



AMATEUR YACHT RESEARCH SOCIETY

RESERVES POLICY

Issue 01 dated 22.10.2022 (3 pages)

PURPOSE:

The Amateur Yacht Research Society (AYRS) is a Registered Educational Charity. As such, the Code of Governance requires the Trustees of the Society to disclose a Reserves Policy to indicate the intended future use of the reserves held by the Society. This document is intended to meet that requirement.

DEFINITION OF RESERVES:

The term 'Reserves' is used to describe that part of the Society's funds that is freely available for operating purposes not subject to commitments, planned expenditure and spending limits. Reserves do not include endowment funds, restricted funds and designated funds. (The Society's Balance Sheet dated 1st October 2022 includes £34,729 within a Restricted Fund, this is not part of the reserves of the Society)

AMMOUNT OF RESERVES:

The Society's reserves appear on the Society's annual Balance Sheet as 'Accumulated Fund'. The Balance sheet dated 1st October 2022 states this to be £17,618. The Society's similarly dated Income and Expenditure account indicates expenditure to be £6724, but of this £1358 was spent on creating a full digital archive of all past publications, this is a one-off cost not expected to be incurred in the future. So, without this one-off cost annual expenditure was £5368 giving a ratio of Reserves to annual expenditure of approximately 3.3.

CURRENT USE OF RESERVES

The Society is currently using its Reserves to fund the following activities:

- Publishing the journal 'Catalyst' on a 4 times per annum schedule in both paper and electronic formats.
- Subsidising the costs of holding meetings at which topics relevant to the Society's aims are presented and discussed. All such meetings are open to the Society's members and to the general public. The main cost incurred through holding meetings is venue hire but some meetings are now being held on line or as hybrid meetings incurring the cost of a paid for account with 'Zoom'.

- Stands at exhibitions in order to promote the Society and disseminate information relevant to the Society's aims. The main exhibition at which the Society has exhibited in recent years is the annual RYA Dinghy and Water Sports Show, but attendance at other exhibitions may be considered in the future.
- Maintaining a website, this incurs cost for web hosting and domain registration.
- Public liability insurance appropriate for the activities of the Society
- Support to Weymouth Speedweek (www.speedsailing.com) by funding some of the prizes awarded to competitors. (Weymouth Speedweek is not an event run by the Society but the Society has a long association with this event and the Trustees consider that this event promotes research and development in a field relevant to the aims of the Society)

POLICY FOR FUTURE USE OF RESERVES

As noted above, the amount of the Society's reserves divided by annual expenditure is currently about 3.3. The Trustees consider that to maintain financial stability the aim should be to maintain this ratio generally in the range 2.0 to 4.0.

For forecasting it is assumed that the use of funds will remain broadly as set out in the section above and that expenditure next year will be as for year ended 30 September 2022 less the one-off cost of creating a digital archive, i.e. £5368. On that basis and without allowance for any inflation of expenditure over the year, at 30 September 2023 the accumulated fund will stand at £17,618 – £5368 = £12250 i.e. 2.3 times annual expenditure. The Trustees intend to review the accounts at the end of September 2023 and it is expected that this will show a need to increase subscription levels. The alternative of ceasing any of the main activities of the Society is currently less attractive to the Trustees.

On-paper publishing is a major cost for the Society and for this reason the Society has higher subscription rates for those members who ask for paper copies of the Societies publications than those who ask for only electronic copies. It seems likely that the cost of publishing on paper, including postage costs, will rise more rapidly than the much smaller costs associated with on-line publishing and for this reason the next subscription increase made by the Trustees is likely to be applied only for those members requiring paper copies of publications. Such an increase would be calculated so that the cost of printing and postage is fully covered by the additional subscription charged to members requiring on-paper publications, which is not the case at present.

It is realised that various factors could influence the future finances of the Society. Membership numbers may increase or decrease. The Society may see worthwhile opportunities to further the aims of the Society that would incur costs additional to those of the current activities as listed above. In the longer term, the Trustees intend to monitor the reserves of the Society on an annual

basis and at any AGM to make a change to subscription levels to maintain reserves at between 2.0 and 4.0 times normal annual expenditure.

SUMMARY

It is the intention of the Trustees to continue to monitor the reserves of the Society and make changes to subscription levels with the intention to maintain reserves in the range 2.0 to 4.0 times normal annual expenditure. This policy is subject to annual review by the Trustees.