

Company registration number: 02793965

Charity registration number: 1018779

The Lymington Museum Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2018

Westlake Clark
Registered Auditors
7 Lynwood Court
Priestlands Place
Lymington
Hampshire
SO41 9GA

The Lymington Museum Trust

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The Lymington Museum Trust

Reference and Administrative Details

Trustees	Sir J H de Trafford (appointed 30 June 2018) Dr J Close-Brooks Mr D A Rule (resigned 30 June 2018) M M A Humber Dr D F Mackenzie P A Perry R F Stott W J Ward J A Millard V E Schooling M Corbridge D W Moulton T Francis P N Williamson Ms J England (resigned 27 June 2017) J Neylon (appointed 26 September 2017)
Secretary	M Tomlinson
Senior Management Team	M Tomlinson, Retiring Museum Director M Ragan, Museum Director Designate
Principal Office	St Barbe Museum New Street Lymington Hampshire SO41 9BH
Registered Office	St Barbe Museum New Street Lymington Hampshire SO41 9BH
Company Registration Number	02793965
Charity Registration Number	1018779
Bankers	Lloyds TSB plc 39 High Street Lymington Hampshire SO41 9ZF

The Lymington Museum Trust

Reference and Administrative Details

Auditors

Westlake Clark
7 Lynwood Court
Priestlands Place
Lymington
Hampshire
SO41 9GA

The Lymington Museum Trust

Chairman's Statement for The Year Ending 31 March 2018

Chairman's Statement

The last financial year at St Barbe Museum and Art Gallery marked a major milestone because we completed our rebuilding works on time and on budget, allowing us to reopen to the public on 29 July 2017. The building has been substantially repaired and refurbished, with the construction of a new entrance façade and forecourt. Internally, the ground floor layout has been substantially revised to create the new museum space, three flexible galleries, accessible archive space, activities room, shop, information point and café. We are enormously grateful to the Heritage Lottery Fund, together with all the institutions and individuals who have made this possible.

For over 20 years St Barbe has kept alive the unique history of Lymington and the New Forest Coast. We have established a reputation as one of the finest regional museums and art galleries. Now, with the benefit of the refurbishment, we are committed to further improvement and to expanding our outreach activities to enrich the lives of many more people, with a special focus on the young and some of the more disadvantaged in society.

The early reactions to the new building have been overwhelmingly positive and visitor numbers have increased significantly. Educational and outreach activities have been expanded, but the funding challenge remains. We are aware that most sources of statutory funding will decline significantly over the next few years, so we need to replace these with new income from individuals, trusts and local businesses, if we are to achieve our ambitious plans to extend our charitable activities. Without this help, we will simply not be able to bring cultural experiences to enrich the lives of the disadvantaged in our midst.

It remains for me to thank most sincerely all those who have worked on behalf of St Barbe, including our small staff team, our dedicated band of over 100 volunteers, our many Friends and Patrons, who raise funds for us and our loyal trustees. In particular, I would like to thank my predecessor, David Rule, who served as Chair of the trustees for 22 years before retiring in June 2018. Under his guidance, St Barbe has gone from strength to strength and he will remain in the background as a valued counsellor to myself. Also passing the baton is Mark Tomlinson, who is succeeded as Director by Maria Ragan. He has done a fantastic job in managing the refurbishment and reopening of the building. We owe David and Mark a huge debt of gratitude.

Thank you all.

.....
Sir John de Trafford Bt MBE
Chair, Board of Trustees

The Lymington Museum Trust

Report from the Director for The Year Ending 31 March 2018

This is my first report as Director and I am grateful to my predecessor, Mark Tomlinson, for enabling me to incorporate his review of events in 2017/18. I am delighted to have been chosen as his successor and to have inherited the role at a time when we can plan with confidence for the future.

The capital works at St Barbe Museum and Art Gallery, funded by a £1.78m HLF grant, have been deemed a huge success. The physical improvements have laid the foundation for a five-year activity programme, putting community engagement at the heart of all we do. Visitor feedback since the relaunch has been overwhelmingly positive and visitor numbers are ahead of projected targets.

