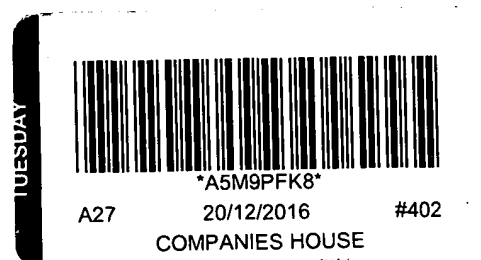


THE MARITIME HERITAGE FOUNDATION
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016



THE MARITIME HERITAGE FOUNDATION
(A company limited by guarantee)

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THE MARITIME HERITAGE FOUNDATION
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2016

Trustees

Sir R G A Balchin
Professor A C Roberts
Mr N A C Branson
Mr G Chase

Company registered number

07419879

Charity registered number

1141244

Registered office

4th Floor, 15 Basinghall Street, London, EC2V 5BR

Company secretary

Captain J Simkins (until 1 October 2015)
Mr N A C Branson (from 1 October 2015)

Independent examiner

James Gransby FCA, MHA MacIntyre Hudson, Victoria Court, 17-21 Ashford Road, Maidstone, Kent, ME14 5FA

Bankers

Coutts & Co., 440 Strand, London, WC2R 0QS

THE MARITIME HERITAGE FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of The Maritime Heritage Foundation for the year to 31 March 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The Trustees confirm that the annual report and financial statements of the charitable company 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 for Smaller Entities.

Since the Maritime Heritage Foundation qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. POLICIES AND OBJECTIVES

The charitable company has been established for public benefit for the following purposes:

1. The education of the public at large in relation to Maritime Heritage by any means which the trustees in their absolute discretion shall determine;
2. Without prejudice to the generality of the above, the education of the public at large in relation to Maritime Heritage by all or any of the following means:
 - The location, excavation, recovery, raising, restoration and/or preservation of ship wrecks and the contents thereof including but not limited to HMS Victory and/or other items of Maritime Heritage.
 - The establishment and maintenance of a museum and/or the development and maintenance of a temporary or permanent exhibition to display ship wrecks and the contents thereof including, but not limited to HMS Victory and/or other items of Maritime Heritage; and/or
 - The establishment, maintenance and/or governance of a school, college, university and/or institute of higher or further education to promote knowledge and understanding of Maritime Heritage; and/or
 - The provision of scholarships, maintenance allowances, grants and/or bursaries tenable at the school, college, university and/or institute of higher or further education for young persons wishing to attend such institutions with a view to further their knowledge and understanding of Maritime Heritage;
 - The establishment and promotion of a prize, award and/or fund for individuals, groups and/or organisations who have contributed in any way to the knowledge, understanding and/or awareness of Maritime Heritage;
 - Such other charitable purposes consistent with the above as the trustees in their absolute discretion shall determine.

The trustees have referred to the guidance issued by the Charity Commission on public benefit when reviewing the aims and objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives set.

THE MARITIME HERITAGE FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

Achievements and performance

a. REVIEW OF ACTIVITIES

Negotiations with the Ministry of Defence remain ongoing in relation to the handing to the company of the remains of HMS Victory which was lost at sea with all hands in October 1744. In October 2014, the Secretary of State for Defence gave the go ahead for stage one of the project to raise certain of the artefacts to the surface. This permission was revised in February 2015 and discussions for its renewal are ongoing.

Financial review

a. GOING CONCERN

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be sufficient to fund all activities for the next 6 months. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised. For this reason they continue to adopt the going concern basis in preparing the financial statements.

b. PRINCIPAL FUNDING

No income was received during the year ended 31 March 2016 (2015 none). Expenditure totalled £11,979 (2015 £8,541), resulting in a deficit for the financial year amounting to £11,979 (2015: £8,541).

Structure, governance and management

a. CONSTITUTION

The Maritime Heritage Foundation is registered as a charitable company limited by guarantee and was incorporated on 26 October 2010. The Charity is registered with the Charity Commission and governed by its Memorandum and Articles of Association and the Constitution. The Trustees receive no remuneration for their work on behalf of the Charity.

There have been no changes in the objectives since the last annual report.

THE MARITIME HERITAGE FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Sir R G A Balchin
Professor A C Roberts
Mr N A C Branson
Mr G Chase

The first three trustees appointed following incorporation shall be the Founder trustees.

Trustees can be appointed by an ordinary resolution or a decision of the current trustees. In selecting a trustee, the benefits of appointing a person who is able by virtue of his or her personal or professional qualifications to make a contribution to the pursuit of the objects or the management of the company will be taken into account.

Non-founder trustees shall be appointed as trustees for a fixed period of three years.

c. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Maritime Heritage Foundation is exposed, in particular those related to the operations and finances of the Maritime Heritage Foundation, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 16/12/10 and signed on their behalf by:

.....
Sir R G A Balchin
Trustee



THE MARITIME HERITAGE FOUNDATION
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2016

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE MARITIME HERITAGE FOUNDATION

I report on the financial statements of the charitable company for the year ended 31 March 2016 which are set out on pages 7 to 14.

