



The Harbour

Fortrose

Ross-shire

IV10 8TP

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[www.chanonry.org.uk](http://www.chanonry.org.uk)

## **TRUSTEES' ANNUAL REPORT 16 SEPTEMBER 2019 TO 30 SEPTEMBER 2020**

The trustees have pleasure in presenting their report together with the financial statements for the year 16 September 2019 to 30 September 2020.

### **Reference and Administrative Information**

#### **Trustees**

James Dargie (Commodore)  
David Finlayson (Treasurer)  
Helen Jenner (Club Secretary)  
Richard Evans  
Richard Jenner  
Janet Witheridge

#### **Advisors**

Solicitors: Mr Joe Duncan, Solicitor and Notary Public, Anderson Shaw and Gilbert, 20 Church Street, Inverness, IV1 1ED

Bankers: Bank of Scotland

Independent Examiner: Mr Cliff Sim, 26 Uist Road, Inverness, IV2 3LZ.

### **Structure, Governance and Management**

#### **Constitution**

The Charity is a Scottish Charitable Incorporated Organisation (SCIO). It was registered on 16 September 2019 with intention of taking on the assets, liabilities and activities of the unincorporated Community Amateur

Sports Club also called Chanonry Sailing Club. It has a two-tier structure with both members and charity trustees.

## **Appointment of Trustees**

The Board, which meets around six times per year, are the charity's trustees. There are three office bearers: Commodore; Treasurer and Club Secretary. In addition, there are up to eight general Board members. Membership of the Board is open to members aged 18 or over. Trustees are elected by the membership at the annual general meeting, which is normally held in December. There must be a minimum of five and a maximum of eleven trustees.

## **Objectives and Activities**

### **Charitable Purposes**

The purposes of the organisation are:

- The advancement of the public participation in water sports
- The provision of recreational facilities
- The advancement of the heritage of Fortrose harbour

### **Activities and Achievements**

This is our first annual report to OSCR. In this report, the trustees explain actions they have undertaken to establish the SCIO, the activities the Club has undertaken in support of its three charitable purposes and the trustees' priorities moving forward. The statement of annual accounts and the independent examiner's certificate are included.

In common with so many other organisations that operate chiefly through the physical gathering of members, our activities were severely curtailed from 24 March 2020 onwards resulting from measures to reduce the spread of the C-19 virus. Nevertheless, we were able to advance all our charitable purposes. We were successful in obtaining a grant of £10,000 from the Highland Council to mitigate the impact of Covid 19 and around half of this was spent directly in adapting to the virus with the rest held in reserve for business continuity. We have been well supported with advice from both the Royal Yachting Association, Scotland (RYAS) and the Scottish Coastal Rowing Association (SCRA). Considerable effort has been expended by the Club Covid Focus Group to produce and adapt guidance as the situation has evolved to support some responsible activity when permitted.

## **Actions to Establish the SCIO**

The SCIO was established to allow the assets and activities undertaken by the unincorporated association, and Community Amateur Sports Club, (Chanonry Sailing Club) to be held and delivered by the incorporated charity (Chanonry Sailing Club SCIO). This will provide a more appropriate legal form for the Club, provide public benefit, and reduce the personal liabilities of Board members. For this first year of transition the charity trustees are also committee members of the association. Once the transfers have been completed the association will be wound up.

Following the granting of SCIO status, the Trustees:

- a. Obtained quotes and engaged a solicitor (Mr Joe Duncan, Anderson Shaw and Gilbert) to represent the SCIO in the conveyancing of the Clubhouse deeds and the assignment of the Harbour & environs lease.
- b. Compiled an assets' register.
- c. Invited all members of the old association to join the SCIO in early 2020; the vast majority accepted the invitation.
- d. Produced a good governance document for SCIO trustees.
- e. Updated the website to reflect SCIO status.
- f. Ensured that communication reflected the SCIO status.
- g. Opened a new charity bank account for the SCIO as the Treasurer's Account, Chanonry Sailing Club, Bank of Scotland.
- h. Accepted £38,000 from the association bank account to the SCIO account with a view to the majority of financial transactions transferring to the SCIO account.
- i. Linked the association PayPal account with the SCIO bank account.
- j. Changed the contracts for utilities, rates and refuse, cleaning, insurance, Crown Estate fees from the association to the SCIO.

