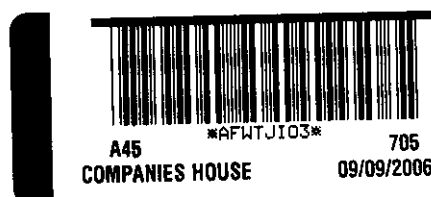


Registered Number 4449095

The World Ship Society Limited

Directors' Report and Financial Statements

For the year ended 31 December 2005



The World Ship Society Limited

Company Information

Directors	H. S. Appleyard A. Bishop M. Cooper W. J. Harvey W. J. Mayes H. Mornout R. H. Osborne J. A. Poole O. Sesemann G. A. Smith R. A. Smith D. A. Sowdon H. C. Spong G. Robinson (retired 20/1/2005)
Secretary	J. A. Poole
Company Number	4449095
Registered Office	Mayes House Vansittart Estate Arthur Road Windsor Berkshire SL4 1SE
Bankers	HSBC Bank plc 32 Fore Street Kingsbridge Devon TQ7 1PB
Accountants	FWP Lea & Co 129 High Street Berkhamsted Hertfordshire HP4 2DJ

The World Ship Society Limited

Contents

	Page
Directors' Report	1
Accountants' Report	2
Income and Expenditure Account	3
Balance Sheet	4 – 5
Notes to the Financial Statements	6 – 8
For members' information only :	
Detailed Income and Expenditure Account	
Analysis of Reserves	

The World Ship Society Limited

Directors' Report

For the year ended 31 December 2005

The directors present their report and financial statements for the year ended 31 December 2005. The World Ship Society Limited is the successor to The World Ship Society, an unincorporated membership organisation founded in 1947.

Principal Activity

The World Ship Society Limited, a mutual trading membership organisation, is a company limited by guarantee whose principal activity is the publication of maritime research material.

Directors

The following directors served throughout the year:

H. S. Appleyard	H. Mornout (Netherlands)	G. A. Smith (Canada)
A. Bishop	R. H. Osborne	R. A. Smith
M. Cooper	J. A. Poole	D. A. Sowdon
W. J. Harvey	O. Sesemann (Germany)	H. C. Spong
W. J. Mayes		

Additionally:

G. Robinson retired on 20 January 2005.

The company is limited by guarantee and does not have a share capital.

Directors' Responsibilities

Company law requires the directors 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 profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 23 February 2006 and signed on its behalf by


J. A. Poole
Secretary

The World Ship Society Limited

Independent Reporting Accountants' Report

For the year ended 31 December 2005

To the Members of The World Ship Society Limited

We report on the financial statements of The World Ship Society Limited for the year ended 31 December 2005, set out on pages 3 to 8.

Respective responsibilities of officers and reporting accountants

The Directors are responsible for the preparation of the financial statements and for maintaining proper accounting records. They are also responsible for making available to us the company's accounting records and all other records and information, including minutes of meetings, relevant to our examination.

Basis of independent reporting accountants report

We have carried out an examination of the company's accounting records and a comparison of the financial statements presented with those records. We also considered any unusual items or disclosures in the financial statements and underlying records, and considered the assumptions and estimates used by the officers in preparing the accounts. In carrying out this work we have obtained such information and explanations from the officers, as we required.

The procedures undertaken do not provide all the evidence that would be required by an audit, and consequently we do not express an audit opinion on the financial statements.

Independent reporting accountants report

Based on our examination, we consider that:

- a) Proper accounting records have been kept by the company;
- b) The company's financial statements are in agreement with the accounting records and underlying information presented to us and
- c) We have obtained all the information and explanations, which we consider necessary for the purposes of our examination.

There are no matters to which, in our opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

F W Lea & Co

F. W. P. Lea & Co
Chartered Accountants
129 High Street,
Berkhamsted,
Hertfordshire HP4 2DJ
England

Date: *7 September 2006*

The World Ship Society Limited

Income and Expenditure Account

For the year ended 31 December 2005

	Notes	Continuing Operations	
		2005 £	2004 £
Turnover	2	178,773	183,824
Cost of sales		156,008	177,769
		<hr/>	<hr/>
Gross surplus		22,765	6,055
Administrative expenses		36,785	36,353
		<hr/>	<hr/>
		(14,020)	(30,298)
Interest received		8,621	7,943
		<hr/>	<hr/>
(Deficit) on ordinary activities before taxation		(5,399)	(22,355)
Tax on deficit on ordinary activities	4	-	-
		<hr/>	<hr/>
(Deficit) on ordinary activities after taxation		(5,399)	(22,355)
Accumulated reserves brought forward		152,183	174,538
		<hr/>	<hr/>
Reserves carried forward		146,784	152,183
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses other than the surplus or deficit for the above financial year.

The notes on pages 6 to 8 form an integral part of these financial statements.

