

Charity Registration No 264209

Company Registration No 01039270

NAUTICAL ARCHAEOLOGY SOCIETY
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS

- for -

THE YEAR ENDED 31 MARCH 2007

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2007

The Directors present their report and financial statements for the year ended 31 March 2007

ADMINISTRATIVE DETAILS

The Nautical Archaeology Society (NAS) is a registered charity (registration number 264209) The Society is a company limited by guarantee, registered in England and Wales (Company number 1039270) The Registered address, to which all correspondence should be addressed is

Fort Cumberland, Fort Cumberland Road, Portsmouth PO4 9LD

The Society was originally incorporated and registered as a charity in 1972 under the name of the Nautical Archaeology Trust The Nautical Archaeology Society in its present form dates from 1981 when the name and constitution were changed and the memorandum and articles of association were revised accordingly

Directors

The following directors, who are also the trustees of the Society, have held office since 1 April 2006

George Lambrick (Chairman)
Viv Hamilton (Treasurer)
Mike Williams (Secretary)
Lucy Blue
Garry Momber
Ann Smith - to July 2006
Bryan Smith - to July 2006
Joe Flatman
John Cooper
David Johnston
Paul Donohue – to November 2006
Hanna Steyne – to November 2006
Sarah Holland – from November 2006 to January 2007

Management

The senior member of staff to whom the day to day management of the charity is delegated is the Project Manager, Mark Beattie-Edwards

GOVERNANCE

The governance of the Society is defined by its memorandum and articles of association In accordance with the articles of association, the Society is governed by an executive committee The members of the executive committee are the Trustees Members of the Executive committee are elected at the annual general meeting (AGM) for a period of three years and on expiry of this term are free to stand again The Executive Committee may also choose to co-opt additional members during the year Any members co-opted in this manner will stand for election at the next AGM The Executive committee also benefit from the advice of Vice-Presidents Vice-Presidents are appointed for a period of three years at the discretion of the Executive Committee but do not count towards the quorate of the Executive committee and do not have voting powers on the Executive Committee

OBJECTIVES AND ACTIVITIES

The aims and objectives of the society are to

- preserve our nautical heritage
- to act as a focus for nautical archaeology and to provide publications
- to provide education, training and information for improving techniques of excavation, recording and conservation

MANAGEMENT OF THE CHARITY

There are sub-committees which are formed for the management and awarding of grants under the Joan Du Platt Taylor awards scheme, and for the management aspects of the society's publication and outreach activities and for general management of the society's activities in the office at Portsmouth, onto which members may be co-opted. The Society, by the year-end, had one full time employee, and three part time staff members.

REVIEW OF ACTIVITY

The society's office and staff are well established in the English Heritage casemates at Fort Cumberland, Portsmouth. Computer and communication equipment is maintained and upgraded as necessary. Additional staff members have meant that additional furniture has been purchased.

Outreach Activity

Outreach activity has been supported by a new project entitled "Diving Into History" which is supported by a Heritage Lottery Fund grant. This project has supported talks and visits to schools and local groups and the production of newsletters. The society continued to exhibit at the annual London and Birmingham Dive Shows, and at the IFA Maritime Affairs Group conference and presented at events organised by educational and charitable associations around the UK. It ran a Conference weekend where speakers presented papers on research undertaken and exhibitors provided stands on topics relevant to Nautical Archaeology. The conference was sponsored by English Heritage, the Professional Association of Diving Instructors (PADI), The Sub-Aqua Association (SAA), the British Sub-Aqua Club (BSAC) and 3H Consulting.

Publishing Activity

The society continues to publish the International Journal of Nautical Archaeology through Blackwells Publishing Ltd. The members' Newsletter continues to be published in-house. The society's re-write of its handbook, Archaeology Underwater, is nearing completion.

