

The Island Trust Limited
(Limited by Guarantee)

Unaudited Annual Report

Year ended 31 December 2021

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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Year ended 31 December 2021

Trustees' Annual Report

The trustees present their annual report and financial statements of the charitable company for the year ended 31 December 2021. 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

After a delayed start to the 2021 sailing season due to the ongoing Covid-19 restrictions, we joyously began sailing again in May. Our first voyages were with five local primary schools as part of The Spirit of Adventure project, giving children from Plymouth the chance to enjoy hands-on adventures aboard traditional wooden sailing ships. We sailed alongside three other sailing organisations as part of the delayed Mayflower 400 Ocean Festival. Spirit of Adventure connected children with both the Mayflower story and the ocean. It gave many children, including disadvantaged, some living in poverty, children in care and young carers, the chance to go sailing in Plymouth Sound on ships that, ordinarily, they would not have access to.

With Covid adjustments to our procedures and, in the first few weeks, reduced numbers of young people on board, we sailed through to the end of the season in October. We successfully sailed with close to 600 young people who joined us for a range of day voyages and week-long residential voyages. Our popular specialist day sailing voyages for disabled young people on the Ocean Discoverability programme also re-started in May, enabling 87 young people to enjoy the experience of sailing and explore marine life.

We introduced our beneficiaries to many destinations along the southwest coast, exploring in Cornwall down to Fowey and Falmouth and, on one voyage, sailing around Land's End onwards to St Ives and Carbis Bay, anchoring amidst all the military ships keeping an eye on the G7 summit! They then sailed on to join the Seafair Haven Festival at Milford Haven, Wales. Other voyages took young people east, calling in on our wonderful Devon coves, bays and estuaries, and onwards to participate in the Association of Sail Training Organisations (ASTO) small ships race off the Isle of Wight, safely navigating stormy seas.

The number of home educated students sailing with us continues to grow. Some of these young people may have a learning disability or difficulty which makes attending mainstream school difficult, whilst for others the benefit of exercising their independence, facing fresh challenges and camaraderie amongst fresh faces broadens their life experiences. Such are the pleasures of a sailing adventure at sea!

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2. Achievements and performance (continued)

Some schools and groups were unable to join us in 2021 due to the restrictions but we look forward to welcoming them back in future years. To re-coup lost revenue and to avoid gaps in our sailing schedule we temporarily increased the number of commercial sailing voyages including the introduction of a very successful adult wild swimming voyage. These all helped to raise funds to support our charitable aims. That said, as we write this review part way through 2022, fundraising has become fiercely competitive as a direct result of the Covid-19 pandemic, so we are working ever harder to seek funding to support our much-needed work.

3. Financial Review

Results

The Trust's income decreased from £458,383 in 2020 to £329,440 in 2021. In 2020 the Trust received much Covid related support from Sport England, The National Lottery Heritage Fund and The National Lottery Community Fund. In 2021 this support continued in the early part of the year but was curtailed as our operations returned close to normal after a delayed start to the season. As voyages for beneficiaries restarted, we returned to relying on funding from our traditional sources – charities that support our activities, donations from individuals and voyage fees from those who come sailing with us.

In the early part of 2021, the Covid support funding received by the Island Trust was made available to our operating subsidiary Island (Cutter) Ltd through a direct grant of £168,060. These funds were used to cover operating costs that would, in a normal year, be covered by funding from the traditional sources mentioned above. Thus 2021 was something of a transition year as Covid support funding in the early part of the year was replaced by funding from traditional sources as we were able to resume sailing operations.

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, plus a new partnership with The Ironmongers' Company.

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.

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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 2021 the trust had free reserves of £343,926 (2020: £424,081). 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 £132,195 at the end of 2021, down from £173,731 at the end of 2020.

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 2021 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.

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Trustees' Annual Report

8. Structure, governance and management (continued)

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) S W Arnold C E Cleaves
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	17 Halyards Topsham EXETER EX3 0JU
Registered Number	3107339
Registered Charity Number	1049722

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;