**Deeds & Lease.** The Clubhouse deeds were exhumed from a solicitor's safe where they had languished for over 40 years. The deeds are written as two Feu Charters granted by the (defunct) Fortrose Council, the more recent in 1974. The deeds contain a 'pre-emption' clause which in effect required the old association to offer the Clubhouse as a 'first refusal' to the Council if it was being sold or disposed, at the same price.

As the intention of the old association was to 'dispone' of the Clubhouse at no cost to the SCIO, the matter was raised with the Highland Council on 16 December 2019 asking them to waive the pre-emption clause in this instance. The matter is still being resolved and this is one reason why the old association has yet to be wound-up. We commissioned a survey to establish the boundary of the feu and this was accepted by the Land Registry.

The second matter that has held-up the transfer of assets from the old association, is the assignment of the lease from the Highland Council that covers the harbour, slipway and dinghy park. While the Council has agreed that assignment (from the old association to the SCIO) was acceptable, the Council has been unable to locate their title which has held-up registration with the Land Registry. However, we have commissioned a survey to establish the boundary of the lease and this was accepted by the Land Registry.

## **Activities in Support of our Charitable Purposes**

### **Advancement of Public Participation in Water Sports**

We ran an autumn dinghy racing programme and finished 2019 with the Cold Turkey race on 27 December. Until the first lockdown on 24 March 2020, the coastal rowers were active several times most weeks and offered free taster sessions. Two days of training for the rowers were organised in March and the first was delivered but the other was cancelled at lockdown.

All activity at the Club ceased on 24 March. The Board took out a Zoom licence and continued to meet 'virtually' on a regular basis. As summer approached, the decision was made not to crane-in the cruising yachts in 2020; apart from the physical distancing issues, the moorings had not been reinstated. With restrictions easing in July, we had a recreational sailing trial on 5 July. Prior to that, the Clubhouse had been equipped with sanitizer stations, a small Covid kit had been prepared for each safety boat and a protocol for launching & recovering the safety boats (a manual task for 5 adults) had been devised that met the physical distancing requirements. Safety boats were crewed by volunteers from the same household. The trial was a success and weekly recreational sailing commenced. On the same day as the trial, the coastal rowers took part in a virtual row around Scotland. The 2-metre rule prevented actual rowing for much of the summer unless a single household could provide a crew of 4 or 5. A work party refurbished the race marks on 18 July in anticipation of a return to dinghy racing.

A reduced 'junior week' was run from 20-24 July; physical distancing requirements prevented total beginners from taking part and with changing

rooms and the Clubroom closed, activities were restricted to afternoons only. However, 11 sailors took part, and it was deemed very worthwhile in a summer where most junior activities had been cancelled. Fortnightly evening sailing for the juniors ('Dolphins') followed on.

We hosted a Dinghy Instructor (DI) course from 17 – 20 August; this had originally been scheduled for May. There had been extensive behind the scenes activity with RYAS to make this possible and it was a reduced syllabus that covered single-handed sailing only. The new DIs will need a 2-day follow-on module when permitted to obtain the full ticket that covers two-handed sailing. There were four Chanonry and one external student on the course and the DIs will help deliver training to new members in 2021 (the Club received around three times the normal enquiries from adults wishing to learn to sail in 2020). The course costs were subsidized by the Club.



DI Course

A relaxation in the 2-metre rule (with mitigation) allowed the coastal rowers to return to activity on 27 August. Informal dinghy racing started on 13 September.

### **Provision of Recreational Facilities**

Prior to lockdown, the Club held a successful Burns night on 24 January and a fund-raising quiz on 6 March. The Clubhouse was used by the Inverness Canoe Club for winter training and the Black Isle Men's Shed for general interest talks.

