

REGISTERED COMPANY NUMBER: 01039270 (England and Wales)
REGISTERED CHARITY NUMBER FOR ENGLAND AND WALES: 264209
REGISTERED CHARITY NUMBER FOR SCOTLAND: SC040130

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**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2009
FOR
NAUTICAL ARCHAEOLOGY SOCIETY**

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NAUTICAL ARCHAEOLOGY SOCIETY

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FOR THE YEAR ENDED 31ST MARCH 2009**

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NAUTICAL ARCHAEOLOGY SOCIETY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2009

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31st March 2009. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01039270 (England and Wales)

Registered Charity numbers

264209 (England and Wales)

SC040130 (Scotland)

Registered office

Fort Cumberland
Fort Cumberland Road
Portsmouth
Hampshire
PO4 9LD

Trustees

George Lambrick

Viv Hamilton

Mike Williams

Lucy Blue

Garry Momber

Joe Flatman

John Cooper

David Johnston

David Carter

Jeremy (JD) Hill

Jessica Berry

Simon Draper

Chairman

Treasurer

Secretary

- resigned 8.11.2008

- resigned 8.11.2008

- appointed 8.11.2008

- appointed 8.11.2008

- appointed 8.11.2008

Management

The senior member of staff to whom the day to day management of the charity is delegated is the Programme Director, Mark Beattie-Edwards.

Company Secretary

Mike Williams

Auditors

Morris Crocker

Chartered Accountants

Registered Auditors

Station House

North Street

Havant

Hampshire

PO9 1QU

NAUTICAL ARCHAEOLOGY SOCIETY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1985.

The Nautical Archaeology Society (NAS) is a charity registered in England and Wales (Registration number 264209) and registered in Scotland (Registration number SC040130). The Society is a company limited by guarantee, registered in England and Wales (Company number 01039270). The Registered address, to which all correspondence should be addressed is shown on page 1.

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.

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 Trustee Directors. 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.

Organisational Structure

There are sub-committees which are formed for the management and awarding of grants under the Joan Du Platt Taylor awards scheme, for 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 two full time employees, and one part time staff member. Bookkeeping is carried out by a sub-contractor.

Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The aims and objectives of the society are to:

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

NAUTICAL ARCHAEOLOGY SOCIETY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2009

OBJECTIVES AND ACTIVITIES

Review of Activities

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.

Outreach Activity

Outreach activity has been supported by the "Diving Into History" project in the first part of the year. This project has been supported by a Heritage Lottery Fund grant and completed during the year. This project has supported talks, visits to schools, local groups and the production of newsletters. The Society continued to exhibit at the Institute of Field Archaeologists (IFA) 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. Funding from Cadw supported Adopt-a-Wreck activity in Wales, the maintenance of a contacts database for Cadw covering organisations relevant to recreational diving and maritime archaeology, and the promotion of the Adopt-a-Wreck scheme and of the poster about the maritime archaeology of Wales. Under an agreement with the IFA and the University College London (UCL) a major international conference, IKUWA3, was held in July 2008; hosted by UCL, with the IFA managing the finances and the Society and the IFA jointly being liable for the running of the event. Following the actual event, the Society has responsibility for ensuring that the proceedings are published, although it will be the original hosts of the first IKUWA event that will publish them.

Publishing Activity

The Society continues to publish the International Journal of Nautical Archaeology through Wiley-Blackwells Publishing Ltd. The members' Newsletter continues to be published in-house.

The second edition of the Society's handbook, Archaeology Underwater, was published during the year. Sales continued of the monograph on the Sound of Mull Archaeological Project (published by Archeopress with grant support to the publishers from Historic Scotland), with distribution to those who participated in the research subsidised via a grant to the Society from Historic Scotland. This monograph is the first of a series, and the second monograph on traditional Sri Lankan boats has been readied for publication.

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 including the 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 and provided field trips as part of the Part 2 syllabus, including opportunities to visit Protected Wrecks and the Portsmouth Historic Dockyard. Training courses in Wales were again supported by a grant from Cadw. Grants from Historic Scotland and Cadw supported development of proposals for research and field schools in Wales and Scotland respectively. The Society's research project on Benchmarking Competencies in Maritime Archaeology (grant funded by English Heritage) was close to completion at the year end. 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 donation from Excalibur Procurement. The bursary, provided by the Institute of Field Archaeologists, with funding from the Heritage Lottery Fund funded the assistant training and publications officer post for the first six months of the year. At the end of this period, the bursary holder has become a permanent member of staff as Training and Publications Officer. As well as training the individual concerned, this bursary enabled the Society to refresh the syllabus and tutor materials for the Society's Introduction and Part 1 courses and the revised materials have proved very successful in training courses throughout the year.

Two members of the Society are training for the A1 award to be able to assess the new NVQ in archaeological practice, and successfully assessed the first person to receive the award. The Society intends to develop assessors and to become qualified as a centre that can assess this award. The Society has also been working with UNESCO in Asia to develop a training syllabus for developing maritime archaeological expertise in the region.

NAUTICAL ARCHAEOLOGY SOCIETY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2009

OBJECTIVES AND ACTIVITIES

Review of Activities

Project Activity

The Society organised a number of research projects which enabled volunteers to engage with nautical archaeology and develop skills. Projects included continuing research into the protected wreck of the historic submarine Holland V, continuing research of the Purton Hulks in conjunction with the Friends of the Purton Hulks, and the final year of field research at Forton Lake, supported by grants from the Heritage Lottery Fund (as part of Local Heritage Initiative). NAS North East continues to develop the 'North East England Maritime Archive' with the support of local authorities and organisations including Northumberland County Council, Renaissance, Hartlepool Borough Council, Durham County Council, North York Moors National Park, North Yorkshire County Council and Tyne and Wearside County Council. NAS North East launched a new project "Hartlepool Built" which will research ships built in the region and the people who travelled in them.

