



From Vice Admiral CR Gardner CBE



## RNSA CHRISTMAS MESSAGE FROM THE COMMODORE

*Dear Members,*

I just wanted to write to update you on our transition to charitable status post the EGM decision, to thank you all for your support on and off the water in what has been another great season and finally to wish you all a merry Christmas and a happy New Year.

Your Committee has been working hard to shape RNSA for a strong long-term future that is able to capitalise on our many strengths and great heritage. The plans as outlined in the paperwork distributed to inform the EGM are firming up nicely and we are on track to establish ourselves as a Charitable Incorporated Organisation (CIO) on 1 Jan 20. I know that a few of you still harbour some concerns and have some residual questions regarding this important step. I have tried to capture these in the Q&A that accompanies this letter. I really do believe we are well placed to move forward and that the future model is to our advantage. It will provide the necessary governance to reflect modern best practice, protection and open up new opportunities. Please be assured that the Committee, future Trustees and the office team are all striving to deliver the optimum solution for RNSA and that this has been cross checked with the appropriate subject matter experts.

This season has been another good one for RNSA with plenty of activity generated by the Branches, a successful NL75 deployment enjoyed in partnership with the RNVRYC and success virtually across the board in the Inter-Services sailing competitions. We also beat the French Navy, did well in a range of high profile regattas and competed strongly in a particularly demanding Fastnet Race. To top all of this off, the RNSA Offshore team was crowned the RN Sports team of the Year for 2019. In parallel, RNSA continues to enable sailing through the RN Sailing Centres and the Branches, with a real focus at the grassroots level. We have also executed an exciting boat replacement programme and next year will be able to introduce the art of foiling! Perfect timing as the Americas Cup starts to generate interest in this particular domain. All this would be impossible without the support of RNSA members and I am most grateful for all the time that volunteers put in as well as those who simply continue to loyally pay their subscriptions. We really do look to use your money wisely, appreciate what you do and remain absolutely focused on maintaining a RNSA that we can enjoy.

Finally, could I offer my season's greetings and hope that you are able to spend some time with your families and friends. Thank you again for your support and I look forward to more success to come next year!

Yours aye,

A handwritten signature in green ink, appearing to be 'CR Gardner'.

## **RNSA TRANSITION TO CIO Q&A**

### **Why can't we stay as we are?**

At RNSA's core is its role as a Service Sports Association and in line with Naval policy we should have a recognised charitable status. Due to the level of income and the scale of our operations, we need to be incorporated. Following careful consideration, the Committee felt that a Charitable Incorporated Organisation (CIO) was the best vehicle to use.

### **Did RNSA seek advice on the optimum way forward?**

Yes, the Central Committee engaged extensively with members over many years as well as seeking legal, financial and policy advice from the appropriate experts.

### **What are RNSA's charitable objects?**

To promote the efficiency of the Royal Navy by the provision of facilities and activities for the sport of sailing to improve health and physical fitness and to promote esprit de corps of serving personnel and promoting the Royal Navy by supporting participation of members of the Naval Cadet Forces.

### **What will change on 1 Jan 20 as a result of this new status?**

RNSA will be a legally recognised entity as opposed to an unincorporated association and in so doing mitigate any potential risk to the MOD and RN as well as staff, volunteers and members of RNSA. Responsibility will be vested in the Trustees and day-to-day management of activity executed through the CEO. RNSA will have a clearer purpose, which will help develop a more robust and sustainable long-term plan for the future of our Association. It will also open up new opportunities, including access to additional sources of potential funds to support Service sailing.

### **What will change for me personally?**

Many members will not see a change in terms of their personal interaction with RNSA. They will still be able to fly the RNSA burgee, blue ensign (where a permit is held), walk into any Yacht Club in the world, receive the Journal, attend Branch led activities, benefit from arranged commercial discounts, enjoy access to moorings (including visitor's buoys), buy RNSA logoed kit, undertake RYA interactive courses at a discounted rate, continue to support serving personnel in participating in the sport of sailing and above all be part of a proud Service Sailing Association. What is different is that RNSA will only be permitted to spend money on its beneficiaries (serving personnel) and activities where they are the beneficiaries.

