

Registered number: 02100358
Charity number: 296236

The New Medway Steam Packet Company Limited
(A company limited by guarantee)

Unaudited

Trustees' report and financial statements

For the year ended 31 March 2017

The New Medway Steam Packet Company Limited
(A company limited by guarantee)

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The New Medway Steam Packet Company Limited
(A company limited by guarantee)

Reference and administrative details of the company, its trustees and advisers
For the year ended 31 March 2017

Trustees

B T Burton, Chairman (resigned 24 April 2017)
B Goodhew
J F Kempton, Vice Chairman (Acting Chairman)
R J Stokes
Dr M Colpus
R D Howells
A M Morgan (resigned 19 September 2016)

Company registered number

02100358

Charity registered number

296236

Registered office

Pier Approach Road
Gillingham
Kent
ME71RX

Accountants

Kreston Reeves LLP
Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

The New Medway Steam Packet Company Limited
(A company limited by guarantee)

Reference and administrative details of the company, its trustees and advisers
For the year ended 31 March 2017

Advisers (continued)

Bankers

CAF Bank Limited
25 Kings Hill Avenue
West Malling
Kent
ME19 4TA

HSBC Bank PLC
8 Canada Square
London
E14 5HQ

Solicitors

Martin Tolhurst Partnership
7 Wrotham Road
Gravesend
Kent
DA11 0PD

Patrons

Marianna, Viscountess Monckton of Brenchley
Sir Mick Jagger
Dame Vera Lynn, DBE
Sir William McAlpine
Admiral Lord West of Spithead, GCB, DSC, PC

The New Medway Steam Packet Company Limited
(A company limited by guarantee)

Trustees' report
For the year ended 31 March 2017

The Trustees present their annual report together with the financial statements of The New Medway Steam Packet Company Limited for the year ended 31 March 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

The principal objectives of the company are to advance public education on the maritime history of Great Britain in particular by the restoration and preservation of the Paddle Steamer Medway Queen.

b. Main activities undertaken to further the charity's purposes for the public benefit

In shaping our objectives the Trustees have considered the Charity Commission's guidance on public benefit.

Our place in the broader community

We take our place in the local community very seriously and one of the Trustee Board members has specific responsibility for working with the mainly local media. Communications include regular coverage of our activities in the local press and radio. We have a high profile within the heritage publications sector with regular appearance of news stories and feature articles. Several volunteers hold talks about the Medway Queen for local schools, clubs and societies across the South and South East, which are well received and a source of donations. We are a member of the Association of Independent Museums and use our membership to learn how some of the smaller historical sites have become successful. We also are active with our own Facebook page, Medway Queen Preservation Society, and an active web page www.medwayqueen.co.uk.

c. Volunteers

We rely on volunteers to assist with the restoration of the Medway Queen. At 31 March 2017 we estimate we had in the order of 30 plus active volunteers, directly involved in restoration work or carrying out administrative or educational work. We are always looking for additional help from skilled volunteers with a range of practical skills; including the electrical, mechanical, welding, carpentry, plumbing, painting trades and accounting and administrative experience.

Achievements and performance

a. Review of activities

The Medway Queen has a long and varied history but sadly her hull was in a very poor state of repair when she arrived back in Kent in 1984. The rate of decay was slowed and the ship was kept afloat but gradually the corrosion spread and the effort needed to keep her afloat increased.

Having achieved grant funding, primarily from the Heritage Lottery Fund, the hull has now been re-built in Bristol to the 1924 specification, with some concessions to current requirements. She returned to the Medway on 19 November 2013 to much local acclaim and is berthed at Gillingham Pier. Alongside the berth is a workshop and visitor centre formed from existing buildings on the site.

The New Medway Steam Packet Company Limited
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Trustees' report (continued)
For the year ended 31 March 2017

a. Review of activities (continued)

The main purpose of the Gillingham workshops now is to complete the restoration of the ship to working order.

