

**Registered number: 02100358**  
**Charity number: 296236**

**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**

**Trustees' report and financial statements**

**For the year ended 31 March 2016**

**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**

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**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**

**Reference and administrative details of the company, its trustees and advisers**  
**For the year ended 31 March 2016**

**Trustees**

B T Burton, Chairman  
C R Camp (resigned 30 July 2015)  
B Goodhew  
J F Kempton  
R J Stokes, Vice Chairman  
Dr M Colpus (appointed 22 December 2015)  
R D Howells (appointed 25 January 2016)  
A M Morgan (appointed 22 February 2016)

**Company registered number**

02100358

**Charity registered number**

296236

**Registered office**

Pier Approach Road  
Gillingham  
Kent  
ME71RX

**Independent auditor**

Kreston Reeves LLP  
Chartered Accountants  
Statutory Auditor  
Montague Place  
Quayside  
Chatham Maritime  
Chatham  
Kent  
ME4 4QU

**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**

**Reference and administrative details of the company, its trustees and advisers**  
**For the year ended 31 March 2016**

**Advisers (continued)**

**Bankers**

CAF Bank Limited  
25 Kings Hill Avenue  
West Malling  
Kent  
ME19 4TA

HSBC Bank PLC  
8 Canada Square  
London  
E14 5HQ

**Solicitors**

Martin Tolhurst Partnership  
7 Wrotham Road  
Gravesend  
Kent  
DA11 0PD

**Patrons**

Marianna, Viscountess Monckton of Brenchley  
Sir Mick Jagger  
Dame Vera Lynn, DBE  
Sir William McAlpine  
Admiral Lord West of Spithead, GCB, DSC, PC

**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the year ended 31 March 2016**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The New Medway Steam Packet Company Limited (the company) for the year ended 31 March 2016. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**Objectives and Activities**

**a. Policies and objectives**

The principal objectives of the company are to advance public education on the maritime history of Great Britain in particular by the restoration and preservation of the Paddle Steamer Medway Queen.

**b. Main activities undertaken to further the charity's purposes for the public benefit**

In shaping our objectives the Trustees have considered the Charity Commission's guidance on public benefit.

***Our place in the broader community***

We take our place in the local community very seriously and one of the Trustee Board members has specific responsibility for working with the mainly local media. Communications include regular coverage of our activities in the local press and radio. We have a high profile within the heritage publications sector with regular appearance of news stories and feature articles. Several volunteers hold talks about the Medway Queen for local schools and clubs and societies across the South and South East, which are well received and a source of donations. We are a member of the Association of Independent Museums and use our membership to learn how some of the smaller historical sites have become successful.

**c. Volunteers**

We rely heavily on volunteers to assist with the restoration of the Medway Queen. At 31 March 2016 we estimate we had of the order of 25-30 active volunteers, directly involved in restoration work or carrying out administrative or educational work. We are always looking for additional help from skilled volunteers with a range of practical skills; including the electrical, mechanical, welding, carpentry, plumbing, painting trades.

**Achievements and performance**

**a. Review of activities**

The Medway Queen has a long and varied history but sadly her hull was in a very poor state of repair when she arrived back in Kent in 1984. The rate of decay was slowed and the ship was kept afloat but gradually the corrosion spread and the effort needed to keep her afloat increased.

Having achieved grant funding, primarily from the Heritage Lottery Fund, the hull has now been re-built in Bristol to the 1924 specification, with some concessions to current requirements. She returned to the Medway on 19 November 2013 to much local acclaim and is berthed at Gillingham Pier. Alongside the berth is an apprentice training facility/workshop and visitor centre formed from existing buildings on the site.

**The New Medway Steam Packet Company Limited**  
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**Trustees' report (continued)**  
**For the year ended 31 March 2016**

**a. Review of activities (continued)**

Until the summer of 2014 a team of instructors and apprentices worked in the training facility. The apprentices were students of Mid Kent College and their training was supported by technical expertise from the GMB Union and latterly by financial support from Medway Council and the GMB Union. Whilst we currently do not have the funds to launch a new scheme, we are very proud of the fact that nine apprentices completed their apprenticeships with us and moved on to skilled jobs elsewhere.