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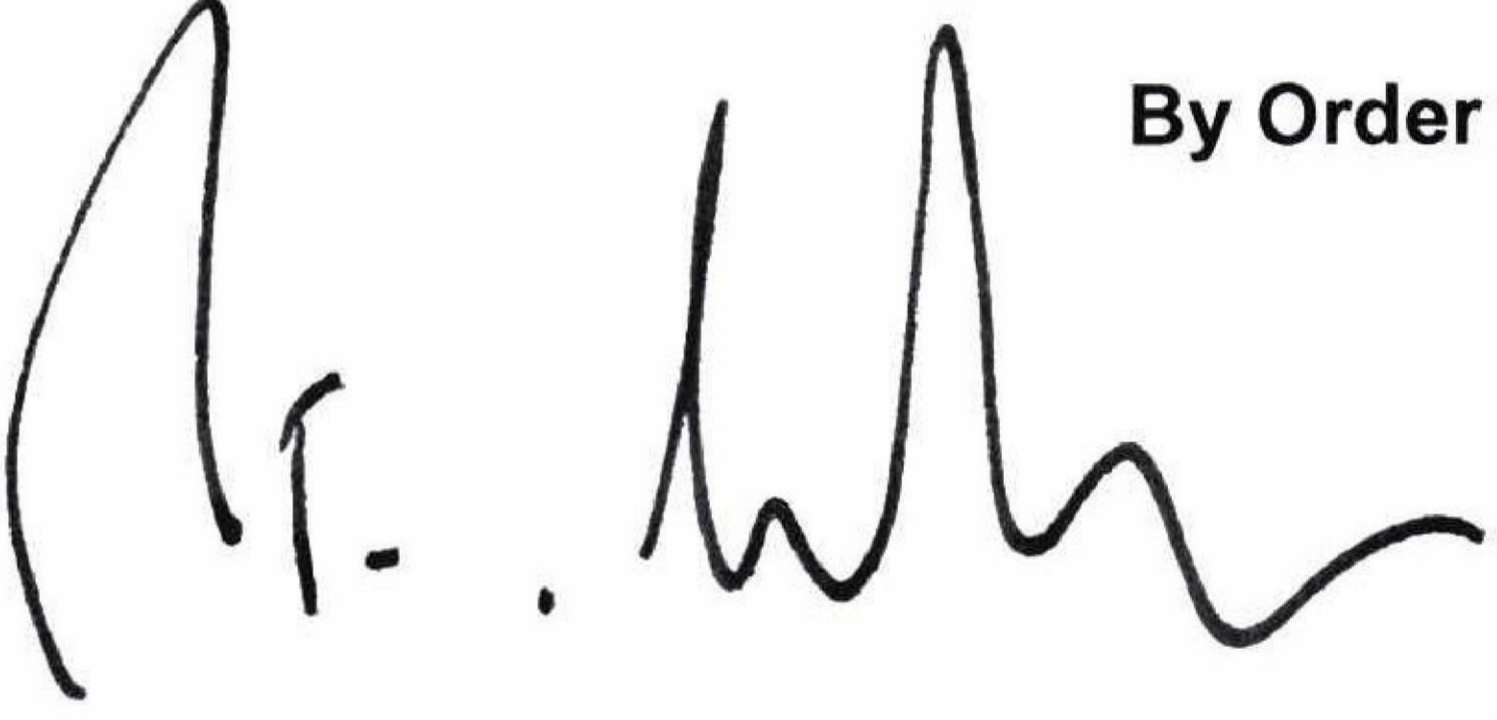
Trustees' Annual Report

- 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

24 August 2022

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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 2021.

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

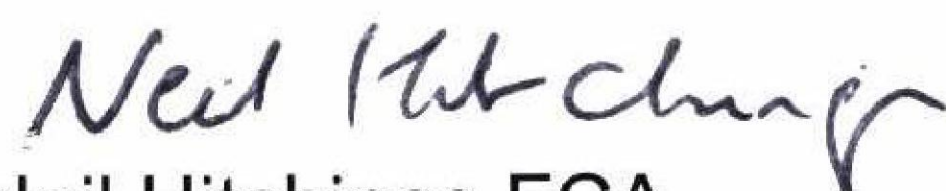
Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

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

30/8/22

The Island Trust Limited
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Statement of Financial Activities
(incorporating the Income and Expenditure Account)

		Restricted funds £	Unrestricted funds £	2021 Total funds £	2020 Total funds £
INCOME	Notes				
Donations and legacies	4	176,573	51,810	228,383	395,356
Income from charitable activities	5	-	75,181	75,181	36,053
Income from other trading activities	6	-	6,449	6,449	6,680
Investment income	7	-	19,427	19,427	20,294
Total income		176,573	152,867	329,440	458,383
EXPENDITURE					
Cost of raising funds		-	29,013	29,013	7,930
Expenditure on charitable activities					
Sailing courses for beneficiaries		79,881	129,036	208,917	68,843
Grants payable		150,696	17,364	168,060	141,910
Other costs		-	100,000	100,000	133,879
Total expenditure	8	230,577	275,413	505,990	352,562
Net Income/(expenditure) for the year		(54,004)	(122,546)	(176,550)	105,821
Transfers between funds	17	(42,415)	42,415	-	-
Net movement in funds		(96,419)	(80,131)	(176,550)	105,821
Reconciliation of funds					
Total funds brought forward		537,984	424,723	962,707	856,886
Total funds carried forward		441,565	344,592	786,157	962,707
2021				2021 £	2020 £
Represented by:					
Fixed assets		-	666	666	642
Current assets (including debtors over one year)		441,565	375,369	816,934	1,003,546
Liabilities		-	(31,443)	(31,443)	(41,481)
		441,565	344,592	786,157	962,707
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

