

Registered number: 02885156
Charity number: 1041863

UNDERFALL YARD TRUST
(A COMPANY LIMITED BY GUARANTEE)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

**UNDERFALL YARD TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**UNDERFALL YARD TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Trustees	I Wilkinson, Chair A King, Deputy Chair J Durie R Holden R Orrett (appointed 11 December 2018) N Ringner M Rothwell M Tucker (appointed 11 December 2018)
Company registered number	02885156
Charity registered number	1041863
Registered office	2 Temple Back East Temple Quay Bristol BS1 6EG
Principal operating office	Underfall Yard Boatyard Cumberland Road Bristol BS1 6XG
Company secretary	M Rothwell
Vice Presidents	G Hayes M Tanner
Bristol City Council Representative	Councillor M Wright
Accountants	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank PLC 284 Wells Road Knowle Bristol BS4 2PY
Solicitors	Osborne Clarke LLP 2 Temple Back East Temple Quay Bristol BS1 6EG

**UNDERFALL YARD TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The Trustees present their annual report together with the financial statements of the company for the year from 1 April 2018 to 31 March 2019. 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 Trust's strategy is subject to ongoing revision and scrutiny and is reviewed each year.

The overarching vision of the Trust is 'To create a Maritime Centre of Excellence within Bristol Harbour that preserves, for the benefit of the public, its historic assets and unique character through sustainable commercial, leisure, tourism and educational developments reflecting the maritime history of the area.'

b. STRATEGIES FOR ACHIEVING OBJECTIVES

The vision of the Trust will be delivered and monitored against the following strategic objectives:

1. Preserving and restoring the historic buildings and machinery.
2. Improving public access, engagement, awareness and understanding of the yard including interpretation, with opportunities for learning and volunteering.
3. Retaining the unique character of the Underfall Yard, keeping it as a working and productive place, not a working museum.
4. Nurturing and supporting maritime skills and industries by providing workshops, with opportunities for training and learning
5. Enhancing sustainability to ensure long-term viability.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

The principal mechanisms to enable the five strategic priorities to be delivered are:

The fifty-year lease from Bristol City Council to the Trust of the whole of the Underfall Yard site (handover 1 September 2014) and the delivery of the £4 million project (74% funded by Heritage Lottery Fund, with the remainder coming from the Trust's own fundraising) has provided a sound basis for the Trust to develop.

Future site development and capital works will be undertaken as buildings become available to the Trust under the terms of the lease and the funding agreement, this will provide additional funding enabling the Trust to continue its work in preserving and maintaining the unique and historic site. Programmes of educational, volunteering and engagement activities continue to be developed and delivered.

The continued support of Maritime skills and businesses will be the basis for the Trusts future planning, combined with sound commercial planning.

**UNDERFALL YARD TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019**

d. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The conservation of the Underfall Yard, a Scheduled Ancient Monument is the responsibility of the Trust and at the centre of the Trust's activities. The Trust has a programme of regular maintenance of all the infrastructure and rental units already in its possession. Units are let to maritime businesses. The rental income and a service charge from these units provides the funding necessary for the works required to maintain and conserve a complex historical site. The Trust continues to deliver and develop educational programmes, actively engages with the local community and groups in the immediate vicinity and the harbourside, creating relationships which enhance the goals of the Trust and promote the historical relevance of the site.

With proposed development to the Western Harbour the Trust is working with other interested parties to ensure that the Underfall Yard continues to remain at the heart of the harbour.

ACHIEVEMENTS AND PERFORMANCE

a. REVIEW OF ACTIVITIES

Capital works

A comprehensive programme of capital works was completed in February 2018. Future capital works are currently in the planning stage. It is essential that all works are completed in a sensitive manner and address the various challenges posed by an historic site with Scheduled Ancient Monument status. Future works will require changes to the internal structure of the buildings and may include roof repairs, gutter repairs, structural support for buildings, repointing and repairing brickwork, electrical and plumbing repairs. Special attention is required when selecting the approach and materials to ensure that they are suitable for the site historically, structurally and aesthetically achieving the Trust's aim of restoring and preserving the buildings without changing their appearance. All future works require full planning permission and close contact with Historic England.