The Heritage Lottery Fund approved 90% of a £100,000 Transition Funding in December 2014, which will help to finance the modernisation of the charity and preparation of another bid for grant funding for the next stage of restoration. We have now received £80,000 of the Transition fund, and are working to complete the remaining tasks to be funded by the grant. On board the Medway Queen, work continues by our volunteers to improve the ship as a venue and facility for events, which in the short to medium term, will support the ship and charity, these works include ongoing maintenance of the structure and services, such as electrics and a major task of caulking the seams in the deck, which was left to be completed by the charity by agreement, with the shipyard. We also received from the CTF charity £20,000 to help with the costs of our remaining employee to December 2016, and a further £20,000 to be used for training purposes.

Ensuring access to our activities

We actively encourage new membership and have a steady number of renewals, especially following the publication and distribution of the Full Ahead member's magazine. The summer of 2016 saw the publication of another new book by our Reading sales group leader Richard Halton on the 50th anniversary of the ship opening as a night club on the IOW, which was launched at an event on the IOW at the ship's former mooring at Island harbour, which was very well received, including visit by original members of the house band, and a couple who had their wedding reception on board. Over the year, we enjoyed a steady stream of visitors, who are asked to give £5 for a tour of the ship, and who also have spent in our visitor centre shop, providing a good but variable income source. We are currently open on a Saturday, from 1100 hours to last admission 1500 hours, manned by our volunteers, but also other times by appointment and arrangement.

We have an active outreach programme which includes the Visitor Centre, social events and presentations to various groups across mainly, but not exclusively, the South East and visits to the vessel itself. We have two remotely based "Support Groups" - the Reading Support Group and the London & South of England Support Group based in Swanage. Both are informally organised and attend external events of all types to promote the Society's restoration activities, recruit new members and to raise funds towards the restoration costs. In addition to event attendance, the Reading Group commissions and supports merchandising projects for niche markets complementary to those of the Society's central sales team.

Part of our broader outreach approach involves the use of book and other media publication to bring our story to a wider audience.

Communications

Our primary method of contact with our members and, with other interested parties, is via our magazine, "Full Ahead", and our website, which is updated regularly. We have adopted a more cost effective approach to the production of our newsletter, without impacting its effectiveness as a communication channel.

b. Investment policy and performance

Over the first twenty years of existence of the charity the main objective was to secure funds for restoration of the Medway Queen. Following the significant investment of the HLF grant, all remaining available funds are earmarked for expenditure on the ship (leaving a small amount in reserves as outlined above): funds not required for immediate expenditure have been held in deposit accounts at CAFbank.

The New Medway Steam Packet Company Limited
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Trustees' report (continued)
For the year ended 31 March 2017

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Principal risks and uncertainties

We recognise that current best practice suggests that the Trustees and Officers should give thought regularly to the risks being run by renovating the Medway Queen and should identify risk management options. This activity has been in place for some time; however we are reviewing risks by way of a structured process as a matter of course on a regular basis and to try to identify emerging challenges or areas where the risk is emerging, increasing or reducing.

One of our primary risks is financial, being able to finance the rest of the restoration of the Medway Queen.

This is receiving much attention from the Trustees. We have documented a number of other risks and have identified a range of mitigation techniques which include having access to skilled volunteers, using strong and effective controls and using insurance where appropriate. We are also alert to the threat of fraud.

One example of this active risk management approach is the way in which we manage our insurance covers with our brokers and insurers.

c. Reserves policy

The charity has to maintain cash reserves to cover the following:

a) Medway Queen's share of the costs of any further restoration work. As at 31 March 2017 there is insufficient funding to undertake the full refit and budgets are being amended accordingly, until such time that further substantial funding is obtained. At this point we consider no specific reserve is necessary.

b) a contingency reserve of around £20,000, to cover items such as irrevocable contracts and care and maintenance costs should the level of activity have to be reduced.

The Trustees believe that there are currently sufficient reserves, subject to the points detailed above. At 31 March 2017 total free reserves amounted to £424,624 (2016: £427,969).

d. Principal funding

We applied for, and were successful in achieving, transition funding from the Heritage Lottery Fund (HLF).