The design approach for the building was to create a series of modern, bright, open and welcoming spaces, while allowing visitors to enjoy the traditional Victorian architectural features from its historic time as a school building. This has been achieved and there is a growing interest in venue hire from businesses and individuals.

The new activity room, named the McCarthy Room in honour of a major donation by local businessmen Spencer and Clinton McCarthy, hosts schools' visits, art workshops and other charitable activities. It is also becoming a popular venue hire space for meetings and events. We are privileged to be able to state that we are one of the only provincial towns in the UK to have the accreditation to display national works of art from major cities such as London and Birmingham, and this has only been enhanced by the upgraded specification of the building.

The St Barbe Business Partners initiative was launched in the summer of 2017, with founding business partners Scott Bailey and Hoburne, joined through the year by a growing list of local companies as St Barbe expands its connections and links with the local economy.

Coinciding with a formal opening event attended by HRH The Earl of Wessex in September 2017, the St Barbe Endowment was launched, supported by an HLF grant offering a £ for £ match funding for up to £250,000 over the next four years. At this time we can report that we have already achieved well over £25k before match funding.

The Trust seeks to balance both unrestricted and endowment fundraising to secure both short and long-term funding needs. We are fortunate in having attracted a professional fundraiser who joins the team in early September and who is already putting together substantial plans to achieve this.

In order to review progress to date, consideration should be given to the fact that the building was closed between September 2016 and 28th July 2017 and the fact that the last three financial years saw St Barbe open for 12 months, 6 Months and 8 Month periods respectively. This makes direct comparisons of the last three years difficult, but the charts below give a good indication of the excellent growth experienced since the 2017 relaunch.

Year	Footfall into the building	Admissions	% of footfall
2015/16 (12 months, Apr 2015 - Mar 2016)	27,623	6,767	24.5%
2016/17 (6 months, Apr 2016 - Sep 2016)	11,848	3,072	25.9%
2017/18 (8 months, Aug 2017 - Mar 2018)	48,173	12,417	25.8%

We are fortunate in having a large number of dedicated friends and volunteers committed to supporting us. The Friends of St Barbe Membership scheme has grown substantially since re-opening and topped over 1,000 by the end of the financial year. Thanks go to Friends Chairman, John Ward, Members Secretary Prue Baker and the wider Friends Committee for their great work in this area. We are fortunate to attract a dedicated team of volunteers currently numbering over 100 whose support is vital to the operation of our organisation and their commitment is invaluable and much appreciated.

The Lymington Museum Trust

Report from the Director for The Year Ending 31 March 2018

Following the activities and major achievements in 2017/18 the strategic aims of St Barbe Museum and Art Gallery continue to be:

- Stewardship of local history collections, and facilitation of physical and digital access to all our resources, expertise and research.
- Mounting a varied programme of exhibitions in the gallery spaces that attracts local acclaim and national recognition.
- Engagement with audiences by putting local community engagement at the heart of all activities, creating inspirational learning opportunities for all.
- Leading the area's cultural sector through heritage management and the sharing of best practice.
- Achieving financial sustainability through effective marketing, fundraising, income generation and efficient deployment of resources.

At the end of the financial year 2017/18 the level of unrestricted funds represents a level sufficient to satisfy charity commission guidelines and St Barbe's own reserves policy. This figure needs to be maintained and we are now beginning to implement the fundraising initiatives that will allow us to expand our charitable activities, substitute the revenues from statutory bodies, which we already know will diminish over time, and achieve a sustainable financial position. I would like to echo the thanks of our Chair, John de Trafford, to all the generous donors and helpers, who underpin our success.

St Barbe is well established and well loved, particularly for its national quality exhibitions. We intend to continue to provide a landmark venue, to build on our past successes and to place community engagement firmly at the heart of all we do. I am looking forward to enhancing and accelerating this development.

.....
Maria Ragan FRSA
Director

The Lymington Museum Trust

Trustees Report for The Year Ending 31 March 2018

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31st March 2018.

