

Charity Number: 1003689

THE HOVERCRAFT MUSEUM TRUST

Trustees' Annual Report and Financial Statements

For the period

1st July 2021 – 30th June 2022

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Legal and administrative information

Charity number	1003689
Principal 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

Report of the Trustees for the year ended 30th June 2022

The Trustees present their report and the financial statements for the year ended 30th June 2022. 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 & Performance

The Covid crisis was still a major factor in operations for this financial year. Although most restrictions were removed at the start of the financial year there was a significant delta between museum attendance when compared to pre-covid levels. During the summer months, which are usually our busiest, we saw a slow recovery toward pre-covid attendance.

Leading up to Christmas the Omicron variant of Covid emerged and saw the trust re-introduce some of the required measures in preparation for the 2022 season. Although the Omicron restrictions ended in January 2022 and the Government's "living with Covid" strategy was released in February 2022 there was noticeable downturn in attendance than expected building up to the Summer 2022 season.

Leading up to the end of the financial year there were positive signs of recovery towards pre-Covid levels with most of the demographic gap being skewed towards the 60+ visitor tickets. Prior to Covid there was a general trend upwards in visitor numbers so the pre-Covid numbers and we are starting to see that again.

Talks began with MurrayTwohig (previously Wordsearch Place) about their bid towards the Daedalus Waterfront project – an ambitious project to regenerate the mostly derelict Daedalus site. Talks about how The Hovercraft Museum Trust would be able to become part of those plans are ongoing with a goal of finding a way to make the museum a permanent part of Seaplane square.

The Queen's Jubilee was a massive nationwide event, and The Trust was able to capitalise on this by taking part in the Lee-on-the-Solent event run by Montserrat Events. A stall was operated selling advanced tickets and our merchandise. Many of our items sold out including all our handmade Union Jack products. In addition, flyers with a discount for a limited period were also handed out with our updated tri-fold leaflet. Through these promotional efforts we noticed an uptick in the following weeks in attendance.

In anticipation of the Jubilee event and other local shows and fayres a new Hovercraft Museum branded gazebo was purchased to take to these events to promote the museum to local people and make sales of museum merchandise. Although, only a few events have been attended with this new asset it seems that we are being received well. It is hoped that with the events planned for the rest of the calendar year will help to build back our attendance and promote the museum and its wonderful collection.

Due to the Covid crisis several projects and restoration efforts had setbacks due to volunteer availability and restrictions. As a result, the education zone project has fallen behind and the SR.N4 roof has deteriorated without the constant attention that it requires. Efforts were made towards the end of the financial period to restart projects and plans have been made to continue the works and complete the unfinished projects.

A new till system was setup for the 2022 season which has been very successful. It has eliminated the regular issues with card payments that were occurring with the previous system. It has proved much simpler to operate and has allowed more volunteers to be comfortable with using it which significantly helps with operating on open days by allowing more flexibility.

Continuing with the successful car club visits had in previous years these were resurrected and successfully run. These have proved popular with visitors and have been great for promoting the museum to wider audiences. Certain group bookings such as the U3A (University of the 3rd Age) have declined since Covid started which may be down to Covid uncertainty. Conversely, there has been an uptick in visits from youth groups such as cubs, scouts, brownies and girl guides.

The first model railway show was held on a hovercraft in this financial year which we believe to be a world first! This exhibition of railroad layouts was very popular with our guests and is something we'll look to bring back in future years.

Paranormal investigation visits continued throughout the year along with other venue hires such as dog training hire and filming.

Work towards accreditation with the Arts Council has progressed well, including progress towards incorporating the trust into a CIO (charitable incorporated organisation).

Recruitment has seen some good results in this financial year despite the Covid situation. A number of new volunteers were recruited into our existing fantastic and committed team. Thankfully, our volunteer numbers have remained high, even if not all have been able to always attend.

Financial Review

The Trust has ended the financial year with a deficit, owing mostly to historical energy bills from previous periods that have been billed late. A significant portion of the amount billed belongs to previous years and if it was not for this extra amount The Trust would have expected to have shown a surplus.

Despite the fall in visitorship the trust was able to mitigate the effects through the government Covid grants. 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. Relocation and/or close down costs have been included in this judgement.

Plans for future periods

With the Covid crisis expected to reduce in impact given the rollout of the vaccines and the Government's "living with Covid" strategy the trust is going to focus on restoring visitor numbers and working on the improvement of the visitor experience.

Talks with MurrayTwohig will continue to work out a path to build a clear plan for achieving a long-term home for the Hovercraft Museum Trust at Daedalus.

Art Council Accreditation will be a key focus and The Trust will continue its efforts to get ready for a submission. It is still a key item to complete to become eligible for many funders that would allow the Hovercraft Museum Trust to grow and renovate its buildings.

The trust will continue to build links with the local community and continue to build its national profile.

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.

With Covid becoming less of a major concern to the organisation, the security of tenure and future at Daedalus is the single biggest risk factor to the organisation. As described in the financial review key financial and planning decisions are being made to hedge against this risk where possible. Additionally, disaster planning has been undertaken to identify high-level plans should Daedalus cease to be a viable location in the future.