The Club bought a 2<sup>nd</sup> hand table tennis table for the Clubroom which proved popular before lockdown.

Grounds maintenance around the harbour re-started on 21 July by Club volunteers. The harbour environs are popular with locals and visitors and much work was done to tidy-up the area.

A working group produced several options to allow the launching of the Club safety boats by a single household so that more sailing could be supported outside of the formal programme. Having looked at winches, motor movers, small towing vehicles, the preferred option was to provide a small and light inflatable boat with engine on launch wheels. The Board agreed the purchase of such a boat using a significant part of the Covid grant (£3,634) and the boat, named 'Meikle' was purchased on 3 August and commissioned on 10 August. Conversion training (physically distanced) was arranged for those not used to a tiller drive and a relatively powerful engine. This facility has proved to be a good addition permitting a new activity known as Member Organised Activity (MOA) utilizing an on-line booking system.



Meikle under test



## **Advancement of the heritage of Fortrose harbour**

History talks were given to the Nairn Literary Society (11 October & 6 March, bookending their season) and the Marybank over 55s Club (7 November).

A group of mainly Club members researched the history of Fortrose, Rosemarkie & Avoch in World War 2 for a display in the local library. This included much harbour history. Unfortunately, the community library has not been open to the public as it is also the Fortrose Academy library however, the display Boards have been made available on-line as PDFs in a Facebook group.

## **Financial Review**

In this oddest of years, it may be to the surprise to report another successful year, at least in financial terms, for the Club.

Membership subscriptions decreased slightly at £10,627, being only £221 less than last year. This is however still a continuing downward trend from the high point of nearly £14,000 in 2016.

Other normal sources of income are substantially reduced due to the enforced restrictions in activity, especially in social and training.

The Club, however, benefited from a grant of £10,000 from the unrestricted, small business Covid 19 grant, administered by Highland Council. Its purpose was to help the retail and leisure industry mitigate against the effects of the Covid 19 pandemic on their activities. Specific cost associated with Covid 19 mitigation have included additional cleaning materials to comply with the regulations. The Club also acquired a light support boat at the cost of £3,634 that can be launched and recovered single handed, and, if necessary, operated single-handed, to enable sailing with a low number of participants. The remainder of the grant (£5,475) has been retained to mitigate against the effects of the Covid 19 pandemic to the Club in the coming year(s).

On the expenditure side, the restriction in activity due to Covid 19 has led to expected reductions in sailing, fuel, mooring, cleaning, electricity and catering expenses. Funds have been spent on renewing a harbour guard rail.

Crown Estates (CE) fees were not billed until after the close of our financial year and will appear in next year's accounts. They would ordinarily be recouped by mooring fees however, the committee agreed that it would be appropriate, particularly in view of the Covid 19 grant, for the Club to pay

these for 2020. The CE however have agreed to invoice only for the three ground chains in place.

At the year-end there was a net surplus of £6,385.

### **Trustees remuneration and expenses**

The trustees did not receive any remuneration or expenses during the year.

### **Reserves Policy**

The trustees have identified the need for reserves designated from unrestricted funds. The policy is reviewed annually at the end of the financial year. The reserves policy will be updated on 15 March 2021.

### **General reserves**

The trustees believe that around six months of annual expenditure, including routine maintenance and replacement of equipment, is an appropriate level of reserves to cover timing of differences between receipts and payments, allow for any unexpected items of expenditure or reduction of income, meet contractual obligations and respond to unexpected opportunities that can further our aims. Annual expenditure was £19,760 in this financial year and the general reserve of £10,000 meets the policy.

### **Safety boat reserve**

The trustees recognise the need to hold reserves to cover the replacement costs of our safety boats when they come to the end of their working lives. We have two Humber RIBS, Ness (purchased 3 July 2007, reengined 29 February 2016) and Beaully (purchased 12 March 2010) and a light support boat, Meikle (purchased 2020). We expect the Humbers to have a working life of around 20 years and a replacement cost of around £20,000. The safety boat reserve policy adds £2,000 annually to the reserve. The reserve stands at £18,275.