Training Activity

The society continued with its training regime, through the Introductory Courses in Foreshore and Underwater Archaeology and the Part 1 course, which is formally certificated by examination. It continues to run its traditional Part 3 training courses and has expanded the offerings with the addition of a new theme on Managing Archaeology. The society continued to assess part 2 reports submitted by students and to provide field opportunities for students to generate data for Part 2 reports. In addition it has formally instated field trips as part of the Part 2 syllabus, and provided opportunities to visit Protected Wrecks and the Portsmouth Historic Dockyard. The society remains the leading organisation for the education of recreational divers, archaeologists and non-archaeologists in the techniques of maritime archaeology on land, in the inter-tidal zone and underwater. The training programme is widely followed overseas and has been praised internationally. Training was supported by sponsorship from Excalibur Procurement.

Project Activity

The society organised a number of research projects which enabled volunteers to engage with nautical archaeology and develop skills. Projects included research into the protected wreck of the historic submarine Holland V, an evening dive series to survey a stone-barge near Portsmouth, a third year of research as part of the joint project with the National Trust to investigate landscape archaeology at Stourhead, and a new project at Forton Lake, supported by Grants from the Local Heritage Initiative and the Nationwide Bank. The Wreckmap Britain project, which began in the previous financial year with sponsorship from PADI project aware and the BSAC Jubilee Trust, was supported by a grant from Crown Estate and resulted in recording forms for wrecks around Britain being recorded in a special database.

Trading Activity

The society continued to sell merchandise, largely of a nautical archaeological nature, and mainly to its own membership to further the aims of the society.

FINANCIAL REVIEW

Summary of Financial Position

At the end of the year the Society's reserves stood at £69,497 (2006 £76,698)

There was an excess of expenditure over income for the year amounting £7,201 (2006 £7,780)

The loss arose from the activities of the Society managed through the main Portsmouth offices. NAS Scotland operated on a break-even basis and NAS NE had a surplus of £11,788. This is due to income being recognised in accordance with SORP 2005 before expenditure has occurred and the balance is designated for the NEEMARA.

The Executive Committee exercises scrutiny of management accounts on a quarterly basis and during the year instigated financial policies to ensure that individual activities are run on a break-even or better basis, by means of tighter control on expenditure and additional emphasis on fund-raising activities. The reserve is close to the stated reserve policy. NAS Scotland and NAS NE were enabled to operate as separate regions as a result of a policy decision made in January 2006 and this method of operating was introduced from April 2006. The Executive Committee monitored the success of the regional operations throughout the year.

Reserves Policy

The Executive Committee has a reserves policy that the reserve should be £60,000. This figure is principally to provide for working capital in respect of grants paid in arrears and the need for deposits to be paid in advance and provides a reserve against unexpected loss of income to enable the Society to meet its commitments for a period of at least six months. The reserve is not designated, but expenditure may be authorised against the reserve provided that income sources are in a favourable state and investment is required to support the future sustainability of the society. The reserves are close to the policy level and the Executive Committee has identified actions to ensure that continuing deficits do not cause the reserve to be eroded.

Grants

Grants for training activities are received from CADW (for training in Wales and which also supported the development of a leaflet and a database of stakeholders), and Historic Scotland (for training in Scotland), so that the society can carry out its training role in those countries. Grants from the lottery were received under the Heritage Lottery scheme for Diving into History and under the Local History Initiative for Forton Lake (being managed jointly with the Hampshire and Wight Trust for Maritime Archaeology). The Forton Lake project also received an additional award from Nationwide Bank in association with the Local Heritage Initiative support. A one off grant was received from the Crown Estate to support Wreckmap Britain 2006. This project had been supported in the previous financial year by BSAC Jubilee Trust and PADI Project Aware. One off grants were also received from English Heritage to support sponsorship development for the IKUWA3 conference to be held in 2008 and to develop a project design for Benchmarking Training and Competencies in Maritime Archaeology. The Council for British Archaeology provided a grant for equipment to be purchased for use at the Stourhead Project. NAS North East received grants in support of developing a North East Maritime Archive including being awarded a grant from NAS Society funds under the Joan du Plat Taylor Award scheme. The Society was also notified that it would receive a grant in financial year 2007/8 from the British Academy to support the IKUWA3 conference which is to be managed jointly with the Institute of Field Archaeologists (IFA).