The main purpose of the Gillingham workshops is to complete the restoration of the ship to working order.

The Trustee Board and officers have a range of skills relevant to the activities of the company, including a number of skilled tradesmen and a Chartered Engineer.

We are very grateful to our many volunteers and other supporters. The Heritage Lottery Fund has provided £1.86m to support the rebuild of the hull. Additionally 50% of the costs of the workshop and visitor centre were paid for by the European Regional Development Fund under Interreg IVA as part of the project 'Heroes 2 C' for which New Medway Steam Packet Company Ltd was lead partner.

In 2014/15 we benefitted from a number of grants and donations to pursue our objectives. The Heritage Lottery Fund approved £100,000 of Transition Funding in December 2014, which will help to finance the modernisation of the charity and preparation of another bid for grant funding for the next stage of restoration. We also received funding from Trusthouse Charitable Foundation and The Headley Trust for engine room restoration. A sum of £28,000 was raised from mainly Kent based charities and individuals to finance the completion of a film to record the history of the Medway Queen's role in the Dunkirk evacuation in 1940. We also received funding from The Gosling Foundation to cover the costs of towage, insurance and general readiness for visiting the event commemorating the 75th anniversary of the Dunkirk evacuation at Ramsgate in May 2015. Our members and supporters donated very generously in response to an emergency appeal in the autumn of 2014, whilst GMB Union branches also supported us in response to an appeal directed at them and supported by the GMB National Office.

Professionals, trainees and volunteers have the opportunity to exchange experience and working practices with our partners in the follow-on project to 'Heroes 2C', known as Maritime Heritage Skills which widened membership of the project to Dutch and Cornish organisations. Approval of further funding allowed the charity to retain the personnel involved until completion of the MHS project in April 2015.

The Medway Queen was the subject of much Dunkirk related publicity including featuring in a follow-up programme to the BBC's popular Antiques Roadshow and much local and national media coverage when she visited Ramsgate in late May 2015.

***Ensuring access to our activities***

We actively encourage new membership. The return of the Medway Queen to the Medway has substantially increased interest in what we do. Membership renewals take effect in July each year. Applications for membership can be made in person, by post or via our website. Membership rates are set to encourage whole families and concessions are available for pensioners and other groups.

Our revised website was launched in December 2013, aimed at making us more accessible and allowing us to update the public on our progress. The site allows us to keep our members and the public informed on progress and news, collect donations on-line and we market some of our merchandise, currently available in the Visitor Centre shop. A new book, 'The Medway Queen' – 'Rebuilding the hull', written by Richard Halton and Bob Stokes was published in the second half of 2014 and has proved a best seller both in our physical and on line shops.

**The New Medway Steam Packet Company Limited**  
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**Trustees' report (continued)**  
**For the year ended 31 March 2016**

**a. Review of activities (continued)**

We have an active outreach programme which includes the Visitor Centre, social events and presentations to various groups across mainly, but not exclusively, the South East and visits to the vessel itself. Access to the vessel is currently restricted because of the work that is being carried out on-board and the need to ensure the safety of all those who visit the Medway Queen. We hold social events for members and the public regularly, and are always looking for extra volunteers to help with these events in a number of ways. We plan to use the completed film to raise awareness and fundraising and also to make it available for purchase to various broadcast media.

We have two remotely based "Support Groups" - the Reading Support Group and the London & South of England Support Group based in Swanage. Both are informally organised and attend external events of all types to promote the Society's restoration activities, recruit new members and to raise funds towards the restoration costs. In addition to event attendance, the Reading Group commissions and supports merchandising projects for niche markets complementary to those of the Society's central sales team.

Part of our broader outreach approach involves the use of book and other media publication to bring our story to a wider audience. To date three books and two DVDs have been published.