Governing Document

The charity is constituted as a company limited by guarantee and is, therefore, governed by a memorandum and articles of association.

Recruitment and Appointment of Trustees

All directors of the company are also trustees of the charity and there are no other trustees. The Board has the power to appoint additional trustees as it considers fit to do so.

Trustee Induction and Training

All newly appointed Board members receive appropriate induction involving meetings with other directors and discussions with the Museum Director together with the right to attend any appropriate external courses. All Board members have access to independent advice on any matters relating to their responsibilities as Directors. The Company Secretary is available to all Directors and is responsible for ensuring that all Board procedures are complied with. Training is undertaken as required during the year.

Objectives and Activities

The museum preserves and shares the artefacts, images and stories of the New Forest coastal area, to inspire and deepen its audiences' understanding of their own cultural identity and sense of place. The flagship galleries host high quality exhibitions, bringing art of national significance to Lymington for the benefit of the wider community.

The charity is organised so that all trustees meet regularly to manage its affairs and review matters considered by the individual committees.

There have been no material changes since the last Annual Report in the policies adopted by the Trust in the furtherance of the objectives.

Public Benefit

The museum is for the use and benefit of all members of the public.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission for England and Wales.

Organisational Structure

The organisational staff structure evolved during the course of the financial year as the museum and galleries went from a building site to a completely relaunched visitor attraction, which had to reach out to develop new audiences and achieve financial viability. This process is ongoing into the new financial year.

Financial Review

The Statement of Financial Activities shows an exceptionally high net income in the year of £1,139,868, which relates to the major refurbishment of the museums. Grants and donations of £1,297,322 were received together with exhibition income and admission income of £71,619 and £46,237 respectively, so contributing to the majority of income for the year of £1,498,327. From an operational perspective, following the reopening, the museum was able to run at a small surplus of income over expenditure, but this was helped by substantial subsidies to staff salaries provided by the Heritage Lottery Fund and Hampshire Cultural Trust. These subsidies will decline in future years making it essential to find new sources of funding.

The Lymington Museum Trust

Trustees Report for The Year Ending 31 March 2018

Policy on Reserves

Total balance sheet reserves at 31st March 2018 amount to £1,908,539, of which £1,795,306 is restricted. The largest restricted fund is 'The Future for St Barbe Fund' of £1,776,645. This relates to funds which have been spent on the major capital refurbishment project completed in July 2017. These will appear as leasehold improvements in future years and will be depreciated over the remaining life of the lease.

Of the total reserves, only £93,669 relates to unrestricted funds available to the charity. This level of funding is deemed to be at the minimum level required to support the continuation of the museum's activities. Day to day maintenance and operational requirements place considerable demands on the Charity's resources and do not allow it to build up significant unrestricted reserves. Any further developments will require additional funding from donors. The position is kept under close review to ensure day to day administrative costs can be met as they fall due.

Risk Management

The Trustees maintain a risk register with risks assessed for their likelihood of crystallising and impact on the charity should they do so. The principal risks and uncertainties are shortage of income, a major incident, failure to attract sufficient volunteers or systems failure. Each risk has mitigation activities associated with it and an identified lead or leads to pursue these activities.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Lymington Museum Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Lymington Museum Trust

Trustees Report for The Year Ending 31 March 2018

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the trustees of the charity on 25th September 2018 and signed on its behalf by:

.....
Sir John de Trafford Bt MBE

The Lymington Museum Trust

Independent Auditor's Report to the Members of The Lymington Museum Trust

Opinion

We have audited the financial statements of The Lymington Museum Trust (the 'charity') for the year ended 31 March 2018, which comprise the Statement of Financial Activities, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The Lymington Museum Trust

Independent Auditor's Report to the Members of The Lymington Museum Trust

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees Report for The Year Ending 31 March 2018 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report for The Year Ending 31 March 2018 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report for The Year Ending 31 March 2018.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The Lymington Museum Trust

Independent Auditor's Report to the Members of The Lymington Museum Trust

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Peter Clegg BSc FCA CTA (Senior Statutory Auditor)
For and on behalf of Westlake Clark, Statutory Auditor

7 Lynwood Court
Priestlands Place
Lymington
Hampshire
SO41 9GA

Date:.....

