

**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 2018**

**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 2018**

**Trustees**

B Goodhew  
J F Kempton, Chairman  
R J Stokes  
Dr M Colpus  
R D Howells  
R P Halton (appointed 14 October 2017)  
J A Dyjak (appointed 14 October 2017)  
J L Maguire (appointed 14 October 2017)

**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 2018**

**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 2018**

The Trustees present their annual report together with the financial statements of The New Medway Steam Packet Company Limited (the company) for the year ended 31 March 2018. 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 and 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](http://www.medwayqueen.co.uk).

**c. Volunteers**

We rely on volunteers to assist with the restoration of the Medway Queen. At 31 March 2018 we estimate we had of 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 2018**

The main purpose of the Gillingham workshops now is to complete the restoration of the ship to a public venue, with the long term view of returning to steam.

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.

***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. In the summer of 2016 saw the publication of a 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 CAF bank.

**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.

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

**Trustees' report (continued)**  
**For the year ended 31 March 2018**

**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 Medway Queen's share of the costs of any further restoration work. As at 31 March 2018 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.

The Trustees believe that there are currently sufficient reserves, subject to the points detailed above. At 31 March 2018 total free reserves amounted to £84,052 (2017: £424,624).

**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.

**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.

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

**Trustees' report (continued)**  
**For the year ended 31 March 2018**

**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

**President**

Admiral Lord West of Spithead, GCB, DSC, PC

**Vice-presidents**

Noreen Chambers  
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



**The New Medway Steam Packet Company Limited**  
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**Trustees' report (continued)**  
**For the year ended 31 March 2018**

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.

**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.
- Further improving governance.

**The New Medway Steam Packet Company Limited**  
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**Trustees' report (continued)**  
**For the year ended 31 March 2018**

**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 20 August 2018 and signed on their behalf by:

**J F Kempton, Chairman**  
**Trustee**

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

**Independent examiner's report**  
**For the year ended 31 March 2018**

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

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 March 2018.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

**Responsibilities and basis of report**

As the Trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent examiner's statement**

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act;  
or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Dated: 31 August 2018

Susan Robinson BA FCA FCIE DChA MCMI

Kreston Reeves LLP  
Chartered Accountants  
Chatham Maritime

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

**Statement of financial activities incorporating income and expenditure account**  
**For the year ended 31 March 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>					
Donations and legacies	2	41,701	-	41,701	94,049
Other trading activities	3	5,553	-	5,553	4,663
Investments	4	4	-	4	12
<b>Total income</b>		<b>47,258</b>	<b>-</b>	<b>47,258</b>	<b>98,724</b>
<b>Expenditure on:</b>					
Raising funds	5	1,780	-	1,780	2,060
Charitable activities	6	46,935	20,386	67,321	89,029
<b>Total expenditure</b>		<b>48,715</b>	<b>20,386</b>	<b>69,101</b>	<b>91,089</b>
<b>Net income / (expenditure) before transfers</b>		<b>(1,457)</b>	<b>(20,386)</b>	<b>(21,843)</b>	<b>7,635</b>
Transfers between Funds	17	85,397	(85,397)	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>83,940</b>	<b>(105,783)</b>	<b>(21,843)</b>	<b>7,635</b>
<b>Net movement in funds</b>		<b>83,940</b>	<b>(105,783)</b>	<b>(21,843)</b>	<b>7,635</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		3,218,452	105,783	3,324,235	3,316,600
<b>Total funds carried forward</b>		<b>3,302,392</b>	<b>-</b>	<b>3,302,392</b>	<b>3,324,235</b>

The notes on pages 13 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 2018**

	<b>Note</b>	<b>£</b>	<b>2018</b> <b>£</b>	<b>£</b>	<b>2017</b> <b>£</b>
<b>Fixed assets</b>					
Tangible assets	11		<b>529</b>		706
Heritage asset in the course of reconstruction	12		<b>3,217,811</b>		3,217,811
			<b>3,218,340</b>		3,218,517
<b>Current assets</b>					
Stocks	13	<b>6,723</b>		7,221	
Debtors	14	<b>9,796</b>		10,163	
Cash at bank and in hand		<b>72,187</b>		94,823	
		<b>88,706</b>		112,207	
<b>Creditors:</b> amounts falling due within one year	15	<b>(4,654)</b>		(6,489)	
<b>Net current assets</b>			<b>84,052</b>		105,718
<b>Net assets</b>			<b>3,302,392</b>		3,324,235
<b>Charity Funds</b>					
Restricted funds	17		-		105,783
Unrestricted funds	17		<b>3,302,392</b>		3,218,452
<b>Total funds</b>			<b>3,302,392</b>		3,324,235

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 20 August 2018 and signed on their behalf, by:

**J F Kempton, Chairman**

The notes on pages 13 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 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	<b>(22,640)</b>	13,103
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>4</b>	12
<b>Net cash provided by investing activities</b>		<b>4</b>	12
<b>Change in cash and cash equivalents in the year</b>		<b>(22,636)</b>	13,115
Cash and cash equivalents brought forward		<b>94,823</b>	81,708
<b>Cash and cash equivalents carried forward</b>	20	<b>72,187</b>	94,823

The notes on pages 13 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 2018**

**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 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**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2018**

**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 raising 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.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

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.



