

Charity Number: 1003689

THE HOVERCRAFT MUSEUM TRUST

Trustees' Annual Report and Financial Statements

For the period

1st July 2019 – 30th June 2020

The Hovercraft Museum Trust

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The Hovercraft Museum Trust

Legal and administrative information

Charity number	1003689
Principle address	Building 40 Seaplane Square Daedalus Site Hampshire PO13 9NS
Trustees	Louise Jenkins (Chair) Alexander Wheeler Douglas Coulson Benjamin Avery
Independent examiner	Kerry Lawrance FCA
Accountants	Compass Accountants Ltd Venture House The Tanneries East Street Titchfield Hampshire PO14 4AR
Bankers	Lloyds Bank Plc 20 High Street Gosport Hampshire CAF Bank Ltd 25 Kings Hill Avenue Kings Hill Kent HSBC Bank Plc 26 High Street Gosport Hampshire

The Hovercraft Museum Trust

Report of the Trustees for the year ended 30th June 2020

The Trustees present their report and the financial statements for the year ended 30th June 2020. The Trustees who served during the year and up to the date of this report are set out on page 1. The Trustees have had due regard to the guidance issued by the Charity Commission on Public Benefit.

Structure, governance and management

The Hovercraft Museum Trust was formed under a Trust deed dated 16th November 1988, amended by supplemental deed dated 27th April 1991, and is governed by the Board of Trustees.

Trustees are elected by a unanimous vote.

Objectives and activities

The objects of the Trust are the advancement of education in the hovercraft principle, the preservation of hovercraft of historic importance, and the provision of a centre of excellence to those interested in all aspects of hovercraft.

The Trustees have had regard to the Charity Commission's guidance on public benefit. The aim of the Trustees is, and the main activities undertaken to further the charity's purpose for the public benefit are, to preserve and restore craft of historic interest, to establish a recognised and registered museum.

The Trust is permitted by its constitution to engage in any lawful activity as shall further its charitable objects. The Trust may invest money not immediately required for its objects in such investments, securities, or property as it thinks fit.

Achievements and performance

A key acquisition was made in August 2019 when a AP1-88 type hovercraft, 'Falcon', was brought into the collection. Its significance is key due to the number of innovations it brought to commercial hovercraft operations, the type's operation on The Solent for many years, and the manufacturer being based in Southampton. The hovercraft was kindly donated by Hoverline Ltd alongside two other craft and a number of spare parts. Due to financial and space constraints the trust was only able to accommodate the one craft and 'Falcon' being in the best condition was brought into the collection. One craft was in a poor condition and unable to be saved so was disposed of and the other was sold to Griffon Hoverwork alongside surplus parts to fund the transport costs to the museum. Throughout the rest of the financial year Falcon has been maintained and prepared for opening the inside of the craft to the public. There is still work required to seal a roof leak, but once this maintenance has been completed the trust hopes to welcome the public inside where the interior will be setup as a mini theatre.

Key restoration projects are continuing such as the restoration of "The Princess Anne", the preparation for exhibition for "Falcon", and the education zone which funding was obtained for last financial year. Sadly, all these projects have been halted as of March 2020 and will resume when COVID related restrictions allow.

In this financial period The Trust has continued organisational reform as part of The Arts Council England's accreditation framework.

The Trust was significantly impacted by the COVID crisis due to the national lockdown imposed from 23rd March 2020. The Museum was unable to open its doors to the public resulting in a significant portion of peak summer income being lost. It was also unable to conduct restoration and other tasks except for urgent repairs and maintenance. For this reason, the progress of some projects was halted included the "Education Zone" on "The Princess Anne" hovercraft. This has resulted in the deterioration of several exhibits due to the lack of access and funds to continue restoration and conduct preventative repairs. Towards the end of the financial year, access has been progressively improved for urgent repairs, but it is evident that significant work will be needed to catch up with progress previously made in the next financial year.