Subscriptions

Membership subscriptions include on-line membership, newsletter membership and full membership including the International Journal of Nautical Archaeology. Concessionary subscriptions are provided for students. Members who are UK tax payers may elect to subscribe as Gift aid. Gift aid is not eligible where members receive a benefit from their membership (including discounts on training and conference attendance) that exceeds thresholds defined by HMRC.

Publishing

Blackwells publish and distribute the International Journal of Nautical Archaeology on behalf of the Society. The Society receives a profit share and a contribution to the editorial costs from sales of subscriptions to the journal by Blackwells.

NAUTICAL ARCHAEOLOGY SOCIETY
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2007

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Training and Project Income

Income from attendees on training and projects, supported by the grants from Historic Scotland, Cadw, Crown Estates, and with sponsorship from Excalibur procurement covered the expenditure on these activities, in previous years, training needed to be subsidised from other sources. Grant income for Diving into History and Forton Lake required matching contributions from the Society, however the majority of the matching funds is in the form of in-kind contributions of voluntary effort and donations of the use of facilities.

Outreach Income including Annual Conference

The annual conference covered costs but was not a net contributor. Small donations were received from outreach activities but these were less than the costs.

Merchandise

There was a small amount of income from charitable trading in respect of branded clothing, books on nautical archaeology and equipment useful for nautical archaeology.

International licensing

The Society occasionally receives a small amount of income in respect of licensing the NAS training materials to suitable organisations outside the UK and sales of NAS qualification cards to such organisations. This source of income enables the NAS to provide education and advice to individuals and organisations to further nautical archaeology research outside the UK.

Non-operational income

The Society's reserves are held in an investment account operated in conjunction with current account banking facilities. Interest is received on this account. The use of the investment account enables transfer of monies between the investment and current account without notice and protects against variable cash-flow throughout the year.

Plans for 2007-8

The activities in 2007-8 will include similar activities to those in 2006-7. The training, outreach, projects and publishing activities should continue along similar lines. Diving into History and Forton Lake will be in their second year. However, additional activities have been planned. At the time of this report the Society is carrying out research for English Heritage into Benchmarking skills in Maritime Archaeology, for which a project design was prepared in 2006. A major international conference is planned for July 2008 which will be organised jointly with the IFA and UCL and fund-raising and organising the conference will be a significant activity. During 2006-7 the Society made a proposal to the IFA to host a workplace bursary as part of an initiative organised by the IFA and supported by the Heritage Lottery Fund. The bursary for an assistant training and publications officer commenced in September 2007.

Financial controls

The financial position of the society is monitored through the Honorary Treasurer who reports back to the committee. Control over expenditure in the Society is exercised through the Honorary Treasurer. The majority of all income and expenditure is managed through the Portsmouth office, but two regional branches of the Society, NAS Scotland and NAS North East have their own bank accounts for regional activity. Every cheque needs to be signed and countersigned by authorised signatures on the accounts. Major items of expenditure are authorised by a sub-committee of the executive committee. The detailed book-keeping for income and expenditure for the non-regional element of the accounts are maintained and regularly updated on a computer software accounting system by the employees at the Portsmouth office. The accounts for the two regions are managed locally and the Honorary Treasurer monitors these processes and consolidates the overall accounts.

Auditors

At the Annual General Meeting in November 2006, a proposal that Muskin Gregory be re-appointed as auditors of the company was agreed. Due to force majeure, Muskin Gregory have been unable to perform the audit of the accounts and accordingly the Executive Committee resolved that Morris Crocker should be engaged as auditors. A motion to re-appoint Morris Crocker as auditors will be proposed at the Annual General Meeting in November 2007.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to

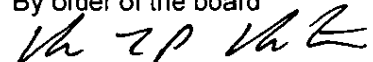
- ♦ select suitable accounting policies and then apply them consistently,
- ♦ make judgements and estimates that are reasonable and prudent,
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Registered office
Fort Cumberland
Fort Cumberland Road
Southsea
Hampshire
PO4 9LD

By order of the board



Director

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NAUTICAL ARCHAEOLOGY SOCIETY
FOR THE YEAR ENDED 31 MARCH 2007**

We have audited the financial statements of Nautical Archaeology Society for the year ended 31 March 2007, set out on pages 7 to 16. The accounts have been prepared under the historical cost convention, accounting policies are set out on pages 9 and 10.