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

**Notes to the financial statements**  
**For the year ended 31 March 2018**

**1. Accounting policies (continued)**

**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.

**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.

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**2. Income from donations and legacies**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Donations	<b>35,050</b>	-	<b>35,050</b>	28,963
Grants	-	-	-	60,000
Subscriptions	<b>6,651</b>	-	<b>6,651</b>	5,086
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	<b>41,701</b>	-	<b>41,701</b>	94,049
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	34,049	60,000	94,049	
	<hr/>	<hr/>	<hr/>	

**3. Fundraising income**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Other trading activities	<b>5,553</b>	-	<b>5,553</b>	4,663
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	4,663	-	4,663	
	<hr/>	<hr/>	<hr/>	

**4. Investment income**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Interest received	<b>4</b>	-	<b>4</b>	12
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	12	-	12	
	<hr/>	<hr/>	<hr/>	

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**For the year ended 31 March 2018**

**5. Costs of raising funds**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Shop purchases	1,390	-	1,390	1,883
General publicity and newsletters	390	-	390	177
	<u>1,780</u>	<u>-</u>	<u>1,780</u>	<u>2,060</u>
Total 2017	<u>2,060</u>	<u>-</u>	<u>2,060</u>	

**6. Charitable activities**

	<b>Direct costs 2018 £</b>	<b>Support costs 2018 £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Charitable activities	42,061	25,260	67,321	89,029
Total 2017	<u>70,334</u>	<u>18,695</u>	<u>89,029</u>	

**7. Direct costs**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Preservation and reservation	25,416	12,156	37,572	28,538
Marine insurance	4,312	-	4,312	8,600
Wages and salaries	-	-	-	32,772
National insurance	-	-	-	189
Depreciation	177	-	177	235
	<u>29,905</u>	<u>12,156</u>	<u>42,061</u>	<u>70,334</u>

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**8. Support costs**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Insurance	-	-	-	352
Office expenses	6,687	-	6,687	5,791
Telephone	1,278	-	1,278	1,192
Printing, postage and stationery	3,806	-	3,806	2,093
Bank charges	356	-	356	1,274
Professional fees	3,639	8,230	11,869	4,651
Accounting and independent examination fees	2,550	-	2,550	2,450
VAT non-reclaim	(1,286)	-	(1,286)	892
<b>Total</b>	<b>17,030</b>	<b>8,230</b>	<b>25,260</b>	<b>18,695</b>

**9. Net income/(expenditure)**

This is stated after charging:

	<b>2018 £</b>	<b>2017 £</b>
Depreciation of tangible fixed assets:		
- owned by the charity	177	235

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

4 Trustees received reimbursement of expenses amounting to £840 in the current financial year (2017 - 3 Trustees - £2,604).

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**10. Staff costs**

Staff costs were as follows:

	<b>2018</b>	2017
	<b>£</b>	<b>£</b>
Wages and salaries	-	32,772
Social security costs	-	189
	<hr/>	<hr/>
	-	32,961
	<hr/>	<hr/>

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

<b>2018</b>	2017
<b>No.</b>	<b>No.</b>
<b>0</b>	<b>1</b>

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**

	<b>Plant and machinery £</b>
<b>Cost</b>	
At 1 April 2017 and 31 March 2018	<b>12,923</b>
<b>Depreciation</b>	
At 1 April 2017	<b>12,217</b>
Charge for the year	<b>177</b>
At 31 March 2018	<b>12,394</b>
<b>Net book value</b>	
At 31 March 2018	<b>529</b>
At 31 March 2017	<b>706</b>

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**12. Charity heritage assets**

	<b>'Medway Queen'</b> <b>£</b>	<b>Total</b> <b>£</b>
<b>Market value</b>		
At 1 April 2017 and 31 March 2018	<b>3,223,511</b>	<b>3,223,511</b>
<b>Impairment</b>		
At 1 April 2017 and 31 March 2018	<b>5,700</b>	<b>5,700</b>
<b>Net book value</b>		
At 31 March 2018	<b>3,217,811</b>	<b>3,217,811</b>
At 31 March 2017	<b>3,217,811</b>	<b>3,217,811</b>

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**

	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
Stocks	<b>6,723</b>	<b>7,221</b>

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**14. Debtors**

	<b>2018</b>	2017
	<b>£</b>	£
Trade debtors	<b>2,660</b>	2,141
Other debtors	<b>5,886</b>	5,936
Prepayments and accrued income	<b>1,250</b>	2,086
	<u><b>9,796</b></u>	<u>10,163</u>

**15. Creditors: Amounts falling due within one year**

	<b>2018</b>	2017
	<b>£</b>	£
Trade creditors	<b>1,899</b>	3,516
Accruals and deferred income	<b>2,755</b>	2,973
	<u><b>4,654</b></u>	<u>6,489</u>