Special events such as the "Mini" car event, Heritage Open Days, New Year's Day opening and a "Light up and power on" event for "The Princess Anne" hovercraft have been well received this year and are worth continuing into the future. The Mini event more importantly was a combined celebration and coming together of two British icons celebrating their 60th year in 2019. Group bookings have been popular, and the Trust is exploring working more with tour providers to expand bookings. Visiting groups have included engineering enthusiasts, U3A groups, classic car clubs, youth groups. Venue hire has continued, such as for ghost hunting events and various tv filming. Another successful theatre event was held on "The Princess Anne" showing a production of "The 39 Steps".

The Hovercraft Museum Trust

The Museum saw 4388 visitors during this period. Despite being significantly impacted by the COVID crisis these numbers are close to the previous financial year indicating that without being closed for three of the busiest months visitor numbers would have seen a year-on-year increase. Sadly, significant funds and effort were put into advertising for the summer 2020 season that were unrecoverable. Without this stumbling block we believe that this would have had a positive further increase in visitor numbers as it is recognised by the trust that we are underdeveloped in terms of awareness for local residents and the tourism sector.

The Trust has continued to increase its volunteer base by bringing on new volunteers. It has also started the recruitment of volunteers for key executive roles to plug highlighted gaps in The Trust's governance such as people with knowledge of fundraising, legal matters, and financial knowledge. These areas were identified as part of the work being completed during the accreditation process. The trust has also been able to highlight volunteers with untapped skills to head up various functions in the Trust to free up time from the Trustees to allow for better separated Executive and Management tiers.

The trust has continued its partnership with Hovertravel Ltd which is still proving highly successful for both parties. Hovercraft trips clearly result in an increase of visitor footfall in the local area and positive PR for both organisations. It is envisioned that once COVID restrictions allow, people will be more minded to take part in local events and this partnership is deemed key to taking advantage of this potential trend to drive Hovercraft awareness and museum footfall.

During this financial year the trust has continued to build upon its key links at The Diving Museum and Historical Diving Society and the partnership has proved very valuable – in particular to the accreditation process. Future event planning is underway with a view to harnessing the local area and businesses to boost tourism to Lee on the Solent.

The Trust has been exploring links with The Provincial Bus Society about future partnerships and events. Sadly, due to the COVID crisis, some of these plans have been postponed but it is envisioned that we can work together with the Diving Museum and Hovertravel to create new and exciting events at The Hovercraft Museum.

Heritage Open Days in 2019 proved a great success, along similar lines to the previous few years where this scheme has operated. This year we saw 1031 visitors for our special Sunday opening which was free to everyone. This scheme allows the trust to raise its local profile and attract different visitor groups.

Financial Review

The Trustees are satisfied with the financial position of the Trust and that the assets are sufficient to meet its current commitments.

The Trust's policy is to hold sufficient reserves to enable it to withstand a financial setback or take advantage of an opportunity.

Owing to the COVID-19 pandemic these funds were partially used due to the financial setback caused by being unable to open to the public. During this time worst-case planning was reviewed to prepare for closing the trust should the COVID related issues continue for a longer period. Thankfully due to this financial buffer the trust was able to continue unaided until it became eligible for government grants that would allow it to cover some of the financial losses incurred and recoup reserve funds. The trust has ended the financial year with a surplus that should help cover the losses of further COVID restrictions that may happen. It is hoped that restrictions will be lifted to allow for opening for the remainder of the peak summer season and plans are underway should this be possible.

As at 30th June 2020, the Trust's free reserves (net current assets attributed to unrestricted funds) were £41,381 (2019: £15,219).

COVID related uncertainty has hampered normal operations and made financial planning difficult. For this reason, The Trust has decreased the time between financial planning cycles and has chosen to improve reserves where possible instead of conducting non-essential works. These measures will continue until more certainty is gained in the coming months.

Plans for future periods

Owing to the COVID crisis, future plans are being scaled back in anticipation of further constraints being imposed on the organisation. Non-essential works will be avoided where safety or unrestricted funds are to a detriment. Preventative restoration and maintenance will continue where viable.

The Hovercraft Museum Trust

Despite the conservative future period plans, it has been highlighted as key to continue accreditation works and to incorporate the organisation to satisfy the requirements of accreditation and demonstrate good governance. This will help in recruiting new personnel due to the reduced liability of trustees. By completing these tasks The Trust will be improving the organisation’s medium and long term prospects.

