

Charity Number: 1003689

THE HOVERCRAFT MUSEUM TRUST

Trustees' Annual Report and Financial Statements

For the period

1st July 2020 – 30th June 2021

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

The Hovercraft Museum Trust

Report of the Trustees for the year ended 30th June 2021

The Trustees present their report and the financial statements for the year ended 30th June 2021. 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

Despite the complications of the COVID crisis that started earlier in the calendar year The Museum was able to reopen shortly after the first national lockdown was relaxed. This was due to the hard work and planning of the trustee and management teams to make sure that training was completed remotely in preparation of opening and suitable measures were put in place to keep the volunteers and guests safe. It was positive to see that there were no known cases of COVID at The Museum which indicates the measures and planning undertaken were robust.

The Museum saw an understandable decline in visitors during this period. This is owing to the various lockdowns/restrictions imposed due to COVID, lack of special events, and lack of visitor confidence. In periods where the Museum was able to open a good recovery was observed in visitor numbers as the financial year went on. Heritage Open Days in 2020 proved a great success, along similar lines to the previous few years where this scheme has operated. Due to the COVID restrictions visitors were limited to time-slots and visitor numbers were capped. All of these slots were fully subscribed and attended.

Restoration was impacted significantly due to the lack of funding allocated due to the financial uncertainty and the restrictions limiting personnel working on non-essential tasks. As a result, the progress of most projects was halted. This has resulted in the deterioration of several exhibits due to routine maintenance not being performed. In this financial period limited work was able to be done on the Education Zone and urgent preventative maintenance was also done to the exhibits in the worst condition.

Given the free time afforded by being closed the volunteers have had extra time to work on back-office work which has resulted in continued progress in The Museum's Arts Council accreditation bid.

The Museum was able to secure a place on the Heritage Compass scheme run by Cause4 which started in this financial year and will run into the next. The scheme is providing six day-long training sessions for various topics related to museum operation and support and advice from experts around how to manage various aspects of museums and heritage. Some of these sessions have been delivered already and they have been very useful in providing knowledge that is actively being used to improve various aspects of The Museum.

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 (PBS) 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, PBS and Hovertravel to create new and exciting events at The Hovercraft Museum.

The Hovercraft Museum Trust

Financial Review

Despite the drains on reserves at the start of the calendar year The Museum has ended the financial year with a surplus that should help cover the future losses of further COVID restrictions that may happen. This is down to a partial recovery of visitor numbers and government grants that were available to offset the effects of being closed due to COVID restrictions. The Trust is continuing to minimise non-essential spend so that funds are available to buffer the future uncertainty caused by the continuing crisis.

There is an amount of utility usage that is currently unbilled from previous periods which is not provisioned for in these accounts. This is due to a billing review of past usage that is an ongoing with the provider. The trust is satisfied that the resulting bills that will be issued will be able to be met by reserves.

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.

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.

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.

The Hovercraft Museum 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: 25/04/2022

The Hovercraft Museum Trust

Statement of Trustees' responsibilities for the year ended 30th June 2021

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.



