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NAUTICAL MUSEUMS TRUST LIMITED
(BY GUARANTEE)

Annual Reports and Financial Statements
for the year ended 31st December 2007

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NAUTICAL MUSEUMS TRUST LIMITED
(By Guarantee)

Chairman's Review
For the Year Ended 31st December 2007

2007 did not, unfortunately, see a great deal of progress in the fortunes of the National Museum Trust and the Shipwreck and Coastal Heritage Centre. Regrettably, after many years of service, Ray Sutcliffe (Chairman), and Denis Brumwell (Company Secretary / Treasurer) resigned from the Board of Trustees, and Dr Peter Marsden resigned from his position as Honorary Trust Director. Dr Marsden, however, duly took up the role of Honorary Curator. The year also saw the resignation of Yasmin Ormsby as Manager of the Shipwreck and Coastal Heritage Centre, a position duly filled by Sally-Anne Foord.

Visitor numbers to the Centre were respectable, totalling 49,470.

The dearth of visitors during the out-of-season period was the primary contributor towards the year's overall financial loss. Consideration has been given to the possibility of closing the premises during these quieter months, but the implications of doing so are substantial and will need careful analysis.

During the year, Local Heritage Initiative/HLF grants supported ten talks covering different aspects of Bulverhythe, including the wreck of the Amsterdam, the area's cretaceous geology, the Bronze Age forest, the rising sea level and the work of the Receiver of Wreck. All the talks were well-attended and it is intended to develop an annual programme of talks and walks.

The Shipwreck and Coastal Heritage Centre's theatre benefited from the acquisition of new audio-visual equipment, thanks to a grant from the Isobel Blackman Foundation.

20,000 booklets describing Bulverhythe and the Amsterdam site, written and illustrated by Peter Marsden, were produced, funded by grants from the Environment Agency and the Heritage Lottery Fund, with additional support, especially as regards design, from Hastings Borough Council. All funds raised from the sale of the booklets will be going directly to the Shipwreck and Coastal Heritage Centre.

Work was undertaken during the year in preparation for the submission to obtain government accreditation for the museum. This entailed the drawing up of a Forward Plan and an Acquisition and Disposal Policy as well as evidence of the NMT's and SCHC's future financial sustainability.

Tim McDonald
Chairman

NAUTICAL MUSEUMS TRUST LIMITED
(By Guarantee)

Trustees' Report

The Trustees present their report and financial statements for the year ended 31st December 2007

Company Status

The Trust is a Company limited by guarantee and is a registered Charity

Registered Charity Number 284687

The Warship Anne Trust is a charitable subsidiary of the Nautical Museums Trust Limited

Charitable Objects and Principal Activities

The object for which the Trust is established is to promote the advancement of the education of the public in nautical history and archaeology, by the provision of a museum or museums. The objective is to be achieved by the acquisition, restoration and preservation of nautical exhibits of historical importance for display in the museum, for the benefit of the public. The museum operates a free entry policy for the public to encourage maximum access. To promote and encourage the involvement of local community organisations, by the arrangement of lectures, school visits, training courses, audio video film shows, exhibitions and conferences to ensure that the public is informed of 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.

Results for the Year

The accounts for the year show a net incoming resources deficit for the year of £1,578 (2006 £3,044 deficit), comprising of unrestricted funds

Trustees and Officers

The Trustees who held office during the year were -

R E Sutcliffe (Chairman)	Resigned 29 th November 2007
D Brumwell (Treasurer/Secretary)	Resigned 29 th November 2007
J A Barak (Treasurer)	
E V E Sharpston	
E R B Witheridge	
C T C Dobbs (Secretary)	Appointed 31 st January 2008
R Endsor	Appointed 31 st January 2008
T D McDonald (Chairman)	Appointed 31 st January 2008

Risk Assessment and Management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and are satisfied that systems are in place to monitor and control these risks in order to mitigate any impact that they may have in future

Employment

The Charity has an employment policy for recruitment, development and employment of staff on the basis of the suitability of their qualifications and experience to the work to be performed, regardless of sex, marital status, creed, race, nationality or disability. The Charity operates a policy of equal pay and aims to ensure that wages/salaries would reflect the knowledge, skills, responsibilities and personal competency required for the satisfactory performance of each job. An awareness of market conditions and scarcity value is maintained. For insurance purposes all volunteers are considered employees and their statutory rights are observed.

- Continued -

NAUTICAL MUSEUMS TRUST LIMITED

(By Guarantee)

Trustees' Report

Reserves Policy

The Charity gives due consideration to the level of reserves appropriate to its activities. It aims to monitor its fund balances in relation to its financial plans with the aim of ensuring that sufficient funds are available to meet its objectives on a year by year basis.

Investment Powers

The Trustees are empowered to make and hold investments using the general funds of the Charity.