This report is made solely to the charitable members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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's and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of trustee directors and auditors

As described on page 5 the trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustee director's transactions with the charitable company is not disclosed.

We read the directors report and consider whether it is consistent with the audited financial statements. We consider the implications for our audit report if we become aware of any apparent misstatements or material inconsistencies with the financial statement.

Basis of Opinion.

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustee directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 18 to the financial statements.

Opinion

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 2007 and of its incoming resources and applications of resources, including income and expenditure, for the year then ended and
- have been properly prepared in accordance with the Companies Act 1985
- The information given in the director's report is consistent with the financial statements

**Morris Crocker
Station House
Havant
Hampshire
PO9 1QU**

Date. 10th April 2007

Muri Crocker

**Chartered Accountants
and Registered Auditors**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2007**

	<u>Notes</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Totals Funds 2007</u>	<u>Total Funds 2006</u>
		£	£	£	£
INCOMING RESOURCES					
Activities for generating funds:					
Merchandise income		5,613	-	5,613	3,412
Investment income	2	1,322	47	1,369	1,739
		6,935	47	6,982	5,151
Incoming resources from charitable activities:					
Grants	3	7,237	72,546	79,783	4,950
Membership income		18,346	-	18,346	18,890
Training events and materials		65,650	8,198	73,848	68,512
Publications		25,323	770	26,093	21,569
Donations in kind		375	-	375	-
Sundry income		4,285	440	4,725	8,961
Total incoming resources		128,151	82,001	210,152	128,033
RESOURCES EXPENDED					
Cost of generating funds:					
Merchandise		3,697	187	3,884	1,751
Charitable activities	4	153,159	58,810	211,969	133,062
Governance costs	5	1,500	-	1,500	1,000
Total resources expended		158,356	58,997	217,353	135,813
Net (outgoing)/ incoming resources before transfers and net (expenditure)/income for the year		(30,205)	23,004	(7,201)	(7,780)
Gross transfers between funds		3,108	(3,108)	-	-
Net movement in fund		(27,097)	19,896	(7,201)	(7,780)
Total funds brought forward		76,698	-	76,698	84,478
Total funds carried forward		49,601	19,896	69,497	76,698

The statement of financial activities includes all gains and losses recognised in the year
All incoming resources expended derive from continuing operations

BALANCE SHEET AT 31 MARCH 2007

	<u>Notes</u>	£	<u>2007</u>	£	<u>2006</u>	£
Fixed assets						
Tangible assets	11		6,303		5,293	
Current assets						
Stocks		9,669		6,679		
Debtors	12	10,760		20,727		
Cash at bank and in hand		76,954		71,057		
			97,383		98,463	
Liabilities						
Creditors falling due within one year	13	34,189		27,058		
Net current liabilities			63,194		71,405	
Total assets less current liabilities and net assets			69,497		76,698	
The funds of the charity						
Restricted funds	15	19,896		-		
Unrestricted general funds	15	49,601		76,698		
Total charity funds			69,497		76,698	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The notes on pages 9 to 16 form part of these financial statements

Approved by the Trustees on *3rd October 2007*

Vh 2P Vh
V Hamilton – Honorary Treasurer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are set out below.

(b) Incoming resources

Income from charitable activities such as grants, membership, training and publications provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant must only be used in future accounting periods, or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

(c) Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report.

(d) Resources expended

Expenditure is recognised when a liability is incurred.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with providing training and education on nautical archaeology and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007 (CONTINUED)

(e) Tangible fixed assets

Tangible fixed assets are capitalised at cost

Tangible fixed assets are depreciated over their estimated useful lives as follows

Asset category	Annual rate and basis
Training equipment	33 33% straight line and 20% straight line
Fixtures and fittings	20% straight line
Computer equipment	33 33% straight line

(f) Funds structure

The Trust has a number of restricted income funds to account for situations where a grant provider requires that a grant must be spent on a particular purpose or where funds have been raised for a specific purpose

All other funds are unrestricted income funds

(g) Pension costs

Some employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The cost to the company is charged to the statement of financial activities as incurred, any amounts owed to the scheme at the year end are included as a creditor