L Jenkins
Chair
On behalf of the Board

Date: 25/04/2022

The Hovercraft Museum Trust

Statement of Financial Activities

For the period ended 30th June 2021

	30 th June 2021			30 th June 2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds	funds	funds	funds	funds
	£	£	£	£	£	£
Income						
Admissions and trips	10,972	-	10,972	15,526	300	15,826
Storage fees	750	-	750	750	-	750
Sale of goods	2,907	-	2,907	8,036	3	8,039
Friends' subscriptions	575	-	575	659	-	659
Library search, file and TV fees	712	-	712	621	-	621
Grants and donations	48,363	514	48,877	38,049	3,405	41,454
Bank interest	-	-	-	1	-	1
Sale of hovercraft spare parts	573	1,415	1,988	10,215	640	10,855
Total Income	64,852	1,929	66,781	73,857	4,348	78,205
Expenditure						
Rent, insurance and utilities	26,949	-	26,949	20,284	-	20,284
Hire of machinery and relocation costs	-	-	-	4,677	-	4,677
Open day expenses	20	-	20	1,007	-	1,007
Travelling expenses	-	-	-	1,073	-	1,073
Repairs and renewals	2,578	1,815	4,393	5,126	1,520	6,646
Purchase of goods	1,329	-	1,329	3,749	-	3,749
Archiving and administration	-	-	-	24	-	24
Telephone and internet fees	845	-	845	797	-	797
Postage, stationery and newsletters	150	-	150	327	-	327
IT costs	470	-	470	3,074	-	3,074
Staff welfare	176	-	176	1,881	-	1,881
Subscriptions and other refunds	45	-	45	40	-	40
Accountancy and bookkeeping	930	-	930	1,860	-	1,860
Legal and professional fees	1,736	400	2,136	1,000	-	1,000
Sundries	1,220	-	1,220	2,365	-	2,365
Bank charges	150	-	150	189	-	189
Depreciation	165	-	165	205	-	205
Total Expenditure	36,763	2,215	38,978	47,678	1,520	49,198
Net income/(expenditure)	28,089	(286)	27,803	26,179	2,828	29,007
Reconciliation of funds:						
Funds brought forward	42,205	3,351	45,556	16,026	523	16,549
Total funds carried forward	70,294	3,065	73,359	42,205	3,351	45,556

The Hovercraft Museum Trust

Balance Sheet

As at 30th June 2021

	30th June 2021		30th June 2020	
	£	£	£	£
Fixed Assets				
Fixed Assets – Fixtures and Fittings	<u>659</u>	659	<u>824</u>	824
Current Assets				
Debtors	520		147	
Stock	1,976		1,976	
Bank and Cash	<u>86,717</u>		<u>49,959</u>	
		89,213		52,082
Current Liabilities				
Creditors	<u>16,513</u>		<u>7,350</u>	
		<u>16,513</u>		<u>7,350</u>
		<u>73,359</u>		<u>45,556</u>
Funds				
Unrestricted funds		70,294		42,205
Restricted funds		3,065		3,351
Total funds		<u>73,359</u>		<u>45,556</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: 25/04/2022

The Hovercraft Museum Trust

Notes to the financial statements For the year ended 30th June 2021

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 any staff.

The Hovercraft Museum Trust

Notes to the financial statements
For the year ended 30th June 2021

3. Tangible Fixed Assets

	Plant & Machinery £	Total £
Cost or valuation		
At 1 July 2020	1,231	1,231
Additions	-	-
At 30 June 2021	<u>1,231</u>	<u>1,231</u>
Depreciation		
At 1 July 2020	407	407
Charge for the year	165	165
At 30 June 2021	<u>572</u>	<u>572</u>
Net book values		
At 30 June 2021	<u>659</u>	<u>659</u>
At 30 June 2020	<u>824</u>	<u>824</u>

4. Restricted funds

	1 July 2020 £	Incoming £	Outgoing £	Transfers £	Revaluation £	30 June 2021 £
Incorporation	-	400	400	-	-	-
SRN4 Hovercraft Fund	759	1,529	530	-	-	1,758
Learning Zone	2,000	-	1,285	-	-	715
Security Improvements	592	-	-	-	-	592
	<u>3,351</u>	<u>1,929</u>	<u>2,215</u>	<u>-</u>	<u>-</u>	<u>3,065</u>

	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>

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 2021

5. Analysis of net assets between funds

	Tangible Fixed Assets	Net Current Assets	2021 Total
	£	£	£
Unrestricted funds	659	69,635	70,294
Restricted funds	-	3,065	3,065
Total	659	72,700	73,359

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

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 2021, which are set out on pages 1 to 9.

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.

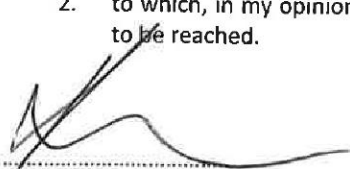
Basis of independent examiner's report

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: 26 APRIL 2022

Compass Accountants Limited
Venture House, The Tanneries
East Street, Titchfield, Hants.
PO14 4AR