Registered Office and Number

Shipwreck & Coastal Heritage Centre, Rock-a-Nore Road, Hastings, East Sussex TN34 3DW

Registered Number 01629881 England & Wales

Bankers

The Charity's bankers are National Westminster Bank, Hastings Branch, Havelock Road, Hastings, East Sussex TN34 1GW

Trustees' Responsibilities

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period. In preparing those financial statements the Trustees are required to -

- i) Select suitable accounting policies
- ii) Make judgements and estimates that are reasonable and prudent
- iii) Comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements, and
- iv) Prepare the financial statements on the going concern basis, it is appropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have decided to take advantage of the audit exemption provisions of the Companies Act. Under the provisions of the act, Porter Garland have been appointed as reporting accountants. Their report is shown on page 4 of the financial statements.

Signed on behalf of
the Board of Trustees



C T C Dobbs

Secretary

Approved by the Board on 18th May 2008

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES/DIRECTORS
OF NAUTICAL MUSEUMS TRUST LIMITED (By Guarantee)**

Report on the accounts of the Trust for the year ended 31 December 2007, which are set out on the pages 5 to 9

Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

It is our responsibility to

- Examine the accounts (under section 43(3)(a) of the 1993 Act),
- to follow procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the 1993 Act)
- to state whether particular matters have come to my attention

Basis of Independent Examiner's Report

Our 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 disclosure 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 I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In connection with our examination, no matter has come to our attention

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

- to keep accounting records in accordance with section 41 of the 1993 Act, and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act

have not been met, or

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

Portland House
Park Street
Bagshot
Surrey
GU19 5PG

15th May

2008



PORTER GARLAND
Chartered Accountants

NAUTICAL MUSEUMS TRUST LIMITED
(By Guarantee)

Statement of Financial Activities
for the year ended 31st December 2007

	<u>Note</u>	<u>General Fund</u>	<u>Restricted Legacies Fund</u>	<u>Total Funds 2007</u>	<u>Total Funds 2006</u>
<u>Incoming Resources</u>					
Donations, legacies and similar incoming resources	1	11,380	-	11,380	13,028
Charitable activities	2	50,158	-	50,158	65,374
Bank interest received		2	-	2	11
Other incoming resources		206	-	206	-
		-----	-----	-----	-----
<u>Total Incoming Resources</u>		£ 61,746	£ -	£ 61,746	£ 78,413
<u>Resources Expended</u>					
Cost of Sales		16,997	-	16,997	20,674
Wages		25,195	-	25,195	27,468
Archaeological services		109	-	109	-
Advertising/Website		-	-	-	35
Exhibition and audio visual costs		6,936	-	6,936	786
Water		100	-	100	92
Primrose Conservation		-	-	-	1,200
Insurance		1,923	-	1,923	1,835
Light and heat		1,292	-	1,292	1,124
Repairs and renewals		1,377	-	1,377	816
Travel		26	-	26	13
Printing, postage and stationery		266	-	266	247
Telephone		801	-	801	939
Accountancy fees		705	-	705	705
Subscriptions		65	-	65	50
Sundry expenses		279	-	279	551
Cleaning		200	-	200	89
Entertaining		11	-	11	-
Bank charges Streamline		558	-	558	568
Bank charges overdraft		200	-	200	170
Bank charges overdraft interest		-	-	-	-
Depreciation		2,862	-	2,862	2,862
Costs – Walks & Events		118	-	118	-
Creative Partnerships – Culture Shared		1,000	-	1,000	-
Local Heritage Initiative		2,304	-	2,304	-
Environment Agency Bulverhythe		-	-	-	(1,267)
Environment Agency Amsterdam Mgt Plan		-	-	-	22,500
		-----	-----	-----	-----
<u>Total Resources Expended</u>		£ 63,324	£ -	£ 63,324	£ 81,457
<u>Net Outgoing Resources</u>		(1,578)	-	(1,578)	(3,044)
<u>Total Funds Brought Forward</u>		76,634	-	76,634	79,678
		-----	-----	-----	-----
<u>Total Funds Carried Forward</u>		£ 75,056	£ -	£ 75,056	£ 76,634

Continuing Operation

None of the company's activities were acquired or discontinued during the above two financial years

Total Recognised Gains And Losses

The company has no recognised gains or losses other than the deficit for the above two financial years

Trust's Funds

There were no movements other than those shown in the above statement of financial activities

The accounting policies and notes on pages 7 to 9 form part of these financial statements

NAUTICAL MUSEUMS TRUST LIMITED
(By Guarantee)

Balance Sheet: 31st December 2007

	<u>Note</u>	<u>2007</u>	<u>2006</u>
Tangible fixed assets	4	82,594	85,456
<u>Current Assets</u>			
Stock		5,000	5,100
Debtors	5	4,060	1,372
Cash at bank and in hand		4,071	23,813
		-----	-----
		13,131	30,285
<u>Creditors Amounts Falling Due Within One Year</u>	6	20,669	39,107
		-----	-----
		(7,538)	(8,822)
<u>Net Assets</u>		-----	-----
		£ 75,056	£ 76,634
		=====	=====
<u>Reserves</u>			
Balance brought forward		76,634	79,678
Deficit for the year		(1,578)	(3,044)
		-----	-----
		£ 75,056	£ 76,634
		=====	=====