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007 (CONTINUED)

2	Investment income			2007	2006
				£	£
	Interest on UK bank balances			1,369	1,739
				<u>1,369</u>	<u>1,739</u>
3	Grants received			Total	Total
		Unrestricted	Restricted	2007	2006
		£	£	£	£
	CADW	-	7,031	7,031	4,950
	Crown Estates	5,000	-	5,000	-
	CBA	737	-	737	-
	English Heritage	1,500	21,115	22,615	-
	Local Heritage Initiative	-	13,518	13,518	-
	Nationwide	-	1,717	1,717	-
	Heritage Lottery Fund	-	16,925	16,925	-
	Historic Scotland	-	12,240	12,240	-
		<u>7,237</u>	<u>72,546</u>	<u>79,783</u>	<u>4,950</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007 (CONTINUED)

4 Analysis of charitable expenditure

The charity undertakes direct charitable expenditure only and does not make grant payments

	Unrestricted £	Restricted £	Total 2007 £	Total 2006 £
Salaries	28,726	13,974	42,700	36,139
Staff expenses	1,359	-	1,359	282
Sales promotions	3,328	1,119	4,447	72
Training fund and outreach	40,671	8,256	48,927	19,162
Subcontractors	33,605	25,255	58,860	37,305
Purchases	6,444	787	7,231	8,712
General expenses	2,775	1,424	4,199	4,998
Support costs (see note 5)	36,251	7,995	44,246	26,392
	<u>153,159</u>	<u>58,810</u>	<u>211,969</u>	<u>133,062</u>

5 Support costs

	Direct Charitable £	Governance £	Total 2007 £	Total 2006 £
Administrative payroll costs	15,020	-	15,020	10,000
Books and stationery	6,182	-	6,182	2,389
Equipment hire and rental	494	-	494	246
Training	1,728	-	1,728	1,310
Telephone	2,172	-	2,172	1,984
Postage	45	-	45	97
Insurance	2,133	-	2,133	2,365
Rent and rates	1,500	-	1,500	1,338
Equipment repairs and services	241	-	241	962
Professional fees	3,020	-	3,020	1,512
Auditors remuneration	-	1,500	1,500	1,000
Maintenance	430	-	430	111
General expenses	7,622	-	7,622	578
Depreciation	2,651	-	2,651	2,608
Bank charges	1,008	-	1,008	892
	<u>44,246</u>	<u>1,500</u>	<u>45,746</u>	<u>27,392</u>

6 Trustee's remuneration and expenses

Trustees received no emoluments in the year (2006 £nil)

During the year three (2006 none) trustees and one related party of a trustee were reimbursed out of pocket expenses for travelling and other project expenses and purchases made for the Society which totalled £3,058 (2006 £ nil)

7 Analysis of staff costs

	Total 2007 £	Total 2006 £
Salaries and wages	52,999	41,636
Social security costs	4,228	3,330
Pension costs	493	1,173
	<u>57,720</u>	<u>46,139</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007 (CONTINUED)

8 Staff numbers

The average number of full-time equivalent employees (including casual and part-time staff) during the year was as follows

	Total 2007	Total 2006
Charitable activities	2	2
Governance	1	1
	<u>3</u>	<u>3</u>

9 Movement in total funds for the year

This is stated after charging

	2007 £	2006 £
Depreciation – owned assets		
Auditor's remuneration	1,500	1,000
	<u>1,500</u>	<u>1,000</u>

10 Taxation

The company is a registered charity and no provision is considered necessary for taxation