**Communications**

Our primary method of contact with our members and, with other interested parties, is via our newsletter, "Full Ahead", and our website, which is updated regularly. We have adopted a more cost effective approach to the production of our newsletter, without impacting its effectiveness as a communication channel. We are considering how we can develop our communication through the social media channels of Facebook and Twitter to broaden our appeal and accessibility to younger generations, and have retained the services of an IT consultant to assist with improving our IT generally.

**b. Investment policy and performance**

Over the first twenty years of existence of the charity the main objective was to secure funds for restoration of the Medway Queen. Having secured major grants from the Heritage Lottery Fund and from Interreg the charity, since 2009, has been spending substantial sums of the project. Following the significant investment, all remaining available funds are earmarked for expenditure on the ship (leaving a small amount in reserves as outlined above): funds not required for immediate expenditure have been held in deposit accounts at CAFbank.

**Financial review**

**a. Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**b. Principal risks and uncertainties**

We recognise that current best practice suggests that the Trustees and Officers should give thought regularly to the risks being run by renovating the Medway Queen and should identify risk management options. This activity has been in place for some time; however we are beginning to review risks by way of a structured process as a matter of course on a regular basis and to try to identify emerging challenges or areas where the risk is emerging, increasing or reducing.

**The New Medway Steam Packet Company Limited**  
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**Trustees' report (continued)**  
**For the year ended 31 March 2016**

**b. Principal risks and uncertainties (continued)**

One of our primary risks is financial, being able to finance the rest of the restoration of the Medway Queen. This is receiving much attention from the Trustees. We have documented a number of other risks and have identified a range of mitigation techniques which include having access to skilled staff and volunteers, using strong and effective controls and using insurance where appropriate. We are also alert to the threat of fraud. One example of this active risk management approach is the way in which we manage our insurance covers with our brokers and insurers.

**c. Reserves policy**

The charity has to maintain cash reserves to cover the following:-

a) Medway Queen's share of the costs of any further restoration work. As at 31 March 2016 there is insufficient funding to undertake the full refit and budgets are being amended accordingly, until such time that further substantial funding is obtained. At this point we consider no specific reserve is necessary.

b) a contingency reserve of around £25,000, to cover items such as redundancy costs, irrevocable contracts and care and maintenance costs should the level of activity have to be reduced.

The Trustees believe that there are currently sufficient reserves, subject to the points detailed above and provided the remaining already approved grants are received in a timely manner. At 31 March 2016 total free reserves amounted to £427,969 (2015: £397,842).

**d. Principal funding**

We applied for, and were successful in achieving, transition funding from the Heritage Lottery Fund (HLF). This has enabled the charity to begin modernising and to be financed during the early stages of preparing a credible application for further restoration funding.

The project to prepare the charity to be ready to make a credible application to HLF in 2016 comprises a number of pieces of work, some of significant scale.

**Structure, governance and management**

**a. Constitution**

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association .

The company is constituted under a Memorandum of Association and is a registered charity number 296236.

**b. Method of appointment or election of Trustees**

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Trustees may be directly elected by members or appointed by the Trustee Board until the next Annual General Meeting and they are made aware, on their appointment, of their responsibilities under Charities legislation.

The Trustee Board has overall responsibility for managing the affairs of the charitable company and the Medway Queen Preservation Society and each Trustee is elected for a three year term by the registered membership at the Annual General Meeting. Special interim arrangements are in place to allow for existing Trustees to be elected over a three year period. The Trustee Board has the power to fill any vacancies arising during the year, up to the maximum set out in the Articles of Association, between Annual General Meetings by co-option.

**The New Medway Steam Packet Company Limited**  
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**Trustees' report (continued)**  
**For the year ended 31 March 2016**

**c. Organisational structure and decision making**

On 28 March 2015 an Extraordinary General Meeting of the company approved the adoption of new Articles of Association, in accordance with the template for charitable companies published by the Charity Commission on their website.

