

Charity Number: 1003689

THE HOVERCRAFT MUSEUM TRUST

Trustees' Annual Report and Financial Statements

For the period

1st July 2022 – 31st December 2023

The Hovercraft Museum Trust

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The Hovercraft Museum Trust

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 |

The Hovercraft Museum Trust

Report of the Trustees for the year ended 31st December 2023

The Trustees present their report and the financial statements for the year ended 31st December 2023. 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

In October 2022, the museum received official confirmation from The Arts Council England that the museum would be awarded the status of Accredited Museum after a successful submission earlier in the year. This is a major achievement that has been possible due to a large amount of work completed by many volunteers over several years.

Becoming accredited will allow the museum to progress its strategic projects that will secure its future including incorporation, expansion of museum open days, and the renovation of the Daedalus site the museum sits upon. Incorporation is almost complete with the transfer of assets from The Hovercraft Museum Trust to The Hovercraft Museum CIO happening on the 31st of December 2023. With this transfer of assets complete the museum will prepare to merge the two charities together. These involves the assignment/renewal of all contracts and services and updating of all policies and procedures.

A decision to extend the fiscal year of The Hovercraft Museum Trust by six months to run July 2022 to December 2023 was made to align the fiscal year of the new CIO to save costs in compiling annual accounts and making the transition between the two organisations easier.

By the end of this fiscal year attendance has exceeded pre-covid numbers leaving the museum in a strong position to start 2024. There are minimal residual effects from the Covid Crisis with most areas of operation returning to normal. The exception to this is that souvenir sales are not as strong in comparison to the overall admission numbers and cafe performance as they were prior to the crisis.

The Museum has continued to work with Murray Twohig and the Daedalus Development Company to progress its area within the redevelopment of the Daedalus Waterfront redevelopment. Outline planning permission was achieved by the developers for the area the museum resides in – Seaplane Square. This planning permission grants in principle the use of two or three hangars within the square, as well as the hard standing in between to create a reimagined museum experience. The Museum has been engaging with consultants and local stakeholders to prepare a roadmap for the project and undertake feasibility studies for its part of the project. The Daedalus Development Company has committed to providing funds and expertise to assist the museum to achieve sufficient external funding to be able to renovate the hangars it resides in, move the hovercraft into their new locations, and create an improved museum experience.

Recruitment has been strong this fiscal year with many new volunteers being brought in with a view to having enough volunteers to be able to open Sundays in addition to Saturdays in 2024. This has been due to two main reasons: firstly, the outreach at shows and events where the museum has been promoting itself and volunteering, and secondly, having an ad campaign within the museum and locally to advertise the need for volunteers. Comments have been made by multiple new volunteers that they decided to pick our organisation to volunteer from based on their visiting experience and the friendliness of our volunteers.

The Hovercraft Museum Trust

Report of the Trustees for the year ended 31st December 2023

A number of successful events were run this year with another successful model railway exhibition in August 2022 and a significant amount of car group visits. The museum continued to use its new branded gazebo and newly purchased trailer to promote the museum at events such as the Lee Xmas fayre.

Venue hire has been strong this year with twelve paranormal groups visiting and five dog training groups. Additionally, The Daedalus Development Company has made use of our facilities to host events and consultations about Daedalus Waterfront.

Financial Review

The Trust has ended the fiscal year with a deficit, owing mostly to historical energy bills from previous periods that have been billed late. Additionally, there was project-based spending on consultancy for the accreditation bid and incorporation work. Priority was put on repairs and preventative maintenance this year as well which will help reduce future costs.

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

In 2024 the museum will complete incorporation.

The museum will continue to progress its part of the Daedalus Waterfront project with Daedalus Development Company. It will particularly work towards firming the feasibility studies and reports required to allow the trust to plan the next phase of the project and look toward fundraising.

Recruitment will be integral to allowing the museum to be able to open Sundays in addition to Saturdays. This Sunday opening is planned to start in 2024 once sufficient volunteer numbers allow it.