This has enabled the charity to begin modernising and to be financed during the early stages of preparing credible application for further restoration funding.

The project is to prepare the charity to be ready to make a credible application to HLF in 2018 comprises a number of pieces of work, some of significant scale.

The New Medway Steam Packet Company Limited
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Trustees' report (continued)
For the year ended 31 March 2017

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association .

The company is constituted under a Memorandum of Association and is a registered charity number 296236.

b. Method of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Trustees may be directly elected by members or appointed by the Trustee Board until the next Annual General Meeting and they are made aware, on their appointment, of their responsibilities under Charities legislation.

The Trustee Board has overall responsibility for managing the affairs of the charitable company and the Medway Queen Preservation Society and each Trustee is elected for a three year term by the registered membership at the Annual General Meeting. Special interim arrangements are in place to allow for existing Trustees to be elected over a three year period. The Trustee Board has the power to fill any vacancies arising during the year, up to the maximum set out in the Articles of Association, between Annual General Meetings by co-option.

c. Organisational structure and decision making

On 28 March 2015 an Extraordinary General Meeting of the company approved the adoption of new Articles of Association, in accordance with the template for charitable companies published by the Charity Commission on their website.

As a result the primary decision making forum of the company became the Trustee Board. The precise nature of the revised governance processes will develop following the adoption of the new constitution but initially the Trustee Board will mostly on a monthly basis with certain invited, but non-voting officers and representatives in attendance.

Trustees are now appointed for a three year term with transitional arrangements in place to avoid the need for election of the Trustee Board en masse every three years.

The President and Vice Presidents had the right to attend Committee of Management meetings and receive the minutes. The new constitution clarifies these honorary positions to which is made at the discretion of the Trustee Board and which no longer carry attendance or copy minute rights.

The honorary roles, where the holders often continue to provide important help and guidance to the organisation, but do not have any voting or attendance rights at meetings, are now as follows:

Patrons

Marianna, Viscountess Monckton of Brenchley
Sir Mick Jagger
Dame Vera Lynn, DBE
Sir William McAlpine
Admiral Lord West of Spithead, GCB, DSC, PC

The New Medway Steam Packet Company Limited
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Trustees' report (continued)
For the year ended 31 March 2017

c. Organisational structure and decision making (continued)

President

Marshall Vine (Deceased)

Vice-presidents

Noreen Chambers
John Chambers (Deceased)
Robert Barnes

Trustees may be directly elected by members or appointed by the Trustee Board until the next Annual General Meeting and they are made aware, on their appointment, of their responsibilities under Charities legislation.

The Trustee Board has overall responsibility for managing the affairs of the charitable company and the Medway Queen Preservation Society and each Trustee is elected for a three year term by the registered membership at the Annual General Meeting. Special interim arrangements are in place to allow for existing Trustees to be elected over a three year period. The Trustee Board has the power to fill any vacancies arising during the year, up to the maximum set out in the Articles of Association, between Annual General Meetings by co-option.

The Trustee Board meets formally each month to discuss and consider a range of topics against a formal agenda. This includes progress and plans for the restoration of the Medway Queen financial plans and performance and governance. All meetings are formally minuted. Ad hoc meetings are convened as required.

Sub committees are formed and meet as necessary, usually to work on specific items of work which may require specialist skills. Reports are made to the Trustee Board following any subcommittee meetings.

The Trustee Board considers that it has a good range of qualifications, skills and experience for this stage of the restoration project. It recognises that new skills will need to be added to the team in anticipation of the completion of the next stage of restoration and the Medway Queen becoming financially self-sustaining and taking its place in the community and will be active in seeking new members and/or volunteers to assist with this development.

d. Risk management

We are continuing a process of update and formal documentation of much of our existing governance procedures, including policies, systems, procedures and controls. This is a significant piece of work and has strong links to the project supported by Heritage Lottery Fund transition funding. We have adopted a new 'best of breed' constitution and are working on the supporting governance processes.