11 Tangible fixed assets

	Computer Equipment £	Furniture £	Training Equipment £	Total £
Cost				
As at 1 April 2006	11,310	-	7,732	19,042
Additions	2,020	376	1,265	3,661
Disposals	-	-	-	-
	<u>13,330</u>	<u>376</u>	<u>8,997</u>	<u>22,703</u>
As at 31 March 2007	<u>13,330</u>	<u>376</u>	<u>8,997</u>	<u>22,703</u>
Depreciation				
As at 1 April 2006	9,031	-	4,718	13,749
Charge for the year	1,379	75	1,197	2,651
Eliminated on disposals	-	-	-	-
	<u>10,410</u>	<u>75</u>	<u>5,915</u>	<u>16,400</u>
As at 31 March 2007	<u>10,410</u>	<u>75</u>	<u>5,915</u>	<u>16,400</u>
Net book value				
As at 31 March 2007	<u>2,920</u>	<u>301</u>	<u>3,082</u>	<u>6,303</u>
As at 31 March 2006	<u>2,279</u>	<u>-</u>	<u>3,014</u>	<u>5,293</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007 (CONTINUED)

12	Debtors	2007	2006
		£	£
	Trade debtors	6,239	12,435
	Prepayments	2,725	2,185
	Other debtors	1,796	6,107
		<u>10,760</u>	<u>20,727</u>
13	Creditors' amounts falling due within one year	2007	2006
		£	£
	Trade creditors	8,181	6,017
	Other creditors and accruals	4,206	6,099
	Deferred income (see note 14)	21,802	14,942
		<u>34,189</u>	<u>27,058</u>
14	Deferred income		
	Deferred income comprises grants and donations received to be utilised in future accounting periods		
		2007	2006
		£	£
	Balance brought forward	14,942	-
	Amount released to incoming resources	(14,942)	-
	Amounts deferred in year	21,802	14,942
		<u>21,802</u>	<u>14,942</u>
	Balance carried forward	<u>21,802</u>	<u>14,942</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007 (CONTINUED)

15 Analysis of charitable funds

Analysis of unrestricted fund movements

	Balance 31 March 2006 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2007 £
General fund	76,698	128,151	(158,356)	3,108	49,601

Analysis of restricted fund movements

	Balance at 31 March 2006 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2007 £
Wales	-	7,031	(3,923)	(3,108)	-
Scotland NAS	-	13,202	(12,600)	-	602
North East NAS	-	27,428	(15,640)	-	11,788
Forton Lake Project	-	15,235	(11,284)	-	3,951
Diving into History	-	17,105	(13,550)	-	3,555
IKUWA3 Project	-	2,000	(2,000)	-	-
Total	-	82,001	(58,997)	(3,108)	19,896

Description of funds

Wales

Grant aided by Cadw to support nautical archaeology in Wales. Activities include support for training courses, support for adopt-a-wreck in Wales, the production of a database of nautical archaeology and recreational diving contacts in Wales and a leaflet to promote the marine archaeology of Wales. The transfer of funds is for the adopt-a-wreck and training courses which are accounted in the general funds.

Scotland

Grant aided by Historic Scotland, this provides for a dedicated regional representative and training courses, talks and projects run in Scotland.

North East

This project is based in Hartlepool, and in receipt of a number of regionally based grants for community and heritage development. Project activities have included the Dig, Dive and Discover project to involve young people with the heritage of Hartlepool and establishment of the North East of England Maritime Archaeology Archive.

Forton Lake Project

Grant aided by the Local Heritage Initiative (managed by Heritage Lottery Fund) and Nationwide bank, on a matching contribution basis with in-kind donations from volunteers and organisations, and conducted jointly with the Hampshire Wight Trust for Maritime Archaeology, this is a three year project to engage the local community with the local history and archaeology of the wrecks on the foreshore.

Diving into History

Grant funded aided by the Heritage Lottery Fund on a matching contribution basis with in-kind donations from volunteers and organisations this is a two and half year public participation and conservation initiative to raise public awareness of the nautical heritage, especially amongst local communities, visitors and recreational divers.

IKUWA

Grant funded by English Heritage for sponsorship development to enable IKUWA3 (a major international congress on underwater archaeology) to be hosted in the UK in 2008.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007 (CONTINUED)

16 Analysis of net assets between funds

	General fund £	Restricted funds £	Total £
Tangible fixed assets	6,303	-	6,303
Cash at bank and in hand	48,441	28,513	76,954
Other net current liabilities	(5,143)	(8,617)	(13,760)
	<u>49,601</u>	<u>19,896</u>	<u>69,497</u>

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £5.

18 APB Ethical Standard - Provisions Available for Small Entities

In common with many businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.