The recent talks with MurrayTwohig and Homes England are encouraging and may well lead to a credible plan where The Trust is able to secure a permanent home at Daedalus.



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L Jenkins
Chair
On behalf of the Board

Date: 28/04/2023

The Hovercraft Museum Trust

Statement of Trustees' responsibilities for the year ended 30th June 2022

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 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: 28/04/2023

Statement of Financial Activities

For the period ended 30th June 2022

	30th June 2022			30th June 2021		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Income						
Admissions and trips	22,146	-	22,146	10,972	-	10,972
Storage fees	3,175	1,000	4,175	750	-	750
Sale of goods	9,380	-	9,380	2,907	-	2,907
Friends' subscriptions	691	-	691	575	-	575
Library search, file and TV fees	815	-	815	712	-	712
Grants and donations	20,088	-	20,088	48,363	514	48,877
Bank interest	1	-	1	-	-	-
Sale of hovercraft spare parts	1,000	-	1,000	573	1,415	1,988
Total Income	57,296	1,000	58,296	64,852	1,929	66,781
Expenditure						
Rent, insurance and utilities	46,816	-	46,816	26,949	-	26,949
Advertising	4,636	-	4,636	-	-	-
Open day expenses	212	-	212	20	-	20
Travelling expenses	62	-	62	-	-	-
Repairs and renewals	4,840	322	5,162	2,578	1,815	4,393
Purchase of goods	681	-	681	1,329	-	1,329
Telephone and internet fees	916	-	916	845	-	845
Postage, stationery and newsletters	691	-	691	150	-	150
IT costs	1,311	-	1,311	470	-	470
Staff welfare	352	120	472	176	-	176
Subscriptions and other refunds	154	-	154	45	-	45
Accountancy and bookkeeping	1,050	-	1,050	930	-	930
Legal and professional fees	2,597	-	2,597	1,736	400	2,136
Sundries	1,196	-	1,196	1,220	-	1,220
Bank charges	1,486	-	1,486	150	-	150
Depreciation	312	-	312	165	-	165
Total Expenditure	67,312	442	67,754	36,763	2,215	38,978
Net income/(expenditure)	(10,016)	(558)	(9,458)	28,089	(286)	27,803
Reconciliation of funds:						
Funds brought forward	70,294	3,065	73,359	42,205	3,351	45,556
Total funds carried forward	60,278	2,507	63,901	70,294	3,065	73,359

Balance Sheet

As at 30th June 2022

	30th June 2022		30th June 2021	
	£	£	£	£
Fixed Assets				
Fixed Assets	<u>1,255</u>		<u>659</u>	
		1,255		659
Current Assets				
Debtors	1,537		520	
Stock	5,362		1,976	
Bank and Cash	<u>95,125</u>		<u>86,717</u>	
		102,024		89,213
Current Liabilities				
Creditors	<u>39,377</u>		<u>16,513</u>	
		<u>39,377</u>		<u>16,513</u>
		<u>63,901</u>		<u>73,359</u>
Funds				
Unrestricted funds		61,245		70,294
Restricted funds		2,656		3,065
		<u>63,901</u>		<u>73,359</u>
Total funds		<u>63,901</u>		<u>73,359</u>

All assets of The Hovercraft Museum Trust will be transferred to new The Hovercraft Museum CIO charity on 1 July 2022.

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: 28/04/2023

**Notes to the financial statements
For the year ended 30th June 2022**

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.

**Notes to the financial statements
For the year ended 30th June 2022**

3. Tangible Fixed Assets

	Plant & Machinery £	Total £
Cost or valuation		
At 1 July 2021	1,231	1,231
Additions	908	908
At 30 June 2022	<u>2,139</u>	<u>2,139</u>
Depreciation		
At 1 July 2021	572	572
Charge for the year	312	312
At 30 June 2022	<u>884</u>	<u>884</u>
Net book values		
At 30 June 2022	<u>1,255</u>	<u>1,255</u>
At 30 June 2021	<u>659</u>	<u>659</u>

4. Restricted funds

	1 July 2021 £	Incoming £	Outgoing £	Transfers £	Revaluation £	30 June 2022 £
Incorporation	-			-	-	-
SRN4 Hovercraft Fund	1,758	1,000	(1,349)	-	-	1,409
Learning Zone	715	-	(60)	-	-	655
Security Improvements	592	-	-	-	-	592
	<u>3,065</u>	<u>1,000</u>	<u>(1,409)</u>	<u>-</u>	<u>-</u>	<u>2,656</u>
	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>

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

Notes to the financial statements
For the year ended 30th June 2022

5. Analysis of net assets between funds

	Tangible Fixed Assets	Net Current Assets	2022 Total
	£	£	£
Unrestricted funds	528	59,990	60,518
Restricted funds	727	2,656	3,383
Total	<u>1,255</u>	<u>62,646</u>	<u>63,901</u>

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

6. Related party transactions

There are no related party transactions.

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 2022, 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:

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