REGISTERED CHARITY NUMBER ~~284687~~

COMPANY NO 1629881

NAUTICAL MUSEUMS TRUST LIMITED

(BY GUARANTEE)

ANNUAL REPORTS AND FINANCIAL STATEMENTS

For The Year Ended 31 December 2008

NAUTICAL MUSEUMS TRUST LIMITED (BY GUARANTEE)

CHAIRMAN'S REPORT

For The Year Ended 31 December 2008

It has been observed as a by no means unusual phenomenon that voluntary organisations undergo a 'crisis of confidence' around the time of their twentieth year of existence. The NMT was no exception to this condition throughout 2008 and, for various reasons, important decisions had not been made in recent years, leading to a period of stagnation – indeed, decline.

Throughout 2008 the Centre continued to struggle financially, always relying on its bank overdraft. Action, therefore, needed to be taken – and taken urgently. This finally happened at the very end of the 2008 and early 2009 when there was a drastic restructuring of the Board of Trustees which allowed for the start of a comprehensive review of the NMT, an assessment of its current position, a re-definition of its role and the creation of a Business Plan to lay out the way ahead. The New Year would see more changes in the Trustee Board with two appointments of Trustees from an educational and financial background. Much needed changes to the salary structure and staffing, together with publications such as our first leaflet promoting the Centre to the public, were introduced. Although work was inevitably only at an infant stage by the end of the period under consideration in this report, it is not out of place to note that tremendous progress has been made subsequently, and this should form the optimistic basis of the Chairman's Report for 2009.

September 2008 saw the formal opening of Bulverhythe Beach as part of the proposed Pebsham Countryside Park. This remarkable stretch of foreshore contains an unrivalled variety of features, including the wreck of the *Amsterdam*, believed to be the best-preserved Dutch East Indiaman anywhere in the world, a substantial area of cretaceous rocks, a well preserved Bronze Age forest, major coastal defence works highlighting the ongoing dangers presented by rising sea levels, and other important features. Support had been given by a large number of official bodies, including English Heritage, the Environment Agency, Hastings Borough Council, Rother District Council and East Sussex County Council and representatives from these agencies, as well as from the Dutch Government, attended the opening ceremony.

Also that month saw the appointment – the first from a business background - to our Board of Trustees of a London Business Consultant who had moved to the area. We felt we were starting to put a more suitable Board together to stand us in good stead for the Projects that we had in mind for the extension and update of the Centre.

The decision was taken to keep the SCHC open during the winter months. There had been proposals to close the building in the off-season but it was felt that any benefits (primarily financial) would be heavily outweighed by the disadvantages of such action, including the loss of valuable staff and goodwill, as well as gaining the reputation of "the attraction that is always shut!"

A great deal of work remains to be done, but the end of 2008 witnessed a sea change in NMT proceedings and the beginning of a rise in morale as long-standing issues were seen to be being addressed. Thanks are due to Trustees, staff and volunteers who, once again, came together as a team with one purpose in mind – to further the work of the Nautical Museums Trust and the Shipwreck and Coastal Heritage Centre.

.....

Tim McDonald

Chairman

NAUTICAL MUSEUMS TRUST LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES

For The Year Ended 31 December 2008

The trustees present their report and financial statements for the year ended 31st December 2008. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) ***'Accounting and Reporting by Charities'*** issued in March 2005.

Company Status

The Trust is a Company limited by guarantee and is a registered Charity (number 284687).
The Warship Anne Trust is a charitable subsidiary of the Nautical Museums Trust Limited.
The Warship Resolution Trust is a charitable subsidiary of the Nautical Museums Trust Limited.
The above charitable subsidiaries are both dormant.

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 has a voluntary minimal fee to encourage use by the public.

Additional objectives are:

- 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 surplus for the year of £1,427 (2007: £1,578 deficit), comprising of unrestricted funds.

Trustees and Officers

The Trustees who held office during the year and up to the date of signing the accounts were

J. A. Barak (Treasurer)	Retired 18 Dec 2008	Christopher Dobbs	Retired 3 Jul 2008
R. Endsor	Appointed 31 Jan 2008	Retired 18 Dec 2008	
Peter Marsden		T. D. McDonald (Chair)	Appointed 31 Jan 2008
Eleanor Sharpston	Retired 3 Jul 2008	Jacqueline Stanford	Appointed 2 Oct 2008
E.R.B. Witheridge	Retired 18 Dec 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.

NAUTICAL MUSEUMS TRUST LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (continued)

For The Year Ended 31 December 2008

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 Company Number

Shipwreck & Coastal Heritage Centre, Rock-a-Nore Road, Hastings, East Sussex. TN34 3DW
The Trust is registered at Companies House in England and Wales under the registration number 01629881.

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, Christopher Whelan has been appointed as Independent Examiner. His report is shown on page 4 of the financial statements.

Signed on behalf of
the Board of Trustees

.....

T. McDonald
Secretary

Approved by the Board on 24.10.09 2009

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF

NAUTICAL MUSEUMS TRUST LIMITED (BY GUARANTEE)

I report on the accounts for the year ended 31st December 2008 set out on pages five to nine.

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 required.

It is my responsibility to

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

Basis of the 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 I do not express an audit opinion on the view given by the accounts.