With the security of tenancy still being a barrier to future progress discussions will continue with the landlord and key stakeholders to come to a satisfactory resolution. The aforementioned actions will be key to demonstrating the Trust’s commitment and competence.

The Trust will be working towards accreditation with the support from South East Museums. The Trust will make use of any relevant professional advice and consultancy, funding schemes, and museum advisors to further The Trust’s accreditation application. This remains a key objective for the forthcoming period and will help demonstrate that The Trust is continuing in its progression to operate as a well-run accredited museum.

The Trust will continue to increase its national profile and improve local advertising and awareness.

A continued effort to build relationships in the local community will be undertaken. These relationships will help in saving costs, driving visitor growth and increasing awareness of The Trust.

Risk Management Policy

The Committee has reviewed the major risks to which it considers The Museum is exposed and has ensured that adequate systems have been established to mitigate those risks.

There are two key risks to the organisation currently. Namely the COVID crisis and the security of tenure. As described in the financial review key financial and planning decisions are being made to address and mitigate these risks as much as is possible. As both risks could result in closing of the trust or relocation should the worst happen, planning is being worked on to make these possibilities go as smoothly as possible to preserve as much of the museum and collection as possible in this event.

There have been constructive discussions around The Trust’s position at Daedalus, with the landlords, key stakeholders and Gosport Council. It is hoped that this progress can continue in the next few financial years to a positive outcome for the trust.

.....
L Jenkins
Chair
On behalf of the Board

Date:

The Hovercraft Museum Trust

Statement of Trustees' responsibilities for the year ended 30th June 2020

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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L Jenkins
Chair
On behalf of the Board

Date:

The Hovercraft Museum Trust

Statement of Financial Activities

For the period ended 30th June 2020

	30 th June 2020			30 th June 2019		
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds</i>	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	£	£	£	£	£	£
Income						
Admissions and trips	15,526	300	15,826	23,673	85	23,758
Storage fees	750	-	750	2,000	-	2,000
Sale of goods	8,036	3	8,039	11,755	-	11,755
Friends' subscriptions	659	-	659	1,125	-	1,125
Library search, file and TV fees	621	-	621	843	-	843
Grants and donations	38,049	3,405	41,454	8,390	248	8,638
Bank interest	1	-	1	1	-	1
Sale of hovercraft spare parts	10,215	640	10,855	325	974	1,299
Total Income	73,857	4,348	78,205	48,112	1,307	49,419
Expenditure						
Rent, insurance and utilities	20,284	-	20,284	22,393	-	22,393
Hire of machinery and relocation costs	4,677	-	4,677	1,554	-	1,554
Open day expenses	1,007	-	1,007	1,515	-	1,515
Travelling expenses	1,073	-	1,073	822	-	822
Repairs and renewals	5,126	1,520	6,646	8,100	784	8,884
Purchase of goods	3,749	-	3,749	3,580	-	3,580
Archiving and administration	24	-	24	58	-	58
Telephone and internet fees	797	-	797	955	-	955
Postage, stationery and newsletters	327	-	327	452	-	452
IT costs	3,074	-	3,074	1,173	-	1,173
Staff welfare	1,881	-	1,881	841	-	841
Subscriptions and other refunds	40	-	40	38	-	38
Accountancy and bookkeeping	1,860	-	1,860	1,800	-	1,800
Legal and professional fees	1,000	-	1,000	2,894	-	2,894
Sundries	2,365	-	2,365	2,321	-	2,321
Bank charges	189	-	189	337	-	337
Depreciation	205	-	205	202	-	202
Total Expenditure	47,678	1,520	49,198	49,035	784	49,819
Net income/(expenditure)	26,179	2,828	29,007	(923)	523	(400)
Reconciliation of funds:						
Funds brought forward	16,026	523	16,549	16,949	-	16,949
Total funds carried forward	42,205	3,351	45,556	16,026	523	16,549