The HLF supported project includes a formal review of our business plans. Growing competition for grant funding means that having clear and phased plans including contingency plans, for the future, including what still requires to be done, how it will be funded and how we can use the Medway Queen to best effect, are vital.

Our plans will include ensuring that her history and heritage are maintained and celebrated and widening her appeal, whilst developing strong strategies for her future financial stability.

The New Medway Steam Packet Company Limited
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Trustees' report (continued)
For the year ended 31 March 2017

Plans for future periods

a. Future developments

The objective of the project was to bring the Medway Queen back to Gillingham as soon as possible, where she would be open to visitors as far as possible while restoration and fit out activities continue. This has been achieved. In the long term the ship will be developed as a visitor attraction and function venue, whilst retaining the capability to go to sea under her own steam for special charters and visits to other ports.

We are continuing with a dialogue with the Universities of Medway, Greenwich campus, with their engineering facility with the view of mutually helping with our and their community engagement.

We are reviewing our existing detailed plans on the future of the Medway Queen once restored, with the objective of maximising outreach across as wide a demographic as possible whilst maintaining the integrity of the vessel's history and working toward financial sustainability. We are also looking to work with Medway Council and other partners to map out a clearer role for the Medway Queen in local plans, including tourism.

Specific targets, not listed in priority, for the coming financial year include:

- Increasing the range and scale of funding including large scale project funding,
- Further restoring the Medway Queen,
- Developing outreach activities to include young people, and possible further training opportunities, with reference to the £20,000 ex to CTF,
- Further improving governance.

Trustees' responsibilities statement

The Trustees (who are also directors of The New Medway Steam Packet Company Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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.

This report was approved by the Trustees on 12 September 2017 and signed on their behalf by:

J F Kempton, Vice Chairman (Acting Chairman)
Trustee

The New Medway Steam Packet Company Limited
(A company limited by guarantee)

Independent examiner's report
For the year ended 31 March 2017

Independent examiner's report to the Trustees of The New Medway Steam Packet Company Limited

I report on the financial statements of the company for the year ended 31 March 2017 which are set out on pages 11 to 25.

This report is made solely to the company's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards 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 been withdrawn.

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 the 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 financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

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

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- 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 company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

The New Medway Steam Packet Company Limited
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Independent examiner's report (continued)
For the year ended 31 March 2017

Independent examiner's statement

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

- (1) which gives me 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 financial statements which accord with the accounting records, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and in other respects 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 financial statements to be reached.

Signed:

Dated: 19 September 2017

S Robinson BA FCA FCIE DChA MCMI

Kreston Reeves LLP
Chartered Accountants
Chatham Maritime

The New Medway Steam Packet Company Limited
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Statement of financial activities incorporating income and expenditure account
For the year ended 31 March 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:					
Donations and legacies	2	34,049	60,000	94,049	93,293
Other trading activities	3	4,663	-	4,663	8,981
Investments	4	12	-	12	19
Total income		38,724	60,000	98,724	102,293
Expenditure on:					
Raising funds	5	2,060	-	2,060	5,353
Charitable activities	6	40,009	49,020	89,029	119,735
Total expenditure		42,069	49,020	91,089	125,088
Net income / (expenditure) before other recognised gains and losses		(3,345)	10,980	7,635	(22,795)
Net movement in funds		(3,345)	10,980	7,635	(22,795)
Reconciliation of funds:					
Total funds brought forward		3,221,797	94,803	3,316,600	3,339,395
Total funds carried forward		3,218,452	105,783	3,324,235	3,316,600

The notes on pages 14 to 25 form part of these financial statements.

