Trustees' Annual Report

10. Trustees' Responsibilities in Relation to the Financial Statements

The charity trustees (who are also the directors of the Island Trust Limited for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

11. Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Board

R F LLOYD
Secretary

30 September 2021

The Island Trust Limited

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Independent Examiner's Report to the Trustees

I report on the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Neil Hitchings FCA
Francis Clark LLP
Chartered Accountants
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

30 September 2021

The Island Trust Limited

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Statement of Financial Activities (incorporating the Income and Expenditure Account)

| | | Restricted funds £ | Unrestricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|--|--------------|-----------------------|-------------------------|--------------------------|--------------------------|
| INCOME | Notes | | | | |
| Donations and legacies | 4 | 270,640 | 124,716 | 395,356 | 242,592 |
| Income from charitable activities | 5 | - | 36,053 | 36,053 | 78,029 |
| Income from other trading activities | 6 | | 6,680 | 6,680 | 16,311 |
| Investment income | 7 | - | 20,294 | 20,294 | 24,120 |
| Total income | | 270,640 | 187,743 | 458,383 | 361,052 |
| EXPENDITURE | | | | | |
| Cost of raising funds | | - | 7,930 | 7,930 | 27,834 |
| Expenditure on charitable activities | | | | | |
| Sailing courses for beneficiaries | | 1,200 | 67,643 | 68,843 | 345,332 |
| Grants payable | | 76,406 | 65,504 | 141,910 | - |
| Other costs | | - | 133,879 | 133,879 | - |
| Total expenditure | 8 | 77,606 | 274,956 | 352,562 | 373,166 |
| Net Income/(expenditure) for the year | | 193,034 | (87,213) | 105,821 | (12,114) |
| Transfers between funds | 17 | (133,934) | 133,934 | - | - |
| Net movement in funds | | 59,100 | 46,721 | 105,821 | (12,114) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 478,884 | 378,002 | 856,886 | 869,000 |
| Total funds carried forward | | 537,984 | 424,723 | 962,707 | 856,886 |
| 2020 | | | | 2020 | 2019 |
| | | | | £ | £ |
| Represented by: | | | | | |
| Fixed assets | | - | 642 | 642 | 509 |
| Current assets (including debtors over one year) | | 537,984 | 465,562 | 1,003,546 | 891,662 |
| Liabilities | | - | (41,481) | (41,481) | (35,285) |
| | | 537,984 | 424,723 | 962,707 | 856,886 |
| 2019 | | | | 2019 | 2018 |
| | | | | £ | £ |
| Represented by: | | | | | |
| Fixed assets | | - | 509 | 509 | 636 |
| Current assets (including debtors over one year) | | 478,884 | 412,778 | 891,662 | 872,260 |
| Liabilities | | - | (35,285) | (35,285) | (3,896) |
| | | 478,884 | 378,002 | 856,886 | 869,000 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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Balance Sheet

| | Notes | 2020 £ | 2019 £ |
|--|-------|------------------|----------------|
| Fixed assets | | | |
| Tangible assets | 11 | 641 | 508 |
| Investments - unlisted | 12 | 1 | 1 |
| | | <u>642</u> | <u>509</u> |
| Current assets | | | |
| Debtors | 13 | 92,258 | 99,446 |
| Debtors due after more than one year | 13 | 737,557 | 763,192 |
| Cash at bank and in hand | | 173,731 | 29,024 |
| | | <u>1,003,546</u> | <u>891,662</u> |
| Creditors - Amounts falling due within one year | 14 | (16,481) | (10,285) |
| Net current assets | | <u>987,065</u> | <u>881,377</u> |
| Total assets less current liabilities | | 987,707 | 881,886 |
| Creditors - Amounts falling due after one year | 14 | (25,000) | (25,000) |
| Net assets | | <u>962,707</u> | <u>856,886</u> |
| The Funds of the Charity | | | |
| Income funds | | | |
| Restricted funds | 17 | 537,984 | 478,884 |
| Unrestricted funds | 17 | 424,723 | 378,002 |
| Total charity funds | | <u>962,707</u> | <u>856,886</u> |

The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The trustees acknowledge their responsibilities for:

- (i) ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the members of the Board on 30 September 2021 and are signed on their behalf by:

R F LLOYD
Trustee

Registered Company Number: 3107339

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Notes to the financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Island Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value, unless otherwise stated in the relevant accounting policy note.

