

THE NORFOLK HERITAGE FLEET TRUST

A company limited by guarantee

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

Company number 3114407

Charity number: 1052303

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The Norfolk Heritage Fleet Trust
For the year ended 31 December 2017

Index to Financial Statements

	Page number
Trustees annual report	1 - 4
Independent examiner's report to the Trustees	5
Statement of financial activities (incorporating the Income and expenditure account)	6
Balance Sheet	7
Notes to the Financial Statements	8 - 19
Detailed income and expenditure account	20

The Norfolk Heritage Fleet Trust
Trustees annual report
For the year ended 31 December 2017

The Trustees, who are also directors for the purposes of company law, present their report and the unaudited financial statements of the charitable company and group for the year ended 31 December 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2017).

Reference and Administrative Information

Charity Name	The Norfolk Heritage Fleet Trust
Charity Registration Number	1052303
Company Registration Number	3114407
Registered Office	Hunter's Yard Horsefen Road Ludham Norfolk NR29 5QG
Patron	B C Read

The Trustees

The trustees who served the charitable company during the period were as follows:

	B Elson (Chairman) P M Bray I R Cartwright A Drew P Joyner	Rev N H Khambatta Mrs J R B Mack Mrs R E Smith T Smith
Company Secretary	P M Bray	
Base Manager and Administrator	Mrs V M Walker	
Principal Bankers	NatWest 32 Market Place Dereham NR19 2AR	
Solicitors	Cozens Hardy LLP Opie Street Norwich NR1 3DP	
Independent examiner	M Proctor FCA DChA Lovewell Blake LLP Chartered Accountants Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB	

Objectives and activities

The principal objectives are to advance the education of the public by the provision of facilities for sail training and to maintain, promote, restore, conserve, improve and develop historic and traditional sailing craft.

Public benefit

The Trust gives discounts of up to 30% to be given to youth groups to fulfil the objective to support young people.

The policy of the Trustees is for the yard to be open to the public within the restraints of Health and Safety requirements so that the public can see a traditional working Broads boat yard.

The Hunter yachts are well known and loved by many thus the Trustees not only maintain the Fleet in good condition but also ensure the yachts are sailed as often as possible so that the public can enjoy the sight of traditional sailing boats.

The Trustees have paid due regard to the Charity Commission's published guidance on public benefit in planning the activities undertaken by the charity.

Achievements and performance

2017 started with difficult trading conditions reflecting the continued decline in the Trust's traditional business. Group hirings have continued to reduce and groups themselves have been smaller in number. This area of decline has been offset in part by the growth in short breaks, which have become increasingly popular. Whilst this increase benefits the Trust financially, it does require more work from the staff in achieving rapid turnarounds.

The latter half of 2017, however, saw some business recovery which has enabled the Trust to produce an adequate surplus at year end. In addition to this second half recovery, the Trust further developed the use of vacant boats through AirBnB. This product is entirely new business and new income.

Throughout the year the Trustees continued to develop their thinking around the concept of installing auxiliary power to one of the fleet. By the year end, research had been concluded and an informed decision to use an electric pod/motor in Lucent, the most recent of the cabin yachts, had been agreed. The motor was ordered ready for installation in 2018.

Further remedial work has been carried out by our own staff on the quay headings, improving the appearance of the yard and its safety for both staff and customers. Installation of some insulation and double glazing has improved the working conditions in the sheds; the work again being carried out by our own staff.

During the course of this year, the Trustees became aware that the Broads Authority proposed to sell their field base at Ludham to a local businessman. The Trustees do not see any negative implications for the Trust, and in fact have taken the opportunity to begin negotiations to resolve outstanding car park and boundary issues.

Although there have been some personnel changes, staff numbers have remained unchanged. The Marketing Assistant position has been made full time.

Financial Review

The net income for the year, before gains and losses, was £29,303 (2016: expenditure of £6,240), as shown on page 6.

During the year the Trust awarded bursaries to schools and youth groups amounting to £13,584 (2016: £12,056).

The results of the Trust's wholly owned subsidiary, Hunters Fleet Limited, are shown in note 6 of the accounts.

The Trustees consider the results for the year and the year end position to be satisfactory.

In addition to donations the Trust benefited from voluntary help from various individuals, to whom grateful thanks are extended.

Objectives and activities

The physical objectives are to advance the education of the public by the provision of facilities for sail training and to maintain, promote, restore, conserve, improve and develop historic and traditional sailing craft.

Public benefit

The Trust gives discounts of up to 30% to be given to youth groups to fulfil the objective to support young people.

The policy of the Trust is for the yard to be open to the public within the restrictions of Health and Safety requirements so that the public can see a traditional working Broad boat yard.

The Hunter Yachts are well known and loved by many thus the Trusts not only maintain the Fleet in good condition but also ensure the yachts are sailed as often as possible so that the public can enjoy the sight of traditional sailing boats.

The Trustees have paid due regard to the Charities Commission's published guidance on public benefit in running the activities undertaken by the charity.