The Lymington Museum Trust

Statement of Financial Activities for the Year Ended 31 March 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Income and Endowments from:						
Grants, donations and legacies	2	54,235	1,232,937	10,150	1,297,322	906,480
Charitable activities	3	172,718	-	-	172,718	35,149
Other trading activities	4	9,099	-	-	9,099	3,675
Investment income	5	12,844	-	-	12,844	9,530
Other income	6	6,344	-	-	6,344	1,704
Total Income		<u>255,240</u>	<u>1,232,937</u>	<u>10,150</u>	<u>1,498,327</u>	<u>956,538</u>
Expenditure on:						
Raising funds	7	-	(18,592)	-	(18,592)	(35,124)
Charitable activities	8	(178,564)	(161,303)	-	(339,867)	(267,155)
Other expenditure	10	-	-	-	-	(233,626)
Total Expenditure		<u>(178,564)</u>	<u>(179,895)</u>	<u>-</u>	<u>(358,459)</u>	<u>(535,905)</u>
Net income		<u>76,676</u>	<u>1,053,042</u>	<u>10,150</u>	<u>1,139,868</u>	<u>420,633</u>
Net movement in funds		76,676	1,053,042	10,150	1,139,868	420,633
Reconciliation of funds						
Total funds brought forward		<u>16,993</u>	<u>742,264</u>	<u>9,414</u>	<u>768,671</u>	<u>348,038</u>
Total funds carried forward	22	<u>93,669</u>	<u>1,795,306</u>	<u>19,564</u>	<u>1,908,539</u>	<u>768,671</u>

The results for both 2017 and 2018 are out of line with prior years because they show the impact of a large inflow of grants and donations associated with the major refurbishment programme.

The grant funding received from the Heritage Lottery Fund and included as restricted income has been applied in the acquisition of tangible assets acquired during the Museum's renovation.

All of the charity's activities derive from continuing operations during the above two periods.

The Lymington Museum Trust
(Registration number: 02793965)
Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	16	1,761,034	362
Investment in trading company	17	<u>100</u>	<u>100</u>
		<u>1,761,134</u>	<u>462</u>
Current assets			
Stocks	18	-	851,940
Debtors	19	46,197	92,567
Cash at bank and in hand		<u>164,595</u>	<u>51,308</u>
		210,792	995,815
Creditors: Amounts falling due within one year	20	<u>(63,387)</u>	<u>(227,606)</u>
Net current assets		<u>147,405</u>	<u>768,209</u>
Net assets		<u>1,908,539</u>	<u>768,671</u>
Funds of the charity:			
Endowment funds		19,564	9,414
Restricted funds		1,795,306	742,264
Unrestricted income funds			
Unrestricted funds		<u>93,669</u>	<u>16,993</u>
Total funds	22	<u>1,908,539</u>	<u>768,671</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

As a result of the completion of the capital project in July 2017, the value of our net assets increased substantially. Long leasehold improvements represent the majority of this increase. They were financed, in the main, by the Heritage Lottery Fund.

Stocks (being work in progress) shown in the previous year have now been moved into tangible assets. Unrestricted funds now stand at £87,384 and are further detailed in the Trustees' Report.

The financial statements on pages 12 to 27 were approved by the trustees, and authorised for issue on 25 September 2018 and signed on their behalf by:

.....
 Sir John de Trafford Bt MBE
 Chair, Board of Trustees

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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 applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Lymington Museum Trust is a charitable company limited by guarantee incorporated in England and meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities can be found in the Trustees' Report on page 1.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Exemption from preparing group accounts

The company is part of a small group. The company has taken advantage of the exemption provided by Section 399 Companies Act 2006 and has not prepared group accounts.

