

Company registration number: 01629881

Charity registration number: 284687

Nautical Museums Trust Limited

(A company limited by guarantee, incorporating The
Warship Ann Trust and the Warship Resolution Trust)

Annual Report and Financial Statements

for the Year Ended 31 December 2017

Manningtons
A J Thomson FCA
7 Wellington Square
Hastings
East Sussex
TN34 1PD

Nautical Museums Trust Limited

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Nautical Museums Trust Limited

Reference and Administrative Details

Trustees	H Luke R Pulfer P Marsden T McDonald D Spooner (appointed 22 June 2018) N McClure (appointed 22 June 2018)
Principal Office	Shipwreck Museum Rock A Nore Road Hastings East Sussex TN34 3DW
Registered Office	Shipwreck Museum Rock A Nore Road Hastings East Sussex TN34 3DW
Company Registration Number	01629881
Charity Registration Number	284687
Bankers	National Westminster Havelock Road Hastings East Sussex TN34 1GW
Independent Examiner	Manningtons A J Thomson FCA 7 Wellington Square Hastings East Sussex TN34 1PD

Nautical Museums Trust Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2017.

Objectives and activities

Objects and aims

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

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

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

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

Public benefit

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

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

Nautical Museums Trust Limited

Trustees' Report (continued)

Chairman's Report

The last twelve months have been challenging. We continue to offer free entry to the Shipwreck Museum in Hastings while relying on voluntary donations and the profits from our small gift shop to support our work. We feel that we have done well to manage a cash break even, before depreciation, and to record well over one million visitors to the Museum since we opened over 30 years ago (68,811 visitors in 2017).

The Trustees have agreed significant changes to move the Museum forward, in part prompted from the need to agree policies for the five-yearly government Accreditation process.

The Trustees agreed that the Shipwreck Museum will primarily focus on the unique survival of international history in the maritime bays between the promontories of Dungeness in the east, and Beachy Head in the west, so that it will be the hub that encourages visitors to explore freely what can be seen there. This includes the historic shipwrecks, the ports and the changing coastline

They have also agreed to implement changes that will address the increasingly haphazard display arrangements in the Museum that are due to the increasing size of the collection.

The changes include plans to recruit a full-time Development Director to manage the expansion of the Trust's activities, this will require us to access significant third-party grants and funding.

Trustees have also been in discussion with the Nautical Archaeology Society regarding a partnership agreement around the wrecks of the English warship Anne (1690) and the Danish merchant ship Thomas Lawrence (1862), both of which are the responsibility of our Trust. This will not only increase research into their stories, but will introduce new and younger visitors to the work of the Trust.

With these plans and policies in place the Museum will enable many more visitors to enjoy the free attractions of the local maritime heritage, and make it possible for us to develop a programme of talks in the Museum and guided tours of those sites, as well as ensure that the Museum covers its costs.

The annual report was approved by the trustees of the charity on 19 September 2018 and signed on its behalf by:

.....
P Marsden
Trustee

Nautical Museums Trust Limited

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

I report on the accounts of the charity for the year ended 31 December 2017 which are set out on pages 5 to 14 .

Respective responsibilities of trustees and examiner

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

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

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

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

(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 accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
A J Thomson FCA
Manningtons

7 Wellington Square
Hastings
East Sussex
TN34 1PD

20 September 2018

Nautical Museums Trust Limited

Statement of Financial Activities for the Year Ended 31 December 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2017 £
Income and Endowments from:			
Donations and legacies	2	12,334	12,334
Other trading activities	3	58,825	58,825
Total Income		71,159	71,159
Expenditure on:			
Raising funds	4	(59,821)	(59,821)
Charitable activities	5	(16,041)	(16,041)
Total Expenditure		(75,862)	(75,862)
Net expenditure		(4,703)	(4,703)
Net movement in funds		(4,703)	(4,703)
Reconciliation of funds			
Total funds brought forward		52,487	52,487
Total funds carried forward	16	47,784	47,784
		Unrestricted funds £	Total 2016 £
Income and Endowments from:			
Donations and legacies	2	9,681	9,681
Other trading activities	3	62,345	62,345
Total Income		72,026	72,026
Expenditure on:			
Raising funds	4	(70,374)	(70,374)
Charitable activities	5	(16,613)	(16,613)
Total Expenditure		(86,987)	(86,987)
Net expenditure		(14,961)	(14,961)
Net movement in funds		(14,961)	(14,961)
Reconciliation of funds			
Total funds brought forward		67,448	67,448
Total funds carried forward	16	52,487	52,487

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2016 is shown in note 16.

Nautical Museums Trust Limited
(Registration number: 01629881)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	37,780	42,240
Current assets			
Stocks	13	7,922	10,817
Debtors	14	204	148
Cash at bank and in hand		11,622	6,306
		19,748	17,271
Creditors: Amounts falling due within one year	15	(9,744)	(7,024)
Net current assets		10,004	10,247
Net assets		47,784	52,487
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		47,784	52,487
Total funds	16	47,784	52,487

For the financial year ending 31 December 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

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

The financial statements on pages 5 to 14 were approved by the trustees, and authorised for issue on 19 September 2018 and signed on their behalf by:

.....
P Marsden
Trustee

Nautical Museums Trust Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

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

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

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

Donations and legacies

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

Grants receivable

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

Nautical Museums Trust Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

1 Accounting policies (continued)

Expenditure

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

Raising funds

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

Charitable activities

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

Support costs

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

Governance costs

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

Taxation

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

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost.