This report is made solely to the charitable company's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charitable company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Trustees as a body, for my work or for this report.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The Trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

Having satisfied myself that the charitable company is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

BASIS OF 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 charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

THE MARITIME HERITAGE FOUNDATION
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

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 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



James Gransby FCA

Dated: 19/12/16

MHA MACINTYRE HUDSON

Chartered Accountants
Victoria Court
17-21 Ashford Road
Maidstone
Kent
ME14 5FA

THE MARITIME HERITAGE FOUNDATION
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:				
EXPENDITURE ON:				
Charitable activities:				
Other charitable activities	2	10,527	10,527	7,029
Governance	5	1,452	1,452	1,512
TOTAL EXPENDITURE		11,979	11,979	8,541
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(11,979)	(11,979)	(8,541)
NET MOVEMENT IN FUNDS		(11,979)	(11,979)	(8,541)
RECONCILIATION OF FUNDS:				
Total funds brought forward		61,076	61,076	69,617
TOTAL FUNDS CARRIED FORWARD		49,097	49,097	61,076

The notes on pages 9 to 14 form part of these financial statements.

THE MARITIME HERITAGE FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 07419879

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	8		10,760		12,105
CURRENT ASSETS					
Cash at bank and in hand		39,723		50,266	
CREDITORS: amounts falling due within one year	9	(1,386)		(1,295)	
NET CURRENT ASSETS			38,337		48,971
NET ASSETS			49,097		61,076
CHARITY FUNDS					
Unrestricted funds	10		49,097		61,076
TOTAL FUNDS			49,097		61,076

The Trustees consider that the charitable company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charitable company to obtain an audit for the year in question in accordance with section 476 of the Act.

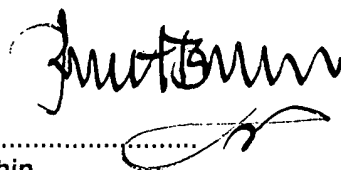
The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Trustees on behalf, by:

16/12/16

and signed on their



.....
Sir R G A Balchin

The notes on pages 9 to 14 form part of these financial statements.

THE MARITIME HERITAGE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The Maritime Heritage Foundation is a company limited by guarantee. The members of the company are the Trustees named on page 1.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

1.4 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

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

THE MARITIME HERITAGE FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES (continued)

1.6 Intangible fixed assets and amortisation

Intangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. In the year to 31 March 2015, The Maritime Heritage Foundation was granted a coat of arms and the associated costs were capitalised. The asset is being amortised over its expected useful life of ten years.

Amortisation is provided at the following rates:

Other intangible fixed assets - 10% per annum

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE MARITIME HERITAGE FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
HMS Victory	10,527	10,527	7,029

In 2015, of the total expenditure, £7,029 was expenditure from unrestricted funds and £ NIL was expenditure from restricted funds.

3. DIRECT COSTS

	HMS Victory £	Total 2016 £	Total 2015 £
Band 3 licence application	3,149	3,149	-
Consultancy fees	1,133	1,133	2,213
	4,282	4,282	2,213

In 2015, the charitable company incurred the following Direct costs:
£2,213 in respect of HMS Victory.

4. SUPPORT COSTS

	HMS Victory £	Total 2016 £	Total 2015 £
Trustee expenses	1,405	1,405	1,322
Printing and stationery	779	779	199
Postage	918	918	157
Bank charges	382	382	376
Insurance	1,200	1,200	1,200
Meeting expenses	163	163	177
Sundries	53	53	40
Amortisation	1,345	1,345	1,345
	6,245	6,245	4,816

During the year ended 31 March 2016, the charitable company also incurred the following Governance costs:

£1452 (2015 - £1512) included in note 5 below in respect of HMS Victory. This means the total support costs, including governance, in respect of HMS Victory, amounted to £7,697 (2015 £6,328).

THE MARITIME HERITAGE FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

5. GOVERNANCE COSTS

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Independent examiners' fees	858	858	852
Independent examiners' fees - other services	594	594	660
	<u>1,452</u>	<u>1,452</u>	<u>1,512</u>

6. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
HMS Victory	<u>4,282</u>	<u>6,245</u>	<u>10,527</u>	<u>7,029</u>

7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Amortisation of intangible fixed assets	1,345	1,345
Independent examiners' fees	858	852
Independent examiners' fees - other services	<u>594</u>	<u>660</u>

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, two Trustees received reimbursement of expenses amounting to £1,405 (2015 - two Trustees £1,322).

THE MARITIME HERITAGE FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

8. INTANGIBLE FIXED ASSETS

	Coat of Arms £
Cost	
At 1 April 2015 and 31 March 2016	13,450
Amortisation	
At 1 April 2015	1,345
Charge for the year	1,345
At 31 March 2016	2,690
Carrying amount	
At 31 March 2016	10,760
At 31 March 2015	12,105

9. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other creditors	1,386	1,295

THE MARITIME HERITAGE FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

10. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Carried Forward £
Unrestricted funds				
General Funds - all funds	61,076	-	(11,979)	49,097

SUMMARY OF FUNDS

	Brought Forward £	Income £	Expenditure £	Carried Forward £
General funds	61,076	-	(11,979)	49,097

11. RELATED PARTY TRANSACTIONS

The only related party transactions within the year were the reimbursements of expenses to two of the Trustees amounting to £1,405 (2015 two Trustees £1,322). At the year end one Trustee was owed £144 in respect of expenses not yet reimbursed (2015 £nil).