Machinery

In addition to the restoration of the Underfall Yard buildings, machinery at Underfall Yard has undergone restoration and repair. Throughout the year the hydraulic pumps have been run for display purposes. The line shaft arrangement and engine have been serviced and a modern hydraulic motor installed to drive the system. Work has continued during the year on some of the scheduled machines and several of them have now been connected to the line shaft and can be demonstrated in action, the work on these machines has been delivered largely through volunteer hours. The forges are fully restored and in use for public demonstration during event weekends.

Staffing

A staffing structure put into place in 2018 is working well. It allows for seven-day cover for yard, office and visitor related business. There are four members of staff, The Director who is in overall charge, a Community, Learning and Volunteer Manager, a Finance and Administration Coordinator and a Site and Machinery Coordinator. All members of staff take on weekend and Duty Manager cover on a rota basis. The staff are ably assisted by a 52 strong group of regular volunteers who provide several different services such as Visitor Centre welcome, guided tours, workshop preservation and pump demonstrations.

Visitors

The Visitor Centre, which explores the Underfall Yard's fascinating story through hands-on displays, a giant interactive map and with the help of volunteers, welcomed 95,541 visitors, a 15% increase on the previous year, opening hours are still restricted to 6 days per week. Volunteers ran the 1907 hydraulic pumps over 200 times for the enjoyment and edification of the visitors. The Trust delivered a varied engagement programme for adults, universities, families, schools and youth charities reaching out to existing and new groups.

The Trust continued to develop strong partnerships with local organisations to deliver a site-specific and outreach education programme, Underfall Yard Trust once again worked in partnership with South Bristol Youth to deliver initiatives for over 200 young people focussing on: careers, engineering, numeracy and cultural capital, South Bristol is an area of high deprivation where many young people fail to achieve their potential because of lack of self-belief and opportunities to develop life skills.

**UNDERFALL YARD TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019**

The Trust delivers three high-profile annual events: Harbour Festival, Doors Open Days and Docks Heritage Weekend. These events attract between 3,000-5,500 visitors per weekend and allow the Trust to showcase different facets of the yard.

Underfall Yard is a working site that welcomes visitors. Although the route through the yard is not a public right of way the Trust encourages access and keeps the gates open whenever possible. Temporary closures during the year have enabled Bristol City Council and the yard's maritime businesses to safely carry out operations including boat building and maintenance, slipping boats and harbour maintenance. Interpretation is concentrated within the Visitor Centre and moveable panels are used around the site to allow the working nature of the site to thrive. The knuckle is an area of land which, previously restricted, is now open to the public with seating. This allows the public to safely watch operations when the yard is closed. Pickle Ltd increased café opening hours and developed a private hire offer that has been growing gradually.

The Education room has been used to deliver the Trust's workshops but also a variety of other educational and community projects.

Yard businesses

During the year there were no changes to the existing Tenants in the Yard. The final Capital works allowed for improvement to J block 1st floor, this space has now been let so all units are occupied. All tenants have up to date leases and are contributing a service charge towards the relevant costs.

The current tenants are:

Omnifarious Ltd
Bristol Maritime Academy
Everyday Things t/a Shipshape Boatbuilding and Woodwork
Bristol City Council
Star Yachts Ltd
RB Boat Building Ltd
Fire Iron Art Blacksmithing
Independent Composites Ltd
Adventurous Activities
Traditional Rigging
Motive Marine Ltd
Offshore Marine Management
Pickle Café
Severnside Sub-Aqua Club
Avon Scout County Sailing Section

Summary of finances

This was the first year of the Trust operating a much larger site without external funding. The increased rental and service charge income is covering the larger operational costs and maintenance requirements with a small surplus to add to the reserve. The rental income is the main source of funds for the Trust, in addition boats moored at the site are charged and the operation of the slipway generates revenue. The café makes a small catering contribution based on its turnover. Rental is charged for the education room and most educational visits are now charged for. The Trust fundraises mainly through donation boxes, no capital fundraising took place during the year. The Trust works on tight expenditure control in all areas.

b. INVESTMENT POLICY AND PERFORMANCE

The Trust holds no formal investments; current investment income is derived from rental yields. One of the three accounts currently held with Lloyds Bank functions as a deposit account and derives interest income from short term treasury deposits.