Under the current model, to date in 2019, 3.6 % (£1,834) of RNSA's operating funds (i.e. not including salaries, capital expenditure, office running costs and visitor moorings) was used to support the activity of non-serving members engaged in delivering non-service related activity. To help cover this aspect in the future, Branches can look at sourcing their own local fundraising through mechanism such as subscriptions, sponsorship, donations or event entry fees. The importance of and clarity in the mechanisms for non-serving and serving members coming together to deliver the charitable objects simply formalises what has always been at the heart of how RNSA works.

### **What is happening to the Branches?**

The Branch Captains have been fully involved with this work and are of course members of the Central Committee. The Branches deliver a mix of charitable and non-charitable activity and to enable full control of their assets and outputs have all elected to establish themselves as entities in

their own right. They will sit outside the CIO, have their own committees and financial construct but be strongly affiliated to RNSA. There is clearly an overlap in terms of activities and all members of Branches will first have joined RNSA. Branches are recognised as a key enabler for the charity with key roles in recruitment, retention and operational delivery. They will be able to apply to the CIO for a grant where it can be demonstrated that these funds will be used in support of the charity. The relationship between the Branches and the RNSA will be formalised in a Memorandum of Understanding and this will protect both organisations whilst also enabling the Branches to use the RNSA brand and name.

### **Are we still 'all of one company'?**

Very much so. RNSA members have always been proud of their heritage and strong links with the Naval Service. Since its inception in 1935, the support of Service Sailing has always been the primary focus and this remains the case. The change under charitable status, with the beneficiaries being serving personnel, relates to the funding of RNSA's activity not the status of members. There is enormous energy and benefit to be captured from this clarity and with it a hugely exciting future for RNSA.

### **What is my status as an Associate Member?**

This remains unchanged and RNSA remains very grateful of your support and engagement.

### **What about Gift Aid?**

This is an exciting benefit where members are both eligible and choose to donate. The rules regarding Gift Aid mean that only those members who do not benefit by more than 25% of their subscription (£10) are eligible. In essence this means that those who benefit from moorings, RNSA specific discounts or discounted RYA courses as a result of RNSA membership will not be able to donate. Those who enjoy the Journal, burgee, rallies, socials, RNSA branded clothing should be able to self-declare. There will be more advice to follow in the New Year.

### **What is happening to the Portsmouth Moorings?**

The Portsmouth Moorings are already managed as a trust on behalf of RNSA. This Trust will be transferred to a new company limited by guarantee (CLG) that is being established in parallel with the CIO. It will be known as RNSA Moorings Ltd and have an MOU with the CIO to permit it to use the RNSA name and brand. There will be a small licence charge for this. This company will also oversee the running of the visitors' moorings and operate them in conjunction with the relevant Branches, these funds will be separate from those of the Portsmouth Moorings. The CLG will be regulated by Companies House not the Charity Commission and established on a not for profit basis. It will be run by 5 Directors, including 3 of the current PNMF Trustees, a berth holder and the CEO of RNSA, who will also fulfil the function of Managing Director. The CIO will be reimbursed for his time spent on CLG work. The full time Moorings and Finances Secretary will be Gemma Shields and the Waterfront Manager, John Kilian.

### **When will RNSA become a CIO?**

Post the EGM decision, the legal mechanism for the transfer of RNSA from an unincorporated association to a CIO is by all the Central Committee members signing a Deed of Transfer dated 1 Jan 20. This process is ongoing. The payment of 2020 membership fees will recognise members as joining the new RNSA entity. Branch Captains have the MoU that will need to be signed for the RNSA Branches to exist in their own right.

**Should I be excited or worried by this change?**

Most definitely excited. RNSA is already a well-regarded Sailing Association and formal charitable status will offer a range of new options that will enable us to build a strong long-term strategy and deliver an exciting programme for our members. It will also provide a sense of purpose through the public benefit of improving military efficiency that members and external supporters can really get behind. RNSA wishes to energise this opportunity to 'get sailors and marines sailing' through the work, donations, volunteer support and backing of all its members and external partners.