Achievements and performance

2017 set out with difficult trading conditions reflected the continued decline in the Trust's traditional business. Group savings have continued to reduce and groups themselves have been smaller in number. This area of activity has been offset in part by the growth in short breaks, which have become increasingly popular. Whilst this increases benefits the Trust financially, it does require more work from the staff in achieving capital transactions.

The latter half of 2017, however, saw some business recovery which has enabled the Trust to produce an adequate surplus at year end. In addition to this second half recovery, the Trust further developed the use of a second boat through ABB. This product is entirely new business and new income.

Throughout the year the Trustees continued to develop their thinking around the concept of installing auxiliary power to one of the fleet. By the year end, research had been concluded and an informed decision to use an electric motor in the most recent of the cabin yachts, had been agreed. The motor was ordered ready for installation in 2018.

Further remedial work has been carried out by our own staff on the day headrigs, improving the appearance of the yard and its safety for both staff and customers. Installation of some insulation and double glazing has improved the working conditions in the sheds. The work again being carried out by our own staff.

During the course of this year, the Trustees became aware that the Ipswich Authority proposed to sell their field base at Ludham to a local businessman. The Trustees do not see any negative implications for the Trust and in fact have taken the opportunity to begin negotiations to resolve outstanding car park and boundary issues.

Although there have been some personnel changes, staff numbers have remained unchanged. The Marketing Assistant position has been made full time.

Financial Review

The net income for the year, before gains and losses, was £59,303 (2016: expenditure of £8,540) as shown on page 6.

During the year the Trust awarded bursaries to schools and youth groups amounting to £18,384 (2016: £19,058).

The results of the Trust's wholly owned subsidiary, Hunters Fleet Limited, are shown in note 6 of the accounts.

The Trustees consider the results for the year and the year end position to be satisfactory. In addition to donations the Trust benefited from voluntary help from various individuals, to whom grateful thanks are extended.

The Norfolk Heritage Fleet Trust
Trustees annual report (continued)
For the year ended 31 December 2017

Reserves Policy

The free reserves of the charity at 31 December 2017 comprised:

	£
General Fund	83,245
Designated Funds	
Repair Fund (premises)	30,000
The Friends of the Hunters Fleet	21,837
Restricted Funds	<u>7,000</u>
	<u>142,082</u>

The free reserves referred to above do not include provision for the Defined Benefit Pension Scheme deficit of £96,000. Deficit contributions are being made by the Trust in addition to monthly contributions in line with payroll. The estimated value of contributions during the next financial year is £20,000.

It is the long term intention of the Trustees to build up the reserves within the General Fund and the Repair Fund to a level equivalent to 12 months expenditure, which amounts to approximately £240,000. This level of reserves is considered appropriate to provide for unexpected repair and maintenance costs and in case funds are required to cover temporary downturns in income.

Plans for Future Periods

The electric motor was fitted into Lucent during January 2018, and had test runs, and any necessary modifications were completed in time for the new sailing season. Hirers that choose to have use of the motor included in their hiring will be required to pay an additional charge.

To improve visibility and brand recognition for the fleet, the Trustees decided to place transfers onto the aft quarter of all the boats showing the name of the yard and contact details. In parallel with this, Mr Peter Joyner, a Trustee and professional design consultant, is leading a design programme for a logo which will be placed in the peak of each mainsail.

Before the start of the 2018 sailing season, we plan to refurbish the carpark and eliminate lying rainwater.

The Trustees are planning to hold a training day early in 2018, which will be led by Mrs Liz Ollier. Mrs Ollier is internationally recognised in the area of professional development.

Structure, Governance and Management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 16 October 1995 and registered as a charity on 26 January 1996. The charity was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

Recruitment, appointment and training of Trustees

Trustees shall be persons who through residence, occupation, employment or otherwise have special knowledge of the area of benefit or who are otherwise able by virtue of their personal or professional qualifications to make a contribution to the pursuit of the objects of the charity.

Recruitment, appointment and training of Trustees (continued)

On appointment, Trustees are provided with:

- a) Copies of the Memorandum and Articles of Association;
- b) Details of the Charities Commission Guidelines "The Essential Trustee – What you need to know, what you need to do".
- c) The latest Financial Statements.

In addition, the Trustees are encouraged to read Charity Commission and other newsletters and to attend courses designed to keep them abreast of their duties and responsibilities.

The Trustees are directors within the meaning of the Companies Act 2006. The Trustees that held office throughout the year and at the date of approval are listed on page 1.

In accordance with the Articles of Association I R Cartwright, T Smith and P Joyner will retire and being eligible, will offer themselves for reappointment.

Risk appraisal

The Trustees regularly review the risks and take any necessary steps to minimise them. Maintenance of the fleet and the sheds are crucial, particularly ensuring that the sheds are kept clean and tidy.