The New Medway Steam Packet Company Limited
(A company limited by guarantee)
Registered number: 02100358

Balance sheet
As at 31 March 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	11		706		941
Heritage asset in the course of reconstruction	12		3,217,811		3,217,811
			<u>3,218,517</u>		<u>3,218,752</u>
Current assets					
Stocks	13	7,221		7,896	
Debtors	14	10,163		14,105	
Cash at bank and in hand		94,823		81,708	
		<u>112,207</u>		<u>103,709</u>	
Creditors: amounts falling due within one year	15	(6,489)		(5,861)	
Net current assets			<u>105,718</u>		<u>97,848</u>
Net assets			<u>3,324,235</u>		<u>3,316,600</u>
Charity Funds					
Restricted funds	16		105,783		94,803
Unrestricted funds	16		3,218,452		3,221,797
Total funds			<u>3,324,235</u>		<u>3,316,600</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 12 September 2017 and signed on their behalf, by:

J F Kempton, Vice Chairman (Acting Chairman)

The notes on pages 14 to 25 form part of these financial statements.

The New Medway Steam Packet Company Limited
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	<u>13,103</u>	<u>(8,387)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		<u>12</u>	<u>19</u>
Net cash provided by investing activities		<u>12</u>	<u>19</u>
Change in cash and cash equivalents in the year		13,115	(8,368)
Cash and cash equivalents brought forward		<u>81,708</u>	<u>90,076</u>
Cash and cash equivalents carried forward	19	<u>94,823</u>	<u>81,708</u>

The notes on pages 14 to 25 form part of these financial statements.

The New Medway Steam Packet Company Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

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.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The New Medway Steam Packet Company 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.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

The New Medway Steam Packet Company Limited
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Notes to the financial statements
For the year ended 31 March 2017

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably..

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the charity's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and a full year's depreciation is charged in the year of acquisition.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	3 years straight line
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1.8 Heritage assets

As stated in the Trustees' report the Paddle Steamer Medway Queen is under reconstruction and all costs connected with the reconstruction have been capitalised. In the opinion of the trustees no depreciation is required as the asset is under reconstruction.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

The New Medway Steam Packet Company Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2017

1. Accounting policies (continued)

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The New Medway Steam Packet Company Limited
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Notes to the financial statements
For the year ended 31 March 2017

2. Income from donations and legacies

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	28,963	-	28,963	31,145
Grants	-	60,000	60,000	53,447
Subscriptions	5,086	-	5,086	8,701
	<u>34,049</u>	<u>60,000</u>	<u>94,049</u>	<u>93,293</u>
<i>Total 2016</i>	<u>39,346</u>	<u>53,947</u>	<u>93,293</u>	

3. Fundraising income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other trading activities	4,663	-	4,663	8,981
	<u>8,981</u>	<u>-</u>	<u>8,981</u>	
<i>Total 2016</i>	<u>8,981</u>	<u>-</u>	<u>8,981</u>	

4. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Interest received	12	-	-	12	19
	<u>19</u>	<u>-</u>	<u>-</u>	<u>19</u>	
<i>Total 2016</i>	<u>19</u>	<u>-</u>	<u>-</u>	<u>19</u>	

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5. Costs of raising funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Shop purchases	1,883	-	1,883	3,993
General publicity and newsletters	177	-	177	1,360
	<u>2,060</u>	<u>-</u>	<u>2,060</u>	<u>5,353</u>
<i>Total 2016</i>	<u>5,353</u>	<u>-</u>	<u>5,353</u>	

6. Charitable activities

	Direct costs 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Charitable activities	<u>70,334</u>	<u>18,696</u>	<u>89,030</u>	<u>119,735</u>
<i>Total 2016</i>	<u>84,622</u>	<u>35,113</u>	<u>119,735</u>	

7. Direct costs

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Preservation and reservation	21,499	7,039	28,538	12,958
Film expenses	-	-	-	9,896
Marine insurance	-	8,600	8,600	17,864
Wages and salaries	-	32,772	32,772	39,377
National insurance	-	189	189	4,213
Depreciation	235	-	235	314
	<u>21,734</u>	<u>48,600</u>	<u>70,334</u>	<u>84,622</u>