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	2021 £	2020 £
Fixed assets			
Tangible assets	11	665	641
Investments - unlisted	12	1	1
		<u>666</u>	<u>642</u>
Current assets			
Debtors	13	90,794	92,258
Debtors due after more than one year	13	593,945	737,557
Cash at bank and in hand		132,195	173,731
		<u>816,934</u>	<u>1,003,546</u>
Creditors - Amounts falling due within one year	14	(31,443)	(16,481)
Net current assets		<u>785,491</u>	<u>987,065</u>
Total assets less current liabilities		<u>786,157</u>	<u>987,707</u>
Creditors - Amounts falling due after one year	14	-	(25,000)
Net assets		<u><u>786,157</u></u>	<u><u>962,707</u></u>
The Funds of the Charity			
Income funds			
Restricted funds	17	441,565	537,984
Unrestricted funds	17	344,592	424,723
Total charity funds		<u><u>786,157</u></u>	<u><u>962,707</u></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 **24 August 2022** and are signed on their behalf by:

R F LLOYD
Trustee

Registered Company Number: 3107339

The Island Trust Limited

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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 Trustees do not believe that there are material uncertainties in relation to 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

(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.

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Notes to the financial statements

1 Accounting policies (continued)

(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

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.

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Notes to the financial statements

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 2021, extracted from its accounts, are shown below:

	2021	2020
	£	£
Turnover and other income	528,337	229,237
Cost of sales and administration costs	(502,783)	(423,549)
Interest payable	(20,636)	(21,202)
	<u>4,918</u>	<u>(215,514)</u>
Profit/(Loss) for the financial year	<u>4,918</u>	<u>(215,514)</u>
The assets and liabilities of the subsidiary were:		
Tangible fixed assets	703,274	752,076
Current assets	25,471	29,005
Current liabilities	(134,314)	(142,123)
Creditors due after more than one year	(871,990)	(921,435)
	<u>(277,559)</u>	<u>(282,477)</u>
Aggregate share capital and reserves - deficiency	<u>(277,559)</u>	<u>(282,477)</u>

4 Donations and legacies

	2021	2021	2021	2020
	Restricted	Unrestricted	Total	Total
	Funds	Funds	£	£
	£	£	£	£
Donations	176,573	51,497	228,070	390,356
Legacies	-	313	313	5,000
	<u>176,573</u>	<u>51,810</u>	<u>228,383</u>	<u>395,356</u>

Of the £228,383 (2020: £395,356) income from donations and legacies in 2021, £176,573 (2020: £270,640) were restricted funds and £51,810 (2020: £124,716) were unrestricted.

5 Income from charitable activities

	2021	2021	2021	2020
	Restricted	Unrestricted	Total	Total
	Funds	Funds	£	£
	£	£	£	£
Sailing activities	-	75,181	75,181	36,053
	<u>-</u>	<u>75,181</u>	<u>75,181</u>	<u>36,053</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

	2021 Restricted Funds £	2021 Unrestricted Funds £	2021 Total £	2020 Total £
Fundraising events	-	6,449	6,449	6,680
	-	6,449	6,449	6,680

7 Investment income

	2021 Restricted Funds £	2021 Unrestricted Funds £	2021 Total £	2020 Total £
Dividends	-	-	-	-
Interest	-	19,427	19,427	20,294
	-	19,427	19,427	20,294

All comparative income was unrestricted.