As a result the primary decision making forum of the company became the Trustee Board. The precise nature of the revised governance processes will develop following the adoption of the new constitution but initially the Trustee Board will meet monthly with certain invited, but non-voting officers and representatives in attendance. Trustees are now appointed for a three year term with transitional arrangements in place to avoid the need for election of the Trustee Board en masse every three years.

The President and Vice Presidents had the right to attend Committee of Management meetings and receive the minutes. The new constitution clarifies these honorary positions to which is made at the discretion of the Trustee Board and which no longer carry attendance or copy minute rights.

The honorary roles, where the holders often continue to provide important help and guidance to the organisation, but do not have any voting or attendance rights at meetings, are now as follows:

**Patrons**

Marianna, Viscountess Monckton of Brenchley  
Sir Mick Jagger  
Dame Vera Lynn, DBE  
Sir William McAlpine  
Admiral Lord West of Spithead, GCB, DSC, PC

**President**

Marshall Vine

**Vice-presidents**

Noreen Chambers  
John Chambers  
Robert Barnes

Trustees may be directly elected by members or appointed by the Trustee Board until the next Annual General Meeting and they are made aware, on their appointment, of their responsibilities under Charities legislation.

**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 March 2016**

**c. Organisational structure and decision making (continued)**

The Trustee Board has overall responsibility for managing the affairs of the charitable company and the Medway Queen Preservation Society and each Trustee is elected for a three year term by the registered membership at the Annual General Meeting. Special interim arrangements are in place to allow for existing Trustees to be elected over a three year period. The Trustee Board has the power to fill any vacancies arising during the year, up to the maximum set out in the Articles of Association, between Annual General Meetings by co-option.

The Trustee Board meets formally each month to discuss and consider a range of topics against a formal agenda. This includes progress and plans for the restoration of the Medway Queen financial plans and performance and governance. All meetings are formally minuted. Ad hoc meetings are convened as required.

Sub committees are formed and meet as necessary, usually to work on specific items of work which may require specialist skills. Reports are made to the Trustee Board following any sub committee meetings.

The Trustee Board considers that it has a good range of qualifications, skills and experience for this stage of the restoration project. It recognises that new skills will need to be added to the team in anticipation of the completion of the next stage of restoration and the Medway Queen becoming financially self sustaining and taking its place in the community and will be active in seeking new members and/or volunteers to assist with this development.

**d. Risk management**

We are continuing a process of update and formal documentation of much of our existing governance procedures, including policies, systems, procedures and controls. This is a significant piece of work and has strong links to the project supported by Heritage Lottery Fund transition funding. We have adopted a new 'best of breed' constitution and are working on the supporting governance processes.

The HLF supported project includes a formal review of our business plans. Growing competition for grant funding means that having clear and phased plans including contingency plans, for the future, including what still requires to be done, how it will be funded and how we can use the Medway Queen to best effect, are vital. Our plans will include ensuring that her history and heritage are maintained and celebrated and widening her appeal, whilst developing strong strategies for her future financial stability.

**Plans for future periods**

**a. Future developments**

The objective of the project was to bring the Medway Queen back to Gillingham as soon as possible, where she would be open to visitors as far as possible while restoration and fit out activities continue. This has been achieved. In the long term the ship will be developed as a visitor attraction and function venue, whilst retaining the capability to go to sea under her own steam for special charters and visits to other ports.

We are reviewing our existing detailed plans on the future of the Medway Queen once restored, with the objective of maximising outreach across as wide a demographic as possible whilst maintaining the integrity of the vessel's history and working toward financial sustainability. We are also looking to work with Medway Council and other partners to map out a clearer role for the Medway Queen in local plans, including tourism.

Specific targets, not listed in priority, for the coming financial year include:

- Increasing the range and scale of funding including large scale project funding,
- Further restoring the Medway Queen,
- Developing outreach activities to include young people,
- Further improving governance,
- Actively seeking opportunities for medium term and reliable funding to offer further apprenticeship opportunities to young people in the Medway and nearby areas.

**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 March 2016**

**Trustees' responsibilities statement**

The Trustees (who are also directors of The New Medway Steam Packet Company Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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.

