

Company registration number: 01629881

Charity registration number: 284687

# Nautical Museums Trust Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2016

Manningtons  
7 Wellington Square  
Hastings  
East Sussex  
TN34 1PD

## **Nautical Museums Trust Limited**

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## **Nautical Museums Trust Limited**

### **Reference and Administrative Details**

<b>Trustees</b>	H Luke R Pulfer P Marsden P Weaver (Retired 20 April 2016) P Draper (Resigned 14 August 2016) T McDonald (appointed 30 August 2016) D Spooner (appointed 7 September 2016)
<b>Secretary</b>	A Thomson
<b>Principal Office</b>	Shipwreck Museum Rock A Nore Road Hastings East Sussex TN34 3DW
<b>Registered Office</b>	Shipwreck Museum Rock A Nore Road Hastings East Sussex TN34 3DW
<b>Company Registration Number</b>	01629881
<b>Charity Registration Number</b>	284687
<b>Bankers</b>	National Westminster Havelock Road Hastings East Sussex TN34 1GW
<b>Independent Examiner</b>	Manningtons 7 Wellington Square Hastings East Sussex TN34 1PD

## Nautical Museums Trust Limited

### Strategic Report for the Year Ended 31 December 2016

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 December 2016, in compliance with s414C of the Companies Act 2006.

The strategic report was approved by the trustees of the Charity on 14/7/2017 and signed on its behalf by:

P. Marsden

P Marsden  
Trustee

# **Nautical Museums Trust Limited**

## **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2016.

### **Objectives and activities**

#### ***Objects and aims***

The objective for which the Trust was established is to promote the advancement of the education of the public in nautical history and archaeology, by the provision of the museum or museums. This is to be achieved by the acquisition, restoration and preservation of nautical exhibits of historical importance for the display in the museum, for the public benefit.

#### ***Public benefit***

to promote and encourage the involvement of local community organisations, by the arrangement of lectures, schools visits, training courses, audio video film shows, exhibitions and conferences to ensure that the public is informed of the matters connected with nautical history and archaeology

to encourage the protection of archaeological sites of importance in nautical history

to arrange for the publication, where appropriate, of the results of research work undertaken.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Trustees, as part of their report, have asked the Business Director to give an account of the main events and activities of the year, which fall within her responsibilities.

### **Business Directors Report**

This year our visitor numbers were higher than ever and hit 86,652 which was fantastic news, however this was not reflected in our shop income which was down by just under £10,000 - a sign of the times with many companies announcing reduced income, but hopefully public confidence in spending will improve.

Having said that, it has been a very successful year in many other ways with more great comments on both Trip Advisor and our Visitor Questionnaire with many of our visitors returning every year to visit the Museum and stock up on their gifts. Our Social Media profile continues to grow and we maintain a high level of wheelchair and visually impaired visitors. We are considered a multi-sensory successful small Museum as far as the Museum world is concerned and our reputation as a professional Museum continues to grow

We celebrated our 30th anniversary with a well-attended party for people who have been involved with and supported the Museum over the years. The Home Secretary the Rt. Hon. Amber Rudd attended and continues to be a great supporter of the Museum.

A Museum Mentor, Alex Patterson, who is based at Chatham Historic Dockyard was appointed by the Arts Council as part of the new Accreditation scheme for Museums- this has been a very successful idea of the Arts Council.

Volunteers continued to play a big part throughout 2016, and it has been particularly rewarding working with Hastings Job Centre, giving confidence to these volunteers, and getting people back into the workplace. Also, really proud of our continued work with our special needs volunteers who have a chance to work with others and feel useful and valued.

## Nautical Museums Trust Limited

### Trustees' Report (continued)

I represented the Museum at events and conferences throughout the year. We also continue to work closely with Historic England, and the Receiver of Wreck as well as the National Maritime Museum Greenwich who donated artefacts to the Museum and will continue to do so as well as making loans - this is a clear indication of the high regard in which the Museum is held within the Museum world.

We hosted the RNIB Sensing Culture Conference at the Jerwood Gallery another example of why we need to extend our Museum. We were confirmed as a multi-sensory museum thanks to our sound experience and hands on artefacts. Following this conference our Museum hosted in-house the drinks party allowing the delegates to enjoy the Museum after hours.

We continued throughout the year to update lighting and displays in the Museum together with improving our accounts software so we were prepared for the government workplace pension scheme which came into force in November. This was a painless exercise thanks to Manningtons, our Accountants and using our accounts software as opposed to the HMRC software has made a huge difference each month.