### **Moorings reserve**

There is currently a small sum (£322) in the mooring reserve. The trustees will review the policy for a moorings reserve in 2021.



## **Trustees' Priorities**

Moving forward, the trustees' priorities are:

- a. To hold an AGM in December 2020 (by Zoom) and to elect more trustees to the Board.
  - b. To complete the conveyancing of the Clubhouse deeds and the assignment of the Harbour and environs lease, leading to the wind-up of the old association.
  - c. To complete a Club Development Plan with the involvement of the membership that will guide the Club in furthering its charitable purposes.
  - d. To support as much activity as the Covid regulations will allow.
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**Approved by the trustees and signed on their behalf by:**

**Helen R Jenner, Club Secretary**

**Date: 06 March 2021**

# **Independent Examiner's Report on The Accounts**

Report to the trustees/members of Chanonry Sailing Club

Registered Charity Number SC049615

Period Start Date: 01 October 2019 to 30 September 2020

Set out on pages 12 to 14 below

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) 2005 Act and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. 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 seeks 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 view given by the accounts.

In the course of my examination, no matter has come to my attention [other than that disclosed on the attached page\* nil]

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
  - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed: C G Sim

Name: Clifford Grant Sim

Relevant professional qualification(s) or body (if any):

Fellow of Chartered Bankers Institute

Date: 18 February 2021

Address: 26 Uist Road, Inverness, IV2 3LZ

# Statement of Accounts

## Statement of receipts and payments

<b>Income and Expenditure Account - 30 September 2020</b>									
	Unrestricted					Restricted			
	General	Training	Social	Skiff No 1	Moorings Fund		2020 Total	2019 Total	
<b>Income</b>									
Membership dues	10,627	-	-	-	-	-	10,627	10,848	
Mooring lease rental	-	-	-	-	-	-	0	-	
Mooring lease sales	-	-	-	-	-	-	0	-	
Harbour dues	355	-	-	-	-	-	355	389	
Sailing Event income	15	-	-	-	-	-	15	785	
Craning fees	581	-	-	-	-	-	581	1,192	
Equipment sales	36	-	-	-	-	-	36	184	
Donations/Sponsorship	327	-	-	-	-	-	327	475	
Grants received	10,000	-	-	-	-	-	10,000	-	
Sundry income	-	-	-	-	-	-	0	75	
Bank interest received	-	-	-	-	-	-	0	-	
Training income	-	863	-	-	-	-	863	3,700	
Catering and Social event income	-	-	1,950	-	-	-	1,950	2,975	
Room hire	-	-	260	-	-	-	260	268	
Crown Estate dues	-	-	-	-	-	-	0	320	
Trot maintenance fees	-	-	-	-	740	-	740	4,049	
Skiff grants and donations	-	-	-	45	-	-	45	-	
Fuel Duty Refund	346	-	-	-	-	-	346	374	
<b>Income Totals</b>	<b>22,287</b>	<b>863</b>	<b>2,210</b>	<b>45.00</b>	<b>740</b>	<b>-</b>	<b>26,145</b>	<b>25,634</b>	
<b>Expenditure</b>									
Craning expenses and insurance	670	-	-	-	-	-	670	1,246	
Maintenance, repairs and replacements									
Clubhouse	847	-	-	-	-	-	847	463	
Equipment	607	-	-	-	-	-	607	480	
Harbour etc	1,180	-	-	-	-	-	1,180	110	
Safety boat expenses and fuel	4,088	-	-	-	-	-	4,088	2,386	
Sailing and racing expenses	395	-	-	-	-	-	395	1,165	
Rent, rates and refuse collection	417	-	-	-	-	-	417	318	
Insurance	4,847	-	-	-	-	-	4,847	4,779	
Cleaning	432	-	-	-	-	-	432	1,272	
Electricity	831	-	-	-	-	-	831	1,012	
Printing, postage and stationery	96	-	-	-	-	-	96	140	
Website maintenance	171	-	-	-	-	-	171	131	
Grants re-distributed	-	-	-	-	-	-	0	-	
Subscriptions and memberships	525	-	-	-	-	-	525	570	
Paypal and bank charges	355	-	-	-	-	-	355	382	
Sundry expenses	475	-	-	-	-	-	475	333	
Training assets	-	324	-	-	-	-	324	322	
Training materials	-	890	-	-	-	-	890	1,099	
Catering supplies	-	-	715	-	-	-	715	1,834	
Licences	-	-	30	-	-	-	30	50	
Crown Estate fees	-	-	-	-	-	-	0	680	
Moorings repairs and maintenance	-	-	-	-	1,440	-	1,440	2,682	
Skiff expenditure	-	-	-	425	-	-	425	403	
<b>Expenditure Totals</b>	<b>15,936</b>	<b>1,214</b>	<b>745</b>	<b>425</b>	<b>1,440</b>	<b>-</b>	<b>19,760</b>	<b>21,857</b>	
<b>Net surplus/(deficit)</b>	<b>6,351</b>	<b>(351)</b>	<b>1,465</b>	<b>(380)</b>	<b>(700)</b>	<b>-</b>	<b>6,385</b>	<b>3,777</b>	