The Trust has been fortunate to receive large donations from several organisations with whom we have long standing relationships as well as funding through grants made available from the Department for Digital, Culture, Media & Sport distributed by Sport England, The National Lottery Heritage Fund, and The National Lottery Community Fund. This essential funding replaced lost sailing revenue ordinarily generated by Island (Cutter) Ltd, thus ensuring our survival for which we are thankful. Consequently, the Directors/Trustees are satisfied that The Island Trust remains a going concern.

The Island Trust Limited is a company limited by guarantee and therefore has no share capital.

The Charity was incorporated in England and Wales and details of the registered office can be found in the reference and administration section of the trustees' report.

The functional currency of the charity is considered to be pounds sterling because it is the currency of the primary economic environment in which the charitable company operates.

(a) Group accounts

Advantage has been taken of the exemption from preparing group accounts on the basis that the group is a small group. Accordingly, the financial statements present information about the charity as a single entity and not about the group.

(b) Fund accounting

Funds held by the charity are either:

Restricted funds

These funds represent 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.

Unrestricted general fund

Unrestricted funds are available to spend on any charitable purpose.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are included in the accounts at cost and are depreciated over their estimated useful lives at the following rates:

Office equipment - 20% per annum on the reducing balance basis

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Notes to the financial statements

1 Accounting policies (continued)

(d) Investments

Listed investments held as fixed assets are re-valued at market value at the balance sheet date and the unrealised gain or loss taken to the Statement of Financial Activities.

(e) Income

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

For legacy income, entitlement is taken as the earlier of the date: when the charity becomes aware that probate has been granted; when the estate has been finalised and notification made by the executors that a distribution will be made; or when the distribution is received.

Investment income is recognised on a receivable basis.

Income in respect of contributions towards sailing activities is recognised when the charity is entitled to the funds.

(f) Expenditure

Expenditure is included on an accruals basis. Overhead and other costs not directly attributable to particular functional activities are apportioned over the relevant categories on the basis of management estimates of the amount of costs relevant to that activity. The irrecoverable element of VAT is included within the item of expense to which it relates.

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Costs of charitable activities include expenditure associated with the cost of sailing activities and include both the direct costs and support costs relating to those activities.

(g) Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments which are initially recognised at transaction value. The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Investments;
- Intercompany loan

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Notes to the financial statements

2 Legal status of the trust

The trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

3 Subsidiary undertakings

The charity wholly owns the UK subsidiary Island (Cutter) Limited. The subsidiary's principal activity is the hire of boats for transport for in excess of ten people. Trading results for the year ended 31 December 2019, extracted from its accounts, are shown below:

| | 2020 | 2019 |
|--|------------------|-----------------|
| | £ | £ |
| Turnover and other income | 229,237 | 489,733 |
| Cost of sales and administration costs | (423,549) | (496,322) |
| Interest payable | (21,202) | (24,388) |
| Profit/(Loss) for the financial year | <u>(215,514)</u> | <u>(30,977)</u> |

The assets and liabilities of the subsidiary were:

| | | |
|---|------------------|-----------------|
| Tangible fixed assets | 752,076 | 796,064 |
| Current assets | 29,005 | 32,947 |
| Current liabilities | (142,123) | (132,780) |
| Creditors due after more than one year | (921,435) | (763,192) |
| Aggregate share capital and reserves - deficiency | <u>(282,477)</u> | <u>(66,961)</u> |

4 Donations and legacies

| | 2020 | 2020 | 2020 | 2019 |
|-----------|----------------|----------------|----------------|----------------|
| | Restricted | Unrestricted | Total | Total |
| | Funds | Funds | | |
| | £ | £ | £ | £ |
| Donations | 270,640 | 119,716 | 390,356 | 205,592 |
| Legacies | - | 5,000 | 5,000 | 37,000 |
| | <u>270,640</u> | <u>124,716</u> | <u>395,356</u> | <u>242,592</u> |

Of the £395,356 (2019: £242,592) income from donations and legacies in 2020, £270,640 (2019: £171,598) were restricted funds and £124,716 (2019: £70,994) were unrestricted.