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

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.

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, emergency planning has been undertaken to identify high-level plans should Daedalus cease to be a viable location in the future.

Recent public commitments by Daedalus Development Company to keeping The Hovercraft Museum on site and a pledge for financial and professional support to achieve external funding for a renovated museum have been a positive development in this year. Tenure would be granted on condition of achieving this external funding. With this pledged support and the local support from various stakeholders the future at Daedalus is looking like a strong proposition.

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

Date:

The Hovercraft Museum Trust

Statement of Trustees' responsibilities for the year ended 31st December 2023

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.

.....

L Jenkins
Chair
On behalf of the Board

Date:

The Hovercraft Museum Trust

Statement of Financial Activities

For the period ended 31st December 2023

| | 31 st December 2023 | | | 30 th June 2022 | | |
|---|--------------------------------|--------------------------|---------------------|----------------------------|--------------------------|---------------------|
| | Unrestricted funds £ | Restricted funds £ | Total funds £ | Unrestricted funds £ | Restricted funds £ | Total funds £ |
| Income | | | | | | |
| Admissions and trips | 36,250 | - | 36,250 | 22,146 | - | 22,146 |
| Storage fees | 5,334 | - | 5,334 | 3,175 | 1,000 | 4,175 |
| Sale of goods | 17,143 | - | 17,143 | 9,380 | - | 9,380 |
| Friends' subscriptions | 627 | - | 627 | 691 | - | 691 |
| Library search, file and TV fees | 590 | - | 590 | 815 | - | 815 |
| Grants and donations | 9,224 | 5,000 | 14,224 | 20,088 | - | 20,088 |
| Bank interest | 4 | - | 4 | 1 | - | 1 |
| Sale of hovercraft spare parts | - | - | - | 1,000 | - | 1,000 |
| Total Income | 69,172 | 5,000 | 74,172 | 57,296 | 1,000 | 58,296 |
| Expenditure | | | | | | |
| Rent, insurance and utilities | 37,828 | - | 37,828 | 46,816 | - | 46,816 |
| Advertising | 1,049 | - | 1,049 | 4,636 | - | 4,636 |
| Open day expenses | 282 | 760 | 1,042 | 212 | - | 212 |
| Travelling expenses | 177 | - | 177 | 62 | - | 62 |
| Repairs and renewals | 7,213 | 595 | 7,808 | 4,840 | 322 | 5,162 |
| Purchase of goods | 10,080 | - | 10,080 | 681 | - | 681 |
| Telephone and internet fees | 1,354 | - | 1,354 | 916 | - | 916 |
| Postage, stationery and newsletters | 1,447 | - | 1,447 | 691 | - | 691 |
| IT costs | 3,589 | - | 3,589 | 1,311 | - | 1,311 |
| Staff welfare | 2,476 | - | 2,476 | 352 | 120 | 472 |
| Subscriptions and other refunds | 40 | - | 40 | 154 | - | 154 |
| Accountancy and bookkeeping | 1,200 | - | 1,200 | 1,050 | - | 1,050 |
| Legal and professional fees | 1,851 | - | 1,851 | 2,597 | - | 2,597 |
| Sundries | 882 | - | 882 | 1,196 | - | 1,196 |
| Bank charges | 2,637 | - | 2,637 | 1,486 | - | 1,486 |
| Depreciation | 1,856 | - | 1,856 | 312 | - | 312 |
| Total Expenditure | 73,961 | 1,355 | 75,316 | 67,312 | 442 | 67,754 |
| Net income/(expenditure) | (4,789) | 3,645 | (1,144) | (10,016) | (558) | (9,458) |
| Reconciliation of funds: | | | | | | |
| Funds brought forward | 60,278 | 2,507 | 63,901 | 70,294 | 3,065 | 73,359 |
| Total funds transferred to new CIO | (55,489) | (6,152) | (62,757) | - | - | - |
| Total funds carried forward | - | - | - | 60,278 | 2,507 | 63,901 |