The World Ship Society Limited

Balance Sheet

As at 31 December 2005

	Notes	2005 £	2004 £
Fixed Assets			
Tangible assets	5	30,719	30,957
Current Assets			
Stocks	6	9,941	5,076
Debtors	7	10,546	6,864
Cash at bank and in hand		43,195	18,266
Investments	8	175,000	175,000
		<u>238,682</u>	<u>205,206</u>
Creditors: amounts falling due within one year	9	76,502	34,983
		<u>162,180</u>	<u>170,223</u>
Net Current Assets			
		<u>192,899</u>	<u>201,180</u>
Total Assets less Current Liabilities			
Creditors : amounts falling due after more than one year	10	46,115	48,997
		<u>146,784</u>	<u>152,183</u>
Capital and Reserves			
Other reserves		<u>146,784</u>	<u>152,183</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 8 form an integral part of these financial statements.

The World Ship Society Limited

Balance Sheet (continued)

As at 31 December 2005

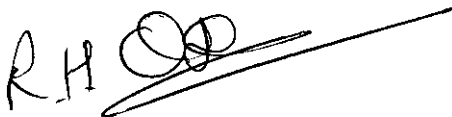
**Directors' statements required by Section 249B(4)
for the year ended 31 December 2005**

In approving these financial statements as directors of the company we hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2005 and
- (c) that we acknowledge our responsibilities for:
 - (1) ensuring that the company keeps accounting records which comply with Section 221, and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 23 February 2006 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'R. H. Osborne', with a long horizontal line extending to the right.

Dr. R. H. Osborne
Director

The notes on pages 6 to 8 form an integral part of these financial statements.

The World Ship Society Limited

Notes to the Financial Statements

For the year ended 31 December 2005

1. Accounting Policies

1.1 Basis of Accounting

The financial statements have been prepared under the historical cost convention, using generally accepted accounting principles. In a change of accounting policy, photo library sales and purchases are now dealt with on an income and expenditure basis. This change has had no material impact on the results for the year.

1.2 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the period.

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, charging a full year's depreciation in the first year as follows:-

Equipment	-	25% reducing balance
Computers	-	50% reducing balance
Research Material	-	not depreciated

1.4 Foreign Currency

Transactions in foreign currency are converted to Sterling at the rates ruling when the transactions take place. There are no foreign currency assets or liabilities at 31 December 2005.

1.5 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. All stocks are valued net of Value Added Tax.

1.6 Membership Subscriptions

Membership subscriptions are accounted for on an accruals basis.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K. Overseas membership represents approximately 48% of the total, but it is impractical to estimate the income derived from overseas members.

3. Operating Deficit

	2005	2004
	£	£
Operating deficit is stated after charging:		
Depreciation and other amounts written off tangible assets	1,490	1,624
	=====	=====

The World Ship Society Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2005

4.	Taxation		2005	2004
			£	£
	UK current year taxation			
	UK Corporation Tax at 0% (0%)		-	-
	Prior year adjustment		-	-
			<u>=====</u>	<u>=====</u>
5.	Tangible Fixed Assets	Research Material	Equipment	Total
		£	£	£
	Cost			
	At 1 January 2005	28,919	44,759	73,678
	Additions	-	1,252	1,252
		<u>-----</u>	<u>-----</u>	<u>-----</u>
	At 31 December 2005	28,919	46,011	74,930
		<u>-----</u>	<u>-----</u>	<u>-----</u>
	Depreciation			
	At 1 January 2005	-	42,721	42,721
	Charge for the year	-	1,490	1,490
		<u>-----</u>	<u>-----</u>	<u>-----</u>
	At 31 December 2005	-	44,211	44,211
		<u>-----</u>	<u>-----</u>	<u>-----</u>
	Net Book Value			
	At 1 January 2005	28,919	2,038	30,957
		<u>=====</u>	<u>=====</u>	<u>=====</u>
	At 31 December 2005	28,919	1,800	30,719
		<u>=====</u>	<u>=====</u>	<u>=====</u>
6.	Stocks		2005	2004
			£	£
	Publications		8,889	3,780
	Shop		1,052	1,296
			<u>-----</u>	<u>-----</u>
			9,941	5,076
			<u>=====</u>	<u>=====</u>

The World Ship Society Limited**Notes to the Financial Statements (continued)****For the year ended 31 December 2005**

7. Debtors	2005 £	2004 £
Trade debtors	3,857	1,330
VAT recoverable	1,276	656
Prepayments and accrued income	5,413	4,878
	<u>10,546</u>	<u>6,864</u>
	<u><u>10,546</u></u>	<u><u>6,864</u></u>
8. Investments	2005 £	2004 £
Other Investments	175,000	175,000
	<u>175,000</u>	<u>175,000</u>
	<u><u>175,000</u></u>	<u><u>175,000</u></u>
9. Creditors : amounts falling due within one year	2005 £	2004 £
Trade creditors	28,486	18,645
Other creditors	7,573	4,249
Accruals and deferred income	40,443	12,089
	<u>76,502</u>	<u>34,983</u>
	<u><u>76,502</u></u>	<u><u>34,983</u></u>
10. Creditors : amounts falling due after more than one year	2005 £	2004 £
Accruals and deferred income	46,115	48,997
	<u>46,115</u>	<u>48,997</u>
	<u><u>46,115</u></u>	<u><u>48,997</u></u>
11. Share Capital		
The company is limited by guarantee and has no share capital.		