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8. Support costs

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Insurance	352	-	352	1,507
Office expenses	5,678	114	5,792	12,261
Telephone	1,192	-	1,192	906
Repairs	-	-	-	10,520
Printing, postage and stationery	2,093	-	2,093	291
Bank charges	1,274	-	1,274	276
Loss / (gain) on foreign exchange	-	-	-	(105)
Professional fees	4,651	-	4,651	3,430
Audit fees	-	-	-	2,790
Accounting and independent examination fees	2,450	-	2,450	1,332
VAT non-reclaim	892	-	892	1,421
Loss on disposal of fixed assets	-	-	-	484
	<u>18,582</u>	<u>114</u>	<u>18,696</u>	<u>35,113</u>
Total	<u>18,582</u>	<u>114</u>	<u>18,696</u>	<u>35,113</u>

9. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	<u>235</u>	<u>314</u>

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

3 Trustees received reimbursement of expenses amounting to £2,604 in the current year, (2016 - 4 Trustees - £2,600).

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10. Staff costs

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	32,772	39,377
Social security costs	189	4,213
	<hr/> 32,961 <hr/>	<hr/> 43,590 <hr/>

The average number of persons employed by the company during the year was as follows:

2017	2016
No.	No.
1	1

No employee received remuneration amounting to more than £60,000 in either year.

During the year, no remuneration or benefits were received by key management personnel.

11. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 April 2016 and 31 March 2017	12,923
Depreciation	
At 1 April 2016	11,982
Charge for the year	235
At 31 March 2017	12,217
Net book value	
At 31 March 2017	706
At 31 March 2016	941

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12. Charity heritage assets

	'Medway Queen' £	Total £
Market value		
At 1 April 2016 and 31 March 2017	<u>3,223,511</u>	<u>3,223,511</u>
Impairment		
At 1 April 2016 and 31 March 2017	<u>5,700</u>	<u>5,700</u>
Net book value		
At 31 March 2017	<u>3,217,811</u>	<u>3,217,811</u>
At 31 March 2016	<u>3,217,811</u>	<u>3,217,811</u>

The Paddle Steamer 'Medway Queen' is the last estuary pleasure steamer surviving in the United Kingdom. She was built in 1924 on the River Clyde in Scotland but sailed in the estuary waters of the River Thames and River Medway. In WWII she was requisitioned and converted to a minesweeper. Her finest moment came in 1940 when she made seven crossings to the beaches of Dunkirk rescuing 7,000 men. After the war the 'Medway Queen' returned to pleasure steaming on the River Medway and Thames, under her original owners, until withdrawal in 1963. From 1966 the ship served as a marina club house and night club at Island Harbour on the Isle of Wight. In 1984 the Medway Queen was salvaged from the River Medina and towed on a salvage barge back to her home river in Chatham.

After a prolonged period of attempts to restore the 'Medway Queen' funding was raised to restore her hull, which was carried out in Bristol. Following the restoration of her hull, she returned to a berth in her home port on the River Medway in December 2013.

13. Stocks

	2017 £	2016 £
Stocks	<u>7,221</u>	<u>7,896</u>

14. Debtors

	2017 £	2016 £
Trade debtors	2,141	2,607
Other debtors	5,936	5,860
Prepayments and accrued income	2,086	5,638
	<u>10,163</u>	<u>14,105</u>

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15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	3,516	908
Other taxation and social security	-	1,303
Accruals and deferred income	2,973	3,650
	<u>6,489</u>	<u>5,861</u>

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2016 £	Income £	Expenditure £	Balance at 31 March 2017 £
Designated funds				
Paddle Steamer 'Medway Queen'	2,793,828	-	-	2,793,828
	<u>2,793,828</u>	<u>-</u>	<u>-</u>	<u>2,793,828</u>
General funds				
General Funds	427,969	38,724	(42,069)	424,624
Total Unrestricted funds	3,221,797	38,724	(42,069)	3,218,452
	<u>3,221,797</u>	<u>38,724</u>	<u>(42,069)</u>	<u>3,218,452</u>
Paddle Steamer 'Medway Queen'				
<p>The Paddle Steamer 'Medway Queen' fund has been established following the completion of the hull and the main restoration as a result of funding from the Heritage Lottery Fund and Interreg IVA 2 Seas Heroes 2C.</p>				
Restricted funds				
Engine fund	85,397	-	-	85,397
Transformation project	8,906	40,000	(48,906)	-
Accountancy software	500	-	(114)	386
CTF training	-	20,000	-	20,000
	<u>94,803</u>	<u>60,000</u>	<u>(49,020)</u>	<u>105,783</u>
Total of funds	3,316,600	98,724	(91,089)	3,324,235
	<u>3,316,600</u>	<u>98,724</u>	<u>(91,089)</u>	<u>3,324,235</u>