**Disclosure of information to auditor**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by the Trustees on 25 August 2016 and signed on their behalf by:

**B T Burton, Chairman**  
**Trustee**

**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**

**Independent auditor's report to the members of The New Medway Steam Packet Company Limited**

We have audited the financial statements of The New Medway Steam Packet Company Limited for the year ended 31 March 2016 set out on pages 12 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, 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 charitable company's members 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 members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustees and auditor**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**

**Independent auditor's report to the members of The New Medway Steam Packet Company Limited**

**Matters on which we are required to report by exception**

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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

S Robinson BA FCA FCIE DChA MCMI (Senior statutory auditor)

for and on behalf of

**Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor

Chatham Maritime  
1 September 2016

**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**

**Statement of financial activities**  
**For the year ended 31 March 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>Income from:</b>					
Donations and legacies	2	39,346	53,947	93,293	226,059
Other trading activities	3	8,981	-	8,981	6,775
Investments	4	19	-	19	15
<b>Total income</b>		<b>48,346</b>	<b>53,947</b>	<b>102,293</b>	<b>232,849</b>
<b>Expenditure on:</b>					
Raising funds	5	5,353	-	5,353	5,314
Charitable activities		12,866	106,869	119,735	215,447
<b>Total expenditure</b>		<b>18,219</b>	<b>106,869</b>	<b>125,088</b>	<b>220,761</b>
<b>Net income / (expenditure)</b>		<b>30,127</b>	<b>(52,922)</b>	<b>(22,795)</b>	<b>12,088</b>
<b>Net movement in funds</b>		<b>30,127</b>	<b>(52,922)</b>	<b>(22,795)</b>	<b>12,088</b>
<b>Reconciliation of funds:</b>					
Total funds at 1 April 2015		3,191,670	147,725	3,339,395	3,327,307
<b>Total funds at 31 March 2016</b>		<b>3,221,797</b>	<b>94,803</b>	<b>3,316,600</b>	<b>3,339,395</b>

All activities relate to continuing operations.

The notes on pages 15 to 26 form part of these financial statements.

**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**  
**Registered number: 02100358**

**Balance sheet**  
**As at 31 March 2016**

	<b>Note</b>	<b>£</b>	<b>2016</b> <b>£</b>	<b>£</b>	<b>2015</b> <b>£</b>
<b>Fixed assets</b>					
Tangible assets	12		<b>941</b>		1,739
Heritage asset in the course of reconstruction	13		<b>3,217,811</b>		3,217,811
			<u><b>3,218,752</b></u>		<u>3,219,550</u>
<b>Current assets</b>					
Stocks	14	<b>7,896</b>		9,131	
Debtors	15	<b>14,105</b>		44,539	
Cash at bank and in hand		<b>81,708</b>		90,076	
		<u><b>103,709</b></u>		<u>143,746</u>	
<b>Creditors:</b> amounts falling due within one year	16	<b>(5,861)</b>		(23,901)	
<b>Net current assets</b>			<u><b>97,848</b></u>		<u>119,845</u>
<b>Net assets</b>			<u><b>3,316,600</b></u>		<u>3,339,395</u>
<b>Charity Funds</b>					
Restricted funds	17		<b>94,803</b>		147,725
Unrestricted funds	17		<b>3,221,797</b>		3,191,670
<b>Total funds</b>			<u><b>3,316,600</b></u>		<u>3,339,395</u>

The financial statements were approved by the Trustees on 25 August 2016 and signed on their behalf, by:

**B T Burton, Chairman**

The notes on pages 15 to 26 form part of these financial statements.

**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**

**Cash flow statement**  
**For the year ended 31 March 2016**

	<b>Note</b>	<b>2016</b> £	2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	<u>(8,387)</u>	<u>45,099</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		19	15
Purchase of property, plant and equipment		-	(21,402)
<b>Net cash provided by/(used in) investing activities</b>		<u>19</u>	<u>(21,387)</u>
<b>Change in cash and cash equivalents in the year</b>	20	<b>(8,368)</b>	23,712
Cash and cash equivalents brought forward		<u>90,076</u>	<u>66,364</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>81,708</u></u>	<u><u>90,076</u></u>

**The New Medway Steam Packet Company Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2016**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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

The New Medway Steam Packet Company Limited 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.