The World Ship Society Limited

The following pages do not form part of the Statutory Financial Statements,

The World Ship Society Limited

Detailed Income and Expenditure Account

For the year ended 31 December 2005

	2005		2004	
	£	£	£	£
Marine News				
Membership Subscriptions	95,175		92,478	
Life Members – allocated	2,882		2,882	
Sale of back numbers	1,149		563	
		99,206		95,923
Deduct Branch Rebates		6,729		4,196
Net Membership Income		92,477		91,727
Marine News printing	70,102		69,078	
Marine News postage	23,699		26,882	
Marine News source material	4,372		4,628	
		98,173		100,588
Deficit		(5,696)		(8,861)
Administration Expenses				
Advertising	1,046		285	
Accountancy	900		887	
Bank charges	2,744		2,665	
Council meetings and travel	6,372		6,480	
Computer maintenance	1,021		1,750	
Insurance	3,640		3,886	
Postage, stationery and telephone	5,835		4,649	
Chatham costs	9,639		9,566	
Subscriptions to marine publications	3,044		3,075	
Website hosting and maintenance	699		747	
Depreciation	1,490		1,624	
Other expenses	355		739	
		(36,785)		(36,353)
		(42,481)		(45,214)
Other Income				
Advertising	801		1,056	
Interest	8,621		7,943	
Marine News Index Sales (net)	152		220	
Chatham sales	1,447		-	
		11,021		9,219
Deficit on Main Activity		(31,460)		(35,995)

The World Ship Society Limited

Detailed Income and Expenditure Account (continued)

For the year to 31 December 2005

	2005		2004	
	£	£	£	£
Brought forward		(31,460)		(35,995)
		<hr/>		<hr/>
Other Activities				
Warships				
Sales	5,860		6,807	
Cost of Sales	6,645		6,418	
Surplus	<hr/>	(785)	<hr/>	389
Shop				
Sales	2,041		1,215	
Cost of Sales	1,119		2,437	
Surplus / (Deficit)	<hr/>	922	<hr/>	(1,222)
Calendars				
Sales	3,115		1,930	
Cost of Sales	2,060		2,451	
Surplus / (Deficit)	<hr/>	1,055	<hr/>	(521)
Photographs				
Sales	11,372		11,491	
Cost of Sales	7,581		7,807	
Surplus	<hr/>	3,791	<hr/>	3,684
Registers and Lists				
Sales	21,694		19,441	
Cost of Sales	19,768		16,320	
Surplus	<hr/>	1,926	<hr/>	3,121
Publications				
Sales	33,411		41,865	
Cost of Sales	16,915		26,197	
Surplus	<hr/>	16,496	<hr/>	15,668
		<hr/>		<hr/>
Surplus on other activities		23,405		21,119
		<hr/>		<hr/>
Carried forward		(8,055)		(14,876)

The World Ship Society Limited

Detailed Income and Expenditure Account (continued)

For the year to 31 December 2005

	2005		2004	
	£	£	£	£
Brought forward		(8,055)		(14,876)
Venture Fund				
Donations	2,156		3,874	
Bequest	500		-	
Chatham move	-		(11,353)	
	<hr/>		<hr/>	
		2,656		(7,479)
		<hr/>		<hr/>
Net (Decrease) in Reserves		(5,399)		(22,355)
		<hr/> <hr/>		<hr/> <hr/>

The World Ship Society Limited

Analysis of Reserves

At 31 December 2005

	£	£
Warships and Small Craft Group		
Balance brought forward 1 January 2005		10,145
Deficit for the period		785
Balance carried forward 31 December 2005		<u>9,360</u>
		=====
Venture Fund		
Balance brought forward 1 January 2005		23,334
Donations		2,656
Chatham – net expenditure		8,192
		<u> </u>
Balance carried forward 31 December 2005		<u>17,798</u>
		=====
Publications Fund		
Balance brought forward 1 January 2005		46,794
Profit on relevant publications		5,249
		<u> </u>
Balance carried forward 31 December 2005		<u>52,043</u>
		=====
General Fund		
Balance brought forward 1 January 2005		71,910
Deficit from Income and Expenditure Account		(5,399)
		<u> </u>
		66,511
Less transfers:		
Warships and Small Craft Group	(785)	
Venture Fund	2,656	
Venture Fund (Chatham)	(8,192)	
Publications Fund	5,249	
	<u> </u>	
		(1,072)
		<u> </u>
Balance carried forward 31 December 2005		<u>67,583</u>
		=====
Summary		
Warships and Small Craft Group		9,360
Venture Fund		17,798
Publications Fund		52,043
General Fund		67,583
		<u> </u>
		146,784
		=====