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16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2015 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2016 £
Designated funds					
Paddle Steamer 'Medway Queen'	2,793,828	-	-	-	2,793,828
	<u>2,793,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,793,828</u>
General funds					
General funds	397,842	48,346	(18,219)	-	427,969
	<u>397,842</u>	<u>48,346</u>	<u>(18,219)</u>	<u>-</u>	<u>427,969</u>
Total Unrestricted funds	<u>3,191,670</u>	<u>48,346</u>	<u>(18,219)</u>	<u>-</u>	<u>3,221,797</u>
Restricted funds					
Engine fund	85,917	10,000	(10,520)	-	85,397
Dunkirk 75th Commemoration	29,312	23,447	(52,759)	-	-
Transformation project	32,496	20,000	(43,590)	-	8,906
Accountancy software	-	500	-	-	500
	<u>147,725</u>	<u>53,947</u>	<u>(106,869)</u>	<u>-</u>	<u>94,803</u>
Total of funds	<u><u>3,339,395</u></u>	<u><u>102,293</u></u>	<u><u>(125,088)</u></u>	<u><u>-</u></u>	<u><u>3,316,600</u></u>

Engine fund

An appeal has been made for funds to restore the engines and the donations received by this fund are paid into an account held with CAF Bank.

Dunkirk 75th commemoration

Funds were raised specifically for the insurance, towage and general readiness works to enable the 'Medway Queen' to move to Ramsgate to take part in the 75th anniversary of the evacuation of Dunkirk events at Ramsgate in May 2015.

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Notes to the financial statements
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16. Statement of funds (continued)

Transformation project

In December 2014 the Heritage Lottery Fund approved an application for transition funding to assist the charity in modernising and preparing a credible grant application for further restoration of the 'Medway Queen'. This funding is payable in installments, the first of which was received in December 2014, reflecting progress against the project plan.

CTF training

CTF was a training charity which looked to close and disburse its funds, the Medway Queen Preservation Society had one award of £20,000 towards the wages of our last paid employee and a second to pay for skills development and training.

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	706	-	706
Heritage asset in the course of reconstruction	3,217,811	-	3,217,811
Current assets	6,424	105,783	112,207
Creditors due within one year	(6,489)	-	(6,489)
	<u>3,218,452</u>	<u>105,783</u>	<u>3,324,235</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	941	-	941
Heritage asset in the course of reconstruction	3,217,811	-	3,217,811
Current assets	8,906	94,803	103,709
Creditors due within one year	(5,861)	-	(5,861)
	<u>3,221,797</u>	<u>94,803</u>	<u>3,316,600</u>

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18. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	7,635	(22,795)
Adjustment for:		
Depreciation charges	235	314
Dividends, interest and rents from investments	(12)	(19)
Loss on the sale of fixed assets	-	484
Decrease in stocks	675	1,235
Decrease in debtors	3,942	30,434
Increase/(decrease) in creditors	628	(18,040)
Net cash provided by/(used in) operating activities	13,103	(8,387)

19. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	94,823	81,708
Total	94,823	81,708

20. Related party transactions

During the 2016/17 financial year the charity acquired design services from Airfield Design Limited. One of the company's directors is the son of the charity's chairman, Brian Burton. The design services were acquired for £491 plus VAT, which represented a substantial discount on the usual charge that would have been made by the company for the services. The trustees satisfied themselves that the transaction was in the charity's interests and ratified the work and price at their July meeting.

This year no transactions were undertaken with Airfield Design Limited and no balances are in existence at the year end.