**1.2 Reconciliation with previous Generally Accepted Accounting Practice**

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

**1.3 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

**1.4 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**The New Medway Steam Packet Company Limited**  
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**Notes to the financial statements**  
**For the year ended 31 March 2016**

**1. Accounting policies (continued)**

**1.5 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**1.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings..

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**1.7 Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

**1.8 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and a full year's depreciation is charged in the year of acquisition.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery - 3 years straight line

**1.9 Heritage assets**

As stated in the Trustees' report the Paddle Steamer Medway Queen is under reconstruction and all costs connected with the reconstruction have been capitalised. In the opinion of the trustees no depreciation is required as the asset is under reconstruction.

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**Notes to the financial statements**  
**For the year ended 31 March 2016**

**1. Accounting policies (continued)**

**1.10 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

**1.11 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.12 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

**1.13 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.14 Creditors and provisions**

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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**Notes to the financial statements**  
**For the year ended 31 March 2016**

**2. Income from donations and legacies**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Donations	30,645	500	31,145	139,706
Grants	-	53,447	53,447	75,000
Subscriptions	8,701	-	8,701	11,353
	<u>39,346</u>	<u>53,947</u>	<u>93,293</u>	<u>226,059</u>

In 2015, of the total income from donations and legacies, £77,819 was to unrestricted funds and £148,240 was to restricted funds

**3. Fundraising income**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Other trading activities	8,981	-	8,981	6,775
	<u>8,981</u>	<u>-</u>	<u>8,981</u>	<u>6,775</u>

In 2015, of the total fundraising income, £6,775 was to unrestricted funds and £Nil was to restricted funds.

**4. Investment income**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Interest received	19	-	19	15
	<u>19</u>	<u>-</u>	<u>19</u>	<u>15</u>

In 2015, of the total investment income, £15 was to unrestricted funds and £Nil was to restricted funds.

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**For the year ended 31 March 2016**

**5. Raising funds**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Shop purchases	3,993	-	3,993	2,328
Annual draw prizes, expenses and social activities	-	-	-	427
General publicity and newsletters	1,360	-	1,360	2,559
	<u>5,353</u>	<u>-</u>	<u>5,353</u>	<u>5,314</u>

**6. Charitable activities**

	Direct costs 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Charitable activities	84,622	35,113	119,735	215,447
	<u>84,622</u>	<u>35,113</u>	<u>119,735</u>	<u>215,447</u>

In 2015, of the total expenditure on charitable activities, £113,949 was from unrestricted funds and £101,498 was from restricted funds.

**7. Direct costs**

	Total 2016 £	Total 2015 £
Preservation and reservation	12,958	9,062
Film expenses	9,896	34,884
Gillingham Pier Visitor Centre	-	10,313
Marine insurance	17,864	12,942
Wages and salaries	39,377	99,607
National insurance	4,213	8,648
Depreciation	314	582
	<u>84,622</u>	<u>176,038</u>

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**For the year ended 31 March 2016**

**8. Support costs**

	<b>Total 2016 £</b>	Total 2015 £
Insurance	<b>1,507</b>	2,357
Office expenses	<b>12,261</b>	13,033
Telephone	<b>906</b>	914
Repairs	<b>10,520</b>	8,287
Printing, postage and stationery	<b>291</b>	2,744
Bank charges	<b>276</b>	282
Loss / (gain) on foreign exchange	<b>(105)</b>	234
Professional fees	<b>3,430</b>	5,134
Audit fees	<b>2,510</b>	4,097
Accounting fees	<b>1,612</b>	851
Irrecoverable VAT	<b>1,421</b>	1,476
Loss on disposal of fixed assets	<b>484</b>	-
	<b>35,113</b>	<b>39,409</b>