The Hovercraft Museum Trust

Balance Sheet

As at 31st December 2023

| | 31st December 2023 | | 30th June 2022 | |
|----------------------------|--------------------------------------|----------|----------------------------------|---------------|
| | £ | £ | £ | £ |
| Fixed Assets | | | | |
| Fixed Assets | <u>-</u> | - | <u>1,255</u> | 1,255 |
| Current Assets | | | | |
| Debtors | - | | 1,537 | |
| Stock | - | | 5,362 | |
| Bank and Cash | <u>-</u> | - | <u>95,125</u> | 102,024 |
| Current Liabilities | | | | |
| Creditors | <u>-</u> | - | <u>39,377</u> | 39,377 |
| | | <u>-</u> | | <u>63,901</u> |
| Funds | | | | |
| Unrestricted funds | | - | | 61,245 |
| Restricted funds | | - | | 2,656 |
| Total funds | | <u>-</u> | | <u>63,901</u> |

All assets of The Hovercraft Museum Trust will be transferred to new The Hovercraft Museum CIO charity on 31 December 2023.

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 31st December 2023

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% |
|---------------------|-----|

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 31st December 2023

3. Tangible Fixed Assets

| | Plant & Machinery £ | Total £ |
|---------------------------|---------------------------|------------|
| Cost or valuation | | |
| At 1 July 2022 | 2,139 | 2,139 |
| Additions | 4,931 | 4,930 |
| Disposals | (7,070) | (7,070) |
| At 31 December 2023 | - | - |
| Depreciation | | |
| At 1 July 2022 | 884 | 884 |
| Charge for the year | 1856 | 1856 |
| Depreciation on disposals | (2,740) | (2,740) |
| At 31 December 2023 | 2,740 | 2,740 |
| Net book values | | |
| At 31 December 2023 | - | - |
| At 30 June 2022 | 1,255 | 1,255 |

4. Restricted funds

| | 1 July 2022 | Incoming | Outgoing | Transfers | Balance Transfer to new CIO | 31 st December 2023 |
|-----------------------|--------------------|-----------------|-----------------|------------------|-----------------------------------|-----------------------------------|
| | £ | £ | £ | £ | £ | £ |
| SRN4 Hovercraft Fund | 1,409 | - | (74) | - | (1,355) | - |
| Learning Zone | 655 | 1,000 | - | - | (1,655) | - |
| Security Improvements | 592 | - | - | - | (592) | - |
| Archive Improvements | - | 1,000 | (520) | - | (480) | - |
| Escape Room | - | 3,000 | (760) | - | (2,240) | - |
| | <u>2,656</u> | <u>5,000</u> | <u>(1,355)</u> | <u>-</u> | <u>(6,301)</u> | <u>-</u> |
| | <u>1 July 2021</u> | <u>Incoming</u> | <u>Outgoing</u> | <u>Transfers</u> | <u>Revaluation</u> | <u>30 June 2022</u> |
| | £ | £ | £ | £ | £ | £ |
| 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> |

SRN4 Hovercraft Fund

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

Learning Zone

A fund for creating a learning area on the Princess Anne Hovercraft.

Security Improvements

A fund for security improvements

The Hovercraft Museum Trust

**Notes to the financial statements
For the year ended 31st December 2023**

Restricted funds continued...

Archive Improvements

Money received from Southeast Museum Development for improving environmental conditions for the collection.

Escape Room

Money received from Southeast Museum Development for building a trial escape room experience/trail.

5. Analysis of net assets between funds

| | Tangible Fixed Assets | Net Current Assets | 2023 Total |
|--------------------|----------------------------------|-------------------------------|-----------------------|
| | £ | £ | £ |
| Unrestricted funds | - | - | - |
| Restricted funds | - | - | - |
| Total | - | - | - |

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

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 31st December 2023, 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:

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