5 Income from charitable activities

| | 2020 | 2020 | 2020 | 2019 |
|--------------------|------------|---------------|---------------|---------------|
| | Restricted | Unrestricted | Total | Total |
| | Funds | Funds | | |
| | £ | £ | £ | £ |
| Sailing activities | - | 36,053 | 36,053 | 78,029 |
| | <u>-</u> | <u>36,053</u> | <u>36,053</u> | <u>78,029</u> |

The income was wholly for sailing activities, all of which was unrestricted.

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Notes to the financial statements

6 Income from other trading activities

| | 2020 Restricted Funds £ | 2020 Unrestricted Funds £ | 2020 Total £ | 2019 Total £ |
|--------------------|----------------------------------|------------------------------------|---------------------|--------------------|
| Fundraising events | - | 6,680 | 6,680 | 16,311 |
| | <u>-</u> | <u>6,680</u> | <u>6,680</u> | <u>16,311</u> |
| | <u>-</u> | <u>6,680</u> | <u>6,680</u> | <u>16,311</u> |

7 Investment income

| | 2020 Restricted Funds £ | 2020 Unrestricted Funds £ | 2020 Total £ | 2019 Total £ |
|-----------|----------------------------------|------------------------------------|----------------------|--------------------|
| Dividends | - | - | - | - |
| Interest | - | 20,294 | 20,294 | 24,120 |
| | <u>-</u> | <u>20,294</u> | <u>20,294</u> | <u>24,120</u> |
| | <u>-</u> | <u>20,294</u> | <u>20,294</u> | <u>24,120</u> |

All comparative income was unrestricted.

8 Expenditure

| | 2020 Restricted Funds £ | 2020 Unrestricted Funds £ | 2020 Total £ | 2019 Total £ |
|---|----------------------------------|------------------------------------|-----------------------|--------------------|
| The Frank Jackson Foundation | - | - | - | 15,000 |
| Sailing expenses | 1,200 | 1,055 | 2,255 | 274,741 |
| Boat refit costs | - | - | - | - |
| Equipment | - | - | - | 14,500 |
| Depreciation | - | 102 | 102 | 127 |
| Support costs (Note 8a) | - | 74,416 | 74,416 | 68,798 |
| Grants payable – Covid19 support paid to subsidiary | 76,406 | 65,504 | 141,910 | - |
| Other costs – provision against amounts due from subsidiary | - | 133,879 | 133,879 | - |
| | <u>77,606</u> | <u>274,956</u> | <u>352,562</u> | <u>373,166</u> |
| | <u>77,606</u> | <u>274,956</u> | <u>352,562</u> | <u>373,166</u> |

For the year ended 31 December 2020 expenditure on charitable activities (including grants payable) was £210,753 (2019: £345,332) of which £133,147 (2019: £223,483) was unrestricted and £77,606 (2019: £121,849) was restricted. Cost of raising funds of £7,930 (2019 £27,834) was unrestricted. Other costs of £133,879 (2019 £Nil) were unrestricted.

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Notes to the financial statements

8a Allocation of support costs

The Trust allocates its support costs on the basis of usage as shown below:

| | 2020 | 2020 | 2020 | 2019 |
|----------------------------------|----------------|-----------------|----------------------|---------------|
| | Sailing | Costs of | Total | Total |
| Support costs | £ | £ | £ | £ |
| Wages | 57,500 | - | 57,500 | 30,947 |
| Printing, postage and stationery | 1,242 | - | 1,242 | 1,740 |
| Running expenses | 3,056 | - | 3,056 | 3,512 |
| Travel and subsistence | 345 | - | 345 | 451 |
| Bank charges | 111 | - | 111 | 181 |
| Campaign costs | - | 16 | 16 | 2,223 |
| Donation collection costs | - | 108 | 108 | 18 |
| Subscriptions | - | 290 | 290 | 286 |
| Fundraising | - | 7,497 | 7,497 | 25,294 |
| PR & Marketing | - | - | - | 180 |
| Miscellaneous | - | 19 | 19 | 13 |
| <i>Governance costs:</i> | | | | |
| Accountancy and legal | 4,232 | - | 4,232 | 3,953 |
| | <u>66,486</u> | <u>7,930</u> | <u>74,416</u> | <u>68,798</u> |

Included in the above are recharged wages relating to one employee used on a part time basis. Costs of generating voluntary income include costs relating to two fundraisers who are engaged on a part time basis.