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Hampshire Cultural Trust (HCT) pays the salary of key management personnel and then invoices Lymington Museum Trust for 50% of this salary. The remaining 50% is effectively donated by HCT. Similarly, the Heritage Lottery Fund contributes 77% of other designated salaries.

Investment income

Investment income is recognised on a receivable basis.

Charitable activities

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract. All income is derived from ordinary activities and recorded net of VAT

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £250.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Leasehold and leasehold improvements	Over the remainder of the lease
Fixtures, fittings and equipment	15% straight line basis
Computer equipment	25% straight line basis
Gallery equipment	15% straight line basis

Tangible fixed assets are not depreciated in the year of acquisition, and are depreciated fully in the year of disposal.

Stock

Work in progress is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

2 Income from grants, donations and legacies

	Unrestricted funds		Endowment funds			
	General £	Restricted funds £	Expendable £	Total 2018 £	Total 2017 £	
Grants, including capital grants;						
Grants received	36,700	1,042,736	2,000	1,081,436	761,854	
Donations and legacies;						
Donations from trusts, foundations and statutory bodies	718	190,182	6,150	197,050	68,500	
Donations from individuals	13,795	-	1,000	14,795	41,260	
Gift aid reclaimed	3,022	19	1,000	4,041	8,866	
Donated services and facilities	-	-	-	-	26,000	
	<u>54,235</u>	<u>1,232,937</u>	<u>10,150</u>	<u>1,297,322</u>	<u>906,480</u>	

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

While 2018 showed a significant increase in the levels of grants, donations and legacies received, this income stream remains unpredictable and variable.

3 Income from charitable activities

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Admission income	28,182	28,182	8,194
Membership to Friends of St Barbe	18,055	18,055	8,094
Sponsorship	50,550	50,550	-
Exhibitions	71,619	71,619	17,404
Exhibitors entry fees	2,511	2,511	1,457
Workshops	1,337	1,337	-
Education	464	464	-
	<u>172,718</u>	<u>172,718</u>	<u>35,149</u>

Owing to the significant refurbishment, the museum was open for 8 months of 2017/2018, compared to 6 months of 2016/2017.

4 Income from other trading activities

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Fundraising events	<u>9,099</u>	<u>9,099</u>	<u>3,675</u>

5 Investment income

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	47	47	315
Receipts from investment in trading company	<u>12,797</u>	<u>12,797</u>	<u>9,215</u>
	<u>12,844</u>	<u>12,844</u>	<u>9,530</u>

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

6 Other income

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Other income - Open Gardens event	6,344	6,344	1,704

7 Expenditure on raising funds

	Restricted funds	Total 2018	Total 2017
	£	£	£
Fundraising costs	18,592	18,592	35,124

8 Expenditure on charitable activities

	Activity undertaken directly £	Grant funding of activity £	Total 2018 £	Total 2017 £
Exhibits and exhibition costs	58,204	120,360	178,564	156,820
The Future of St Barbe	-	160,872	160,872	99,162
Acquisition of coin hoard	431	-	431	11,173
	58,635	281,232	339,867	267,155

£178,564 (2017 - £151,820) of the above expenditure was attributable to unrestricted funds and £161,303 (2017 - £115,335) to restricted funds.

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

9 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds			
	General	Restricted	Total	Total
	£	funds	2018	2017
	£	£	£	£
Establishment costs	21,434	162	21,596	46,137
Finance costs	3,563	-	3,563	2,227
Human resources	53,728	-	53,728	133,721
Administration costs	31,975	160,710	192,685	44,224
Information technology	3,876	-	3,876	1,019
Governance costs	3,810	-	3,810	3,761
Other support costs	1,974	-	1,974	1,939
	<u>120,360</u>	<u>160,872</u>	<u>281,232</u>	<u>233,028</u>

Establishment costs

This includes costs such as rent, rates and insurance.

Finance costs

This relates to bank charges and credit card fees

Human resources

This includes staff salaries and recruitment expenses and other similar costs.