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 41 of the 1993 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 1993 Act

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.

C Whelan

Christopher Whelan
16 Speckled Wood
HASTINGS
East Sussex
TN35 5AH

Date: 29 Oct 2009

NAUTICAL MUSEUMS TRUST LIMITED (BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

For The Year Ended 31 December 2008

	Note	General Fund	Restricted Legacies Fund	Total Funds 2008	Total Funds 2007
Incoming Resources		£	£	£	£
Donations, legacies and similar incoming resources	1	9,171	-	9,171	11,380
Charitable activities	2	43,339	-	43,339	50,158
Bank interest received		2	-	2	2
Other incoming resources		8,990	-	8,990	206
Total Incoming Resources		61,502	-	61,502	61,746
Resources Expended					
Cost of sales		11,055	-	11,055	16,997
Wages – shop		12,365	-	12,365	12,598
Wages – museum		12,364	-	12,364	12,597
Archaeological services		-	-	-	109
Exhibition and audio visual costs		400	-	400	6,936
Water		11	-	11	100
Insurance		1,938	-	1,938	1,923
Light and heat		1,680	-	1,680	1,292
Repairs and renewals		1,262	-	1,262	1,377
Travel		-	-	-	26
Printing, postage and stationery		455	-	455	266
Telephone & alarm		1,588	-	1,588	801
Bookkeeper and accountancy fees		2,004	-	2,004	705
Subscriptions		55	-	55	65
Sundry expenses		125	-	125	279
Cleaning		155	-	155	200
Entertaining		-	-	-	11
Bank charges Streamline		533	-	533	558
Bank charges overdraft		150	-	150	200
Depreciation		11,374	-	11,374	2,862
Costs – walks and events		150	-	150	118
Creative Partnerships – Cultural Shared		2,324	-	2,324	1,000
Local Heritage Initiative		-	-	-	2,304
Trustees' expenses		87	-	87	-
Total Resources Expended		60,075	-	60,075	63,324
Net Incoming (Outgoing) Resources		1,427	-	1,427	(1,578)
Total Funds Brought Forward		75,056	-	75,056	76,634
Total Funds Carried Forward		76,483	-	76,483	75,056

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 surplus and 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

At 31 December 2008

	Note	2008 £		2007 £	
Tangible Fixed Assets	4		71,220		82,594
Current Assets					
Stock		5,000		5,000	
Debtors	5	0		4,060	
Cash at bank and in hand		1,526		4,071	
		6,526		13,131	
Creditors: Amounts Falling Due Within One Year	6	1,263		20,669	
			5,263		(7,538)
Net Assets			76,483		75,056
Reserves					
Balance brought forward			75,056		76,634
Surplus (Deficit) for the year			1,427		(1,578)
			76,483		75,056

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 2008 and of its surplus 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 .....2 OCT..... 2009 by the Board of Trustees and were signed on its behalf by:

.....T.D. McDonald..... .....J. Stanford.....

T.D. McDonald — Chairman

J.M. Stanford — 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 31 December 2008

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:-

Building conversion	2% on cost
Exhibition cases and fittings	20% on cost
Office equipment	20% on cost

The company does not own land or property but occupies leasehold premises which were converted in 1986 to house the museum and shop. The cost of conversion was borne by the Company and is accounted for through depreciation.

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 - CONTINUED

For The Year Ended 31 December 2008

1. Donations

	General Fund £	Restricted Legacies Fund £	Total Funds 2008 £	Total Funds 2007 £
Orient Express	-		-	183
Donations Gift Aid	157		157	708
Donation boxes	8,014		8,014	8,816
Donations – other	1,000		1,000	1,673
	9,171		9,171	11,380

2. Charitable Activities

Shop sales	31,498		31,498	36,143
Third party sales commission	-		-	248
Local Heritage Initiative	6,441		6,441	2,304
Archaeological Services	-		-	313
HM Revenue & Customs online filing incentive	-		-	150
Grants – Isabel Blackman Foundation	-		-	11,000
Grants – Creative Partnerships	5,000		5,000	-
Grants – ESCC	400		400	-
	43,339		43,339	50,158

3. Taxation

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

4. Tangible Fixed Assets

	Building Conversion £	Office Equipment £	Exhibition Cases and Fittings £	Total £
Cost				
At 1 January 2008	95,798	12,889	47,290	155,977
Additions				
At 31 December 2008	95,798	12,889	47,290	155,977
Depreciation				
At 1 January 2008	40,678	12,899	19,816	73,383
Charge for the year	1,916	-	9,458	11,374
At 31 December 2008	42,594	12,889	29,274	84,757
Net Book Value				
At 31 December 2008	53,204	-	18,016	71,220
At 31 December 2007	55,120	-	27,474	82,594

5. Debtors

	2008	2007
	£	£
Trade debtors	-	3,216
Prepayments and sundry debtors	-	844
	-	4,060

6. Creditors: Amounts Falling Due Within One Year

	2008	2007
	£	£
PAYE and NIC	507	771
Trade creditors	256	2,112
Sundry creditors and accruals	500	17,786
	1,263	20,669

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 2 guarantor members at the balance sheet date (2007 – 6).

8. Directors' Remuneration

No Directors' remuneration was paid in respect of the year (2007 – nil).