No employees were paid in excess of £60,000.

9 Taxation

The company is a registered charity and its charitable activities are exempt from corporation tax.

10 Trustees' emoluments and key management personnel

No remuneration was received by the trustees during the year and no trustees were reimbursed for expenditure (2019: £nil reimbursed expenses). The key management personnel of the Trust comprise the trustees.

The Island Trust Limited

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Notes to the financial statements

11 Fixed assets – tangible

| | Fixtures & fittings £ | Total £ |
|----------------------------|-----------------------------|--------------|
| Cost | | |
| At 1 January 2020 | 8,924 | 8,924 |
| Additions | 235 | 235 |
| At 31 December 2020 | 9,159 | 9,159 |
| Depreciation | | |
| At 1 January 2020 | 8,416 | 8,416 |
| Charge for the year | 102 | 102 |
| At 31 December 2020 | 8,518 | 8,518 |
| Net book value | | |
| At 31 December 2020 | 641 | 641 |
| At 31 December 2019 | 508 | 508 |

12 Investments

| | £ |
|---|---|
| Unlisted investments | |
| Subsidiary undertaking at cost | |
| As at 1 January 2020 and 31 December 2020 | 1 |

The unlisted subsidiary undertaking is Island (Cutter) Limited whose principal activity is the operation of three boats. Its registered office is 10 Manston Terrace, Exeter, Devon, EX2 4NP. The Island Trust Limited owns 100% of the subsidiary's ordinary shares.

13 Debtors

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Due within one year:- | | |
| Prepayments and accrued income | 576 | 423 |
| Tax recoverable | 1,316 | 1,575 |
| Accrued Income | - | 28,400 |
| Amounts owed by subsidiary undertaking | 90,366 | 69,048 |
| | 92,258 | 99,446 |
| Due after more than one year:- | | |
| Amounts owed by subsidiary undertaking | 737,557 | 763,192 |
| | 829,815 | 862,638 |

A formal loan agreement exists between the subsidiary and the charity. The amounts due after more than one year are shown net of a provision against recoverability of £133,879 (2019 £Nil).

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14 Creditors

| | 2020 | 2019 |
|---|---------------|---------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade creditors | 22 | 382 |
| Trustee Loan | 6,000 | 6,000 |
| PAYE and social security | 3,359 | 1,403 |
| Accruals and deferred income | 7,100 | 2,500 |
| | <u>16,481</u> | <u>10,285</u> |
| Amounts falling due after one year: | | |
| Trustee Loan | <u>25,000</u> | <u>25,000</u> |
| | <u>25,000</u> | <u>25,000</u> |

15 Members' liability

The company is limited by guarantee. At 31 December 2020 there were 7 members, whose maximum liability in the event of the company being wound up is £10 each.

16 Control

The company is under the control of its Trustees.

The Island Trust Limited

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Notes to the financial statements