Related parties

The Trust's wholly owned subsidiary Hunter's Fleet Limited carried out non-charitable trading activities for the Trust and was incorporated on 12 February 1996. The accounts for the year ended 31 December 2017 are consolidated with those of the charity.

Organisational structure

The Trustees meet every two months or more frequently if a need arises. The day to day administration of the Trust is undertaken by the Manager and the operation of the Yard and Fleet by the foreman boat builder. The Chairman of the Trust is in regular contact with the Manager by phone, e mail and fax and visits the Yard weekly. Other Trustees also call in at the Yard on frequent occasions during the season.

Independent Examiner

M Proctor FCA DChA of Lovewell Blake LLP will be re-appointed as independent examiner for the ensuing year.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed on behalf of the Trustees on 16 May 2018

B Elson
Chairman



**Independent Examiner's Report to the Trustees
of The Norfolk Heritage Fleet Trust
For the year ended 31 December 2017**

I report to the Charity's Trustees on my examination of the accounts of the group and the company for the year ended 31 December 2017 which are set out on pages 6 to 20.

Responsibilities and basis of report

As the charity trustees of the company (and also 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 your company's accounts as 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

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

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.

M Proctor FCA DChA
Independent Examiner
Lovewell Blake LLP
Chartered Accountants

Date: 16 May 2018

Bankside 300
Peacham Way
Broadland Business Park
Norwich
NR7 0LB

The Norfolk Heritage Fleet Trust
Consolidated statement of financial activities (Incorporating the income and expenditure account)
For the year ended 31 December 2017

Unrestricted Funds							
	Notes	General	Friends of the Hunter Fleet	Designated Funds	Restricted Funds	Total 2017 £	Total 2016 £
Income							
Donations and legacies	2	4,029	17,246	-	7,000	28,275	20,635
Charitable activities	3	216,370	-	-	-	216,370	193,579
Other trading activities	4	48,535	5,448	-	-	53,983	41,921
Investments	5	4	33	-	-	37	124
Total income		<u>268,938</u>	<u>22,727</u>	<u>-</u>	<u>7,000</u>	<u>298,665</u>	<u>256,259</u>
Expenditure							
Raising funds							
Event costs and cost of sales		2,156	4,727	-	-	6,883	6,468
Charitable activities	7	<u>243,022</u>	<u>19,457</u>	<u>-</u>	<u>-</u>	<u>262,479</u>	<u>256,031</u>
Total expenditure		<u>245,178</u>	<u>24,184</u>	<u>-</u>	<u>-</u>	<u>269,362</u>	<u>262,499</u>
Net income / (expenditure) before investment gains		23,760	(1,457)	-	7,000	29,303	(6,240)
Net gains on investments	16	<u>1,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,981</u>	<u>6,061</u>
Net income / (expenditure) before transfers		25,741	(1,457)	-	7,000	31,284	(179)
Transfers between funds	24	<u>(104,000)</u>	<u>-</u>	<u>104,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income / (expenditure) Before other recognised gains / (losses)		(78,259)	(1,457)	104,000	7,000	31,284	(179)
Other recognised gains / (losses)							
Remeasurement gain / (loss) on defined benefit pension plan	26	<u>101,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,000</u>	<u>(101,000)</u>
Net movement in funds		22,741	(1,457)	104,000	7,000	132,284	(101,179)
Reconciliation of funds							
Total funds brought forward		<u>440,275</u>	<u>23,294</u>	<u>(170,000)</u>	<u>-</u>	<u>293,569</u>	<u>394,748</u>
Total funds carried forward	24	<u>463,016</u>	<u>21,837</u>	<u>(66,000)</u>	<u>7,000</u>	<u>425,853</u>	<u>293,569</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities.

The notes on pages 8 to 20 form an integral part of these financial statements

The Norfolk Heritage Fleet Trust
Balance Sheet
As at 31 December 2017

Company number 3114407

	Notes	2017		2016	
		Group £	Charity £	Group £	Charity £
Fixed assets					
Tangible assets	15	388,969	388,969	404,474	404,474
Investments	16	<u>69,011</u>	<u>69,013</u>	<u>67,030</u>	<u>67,032</u>
		<u>457,980</u>	<u>457,982</u>	<u>471,504</u>	<u>471,506</u>
Current assets					
Stock	17	19,035	12,529	15,638	10,948
Debtors	18	94,089	46,927	115,828	52,681
COIF deposits		15,819	15,819	15,782	15,782
Cash at bank and in hand		<u>61,386</u>	<u>51,474</u>	<u>23,858</u>	<u>14,647</u>
		190,329	126,749	171,106	94,058
Creditors: Amounts falling due within one year	19	<u>(117,258)</u>	<u>(53,680)</u>	<u>(130,646)</u>	<u>(53,600)</u>
Net current assets		<u>73,071</u>	<u>73,069</u>	<u>40,460</u>	<u>40,458</u>
Total assets less current liabilities		531,051	531,051	511,964	511,964
Creditors: Amounts falling due after one year	20	<u>(9,198)</u>	<u>(9,198)</u>	<u>(18,395)</u>	<u>(18,395)</u>
Net assets excluding pension liability		521,853	521,853	493,569	493,569
Defined benefit pension scheme liability	26	<u>(96,000)</u>	<u>(96,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>
Net assets		<u>425,853</u>	<u>425,853</u>	<u>293,569</u>	<u>293,569</u>
Charity Funds					
Restricted funds	25	7,000	7,000	-	-
Unrestricted funds:					
Designated funds					
Pension fund	25	(96,000)	(96,000)	(200,000)	(200,000)
Other designated funds	25	51,837	51,837	53,294	53,294
General fund	25	<u>463,016</u>	<u>463,016</u>	<u>440,275</u>	<u>440,275</u>
		<u>425,853</u>	<u>425,853</u>	<u>293,569</u>	<u>293,569</u>