**UNDERFALL YARD TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019**

c. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The Trust is required to operate in a way both compatible with its own charitable objects and within the various terms and conditions as laid out by its funders; in addition, it must also adhere to the financial and reporting requirements of its funders as well as to its own internal procedures.

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. RESERVES POLICY

The charity aims to build up a reserve of free funds, equivalent to approximately 6 months charitable expenditure, to provide against any temporary downturn in rental or other income. This suggests a reserve of around £100,000 together with an emergency fund of £5,000. The unrestricted funds stand at £81,769, this has been built up from several years of operating surplus. The current reserves balance is slightly lower than that required by the reserves policy. Based on income projections, the Trust anticipate being able to rebuild that balance back to reserve policy levels within five years. The trustees review the reserves policy on an annual basis.

c. FUNDRAISING POLICY

The charity does not directly raise funds from the public.

d. PRINCIPAL FUNDING

All staffing, site costs and operations, are funded from boat, slipway and rental income. Education and visit costs are covered by a small charge. Donations are used to provide additional resources when required. The Trust will undertake fundraising campaigns for future developments.

Project work was funded 74% by the Heritage Lottery Fund and 26% other sources including: Bristol City Council (£250,000 over two years), AIM Biffa Landfill Tax credit scheme (£120,000), Garfield Weston Foundation (£100,000) and many other trusts and individuals.

e. MATERIAL INVESTMENTS POLICY

Decisions relating to material investments are taken at full board level after a robust costing, cost benefit analysis and, where appropriate, external professions' advice.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The Charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 22 December 1993. The company is a private company limited by guarantee and as such does not have share capital. The governing documents are the Memorandum and Articles of Association. The liability of each member is limited to an amount not exceeding £1.

**UNDERFALL YARD TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019**

The main activities of the Underfall Yard Trust are;

- a) To preserve for the benefit of the public of the townspeople of the City of Bristol and of the nation at large, the Underfall Yard which is of historical, architectural and constructional interest.
- b) To advance the education of the public of the Underfall Yard within Bristol's floating harbour and the City of Bristol by way of the development and retention of the traditional and contemporary maritime skills
- c) To register the Trust's interest in the future of the areas immediately surrounding the Underfall Yard, the heritage of the floating harbour and to work with stakeholders to support appropriate adoption of these areas for use in the furtherance of the Trust's objects.

In considering these objectives, the Trustees have had regard to the Charity Commission's guidance on public benefit and confirm that, in their opinion, the Trust both by way of its establishment and the stated objectives above, seeks to deliver a clear public benefit to the City of Bristol, its current and future citizens, and to the wider community, through the preservation and continued working of this historic boatyard.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The rotation of trustees was subject to discussion during the financial year and new Trustees with the appropriate skills are being sought as part of a longer-term strategy.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustees are appointed on recommendation by current trustees having regard to their range and depth of relevant experience and are inducted via site visits and a familiarisation from existing trustees and Trust staff. All trustees are made aware of the Trust Health & Safety and Equal Opportunities policies, and Training is provided as and when deemed necessary.

d. PAY POLICY FOR SENIOR STAFF

As the Charity has only four employees, the policy is to pay a sensible salary for the role performed.

e. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees is overseen by the Chair, supported by the Treasurer, Secretary and board members. The Board meets at least four times a year at regular intervals. This is supplemented by working groups focussed on aspects of the business as required. The working groups can be given delegated authority to take decisions on behalf of the full Board of Trustees however major decisions such as staff appointments and critical budget changes are brought before the Board.

f. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and whilst those risks have increased as a result of the Heritage Lottery Fund project, the Trustees are satisfied that systems and procedures are in place to mitigate exposure to the major risks, these however are subject to continuing improvement and scrutiny; additional systems put in place as funder requirements during the project continue and have been improved upon to ensure a robust approach to payment approval and recording.