The Hovercraft Museum Trust

Balance Sheet

As at 30th June 2020

	<i>30th June 2020</i>		<i>30th June 2019</i>	
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Fixed Assets				
Fixed Assets – Fixtures and Fittings	<u>824</u>		<u>807</u>	
		824		807
Current Assets				
Debtors	147		2,285	
Stock	1,976		1,976	
Bank and Cash	<u>49,959</u>		<u>17,630</u>	
		52,082		21,891
Current Liabilities				
Creditors	<u>7,350</u>		<u>6,149</u>	
		<u>7,350</u>		<u>15,742</u>
		<u>45,556</u>		<u>16,549</u>
Funds				
Unrestricted funds		42,205		16,026
Restricted funds		3,351		523
		<u>45,556</u>		<u>16,549</u>
Total funds		<u>45,556</u>		<u>16,549</u>

The financial statements were approved by the board and signed on its behalf by

Approved by the Trustees:

.....
 L Jenkins
 On behalf of the Trustees

Date:

The Hovercraft Museum Trust

Notes to the financial statements For the year ended 30th June 2020

1. Accounting policies

1.1 Charity information

The Hovercraft Museum Trust is a registered charity, number 1003689. The address is shown in the information page.

The Hovercraft Museum Trust meets the definition of a public benefit entity under section 34 of FRS102. Assets and liabilities are initially recognised at historical cost or transactional value, unless otherwise stated in the relevant accounting policy.

1.2 Basis of preparation

The financial statements have been prepared under historical cost convention and 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) (effective October 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Practice.

1.3 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

1.4 Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1.5 Tangible Fixed Assets and Depreciation

Tangible fixed assets are capitalised at cost and depreciated over their estimated useful economic life on a reducing balance basis as follows:

Plant and Machinery	20%
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1.6 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.

2. Employees

The Hovercraft Museum Trust does not directly employ and staff.

Notes to the financial statements
For the year ended 30th June 2020

3. Tangible Fixed Assets

	Plant & Machinery £	Total £
Cost or valuation		
At 1 July 2019	1,009	1,009
Additions	222	222
At 30 June 2020	<u>1,231</u>	<u>1,231</u>
Depreciation		
At 1 July 2019	202	202
Charge for the year	205	205
At 30 June 2020	<u>407</u>	<u>407</u>
Net book values		
At 30 June 2020	<u>824</u>	<u>824</u>
At 30 June 2019	<u>807</u>	<u>807</u>

4. Restricted funds

	1 July 2019 £	Incoming £	Outgoing £	Transfers £	Revaluation £	30 June 2020 £
SRN4 Hovercraft Fund	523	1,756	1,520	-	-	759
Learning Zone	-	2,000	-	-	-	2,000
Security Improvements	-	592	-	-	-	592
	<u>523</u>	<u>4,348</u>	<u>1,520</u>	<u>-</u>	<u>-</u>	<u>3,351</u>
	1 July 2018 £	Incoming £	Outgoing £	Transfers £	Revaluation £	30 June 2019 £
SRN4 Hovercraft Fund	-	1,307	784	-	-	523
Learning Zone	-	-	-	-	-	-
Security Improvements	-	-	-	-	-	-
	<u>-</u>	<u>1,307</u>	<u>784</u>	<u>-</u>	<u>-</u>	<u>523</u>

SRN4 Hovercraft Fund

Donations have been made towards a project to restore SRN4 Hovercraft 'The Princess Anne'.

Learning Zone

A fund for learning

Security Improvements

A fund for security improvements

The Hovercraft Museum Trust

Notes to the financial statements
For the year ended 30th June 2020

5. Analysis of net assets between funds

	Tangible Fixed Assets	Net Current Assets	2020 Total
	£	£	£
Unrestricted funds	824	41,381	42,205
Restricted funds	-	3,351	3,351
Total	<u>824</u>	<u>44,732</u>	<u>45,556</u>

	Tangible Fixed Assets	Net Current Assets	2019 Total
	£	£	£
Unrestricted funds	807	15,219	16,026
Restricted funds	-	523	523
Total	<u>807</u>	<u>15,742</u>	<u>16,549</u>

6. Related party transactions

There are no related party transactions

The Hovercraft Museum Trust

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE HOVERCRAFT MUSEUM TRUST

I report on the accounts of the charity for the period ended 30th June 2020, which are set out on pages 1 to 10.

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 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145(5)(b) of the 2011 Act; and
- to 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 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

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 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave 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.

.....
Kerry Lawrance FCA

Date:

Compass Accountants Limited
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PO14 4AR