Administration costs

This includes printing costs, bookkeeping fees, and office stationery costs

Information technology

This relates to website design and software costs

Governance costs

This includes audit and accountancy fees.

Other support costs

This includes entertainment costs and sundry expenses

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

Governance costs

	Unrestricted funds	Total 2018	Total 2017
	General		
	£	£	£
Audit fees			
Audit of the financial statements	600	600	600
Other fees paid to auditors	3,210	3,210	3,161
	3,810	3,810	3,761

10 Other expenditure

	Total 2018	Total 2017
	£	£
Loss on disposal of tangible fixed assets	-	233,626
	-	233,626

11 Net incoming/outgoing resources

Net incoming resources for the year include:

	2018	2017
	£	£
Property rent	4,000	4,000
Audit fees	600	600
Other non-audit services	3,210	3,161
Depreciation of fixed assets	262	1,308
	262	1,308

12 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

The charity arranges cover of £1,000,000 for the trustees against liabilities in relation to the charity (2017 - £1,000,000).

Donations made by the trustees without any conditions attached totalled £1,644 for the year (2017 - £5,646).

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

13 Staff costs

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2018	2017
	No	No
Charitable activities	<u>5</u>	<u>5</u>

Staff costs during the year were:

	2018	2017
	£	£
Wages and salaries	50,945	132,844
Social security	-	-
Pension	490	96
	<u>51,435</u>	<u>132,940</u>

Hampshire Cultural Trust pays some of the staffing costs and then invoices Lymington Museum Trust for 50% of the charge, effectively donating the other 50%. The value of this in 2017/2018 was £20,760. Similarly, the Heritage Lottery Fund contributes towards the salary of three staff members, at a total cost of £52,794.

During the year, the charity made redundancy and/or termination payments which totalled £Nil (2017 - £22,883).

No employee received emoluments of more than £60,000 during the year (2017: 0).

The Museum Director, as the highest paid member of staff, received benefits totalling £55,359 (2017 - £51,211).

14 Auditors' remuneration

	2018	2017
	£	£
Audit of the financial statements	<u>600</u>	<u>600</u>
Other fees to auditors		
All other non-audit services	<u>3,210</u>	<u>3,161</u>

15 Taxation

The charity is a registered charity and is therefore exempt from taxation.

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

16 Tangible fixed assets

	Long leasehold improvements £	Fixtures, fittings and equipment £	Computer equipment £	Gallery equipment £	Total £
Cost					
At 1 April 2017	-	-	16,059	-	16,059
Additions	1,560,841	187,716	11,767	610	1,760,934
At 31 March 2018	<u>1,560,841</u>	<u>187,716</u>	<u>27,826</u>	<u>610</u>	<u>1,776,993</u>
Depreciation					
At 1 April 2017	-	-	15,697	-	15,697
Charge for the year	-	-	262	-	262
At 31 March 2018	<u>-</u>	<u>-</u>	<u>15,959</u>	<u>-</u>	<u>15,959</u>
Net book value					
At 31 March 2018	<u>1,560,841</u>	<u>187,716</u>	<u>11,867</u>	<u>610</u>	<u>1,761,034</u>
At 31 March 2017	<u>-</u>	<u>-</u>	<u>362</u>	<u>-</u>	<u>362</u>

17 Fixed asset investments

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2017	100	100
At 31 March 2018	<u>100</u>	<u>100</u>
Net book value		
At 31 March 2018	<u>100</u>	<u>100</u>
At 31 March 2017	<u>100</u>	<u>100</u>

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
The St Barbe Trading Company Limited company registration number 02934921 Registered office: St Barbe Museum, New Street, Lymington, Hampshire, SO41 9BH	England	Ordinary	100%	Running gift shop at St Barbe Museum

Subsidiaries

The profit for the financial period of The St Barbe Trading Company Limited was £Nil and the aggregate amount of capital and reserves at the end of the period was (£1,063).

The St Barbe Trading Company Limited is a wholly owned subsidiary undertaking of The Lymington Museum Trust. It operates a shop and cafe in the Museum selling merchandise and refreshments. Profits made by the trading subsidiary are donated to the parent charity.