For the year ended 31 December 2017 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

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

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

These financial statements were approved by the Trustees and authorised for issue on the 16 May 2018 and are signed on their behalf by:

B Elson
Trustee



The notes on pages 8 to 20 form an integral part of these financial statements

1. Accounting policies

(a) Basis of accounting

The Norfolk Heritage Fleet Trust is a registered charity in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are described within the Trustees Report on pages 1 to 4.

Statement of compliance and basis of preparation:

The Charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

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

(b) Group accounts

The financial statements consolidate the results of the charity and its wholly owned subsidiary Hunters Fleet Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

(c) Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.
- Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost 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.

(d) Income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

- Income from donations and legacies includes grants, donations, and gifts and is included in full in the Statement of Financial Activities when entitlement is established. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.
- Subscriptions are accounted for on a received basis.
- Investment income is included when receivable.
- Income from charitable activities are accounted for when earned.
- Income from long term moorings is released over the period of the mooring.

1. Accounting policies (continued)

(e) Expenditure and Irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise the costs of trading for fundraising purposes.
- Charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	Not depreciated
Buildings	2% straight line
New dyke	2% straight line
Plant and equipment	20% straight line
Office equipment & web site	33 1/3% straight line
Hire fleet	2.5% straight line
Motor vehicles	20% straight line

(h) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in subsidiaries are measured at cost less impairment.

(i) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

1. Accounting policies (continued)

(m) Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

(n) Employee benefits

The charity operates a defined benefit plan for the benefit of its qualifying employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

One member of the charity's staff belongs to the Norfolk County Council Pension Fund, which provides benefits based on final pensionable pay.

The charity also operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable and directly allocated to the activities of the Trust.

(o) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The Norfolk Heritage Fleet Trust
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

2. Income from donations and legacies	General	Friends	Restricted	2017	2016
	£	£	£	Total	Total
				£	£
Donations	4,029	6,722	7,000	17,751	9,726
Subscriptions	-	10,524	-	10,524	10,909
	<u>4,029</u>	<u>17,246</u>	<u>7,000</u>	<u>28,275</u>	<u>20,635</u>

Income from donations and legacies was £28,275 (2016 - £20,635) of which was all attributable to unrestricted funds.

3. Income from charitable activities	2017	2016
	£	£
Hire income	<u>216,370</u>	<u>193,579</u>

Income from charitable activities was £216,370 (2016 - £193,579) which was all attributable to unrestricted funds.

4. Income from other trading activities	General	Friends	2017	2016
	£	£	Total	Total
			£	£
Mooring income	34,332	-	34,332	31,028
Friends AGM and events	-	3,488	3,488	3,276
Merchandise and other income	<u>14,203</u>	<u>1,960</u>	<u>16,163</u>	<u>7,617</u>
	<u>48,535</u>	<u>5,448</u>	<u>53,983</u>	<u>41,921</u>

Income from other trading activities was £53,983 (2016 - £41,921) which was all attributable to unrestricted funds.

5. Investment income	2017	2016
	£	£
Bank deposit interest - Trust	4	63
- Friends of the Hunter Fleet	<u>33</u>	<u>61</u>
	<u>37</u>	<u>124</u>

Income from investments was £37 (2016 - £124) which was all attributable to unrestricted funds.

6. Net income from trading subsidiary

The Trust has a wholly owned trading subsidiary, Hunter's Fleet Limited, which also operates the Trust's hire fleet. The company pays its taxable profit to The Norfolk Heritage Fleet Trust under the Gift Aid regulations. A summary of its trading results is shown below.