The Trustees have taken advantage of the exemption conferred by Section 249A (1) not to have these financial statements audited and confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985


The Trustees acknowledge their responsibility for ensuring that-

- 1) The Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- 2) The financial statements give a true and fair view of the state of affairs of the Company as at 31st December 2007 and of its deficit for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements so far as applicable to the Company

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements on pages 5 to 9 were approved on 15th May 2008 by the Board of Trustees and were signed on its behalf by -


T D McDonald
Chairman


J A Barak
Trustee

The accounting policies and notes on pages 7 to 9 form part of these financial statements

NAUTICAL MUSEUMS TRUST LIMITED
(By Guarantee)

Accounting Policies

for the year ended 31st December 2007

a) **Basis of Accounting**

The financial statements have been prepared under the historical cost convention

b) **Cash Flow**

The financial statements do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement

c) **Income**

Income is recognised in the period to which it relates

d) **Tangible Fixed Assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life -

Leasehold buildings	2% on cost
Exhibition cases and fittings	2% on cost
Office equipment	20% on cost

Costs relating to the acquisition of exhibits are included in the income and expenditure account at the time of acquisition

e) **Stocks**

Stock is valued at the lower of cost and net realisable value

NAUTICAL MUSEUMS TRUST LIMITED

(By Guarantee)

Notes to the Financial Statements

for the year ended 31st December 2007

1 Donations

The total donations received in the year ended 31st December 2007 of £11,380 (2006 - £13,028) were made up as follows -

	<u>General</u>	<u>Restricted Legacies Fund</u>	<u>Total Funds 2007</u>	<u>Total Funds 2006</u>
Orient Express	183	-	183	540
Donations Gift Aid	708	-	708	2,297
Donation boxes	8,816	-	8,816	9,804
Donations – other	1,673	-	1,673	387
	=====	=====	=====	=====
	£ 11,380	£ -	£ 11,380	£ 13,028
	=====	=====	=====	=====
Visitor Numbers			47,250	50,788

2 Charitable Activities

Shop sales	36,143	-	36,143	37,721
Third party sales commission	248	-	248	363
Local Heritage Initiative	2,304	-	2,304	-
Environment Agency	-	-	-	25,000
Archaeological Services	313	-	313	290
HM Revenue & Customs online filing incentive	150	-	150	250
Grants – Isabel Blackman Foundation/Creative Partnership	11,000	-	11,000	1,750
	=====	=====	=====	=====
	£ 50,158	£ -	£ 50,158	£ 65,374
	=====	=====	=====	=====

3 Taxation

The Trust is registered as a charity and therefore its income is not subject to corporation tax

4 Tangible Fixed Assets

	<u>Leasehold Buildings</u>	<u>Office Equipment</u>	<u>Exhibition Cases and Fittings</u>	<u>Total</u>
<u>Cost</u>				
At 1st January 2007	95,798	12,889	47,290	155,977
Additions	-	-	-	-
	=====	=====	=====	=====
<u>At 31st December 2007</u>	£ 95,798	12,889	47,290	155,977
	=====	=====	=====	=====
<u>Depreciation</u>				
At 1st January 2007	38,762	12,889	18,870	70,521
Charge for the year	1,916	-	946	2,862
	=====	=====	=====	=====
<u>At 31st December 2007</u>	£ 40,678	12,889	19,816	73,383
	=====	=====	=====	=====
<u>Net Book Value</u>				
<u>At 31st December 2007</u>	£ 55,120	-	27,474	82,594
	=====	=====	=====	=====
<u>At 31st December 2006</u>	£ 57,036	-	28,420	85,456
	=====	=====	=====	=====

NAUTICAL MUSEUMS TRUST LIMITED
(By Guarantee)

Notes to the Financial Statements

for the year ended 31st December 2007

5	<u>Debtors</u>	<u>2007</u>	<u>2006</u>
	Trade debtors	3,216	934
	Prepayments and sundry debtors	844	438
		-----	-----
		<u>£ 4,060</u>	<u>£ 1,372</u>

6 Creditors. Amounts Falling Due Within One Year

PAYE and NIC	771	380
Trade creditors	2,112	3,838
Sundry creditors and accruals	17,786	34,889
	-----	-----
	<u>£ 20,669</u>	<u>£ 39,107</u>

7 Limited by Guarantee

The Trust does not have a share capital and is limited by guarantee. In the event of it being wound up the maximum amount which each member is liable to contribute is £1. There were 6 guarantor members at the balance sheet date (2006 – 6)

8 Directors' Remuneration

No Directors remuneration was paid in respect of the year (2006 - Nil)