**UNDERFALL YARD TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019**

PLANS FOR FUTURE PERIODS

a. FUTURE DEVELOPMENTS

The Trust has been through a great number of changes as it transforms from a contractor-led management system to a seven-day-a-week fully staffed organisation. The Heritage Lottery Fund project and the long-term lease with Bristol City Council obligates the Trust to take on site-wide responsibilities, including delivery of education programmes and community engagement, in addition to supporting maritime businesses and skills.

The Trustees have begun working on a new 5-year strategic plan to reflect these new responsibilities and allow for the changes to be consolidated. The Trust will address the delivery of strategic objectives in a self-sustaining way, by continuing to review the staffing structure; finalise and adopt the new five-year business plan; review the Vision and the strategic priorities to ensure they are still fit for purpose and that they reflect developments in the area and the external financial and political environment.

The Funding Agreement with Bristol City Council allows for more spaces to be handed over to the Trust. These spaces are essential to the long-term future growth of the Trust and require long term planning, this is now underway ensuring that the Trust can fully utilise these spaces when they become available and that there is a funding plan in place.

FUNDS HELD AS CUSTODIAN

The Trust holds deposit funds for Omni Digital Ltd of £7,800, Offshore Marine Ltd of £3,069 and Mathew Wilcox of £900 in the reserve account, £257 of interest was earned on the deposits.

This report was approved by the Trustees, on 26/11/19 and signed on their behalf by:



**I Wilkinson
Trustee**

**UNDERFALL YARD TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF UNDERFALL YARD TRUST (the 'company')

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 March 2019.

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:

Bishop Fleming LLP

Dated:

4 December 2019

David Butler FCA DChA (Senior statutory auditor)

Bishop Fleming LLP
Chartered Accountants
16 Queen Square
Bristol
BS1 4NT

UNDERFALL YARD TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations and legacies	2	12,291	-	12,291	316,347
Charitable activities	3	204,185	-	204,185	134,902
Investments		257	-	257	5
TOTAL INCOME		216,733	-	216,733	451,254
EXPENDITURE ON:					
Charitable activities		176,739	107,410	284,149	250,276
TOTAL EXPENDITURE		176,739	107,410	284,149	250,276
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		39,994	(107,410)	(67,416)	200,978
NET MOVEMENT IN FUNDS		39,994	(107,410)	(67,416)	200,978
RECONCILIATION OF FUNDS:					
Total funds brought forward		41,775	3,580,322	3,622,097	3,421,119
TOTAL FUNDS CARRIED FORWARD		81,769	3,472,912	3,554,681	3,622,097

The notes on pages 12 to 21 form part of these financial statements.

UNDERFALL YARD TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 02885156

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	9		3,405,201		3,555,330
CURRENT ASSETS					
Debtors	10	12,210		85,342	
Cash at bank and in hand		155,953		36,331	
		<u>168,163</u>		<u>121,673</u>	
CREDITORS: amounts falling due within one year	11	(18,683)		(54,906)	
NET CURRENT ASSETS			<u>149,480</u>		<u>66,767</u>
NET ASSETS			<u><u>3,554,681</u></u>		<u><u>3,622,097</u></u>
CHARITY FUNDS					
Restricted funds	13		3,472,912		3,580,322
Unrestricted funds	13		81,769		41,775
TOTAL FUNDS			<u><u>3,554,681</u></u>		<u><u>3,622,097</u></u>

The company's financial statement 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 statement.

The financial statements were approved and authorised for issue by the Trustees on 26/11/19 and signed on their behalf, by:



I Wilkinson
Trustee

The notes on pages 12 to 21 form part of these financial statements.