**9. Net incoming resources/(resources expended)**

This is stated after charging:

	<b>2016 £</b>	2015 £
Depreciation of tangible fixed assets: - owned by the charity	<b>314</b>	582

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

4 Trustees received reimbursement of expenses amounting to £2,600 in the current year, (2015 - 3 Trustees - £2,132).

**10. Auditors' remuneration**

Remuneration payable to the company's auditors, Kreston Reeves, amounts to an audit fee of £2,250 (2015 - £4,097) and an accountancy fee of £1,400 (2015 - £851).

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**Notes to the financial statements**  
**For the year ended 31 March 2016**

**11. Staff costs**

Staff costs were as follows:

	<b>2016</b>	2015
	£	£
Wages and salaries	<b>39,377</b>	99,607
Social security costs	<b>4,213</b>	8,648
	<u><b>43,590</b></u>	<u>108,255</u>

The average monthly number of employees (which is the same as the average monthly number of employees during the year expressed as full time equivalents) was as follows:

	<b>2016</b>	2015
	No.	No.
	<u><b>1</b></u>	<u>4</u>

No employee received remuneration amounting to more than £60,000 in either year.

During the year, no remuneration or benefits were received by key management personnel.

**12. Tangible fixed assets**

	<b>Plant and machinery</b>
	£
<b>Cost</b>	
At 1 April 2015	<b>27,978</b>
Disposals	<b>(15,055)</b>
At 31 March 2016	<u><b>12,923</b></u>
<b>Depreciation</b>	
At 1 April 2015	<b>26,239</b>
Charge for the year	<b>314</b>
On disposals	<b>(14,571)</b>
At 31 March 2016	<u><b>11,982</b></u>
<b>Net book value</b>	
At 31 March 2016	<u><b>941</b></u>
At 31 March 2015	<u><b>1,739</b></u>

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**Notes to the financial statements**  
**For the year ended 31 March 2016**

**13. Charity heritage assets**

	<b>'Medway Queen' £</b>	<b>Total £</b>
<b>Market value</b>		
At 1 April 2015 and 31 March 2016	<u>3,223,511</u>	<u>3,223,511</u>
<b>Impairment</b>		
At 1 April 2015 and 31 March 2016	<u>5,700</u>	<u>5,700</u>
<b>Net book value</b>		
At 31 March 2016	<u>3,217,811</u>	<u>3,217,811</u>
At 31 March 2015	<u>3,217,811</u>	<u>3,217,811</u>

The Paddle Steamer 'Medway Queen' is the last estuary pleasure steamer surviving in the United Kingdom. She was built in 1924 on the River Clyde in Scotland but sailed in the estuary waters of the River Thames and River Medway. In WWII she was requisitioned and converted to a minesweeper. Her finest moment came in 1940 when she made seven crossings to the beaches of Dunkirk rescuing 7,000 men. After the war the 'Medway Queen' returned to pleasure steaming on the River Medway and Thames, under her original owners, until withdrawal in 1963. From 1966 the ship served as a marina club house and night club at Island Harbour on the Isle of Wight. In 1984 the Medway Queen was salvaged from the River Medina and towed on a salvage barge back to her home river in Chatham.

After a prolonged period of attempts to restore the 'Medway Queen' funding was raised to restore her hull, which was carried out in Bristol. Following the restoration of her hull, she returned to a berth in her home port on the River Medway in December 2013.