Profit and loss account	2017	2016
	£	£
Turnover	213,767	190,057
Cost of sales	<u>(173,795)</u>	<u>(156,853)</u>
Gross profit	39,972	33,204
Administrative expenses	<u>(3,128)</u>	<u>(2,545)</u>
Net profit	<u>36,844</u>	<u>30,659</u>
Net profit paid to The Norfolk Heritage Fleet Trust under Gift Aid	<u>36,844</u>	<u>30,659</u>

The Norfolk Heritage Fleet Trust
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

7. Charitable activities

	General Fund £	Friends of the Hunter Fleet £	Restricted Fund £	2017 Total £	2016 Total £
Salaries and wages (including pension contributions): see note 11	156,333	-	-	156,333	144,904
Training	322	-	-	322	221
Light, heat & water	3,234	-	-	3,234	2,865
Rates	2,620	-	-	2,620	3,275
Motor	1,861	-	-	1,861	1,570
Materials and repairs	18,906	15,573	-	34,479	45,619
Repairs to premises	970	-	-	970	2,179
Laundry	3,033	-	-	3,033	3,350
Insurance - Boat and premises	5,613	-	-	5,613	6,456
- Personnel	1,066	-	-	1,066	1,404
River tolls	6,566	-	-	6,566	6,310
Depreciation	10,192	-	-	10,192	10,015
Development of web site	792	-	-	792	283
Support costs (note 8)	28,984	3,884	-	32,868	27,580
Loss on disposal	<u>2,530</u>	<u>-</u>	<u>-</u>	<u>2,530</u>	<u>-</u>
	<u>243,022</u>	<u>19,457</u>	<u>-</u>	<u>262,479</u>	<u>256,031</u>

£262,479 (2016 - £253,831) of the above costs were attributable to unrestricted funds. £Nil (2016 - £2,200) of the above costs were attributable to restricted funds.

8. Support costs

	General Fund £	Friends of the Hunter Fleet £	2017 Total £	2016 Total £
"Friends of The Hunter Fleet" costs				
- Printing, stationery & postage	-	3,884	3,884	3,110
Postage and telephone	2,421	-	2,421	1,683
Insurance	411	-	411	515
Management accountancy	1,023	-	1,023	581
Independent examiner	4,684	-	4,684	4,859
Professional fees	100	-	100	511
Advertising	9,251	-	9,251	8,215
Office costs	2,278	-	2,278	2,186
Sundries	3,660	-	3,660	4,088
Bank charges and interest	2,121	-	2,121	1,630
Subscriptions	300	-	300	202
Website booking	<u>2,735</u>	<u>-</u>	<u>2,735</u>	<u>-</u>
	<u>28,984</u>	<u>3,884</u>	<u>32,868</u>	<u>27,580</u>

9. Net income / (expenditure)

	2017 £	2016 £
Net income is stated after charging:		
Depreciation of tangible fixed assets	<u>10,192</u>	<u>10,015</u>

10. Independent examiners remuneration

The independent examiners remuneration amount to an independent examination fee of £3,419 (2016 - £3,619) and accounts preparation on the subsidiary Hunters Fleet Limited of £1,265 (2016 - £1,240)

The Norfolk Heritage Fleet Trust
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

11. Staff costs and emoluments

The cost of employing staff was:	2017	2016
	£	£
Salaries and wages	128,861	125,292
Social security costs	10,268	7,163
Defined benefit pension cost	16,675	12,044
Defined contribution pension cost	<u>529</u>	<u>405</u>
	<u>156,333</u>	<u>144,904</u>

The average number of employees, excluding Trustees, during the year was:

Administration	2.0	1.5
Boat maintenance	4.0	5.0
Part-time cleaner	1.0	1.0
Part-time cleaners (seasonal)	<u>6.0</u>	<u>6.0</u>
	<u>13.0</u>	<u>13.5</u>

There were no employees who received emoluments greater than £60,000.

The total amount of employee benefits received by key management personnel is £34,678 (2016: £34,960). The Trust considers its key management personnel comprise the Base Manager and Administrator.

12. Trustee remuneration and expenses

No remuneration was paid to any Trustee during the period. P M Bray was reimbursed for expenses incurred on behalf of the Trust totalling £203 (2016: £427).

The charity paid £411 for Trustee Indemnity Insurance in 2017 (2016: £515).

13. Taxation

The charity has no liability to corporation tax or capital gains tax.

14. Result of The Norfolk Heritage Fleet Trust (parent company)

Net income of £31,284 (2016: expenditure £2,679) has been recognised in the accounts of the Charity. The Charity is not required to produce its own profit and loss account because of the exemption provision in Section 408 of the Companies Act 2006.

15. Tangible fixed assets

	Total	Freehold land, buildings and dyke	Hire fleet	Plant & office equipment	Motor vehicles
	£	£	£	£	£
Cost					
At 1 January 2017	527,384	308,977	192,643	23,264	2,500
Additions	821	-	-	821	-
Disposals	<u>(6,816)</u>	<u>-</u>	<u>(6,816)</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>521,389</u>	<u>308,977</u>	<u>185,827</u>	<u>24,085</u>	<u>2,500</u>
Depreciation					
At 1 January 2017	122,910	24,789	75,322	20,469	2,330
Charge for the year	10,192	4,180	4,633	1,209	170
Eliminated on disposal	<u>(682)</u>	<u>-</u>	<u>(682)</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>132,420</u>	<u>28,969</u>	<u>79,273</u>	<u>21,678</u>	<u>2,500</u>
Net book value					
At 31 December 2017	<u>388,969</u>	<u>280,008</u>	<u>106,554</u>	<u>2,407</u>	<u>-</u>
At 31 December 2016	<u>404,474</u>	<u>284,188</u>	<u>117,321</u>	<u>2,795</u>	<u>170</u>

Freehold land and buildings includes land at a cost of £100,000 which is not depreciated. All fixed assets are used for direct charitable purposes.