Our schools and foreign language student numbers were higher this year and we continue to grow this aspect of our visitor experience together with our Amsterdam shipwreck tours. We look forward to the next year and are determined to secure more funding for our projects, and to raise funds through other means than just relying on our commercial outlet.

The annual report was approved by the trustees of the Charity on 14/7/2017 and signed on its behalf by:



P Marsden  
Trustee

## Nautical Museums Trust Limited

### Statement of Trustees' Responsibilities

The trustees (who are also the directors of Nautical Museums Trust Limited for the purposes of company law) are responsible for preparing the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the Charity on 14/7/2017 and signed on its behalf by:

P. Marsden

P Marsden  
Trustee

## **Nautical Museums Trust Limited**

### **Independent Examiner's Report to the trustees of Nautical Museums Trust Limited**

I report on the accounts of the Charity for the year ended 31 December 2016 which are set out on pages 8 to 20 .

Your attention is drawn to the fact that the Charity has prepared the Financial Statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

#### **Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

#### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:



## Nautical Museums Trust Limited

### Independent Examiner's Report to the trustees of Nautical Museums Trust Limited (continued)

(1) which gives me a reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

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.

  
.....  
A J Thomson FCA

7 Wellington Square  
Hastings  
East Sussex  
TN34 1PD

Date: 18/07/2017

# Nautical Museums Trust Limited

## Statement of Financial Activities for the Year Ended 31 December 2016 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2016 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	9,681	9,681
Other trading activities	3	62,345	62,345
Total Income		72,026	72,026
<b>Expenditure on:</b>			
Raising funds		(70,374)	(70,374)
Charitable activities		(16,613)	(16,613)
Total Expenditure		(86,987)	(86,987)
Net expenditure		(14,961)	(14,961)
Net movement in funds		(14,961)	(14,961)
<b>Reconciliation of funds</b>			
Total funds brought forward		67,448	67,448
Total funds carried forward	14	52,487	52,487
	Note	Unrestricted funds £	Total 2015 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	8,346	8,346
Other trading activities	3	71,451	71,451
Total Income		79,797	79,797
<b>Expenditure on:</b>			
Raising funds		(65,854)	(65,854)
Charitable activities		(12,760)	(12,760)
Total Expenditure		(78,614)	(78,614)
Net income		1,183	1,183
Net movement in funds		1,183	1,183
<b>Reconciliation of funds</b>			
Total funds brought forward		66,265	66,265
Total funds carried forward	14	67,448	67,448

All of the Charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2015 is shown in note 14.

**Nautical Museums Trust Limited**  
**(Registration number: 01629881)**  
**Balance Sheet as at 31 December 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	9	42,240	46,697
<b>Current assets</b>			
Stocks	10	10,817	10,110
Debtors	11	148	2,361
Cash at bank and in hand		6,306	10,116
		17,271	22,587
<b>Creditors: Amounts falling due within one year</b>	12	(7,024)	(1,836)
<b>Net current assets</b>		10,247	20,751
<b>Net assets</b>		52,487	67,448
<b>Funds of the Charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted income funds		52,487	67,448
<b>Total funds</b>	14	52,487	67,448

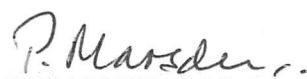
For the financial year ending 31 December 2016 the Charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**

- The members have not required the Charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 8 to 20 were approved by the trustees, and authorised for issue on ..... and signed on their behalf by:



P Marsden  
Trustee

# **Nautical Museums Trust Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2016**

### **1 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### **Basis of preparation**

Nautical Museums Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### **Going concern**

The trustees consider that the Charity has sufficient reserves to continue as a going concern but are urgently reviewing ways to ensure future financial sustainability. There are no significant areas of uncertainty that affect the carrying value of assets held by the Charity.

#### **Income and endowments**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### ***Donations and legacies***

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

## Nautical Museums Trust Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

#### 1 Accounting policies (continued)

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

##### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

##### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

##### **Governance costs**

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

##### **Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **Tangible fixed assets**

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Charity maintains an Accession Register and the majority of the artefacts have been donated to or are on loan to the charity and therefore no valuation has been carried out and the artefacts are not included in the charity's Balance Sheet.

##### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

# Nautical Museums Trust Limited

## Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

### 1 Accounting policies (continued)

Asset class	Depreciation method and rate
Building Conversion	2% on cost
Exhibition Cases and Fittings	12.5% on cost
Office Equipment	20% Straight Line

#### Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price.

#### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## Nautical Museums Trust Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

#### 1 Accounting policies (continued)

##### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity.

##### **Financial instruments**

###### *Classification*

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

###### *Recognition and measurement*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## Nautical Museums Trust Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

#### 1 Accounting policies (continued)

##### *Debt instruments*

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

##### *Investments*

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.



## Nautical Museums Trust Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

#### 1 Accounting policies (continued)

##### *Derivative financial instruments*

The Charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

##### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

##### *Hedge accounting*

The Charity designates certain derivatives as hedging instruments in cash flow hedges and fair value hedges.

At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge the Charity determines and documents causes for hedge ineffectiveness.

##### *Cash flow hedges*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

Hedge accounting is discontinued when the charity revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

# Nautical Museums Trust Limited

## Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

### 1 Accounting policies (continued)

#### *Fair value hedges*

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line related to the hedged item in profit or loss.

Hedge accounting is discontinued when the charity revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to statement of financial activities from that date.

### 2 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2016	2015
		£	£
Donations and legacies;			
Donations from individuals	8,681	8,681	8,171
Grants, including capital grants;			
Grants from other charities	1,000	1,000	175
	<u>9,681</u>	<u>9,681</u>	<u>8,346</u>

### 3 Income from other trading activities

	Unrestricted funds		
	General	Total	Total
	£	2016	2015
		£	£
Trading income;			
Sales of goods and services	60,672	60,672	68,557
Events income;			
Other events income	1,673	1,673	-
	<u>62,345</u>	<u>62,345</u>	<u>68,557</u>

# Nautical Museums Trust Limited

## Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

### 4 Analysis of governance and support costs

#### Governance costs

	Unrestricted funds		
	General	Total	Total
	£	2016	2015
		£	£
Independent Examiner's remuneration	840	840	900
	<u>840</u>	<u>840</u>	<u>900</u>

### 5 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2016	2015
	£	£
Depreciation of fixed assets	4,457	4,702
Finance charges payable	<u>650</u>	<u>(1,657)</u>

### 6 Trustees remuneration and expenses

### 7 Staff costs

The aggregate payroll costs were as follows:

	2016	2015
	£	£
<b>Staff costs during the year were:</b>		
Wages and salaries	35,916	30,965
Pension costs	<u>34</u>	<u>-</u>
	<u>35,950</u>	<u>30,965</u>

No employee received emoluments of more than £60,000 during the year.

# Nautical Museums Trust Limited

## Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

### 8 Taxation

The Charity is a registered charity and is therefore exempt from taxation.

### 9 Tangible fixed assets

	Building Conversion £	Exhibition Cases and Fittings £	Office Equipment £	Total £
<b>Cost</b>				
At 1 January 2016	95,798	66,439	15,218	177,455
At 31 December 2016	95,798	66,439	15,218	177,455
<b>Depreciation</b>				
At 1 January 2016	56,006	59,845	14,907	130,758
Charge for the year	1,916	2,392	149	4,457
At 31 December 2016	57,922	62,237	15,056	135,215
<b>Net book value</b>				
At 31 December 2016	37,876	4,202	162	42,240
At 31 December 2015	39,792	6,594	311	46,697

### 10 Stock

	2016 £	2015 £
Stocks	10,817	10,110

### 11 Debtors

	2016 £	2015 £
Trade debtors	-	20
Prepayments	148	75
Other debtors	-	2,266
	148	2,361

# Nautical Museums Trust Limited

## Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

### 12 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	80	110
Other loans	5,000	-
Other taxation and social security	646	443
Accruals	1,298	1,283
	<u>7,024</u>	<u>1,836</u>

### 13 Charity status

The Charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

### 14 Funds

	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Balance at 31 December 2016 £
<b>Unrestricted funds</b>				
Unrestricted general funds	<u>67,448</u>	<u>72,026</u>	<u>(86,987)</u>	<u>52,487</u>

	Balance at 1 January 2015 £	Incoming resources £	Resources expended £	Balance at 31 December 2015 £
<b>Unrestricted funds</b>				
Unrestricted general funds	<u>66,265</u>	<u>79,797</u>	<u>(78,614)</u>	<u>67,448</u>

### 15 Analysis of net funds

	At 1 January 2016 £	Cash flow £	At 31 December 2016 £
Cash at bank and in hand	10,116	(3,810)	6,306
Net debt	<u>10,116</u>	<u>(3,810)</u>	<u>6,306</u>