The subsidiary's turnover for the year totalled £98,989 (2017 - £45,576), expenditure totalled £98,989 (2017 - £45,576) and therefore made no profit in the year (2017 - £Nil). The subsidiary made a donation to The Lymington Museum Trust in the year of £12,797 (2017 - £9,215).

18 Stock

	2018 £	2017 £
Work in progress	-	851,940

Now that the museum refurbishment project has been completed, there is no remaining work in progress.

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

19 Debtors

	2018 £	2017 £
Trade debtors	13,616	861
Due from investment in trading company	16,406	-
Prepayments	6,825	7,371
Accrued income	4,500	3,000
VAT recoverable	-	80,978
Other debtors	4,850	357
	<u>46,197</u>	<u>92,567</u>

With the museum refurbishment now complete, the amount of VAT recoverable has, as expected, decreased.

20 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	23,229	213,996
Due to group undertakings	-	5,411
Other taxation and social security	2,952	667
VAT grant repayable	2,503	-
Other creditors	11,026	968
Pension scheme creditor	100	58
Accruals	23,577	6,506
	<u>63,387</u>	<u>227,606</u>

Creditors have reduced significantly now that the refurbishment has ended.

21 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

22 Funds

	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Balance at 31 March 2018 £
Unrestricted funds				
<i>General</i>				
General Funds	16,993	255,240	(178,564)	93,669
Restricted funds				
Heritage Lottery Fund (Capital)	165	-	-	165
The Future for St Barbe Fund	709,663	1,188,117	(121,135)	1,776,645
Coin Hoard Fund	16,579	-	(431)	16,148
ACE Resilience Fund	15,857	44,820	(58,329)	2,348
Total restricted funds	<u>742,264</u>	<u>1,232,937</u>	<u>(179,895)</u>	<u>1,795,306</u>
Endowment funds				
<i>Expendable</i>				
Endowment Fund	9,414	10,150	-	19,564
	<u>9,414</u>	<u>10,150</u>	<u>-</u>	<u>19,564</u>
Total funds	<u><u>768,671</u></u>	<u><u>1,498,327</u></u>	<u><u>(358,459)</u></u>	<u><u>1,908,539</u></u>

The specific purposes for which the funds are to be applied are as follows:

Heritage Lottery Fund (Capital)

This fund was used to purchase fixed assets. Expenditure is the depreciation on these fixed assets.

The Future for St Barbe Fund

This fund is in respect of the 'Future of St Barbe Project' to improve public services and enhance the St Barbe venue, enabling the organisation to be more resilient in the long term.

Coin Hoard Fund

In conjunction with the Future for St Barbe fund monies have been donated specifically for the acquisition and display of a Roman coin collection.

ACE Resilience Fund

This fund is in respect of funding received from Arts Council England, committed to be spent on fundraising and marketing costs to secure the future of the Museum.

The Lymington Museum Trust

Notes to the Financial Statements for the Year Ended 31 March 2018

23 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total funds
	General £	£	Expendable £	£
Tangible fixed assets	842	1,760,192	-	1,761,034
Fixed asset investments	100	-	-	100
Current assets	156,114	35,114	19,564	210,792
Current liabilities	<u>(63,387)</u>	<u>-</u>	<u>-</u>	<u>(63,387)</u>
Total net assets	<u>93,669</u>	<u>1,795,306</u>	<u>19,564</u>	<u>1,908,539</u>

24 Related party transactions

During the year the charity made the following related party transactions:

D A Rule

(Trustee of The Lymington Museum Trust and also Rachel Sharman Charitable Trust)

During the year Rachel Sharman Charitable Trust made grants of £nil (2017 - £22,500) to The Lymington Museum Trust. At the balance sheet date the amount due to/from D A Rule was £Nil (2017 - £Nil).

Controlling entity

The charity is controlled by the trustees who are all directors of the company.

Donations from the Trustees

Donations made by trustees are disclosed in note 12.