Capital commitment

At the year end the charity had a commitment of £8,460 for the purchase of an electric pod / motor for Lucent.

The Norfolk Heritage Fleet Trust
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

16. Investments	2017 £	2016 £
Subsidiary undertakings	<u>2</u>	<u>2</u>

Details of subsidiary undertakings at the balance sheet date are as follows:-

Name of company	Nature of Business	% owned £	Result for the year £	Net assets £
Hunter's Fleet Limited	Hire fleet operators	100	=	<u>2</u>

The subsidiary undertaking is incorporated in England (company number 03157685).

Other Investments	2017 £	2016 £
Market value as at 1 January	67,030	60,969
Unrealised gain	<u>1,981</u>	<u>6,061</u>
Market value as at 31 December	<u>69,011</u>	<u>67,030</u>
Historic cost	<u>38,823</u>	<u>38,823</u>

The portfolio comprises of 8,005.55 units (2016: 8,005.55 units) in the COIF Charities Fixed Interest Fund with a market value of £69,011 (2016: £67,030).

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

17. Stocks	2017		2016	
	Group £	Charity £	Group £	Charity £
Merchandise	7,679	1,173	6,609	1,919
Other stocks	<u>11,356</u>	<u>11,356</u>	<u>9,029</u>	<u>9,029</u>
	<u>19,035</u>	<u>12,529</u>	<u>15,638</u>	<u>10,948</u>

All stock is either held for resale or for use on the fleet in future years.

18. Debtors	2017		2016	
	Group £	Charity £	Group £	Charity £
Trade debtors	90,259	38,227	106,204	37,805
Amount owed by Hunter's Fleet Ltd	-	5,181	-	5,563
Prepayments and accrued income	<u>3,830</u>	<u>3,519</u>	<u>9,624</u>	<u>9,313</u>
	<u>94,089</u>	<u>46,927</u>	<u>115,828</u>	<u>52,681</u>

The Norfolk Heritage Fleet Trust
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

19. Creditors: Amounts falling due within one year

	2017		2016	
	Group £	Charity £	Group £	Charity £
Tax and social security	4,878	4,877	5,958	5,958
Accruals and deferred income	112,380	48,803	124,688	47,642
	<u>117,258</u>	<u>53,680</u>	<u>130,646</u>	<u>53,600</u>

20. Creditors: Amounts falling due after one year

Accruals and deferred income	<u>9,198</u>	<u>9,198</u>	<u>18,395</u>	<u>18,395</u>
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21. Deferred income

Deferred income

	2017		2016	
	Group £	Charity £	Group £	Charity £
As at 1 January	133,628	57,862	126,452	66,525
Released in the year	(115,231)	(39,465)	(98,857)	(38,930)
Deferred in the year	91,081	28,804	106,033	30,267
	<u>109,478</u>	<u>47,201</u>	<u>133,628</u>	<u>57,862</u>

Deferred income represents funds invoiced and received in advance of future boat hire and moorings.

22. Company status

The company is limited by guarantee. Each member is liable to contribute a sum, not exceeding £1, in the event of a winding up.

23. Related party transactions

During the year the subsidiary company raised invoices, under normal commercial terms to the following Trustees:

P M Bray	Winter storage and boat hire	£1,202
Rev N H Khambatta	Mooring fee and fishing licence	£968
I R Cartwright	Boat hire	£2,438

Donations totalling £500 were received from Trustees and invoices were raised by the charity totalling £4,399 to P M Bray in connection with works completed to private boats.

£740 has been released to income in respect of P M Bray in connection with moorings.

At the year end a total of £3,992 from Trustees, was held within deferred income in relation to hire income received in advance of 2018 season and long term mooring leases.

During the year management fees of £171,014 were paid from Hunters Fleet Limited to the Trust with an accrual included in debtors equal to the value taxable profits of £36,844 which is to be paid to the Trust. At 31 December 2017 £5,181 was owed from Hunters Fleet Limited to the Trust.

The Norfolk Heritage Fleet Trust
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

24. Reconciliation of movement in funds

Year ended 31 December 2017

	Opening funds £	Net income £	Gains £	Transfers £	Closing funds £
Restricted funds					
Electric engine fund	-	<u>7,000</u>	-	-	<u>7,000</u>
	-	7,000	-	-	7,000
Unrestricted funds					
Designated funds					
Provision for pension deficit	(200,000)	-	-	104,000	(96,000)
Friends of the Hunter Fleet	23,294	(1,457)	-	-	21,837
Repair	<u>30,000</u>	-	-	-	<u>30,000</u>
	(146,706)	(1,457)	-	104,000	(44,163)
General fund	<u>440,275</u>	<u>25,741</u>	<u>101,000</u>	<u>(104,000)</u>	<u>463,016</u>
Total	<u>293,569</u>	<u>31,284</u>	<u>101,000</u>	-	<u>425,853</u>

Restricted Funds

- Electric engine fund - Donations received towards the purchase of an electric engine for lucent.
- Equipment fund - Donations received towards the purchase of specific items of equipment.