UNDERFALL YARD TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	15	119,914	(59,322)
Cash flows from investing activities:			
Dividends, interest and rents from investments		257	5
Purchase of tangible fixed assets		(549)	(222,673)
Capital grants		-	278,274
Net cash (used in)/provided by investing activities		(292)	55,606
Change in cash and cash equivalents in the year		119,622	(3,716)
Cash and cash equivalents brought forward		36,331	40,047
Cash and cash equivalents carried forward	16	155,953	36,331

The notes on pages 12 to 21 form part of these financial statements.

UNDERFALL YARD TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

1.1 CHARITY INFORMATION

Underfall Yard Trust is a company limited by guarantee and a charity, registered at the Charity Commission in England and Wales. The registered office is 2 Temple Back East, Temple Quay, Bristol, BS1 6EG. The principal office is Underfall Yard Boatyard, Cumberland Road, Bristol, BS1 6XG.

1.2 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.

Underfall Yard Trust 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.

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

The Charity's functional and presentational currency is the pound sterling.

1.3 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 £1 per member of the company.

1.4 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.

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.

Government and other similar grants received are dealt with in accordance with the terms of the grant and are included in the Statement of Financial Activities in the period in which the income is available to spend. If the purpose of the grant is restricted, it is shown as restricted income. In relation to the Heritage Lottery Fund project the charity recognises the income HLF grants once the expenditure has been incurred and the grant applied for, on the basis that it is only at that time that receipt of the grant income is assured. Restricted donations are recognised once the receipt of the donation is certain and measurable.

**UNDERFALL YARD TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. ACCOUNTING POLICIES (continued)

1.5 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.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.6 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

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

**UNDERFALL YARD TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

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:

Long-term leasehold property	-	Over the term of the lease
Extension to forge	-	15% straight line
Office equipment	-	Straight line over 3 years
Interpretation assets	-	Straight line over 3 to 10 years
Computer equipment	-	Straight line over 3 years
Building restoration	-	Over the term of the lease

1.8 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

UNDERFALL YARD TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	12,291	-	12,291	103,073
Grants	-	-	-	213,274
	<u>12,291</u>	<u>-</u>	<u>12,291</u>	<u>316,347</u>
Total donations and legacies	<u>12,291</u>	<u>-</u>	<u>12,291</u>	<u>316,347</u>
Total 2018	<u>14,293</u>	<u>302,054</u>	<u>316,347</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rental income - boats, slipway and workshop	194,940	-	194,940	131,315
Electricity income	9,245	-	9,245	3,587
	<u>204,185</u>	<u>-</u>	<u>204,185</u>	<u>134,902</u>
Total 2018	<u>134,902</u>	<u>-</u>	<u>134,902</u>	

4. DIRECT COSTS

	Total 2019 £	Total 2018 £
Slipway Services	5,931	17,675
Material and repairs	879	1,891
HLF: Activity Costs	-	5,299
HLF: Office costs	-	12,199
HLF: Professional Fees	-	15,228
HLF: Contracted payroll	-	21,887
Wages and salaries	89,634	65,478
National insurance	8,192	4,384
Pension cost	1,435	331
	<u>106,071</u>	<u>144,372</u>
Total 2018	<u>144,372</u>	

UNDERFALL YARD TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

5. SUPPORT COSTS

	Total 2019 £	Total 2018 £
Health and Safety	192	-
Building work and repairs	15,311	8,716
Waste disposal	3,289	2,088
Yard duties	7,700	6,719
Advertising	6,174	1,164
Insurance	8,375	8,726
Water, gas and electricity	16,870	21,249
Telephone	1,951	1,512
Professional fees	1,675	7,084
Travel and entertainment	925	291
Bank charges	1,381	1,267
Other support and office costs	2,709	1,144
Governance costs	3,000	3,000
Non recoverable VAT	1,116	-
Depreciation	107,410	42,944
	<u>178,078</u>	<u>105,904</u>
Total 2018	<u>102,062</u>	

6. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets: - owned by the charity	<u>107,410</u>	<u>42,944</u>

During the year, no Trustees received any remuneration (2018: £NIL).

During the year, no Trustees received any benefits in kind (2018: £NIL).