**16. Financial instruments**

	<b>2018</b>	2017
	<b>£</b>	£
Financial assets measured at amortised cost	<b>85,607</b>	108,784
Financial liabilities measured at amortised cost	<b>4,654</b>	6,489

Financial assets measured at amortised cost comprise cash, stocks, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

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**Notes to the financial statements**  
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**17. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
<b>Designated funds</b>					
Paddle Steamer 'Medway Queen'	2,793,828	-	-	423,983	3,217,811
Fixed Asset Fund	-	-	(177)	706	529
	<u>2,793,828</u>	<u>-</u>	<u>(177)</u>	<u>424,689</u>	<u>3,218,340</u>
<b>General funds</b>					
General Funds	424,624	47,258	(48,538)	(339,292)	84,052
Total Unrestricted funds	<u>3,218,452</u>	<u>47,258</u>	<u>(48,715)</u>	<u>85,397</u>	<u>3,302,392</u>

**Paddle Steamer 'Medway Queen'**

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. The balance of this fund reflects the closing value of the charity's heritage assets as at 31 March 2018.

**Fixed Asset Fund**

The designated fixed asset fund is comprised of the Charity's fixed assets. The transfer in to the fund this year is the net book value of these fixed assets at the beginning of the financial year. The depreciation charge for the year, of £177, has then been allocated against the fund, with the closing balance of the fund representing the closing net book value of these fixed assets as at 31 March 2018.

**Restricted funds**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Engine fund	85,397	-	-	(85,397)	-
Accountancy software	386	-	(386)	-	-
CTF training	20,000	-	(20,000)	-	-
	<u>105,783</u>	<u>-</u>	<u>(20,386)</u>	<u>(85,397)</u>	<u>-</u>
Total of funds	<u>3,324,235</u>	<u>47,258</u>	<u>(69,101)</u>	<u>-</u>	<u>3,302,392</u>



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**17. Statement of funds (continued)**

**Engine fund**

An appeal had been made for funds to restore the engines and the donations received by this fund were recorded as restricted.

This year £85,397 has been transferred out of this restricted fund and moved to general unrestricted funds. This is because it was identified that in the 2010/11 financial year the Charity incurred expenditure of £88,100 in respect of the new condenser and the main engine block refurbishment installed in the new hull. Unfortunately this expenditure was never appropriately allocated to the engine fund, either by setting expenditure against it, or by putting a transfer against it. Therefore the decision has been taken that in order to show a true picture of the fund balance this year, a transfer should be set against the balance of this fund in order to eliminate it and show the correct carried forward balance of £Nil.

**Accountancy software**

This represents the balance of the funds received by the Charity in order to enable them to improve the accountancy software used on a day to day basis within the organisation.

**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.

**Statement of funds - prior year**

	Balance at 1 April 2016 £	Income £	Expenditure £	Balance at 31 March 2017 £
<b>Designated funds</b>				
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	<u>427,969</u>	<u>38,724</u>	<u>(42,069)</u>	<u>424,624</u>
<b>Restricted funds</b>				
	Balance at 1 April 2016 £	Income £	Expenditure £	Balance at 31 March 2017 £
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	<u>3,316,600</u>	<u>98,724</u>	<u>(91,089)</u>	<u>3,324,235</u>

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**Summary of funds - current year**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Designated funds	2,793,828	-	(177)	424,689	3,218,340
General funds	424,624	47,258	(48,538)	(339,292)	84,052
	<u>3,218,452</u>	<u>47,258</u>	<u>(48,715)</u>	<u>85,397</u>	<u>3,302,392</u>
Restricted funds	105,783	-	(20,386)	(85,397)	-
	<u>3,324,235</u>	<u>47,258</u>	<u>(69,101)</u>	<u>-</u>	<u>3,302,392</u>

**Summary of funds - prior year**

	Balance at 1 April 2016 £	Income £	Expenditure £	Balance at 31 March 2017 £
Designated funds	2,793,828	-	-	2,793,828
General funds	427,969	38,724	(42,069)	424,624
	<u>3,221,797</u>	<u>38,724</u>	<u>(42,069)</u>	<u>3,218,452</u>
Restricted funds	94,803	60,000	(49,020)	105,783
	<u>3,316,600</u>	<u>98,724</u>	<u>(91,089)</u>	<u>3,324,235</u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	529	-	529
Heritage asset in the course of reconstruction	3,217,811	-	3,217,811
Current assets	88,706	-	88,706
Creditors due within one year	(4,654)	-	(4,654)
	<u>3,302,392</u>	<u>-</u>	<u>3,302,392</u>

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**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior 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>

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

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(21,843)	7,635
<b>Adjustment for:</b>		
Depreciation charges	177	235
Dividends, interest and rents from investments	(4)	(12)
Decrease in stocks	498	675
Decrease in debtors	367	3,942
(Decrease)/increase in creditors	(1,835)	628
<b>Net cash (used in)/provided by operating activities</b>	<u>(22,640)</u>	<u>13,103</u>

**20. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand	72,187	94,823
<b>Total</b>	<u>72,187</u>	<u>94,823</u>

**21. Related party transactions**

There were no transactions with related parties during the year.