Unrestricted Funds

- General - General funds of the charity.
- Friends of Hunter Fleet - Operating funds of a support organisation of the charity.
- Repair Fund - To fund future repairs to charity premises.
- Provision for pension deficit - The Trust's estimated deficit within the Norfolk County Council Pension Fund

Transfers

- Transfers between funds represent the transfer of funds in connection with the pension liability

Year ended 31 December 2016

	Opening funds £	Net income £	Losses £	Transfers £	Closing funds £
Restricted funds					
Equipment fund	2,200	(2,200)	-	-	-
Unrestricted funds					
Designated funds					
Provision for pension deficit	(107,000)	-	-	(93,000)	(200,000)
Friends of the Hunter Fleet	28,081	(4,787)	-	-	23,294
Repair	<u>30,000</u>	-	-	-	<u>30,000</u>
	(48,919)	(4,787)	-	(93,000)	(146,706)
General fund	<u>441,467</u>	<u>6,808</u>	<u>(101,000)</u>	<u>93,000</u>	<u>440,275</u>
Total	<u>394,748</u>	<u>(179)</u>	<u>(101,000)</u>	-	<u>293,569</u>

The Norfolk Heritage Fleet Trust
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

25. Analysis of assets between funds

As at 31 December 2017

	Tangible fixed assets £	Investments £	Current assets £	Current liabilities £	Long term Liabilities & Pension Scheme £	Total £
Restricted funds						
Electric engine fund	-	-	7,000	-	-	7,000
	-	-	7,000	-	-	7,000
Designated funds						
Provision for pension deficit	-	-	-	-	(96,000)	(96,000)
Friends of the Hunter Fleet	-	-	21,837	-	-	21,837
Repair	-	-	30,000	-	-	30,000
	-	-	51,837	-	(96,000)	(44,163)
General fund	<u>388,969</u>	<u>69,011</u>	<u>131,492</u>	<u>(117,258)</u>	<u>(9,198)</u>	<u>463,016</u>
Total	<u>388,969</u>	<u>69,011</u>	<u>190,329</u>	<u>(117,258)</u>	<u>(105,198)</u>	<u>425,853</u>

As at 31 December 2016

	Tangible fixed assets £	Investments £	Current assets £	Current liabilities £	Long term Liabilities & Pension Scheme £	Total £
Designated funds						
Provision for pension deficit	-	-	-	-	(200,000)	(200,000)
Friends of the Hunter Fleet	-	-	23,294	-	-	23,294
Repair	-	-	30,000	-	-	30,000
	-	-	53,294	-	(200,000)	(146,706)
General fund	<u>404,474</u>	<u>67,030</u>	<u>117,812</u>	<u>(130,646)</u>	<u>(18,395)</u>	<u>440,275</u>
Total	<u>404,474</u>	<u>67,030</u>	<u>171,106</u>	<u>(130,646)</u>	<u>(218,395)</u>	<u>293,569</u>

The Norfolk Heritage Fleet Trust
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

26. Charity Pension Scheme

The charity operates a defined benefit pension plan for qualifying employees providing benefits based upon final pensionable pay. The pension is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation was carried out at 31 December 2017.

The total recognised in the period was as follows:

	2017	2016
	£	£
Current service cost	(12,000)	(8,000)
Net interest expenditure	<u>(5,000)</u>	<u>(4,000)</u>
Recognised in net (expenditure) / income	(17,000)	(12,000)
Recognised in other (losses) / gains	<u>101,000</u>	<u>(101,000)</u>
Total cost recognised	<u>84,000</u>	<u>(113,000)</u>
Amounts recognised in the balance sheet were as follows	2017	2016
	£	£
Present value of funded obligations	(564,000)	(609,000)
Fair value of plan assets	<u>468,000</u>	<u>409,000</u>
	<u>(96,000)</u>	<u>(200,000)</u>

Changes in the present value of the defined benefit obligations were as follows:

	2017	2016
	£	£
Opening defined benefit obligation	609,000	458,000
Current service cost	12,000	8,000
Interest expense	16,000	18,000
Actuarial (gains)/losses	(64,000)	135,000
Contributions by scheme participants	2,000	2,000
Benefits paid	<u>(11,000)</u>	<u>(12,000)</u>
Closing defined benefit obligation	<u>564,000</u>	<u>609,000</u>