## Statement of balances

<b>Balance Sheet - as at 30 September 2020</b>								
<b>RESERVES</b>								
		<b>UNRESTRICTED</b>				<b>RESTRICTED</b>	<b>2020</b>	<b>2019</b>
		<b>FUNDS</b>		<b>DESIGNATED FUNDS</b>		<b>FUNDS</b>	<b>Total</b>	<b>Total</b>
			<b>General</b>	<b>Moorings</b>	<b>Safety Boat</b>			
		<b>General</b>	<b>Reserve</b>	<b>Reserve</b>	<b>Reserve</b>			
Opening balance as at 1 Oct 2019		16,841	10,000	1,022	16,275	-	<b>44,138</b>	40,361
Incoming resources		25,405		740	-	-	<b>26,145</b>	25,634
Outgoing resources		(18,320)	0	(1,440)	0	-	<b>(19,760)</b>	(21,857)
Transfers * Note 1		(2,000)	-	-	2,000		-	-
<b>Closing balance as at 30 Sept 2020</b>		<b>21,926</b>	<b>10,000</b>	<b>322</b>	<b>18,275</b>	<b>-</b>	<b>50,523</b>	44,138
* Note 5 Transfer of £2,000 from unrestricted funds to Safety Boat Reserve in accordance with agreed policy								
<b>REPRESENTED BY:</b>							<b>2020</b>	<b>2019</b>
	Bank of Scotland account						<b>49,907</b>	44,084
	PayPal account						<b>616</b>	54
	Cash in hand						-	-
							<b>50,523</b>	44,138

**Approved by the trustees and signed on their behalf by:**

**Helen R Jenner, Club Secretary**

**Date: 06 March 2021**

## **Notes to the accounts**

Notes to the accounts - for the year ended 30 September 2020

### **1 Basis of accounting**

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **2 Nature and purpose of funds**

Unrestricted funds are those that may be used at the discretion of the trustees in furtherance of the objects of the charity. The trustees maintain a general unrestricted fund for the day-to-day running of the Club. The Club also maintains designated funds in a General Reserve, Safety Boat Reserve and a Moorings Reserve.

Restricted funds may only be used for specific purposes. Restrictions arise when specified by the donor or when funds are raised for specific purposes. During the year the charity received no restricted donations or grants.

### **3 Related party transactions**

The Club's insurance policy includes Trustee Indemnity Insurance for all its trustees. No other remuneration or expenses were paid to the trustees or any connected persons during the year.

### **4 Grants received**

The Club received an unrestricted Small Business Covid 19 Grant of £10,000 from the Scottish Government, administered by Highland Council. Its purpose is to help the retail and leisure industry mitigate against the effects of the Covid 19 pandemic on their activities.

### **5 Transfers between funds**

There was a transfer of £2,000 from unrestricted funds to the Safety Boat Reserve in accordance with agreed policy.