8 Expenditure

	2021 Restricted Funds £	2021 Unrestricted Funds £	2021 Total £	2020 Total £
Sailing expenses	79,881	84,971	164,852	2,255
Depreciation	-	166	166	102
Support costs (Note 8a)	-	72,912	72,912	74,416
Grants payable – Covid19 support paid to subsidiary	150,696	17,364	168,060	141,910
Other costs – provision against amounts due from subsidiary	-	100,000	100,000	133,879
	230,577	275,413	505,990	352,562

For the year ended 31 December 2021 expenditure on charitable activities (including grants payable) was £376,977 (2020: £210,753) of which £146,400 (2020: £133,147) was unrestricted and £230,577 (2020: £77,606) was restricted. Cost of raising funds of £29,013 (2020: £7,930) was 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:

	2021	2021	2021	2020
	Sailing	Costs of	Total	Total
	Activities	raising funds		
Support costs	£	£	£	£
Wages	35,586	26,937	62,523	57,500
Printing, postage and stationery	805	-	805	1,242
Running expenses	3,087	-	3,087	3,056
Travel and subsistence	196	-	196	345
Bank charges	110	-	110	111
Campaign costs	-	267	267	16
Donation collection costs	-	112	112	108
Subscriptions	-	290	290	290
Fundraising	-	825	825	7,497
PR & Marketing	-	389	389	-
Miscellaneous	-	193	193	19
<i>Governance costs:</i>				
Accountancy and legal	4,115	-	4,115	4,232
	<u>43,899</u>	<u>29,013</u>	<u>72,912</u>	<u>74,416</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 (2020: £nil reimbursed expenses). The key management personnel of the Trust comprise the trustees.

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Notes to the financial statements

11 Fixed assets – tangible

	Fixtures & fittings £	Total £
Cost		
At 1 January 2021	9,159	9,159
Additions	190	190
At 31 December 2021	9,349	9,349
Depreciation		
At 1 January 2021	8,518	8,518
Charge for the year	166	166
At 31 December 2021	8,684	8,684
Net book value		
At 31 December 2021	665	665
At 31 December 2020	641	641

12 Investments

	£
Unlisted investments	
Subsidiary undertaking at cost	
As at 1 January 2021 and 31 December 2021	1

The unlisted subsidiary undertaking is Island (Cutter) Limited whose principal activity is the operation of three boats. Its registered office is 17 Halyards, Topsham, Exeter, EX3 0JU. The Island Trust Limited owns 100% of the subsidiary's ordinary shares.

13 Debtors

	2021 £	2020 £
Due within one year:-		
Prepayments and accrued income	478	576
Tax recoverable	1,473	1,316
Accrued Income	-	-
Amounts owed by subsidiary undertaking	88,843	90,366
	90,794	92,258
Due after more than one year:-		
Amounts owed by subsidiary undertaking	593,945	737,557
	684,739	829,815

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 £233,879 (2020 £133,879).

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Notes to the financial statements

14 Creditors

	2021 £	2020 £
Amounts falling due within one year:		
Trade creditors	552	22
Trustee Loan	25,000	6,000
PAYE and social security	3,191	3,359
Accruals and deferred income	2,700	7,100
	<u>31,443</u>	<u>16,481</u>
Amounts falling due after one year:		
Trustee Loan	-	25,000
	<u>-</u>	<u>25,000</u>

15 Members' liability

The company is limited by guarantee. At 31 December 2021 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

(Limited by Guarantee)

31 December 2021

Notes to the financial statements

17 Funds

2021

	1 Jan 2021 £	Incoming resources £	Expenditure £	Transfer £	31 Dec 2021 £
The Frank Jackson Foundation	15,000	-	-	(15,000)	-
The Frank Jackson Foundation - Capital	324,330	-	-	(25,775)	298,555
Sailing courses	91,356	49,684	(79,881)	-	61,159
Boat refit costs	-	-	-	-	-
Equipment	-	440	-	(440)	-
Next Step Appeal (formerly new boat appeal)	-	-	-	-	-
Peter Harrison Foundation	27,500	-	-	(1,200)	26,300
Coronavirus Covid-19 support	79,798	126,449	(150,696)	-	55,551
	<u>537,984</u>	<u>176,573</u>	<u>(230,577)</u>	<u>(42,415)</u>	<u>441,565</u>
Unrestricted funds	424,723	152,867	(275,413)	42,415	344,592
Total funds	<u><u>962,707</u></u>	<u><u>329,440</u></u>	<u><u>(485,871)</u></u>	<u><u>-</u></u>	<u><u>786,157</u></u>

2020

	1 Jan 2020 £	Incoming resources £	Expenditure £	Profit/(loss) on Investments/ 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>

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

(Limited by Guarantee)

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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:

Ovingdean Hall Foundation Grant	£2,000
The Eveson Charitable Trust	£2,200
TKF Spirit Fund	£7,080
The Whirlwind Charitable Trust	£10,000

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

The National Lottery Heritage Fund	£9,710
The Rank Foundation	£13,874
The National Lottery Heritage Fund – Culture Recovery Fund	£95,150

18 Related parties

At 31 December 2021, £916,667 (2020: £961,802) was owed to the parent charity by its subsidiary (before a provision of £233,879). 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 £19,417 (2020: £20,285) has been received.