During the year, no Trustees received any reimbursement of expenses (2018: £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. STAFF COSTS

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	89,634	65,478
Social security costs	8,192	4,384
Other pension costs	1,435	331
	<u>99,261</u>	<u>70,193</u>

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

2019	2018
No.	No.
4	4

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

The total employee benefits of the key management personnel amounted to £37,985 (2018: £35,897).

8. TAXATION

The charity is exempt from corporation tax on its charitable activities.

UNDERFALL YARD TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Extension to forge £	Interpretation assets £	Computer and office equipment £	Building restoration £	Total £
COST						
At 1 April 2018	390,000	7,522	241,416	2,455	3,017,183	3,658,576
Additions	-	-	-	549	-	549
Disposals	-	-	-	-	(43,268)	(43,268)
At 31 March 2019	390,000	7,522	241,416	3,004	2,973,915	3,615,857
DEPRECIATION						
At 1 April 2018	23,400	7,522	69,876	2,448	-	103,246
Charge for the year	7,800	-	39,944	188	59,478	107,410
At 31 March 2019	31,200	7,522	109,820	2,636	59,478	210,656
NET BOOK VALUE						
At 31 March 2019	358,800	-	131,596	368	2,914,437	3,405,201
At 31 March 2018	366,600	-	171,540	7	3,017,183	3,555,330

10. DEBTORS

	2019 £	2018 £
Trade debtors	12,210	10,900
Other debtors	-	6,182
Prepayments and accrued income	-	68,260
	<u>12,210</u>	<u>85,342</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	286	49,561
Other taxation and social security	2,274	2,345
Other creditors	11,781	-
Accruals and deferred income	4,342	3,000
	<u>18,683</u>	<u>54,906</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. FINANCIAL INSTRUMENTS

	2019 £	2018 £
Financial assets measured at amortised cost	168,163	109,504
Financial liabilities measured at amortised cost	(4,628)	(52,574)

Financial assets measured at amortised cost comprise of cash at bank and in hand, trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise of an overdraft facility repayable on demand, trade creditors and accruals.

13. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
UNRESTRICTED FUNDS				
General Funds	41,775	216,733	(176,739)	81,769
RESTRICTED FUNDS				
HLF Property Improvement Grant	2,159,268	-	(107,410)	2,051,858
HLF other funds	213,274	-	-	213,274
Other Funders	1,207,780	-	-	1,207,780
	3,580,322	-	(107,410)	3,472,912
Total of funds	3,622,097	216,733	(284,149)	3,554,681

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
General Funds	131,840	145,358	(203,490)	(31,933)	41,775
RESTRICTED FUNDS					
HLF Property Improvement Grant	2,202,212	-	(42,944)	-	2,159,268
HLF other funds	-	213,274	-	-	213,274
Other Funders	1,087,067	88,780	-	31,933	1,207,780
	3,289,279	302,054	(42,944)	31,933	3,580,322

UNDERFALL YARD TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

All restricted funds received relate specifically towards the preservation of Underfall Yard and the creation of a Maritime Centre of Excellence.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	3,405,201	3,405,201
Current assets	100,452	67,711	168,163
Creditors due within one year	(18,683)	-	(18,683)
	<u>81,769</u>	<u>3,472,912</u>	<u>3,554,681</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	3,555,330	3,555,330
Current assets	53,413	68,260	121,673
Creditors due within one year	(11,638)	(43,268)	(54,906)
	<u>41,775</u>	<u>3,580,322</u>	<u>3,622,097</u>

15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(67,416)	200,978
Adjustment for:		
Depreciation charges	107,410	42,944
Interest received	(257)	(5)
Capital grants	-	(278,274)
(Increase) / decrease in debtors	73,132	(53,457)
Increase / (decrease) in creditors	(36,223)	28,492
Loss on disposal of assets	43,268	-
Net cash provided by/(used in) operating activities	<u>119,914</u>	<u>(59,322)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash in hand	155,953	36,331
	<u>155,953</u>	<u>36,331</u>

17. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure in these accounts.