Changes in the fair value of the pension plan assets were as follows

	2017	2016
	£	£
Opening plan assets	409,000	351,000
Interest income	11,000	14,000
Actual return on plan assets (excluding interest income)	37,000	34,000
Contributions by charity	20,000	20,000
Contributions by scheme participants	2,000	2,000
Benefits paid	<u>(11,000)</u>	<u>(12,000)</u>
Closing defined benefit assets	<u>468,000</u>	<u>409,000</u>

The Norfolk Heritage Fleet Trust
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

26. Charity pension scheme (continued)

Closing plan assets

The amount that each major class of pension plan assets constitute of the fair value of the total plan assets was as follows:

	2017 £	2016 £
Equity instruments	257,400	250,000
Debt instruments (bonds)	145,080	102,000
Property	51,480	45,000
Other assets	<u>14,040</u>	<u>12,000</u>
	<u>468,000</u>	<u>409,000</u>

Amounts recognised in the Statement of Financial Activities	2017 £	2016 £
Current service cost	12,000	8,000
Interest income	(11,000)	(14,000)
Interest cost	<u>16,000</u>	<u>18,000</u>
Total operating charge	<u>17,000</u>	<u>12,000</u>

The principal actuarial assumptions used were as follows:

	2017	2016
Discount rate	2.5%	2.7%
Expected rates of salary increases	2.7%	3.5%
Expected rates of pension increases	2.4%	2.5%
Commutation of pensions to lump sums	50% and 75%	50% and 75%

Life expectancy is based on the Funds VitaCurves with improvements in line with the CMI 2013 model assuming the current rate of improvement has reached a peak and will converge to a long term rate 1.25%pa. The average future life expectancies at age 65 are summarised below:

Retiring at the balance sheet date		
Males	22.1	22.1
Females	24.4	24.5
Retiring in 20 years		
Males	24.1	24.3
Females	26.4	26.9

The estimated value of employer contributions for the year ended 31 December 2018 is £20,000.

27. Financial instruments

The carrying amounts of the charity's and groups financial instruments are as follows:

	2017		2016	
	Group	Charity	Group	Charity
Financial assets				
Measured at fair value through net income / expenditure:				
- Fixed asset listed investments (note 16)	<u>69,011</u>	<u>69,011</u>	<u>67,030</u>	<u>67,030</u>
Debt instruments measured at amortised cost:				
- Trade debtors (note 18)	90,259	38,227	106,204	37,805
- Accrued income (note 18)	-	-	2,500	2,500
- Amount owed by group undertakings (note 18)	-	<u>5,181</u>	-	<u>5,563</u>
	<u>90,259</u>	<u>43,408</u>	<u>108,704</u>	<u>45,868</u>
Financial liabilities				
Measured at amortised cost:				
- Accruals (note 19)	<u>12,100</u>	<u>10,800</u>	<u>9,455</u>	<u>8,175</u>
	<u>12,100</u>	<u>10,800</u>	<u>9,455</u>	<u>8,175</u>

The Norfolk Heritage Fleet Trust
Income and Expenditure Account
For the year ended 31 December 2017

	2017 £	2016 £
Income		
Hire income, moorings and other sales	250,702	224,607
Merchandise sales and other income	14,203	5,568
Donations, legacies and general	11,029	4,499
"The Friends of the Hunter Fleet" income		
- Subscriptions	10,524	10,909
- AGM/events	3,488	3,276
- Interest receivable	33	61
- Merchandise sales and other income	1,960	2,049
- Donations	6,722	5,227
Interest receivable	<u>4</u>	<u>63</u>
	<u>298,665</u>	<u>256,259</u>
 Costs of generating funds	 2,156	 2,021
Direct charitable expenditure		
Salaries and wages (including pension costs)	156,333	144,904
Training	322	221
Light, heat and water	3,234	2,865
Rates	2,620	3,275
Motor	1,861	1,570
Materials and repairs	34,479	45,619
Repairs to premises	970	2,179
Laundry	3,033	3,350
Insurance - Boat and premises	5,613	6,456
- Personnel	1,066	1,404
River tolls	6,566	6,310
Depreciation	10,192	10,015
Development of website	792	283
Loss on disposal	<u>2,530</u>	<u>-</u>
	229,611	228,451
Fund-raising and publicity costs		
"Friends of the Hunter Fleet" costs:		
- Events	2,850	3,113
- Printing, stationery & postage	3,884	3,110
- Purchases	1,877	1,334
 Administration expenses		
Postage and telephone	2,421	1,683
Insurance - Trustee	411	515
Management accountancy	1,023	581
Independent examination	4,684	4,859
Professional fees	100	511
Advertising	9,251	8,215
Office costs	2,278	2,186
Sundries	3,660	4,088
Bank charges	2,121	1,630
Subscriptions	300	202
Website booking	<u>2,735</u>	<u>-</u>
	<u>28,984</u>	<u>24,470</u>
 Expenditure	 <u>269,362</u>	 <u>262,499</u>
 Net income / (expenditure) for the year before gains	 <u>29,303</u>	 <u>(6,240)</u>