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

Depreciation and amortisation

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

Nautical Museums Trust Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

1 Accounting policies (continued)

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

Stock

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

Trade debtors

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

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

Cash and cash equivalents

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

Trade creditors

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

Trade creditors are recognised initially at the transaction price.

Borrowings

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

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

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

Nautical Museums Trust Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

1 Accounting policies (continued)

Fund structure

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

2 Income from donations and legacies

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Donations and legacies;			
Donations from individuals	12,334	12,334	8,681
Grants, including capital grants;			
Grants from other charities	-	-	1,000
	<u>12,334</u>	<u>12,334</u>	<u>9,681</u>

3 Income from other trading activities

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Trading income;			
Sales of goods and services	58,412	58,412	60,672
Events income;			
Other events income	413	413	1,673
	<u>58,825</u>	<u>58,825</u>	<u>62,345</u>

Nautical Museums Trust Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

4 Expenditure on raising funds

a) Costs of trading activities

		Unrestricted funds		
	Note	General £	Total 2017 £	Total 2016 £
Costs of goods sold		21,582	21,582	28,054
Membership subscriptions		337	337	376
Marketing and publicity		220	220	921
Depreciation, amortisation and other similar costs		4,460	4,460	4,457
Other direct costs of activities for generating funds		32,692	32,692	35,916
		<u>59,291</u>	<u>59,291</u>	<u>69,724</u>

b) Investment management costs

		Unrestricted funds		
	Note	General £	Total 2017 £	Total 2016 £
Finance charges;				
Bank charges		530	530	650
		<u>530</u>	<u>530</u>	<u>650</u>

5 Expenditure on charitable activities

		Unrestricted funds		
	Note	General £	Total 2017 £	Total 2016 £
Charitable Activities		5,091	5,091	8,137
Staff costs	9	211	211	34
Allocated support costs		8,131	8,131	7,602
Governance costs	6	2,608	2,608	840
		<u>16,041</u>	<u>16,041</u>	<u>16,613</u>

Nautical Museums Trust Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

5 Expenditure on charitable activities (continued)

£Nil (2016 - £Nil) of the above expenditure was attributable to unrestricted funds and £Nil (2016 - £Nil) to restricted funds.

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Independent examiner fees			
Examination of the financial statements	1,788	1,788	840
Legal fees	820	820	-
	<u>2,608</u>	<u>2,608</u>	<u>840</u>

7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2017 £	2016 £
Depreciation of fixed assets	4,460	4,457
Finance charges payable	<u>530</u>	<u>650</u>

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	32,692	35,916
Pension costs	<u>211</u>	<u>34</u>
	<u>32,903</u>	<u>35,950</u>

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

Nautical Museums Trust Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

10 Independent examiner's remuneration

	2017 £	2016 £
Examination of the financial statements	<u>1,788</u>	<u>840</u>

11 Taxation

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

12 Tangible fixed assets

	Building Conversion £	Exhibition Cases and Fittings £	Office Equipment £	Total £
Cost				
At 1 January 2017	<u>95,798</u>	<u>66,439</u>	<u>15,218</u>	<u>177,455</u>
At 31 December 2017	<u>95,798</u>	<u>66,439</u>	<u>15,218</u>	<u>177,455</u>
Depreciation				
At 1 January 2017	57,922	62,237	15,056	135,215
Charge for the year	<u>1,916</u>	<u>2,395</u>	<u>149</u>	<u>4,460</u>
At 31 December 2017	<u>59,838</u>	<u>64,632</u>	<u>15,205</u>	<u>139,675</u>
Net book value				
At 31 December 2017	<u>35,960</u>	<u>1,807</u>	<u>13</u>	<u>37,780</u>
At 31 December 2016	<u>37,876</u>	<u>4,202</u>	<u>162</u>	<u>42,240</u>

13 Stock

	2017 £	2016 £
Stocks	<u>7,922</u>	<u>10,817</u>

14 Debtors

	2017 £	2016 £
Prepayments	191	148
Other debtors	<u>13</u>	<u>-</u>
	<u>204</u>	<u>148</u>

Nautical Museums Trust Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	80
Other loans	5,000	5,000
Other taxation and social security	3,237	646
Accruals	1,507	1,298
	<u>9,744</u>	<u>7,024</u>

16 Funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Balance at 31 December 2017 £
Unrestricted funds				
Unrestricted general funds	<u>52,487</u>	<u>71,159</u>	<u>(75,862)</u>	<u>47,784</u>

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

17 Analysis of net funds

	At 1 January 2017 £	Cash flow £	At 31 December 2017 £
Cash at bank and in hand	6,306	5,316	11,622
Net debt	<u>6,306</u>	<u>5,316</u>	<u>11,622</u>