17 Funds

2020

| | 1 Jan 2020 | Incoming resources | Expenditure | Transfer | 31 Dec 2020 |
|--|-----------------------|-----------------------|-------------------------|------------------|-----------------------|
| | £ | £ | £ | £ | £ |
| The Frank Jackson Foundation | 15,000 | 15,000 | - | (15,000) | 15,000 |
| The Frank Jackson Foundation - Capital | 350,105 | - | - | (25,775) | 324,330 |
| Sailing courses | 49,506 | 43,050 | (1,200) | - | 91,356 |
| Boat refit costs | - | 8,000 | - | (8,000) | - |
| Equipment | 500 | 3,000 | - | (3,500) | - |
| Next Step Appeal (formerly new boat appeal) | 35,073 | 28,400 | - | (63,473) | - |
| Peter Harrison Foundation | 28,700 | - | - | (1,200) | 27,500 |
| Coronavirus Covid-19 support | - | 173,190 | (76,406) | (16,986) | 79,798 |
| | <u>478,884</u> | <u>270,640</u> | <u>(77,606)</u> | <u>(133,934)</u> | <u>537,984</u> |
| Unrestricted funds | 378,002 | 187,743 | (274,956) | 133,934 | 424,723 |
| Total funds | <u><u>856,886</u></u> | <u><u>458,383</u></u> | <u><u>(352,562)</u></u> | <u><u>-</u></u> | <u><u>962,707</u></u> |

2019

| | 1 Jan 2019 | Incoming resources | Expenditure | Profit/(loss) on Investments/ Transfer | 31 Dec 2019 |
|---|-----------------------|-----------------------|-------------------------|--|-----------------------|
| | £ | £ | £ | £ | £ |
| The Frank Jackson Foundation | 15,000 | 15,000 | (15,000) | - | 15,000 |
| The Frank Jackson Foundation - Capital | 375,880 | - | - | (25,775) | 350,105 |
| Sailing courses | 30,330 | 111,525 | (92,349) | - | 49,506 |
| Boat refit costs | - | - | - | - | - |
| Equipment | 5,000 | 10,000 | (14,500) | - | 500 |
| New boat appeal | - | 35,073 | - | - | 35,073 |
| Peter Harrison Foundation | 29,900 | - | - | (1,200) | 28,700 |
| | <u>456,110</u> | <u>171,598</u> | <u>(121,849)</u> | <u>(26,975)</u> | <u>478,884</u> |
| Unrestricted funds | 412,890 | 189,454 | (251,317) | 26,975 | 378,002 |
| Total funds | <u><u>869,000</u></u> | <u><u>361,052</u></u> | <u><u>(373,166)</u></u> | <u><u>-</u></u> | <u><u>856,886</u></u> |

Restricted funds represent money received by the charity subject to conditions requiring the charity to spend the money on specified purposes.

Monies received from The Frank Jackson Foundation were specified for the building of a boat. The boat is held as an asset in Island (Cutter) Limited, the charity's subsidiary company. A transfer will be made each year releasing the depreciation on the asset to unrestricted funds.

The Island Trust Limited

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Notes to the financial statements

17 Funds (continued)

Monies received from the Peter Harrison Foundation were restricted for the purposes of the new boat purchase, this has therefore been recorded as restricted. The boat is held as an asset in Island (Cutter) Limited, the charity's subsidiary company. A transfer will be made each year releasing the depreciation on the asset to unrestricted funds.

Donor Acknowledgements

Incoming resources in respect of sailing courses include:

| | |
|------------------------------------|---------|
| The Norman Family Charitable Trust | £1,000 |
| The Steel Charitable Trust | £5,000 |
| The Northbrook Community Trust | £7,150 |
| The Whirlwind Charitable Trust | £10,000 |

Incoming resources in respect of equipment include:

| | |
|--------------------|--------|
| The DWF Foundation | £3,000 |
|--------------------|--------|

Incoming resources in respect of boat refit costs and the Next Step Appeal include awards from:

The Swire Charitable Trust - Moosk
Reardon Smith Nautical Trust – Johanna Lucretia

Incoming resources in respect of Coronavirus Covid-19 support include:

| | |
|--|---------|
| The National Lottery Heritage Fund | £9,500 |
| Sport England Grant | £10,000 |
| The National Lottery Heritage Fund – Culture Recovery Fund | £71,190 |
| The National Lottery Community Fund | £75,000 |

18 Related parties

At 31 December 2020, £961,802 (2019: £832,240) was owed to the parent charity by its subsidiary (before a provision of £133,879). A formal loan agreement exists between the charity and the Island (Cutter) Limited. Interest is to be paid on the loan at 2% above the base rate of Lloyds Bank, as varied from time to time. During the year £20,285 (2019: £24,093) has been received.