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**For the year ended 31 March 2016**

**14. Stocks**

	<b>2016</b>	2015
	<b>£</b>	£
Stocks	<b>7,896</b>	9,131

**15. Debtors**

	<b>2016</b>	2015
	<b>£</b>	£
Trade debtors	<b>2,607</b>	27,645
Other debtors	<b>5,860</b>	12,673
Prepayments and accrued income	<b>5,638</b>	4,221
	<b>14,105</b>	44,539

**16. Creditors:**  
**Amounts falling due within one year**

	<b>2016</b>	2015
	<b>£</b>	£
Other taxation and social security	<b>1,303</b>	1,756
Other creditors	<b>908</b>	16,702
Accruals and deferred income	<b>3,650</b>	5,443
	<b>5,861</b>	23,901

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**Notes to the financial statements**  
**For the year ended 31 March 2016**

**17. Statement of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
<b>Designated funds</b>				
Paddle Steamer 'Medway Queen'	2,793,828	-	-	2,793,828
<b>General funds</b>				
General funds	397,842	48,346	(18,219)	427,969
Total Unrestricted funds	3,191,670	48,346	(18,219)	3,221,797

**Paddle Steamer 'Medway Queen'**

The Paddle Steamer 'Medway Queen' fund has been established following the completion of the hull and the main restoration as a result of funding from the Heritage Lottery Fund and Interreg IVA 2 Seas Heroes 2C.

**Restricted funds**

Engine fund	85,917	10,000	(10,520)	85,397
Dunkirk 75th Commemoration	29,312	23,447	(52,759)	-
Transformation project	32,496	20,000	(43,590)	8,906
Accountancy software	-	500	-	500
	147,725	53,947	(106,869)	94,803
Total of funds	3,339,395	102,293	(125,088)	3,316,600

**Engine fund**

An appeal has been made for funds to restore the engines and the donations received by this fund are paid into an account held with CAF Bank.

**Dunkirk 75th commemoration**

Funds were raised specifically for the insurance, towage and general readiness works to enable the 'Medway Queen' to move to Ramsgate to take part in the 75th anniversary of the evacuation of Dunkirk events at Ramsgate in May 2015.

**Transformation project**

In December 2014 the Heritage Lottery Fund approved an application for transition funding to assist the charity in modernising and preparing a credible grant application for further restoration of the 'Medway Queen'. This funding is payable in instalments, the first of which was received in December 2014, reflecting progress against the project plan.

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**Notes to the financial statements**  
**For the year ended 31 March 2016**

**Summary of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Designated funds	2,793,828	-	-	2,793,828
General funds	397,842	48,346	(18,219)	427,969
	<u>3,191,670</u>	<u>48,346</u>	<u>(18,219)</u>	<u>3,221,797</u>
Restricted funds	147,725	53,947	(106,869)	94,803
	<u>3,339,395</u>	<u>102,293</u>	<u>(125,088)</u>	<u>3,316,600</u>

**18. Analysis of net assets between funds**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	941	-	941	1,739
Heritage asset in the course of reconstruction	3,217,811	-	3,217,811	3,217,811
Current assets	8,906	94,803	103,709	143,746
Creditors due within one year	(5,861)	-	(5,861)	(23,901)
	<u>3,221,797</u>	<u>94,803</u>	<u>3,316,600</u>	<u>3,339,395</u>

**19. Reconciliation of net movement in funds to net cash flow from operating activities**

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(22,795)	12,088
<b>Adjustment for:</b>		
Depreciation charges	314	582
Dividends, interest and rents from investments	(19)	(15)
Loss on the sale of fixed assets	484	-
Decrease/(increase) in stocks	1,235	(2,732)
Decrease in debtors	30,434	20,201
(Decrease)/increase in creditors	(18,040)	14,975
<b>Net cash (used in)/provided by operating activities</b>	<u>(8,387)</u>	<u>45,099</u>

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**Notes to the financial statements**  
**For the year ended 31 March 2016**

**20. Analysis of cash and cash equivalents**

	<b>2016</b>	2015
	<b>£</b>	£
Cash in hand	<b>81,708</b>	90,076
Total	<b>81,708</b>	90,076

**21. Related party transactions**

During the year the charity acquired design services from Airfield Design Limited. One of the company's directors is the son of the charity's chairman, Brian Burton. The design services were acquired for £491 plus VAT, which represented a substantial discount on the usual charge that would have been made by the company for the services. The trustees satisfied themselves that the transaction was in the charity's interests and ratified the work and price at their July meeting.