Publications Grants

A Joan Du Plat Taylor grant was awarded during the year, but the recipient has not yet claimed the award. Following the decision of the British Archaeological Awards that it will no longer award specialised awards, the Society has agreed with the British Archaeological Awards and with the former trustees of the Muckelroy award trust that henceforth the Society's publication sub-committee will determine who the winner of the Muckelroy award will be. Accordingly the Society has received from the British Archaeological Awards the residue of the trust. The first such award under these new arrangements will be announced at the 2009 Annual Conference.

Trading Activity

The Society continued to sell merchandise, consisting of books relating to nautical archaeology, survey equipment for nautical archaeology and clothing advertising the Society, to further the aims of the Society. The sales include books (including the NAS handbook) and survey equipment to be utilised by students of the Society's training courses.

PUBLIC BENEFIT

The trustee confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Society's aims and objectives and in planning future activities.

In accordance with the charitable objects, the Society educates and raises awareness of maritime cultural heritage. Through education, particularly of the general public and the diving community, the maritime cultural heritage is valued and respected and so preserved for future generations. While the Society's courses are generally provided on a fee basis, the Society obtains grants where possible to subsidise such courses and also provides free talks and free tuition at community projects such as Purton and Forton Lake. During 2008-9 subsidised courses were provided in Wales and for Adopt-a-Wreck and Protected Wreck licensees.

The nautical archaeological research which is carried out and promoted by the Society results in knowledge that is recorded in public archives and is also made available through publication. The Society's website is used to disseminate information for the benefit of the public. The Society's learned journal and monograph series ensure that all such research of a suitable standard for publication, whether carried out by the Society or by others will be available to current and future researchers. The Society's editors encourage and support new authors of such work to help bring work to publication.

NAUTICAL ARCHAEOLOGY SOCIETY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2009

FINANCIAL REVIEW

Summary of Financial Position

At the end of the year the Society's reserves stood at £111,863 (2008: £77,693).

There was an excess of income over expenditure for the year amounting £34,170 (2008: £8,196). £20,000 of this arises from the provision of a RIB, trailer, geophysical sensors and other dive equipment on permanent loan from Karen Carmichael Timson. The remainder of the excess of income over expenditure arose from the grants received for 'Hartlepool Built' (NAS NE) received in the year that are to be spent next year and because Forton Lake and Diving into History grants received included cover for contingencies that were incurred in earlier years. The IFA Bursary was also a net contributor because the salary costs of the staff member were covered by the bursary and the staff member contributed to general charitable activities.

The Executive Committee continued to exercise scrutiny of management accounts on a quarterly basis and to operate financial policies to ensure that individual activities are run on a break-even or better basis, by means of control on expenditure and emphasis on fund-raising activities. The reserve is above the stated reserve policy but the reserve level needs to be reviewed in the light of inflation and the high proportion of restricted funds. NAS NE continued to operate as a separate region as a result of a policy decision made in January 2006, although from April 2007 NAS Scotland reverted to being managed through the Portsmouth office, as a result of the officer stepping down. The Executive Committee through the Project Manager 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 of liquid assets. 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 level of reserve is due for review to reflect inflation of costs and in view of the proportion of restricted funds. Reserves remain close to the policy level.

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 development of training in Scotland), so that the Society can carry out its training role in those countries. Further instalments of grants from the lottery were received under the Heritage Lottery scheme for Diving into History. Crown Estate, Gosport Borough Council and Local Heritage Initiative provided grants for Forton Lake (being managed jointly with the Hampshire and Wight Trust for Maritime Archaeology). Southampton University provided the European Union funded grant for Tempus. A Big Lottery fund "Awards for All" grant was received for the Big Anchor project. Also the Institute of Field Archaeologists provided a grant for the Bursary (funded by the Heritage Lottery Fund). English Heritage provided a grant to NAS NE for "Hartlepool Built". A final grant was received from English Heritage for the Benchmarking project. Grants and sponsorship were received for the Annual Conference and for the NAS NE NEEMARA and Hartlepool Built projects. Historic Scotland provided a small grant in respect of the subsidy of the distribution of the SOMAP monograph.

The British Archaeological Awards transferred the residue of the Muckelroy award trust to the Society.

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 taxpayers 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.

NAUTICAL ARCHAEOLOGY SOCIETY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2009

FINANCIAL REVIEW
Summary of Financial Position

Publishing

Wiley-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 Wiley-Blackwells. There are no royalties payable for SOMAP Monograph which is published by Archeopress. The Society's handbook was published in 2008 by Wiley-Blackwells. The Society has purchased copies at trade discount for resale and received commission on sales directed to Wiley-Blackwells and royalties from Wiley-Blackwells.

IKUWA3

The Society's agreement with the Institute of Field Archaeologists (IFA) in respect of the IKUWA3 conference held in July 2008 provided for the IFA to hold all receipts in a separate account, and for both organisations to be reimbursed from that account for expenses incurred in organising the event. The agreement was that should the event make a loss, both organisations would have shared the loss. If the event generated a surplus, the surplus would revert to the Society to be applied to the publishing of the proceedings (for which further fund-raising is currently being pursued). All grants, donations and fees received by the Society in respect of IKUWA3 were transferred to the account held by the IFA. The event broke even with a surplus of just £3 however both the Society and the IFA were fully reimbursed for all expenses on a full cost recovery basis. The IFA ensured that the arrangements for the account were audited.

Income

Training and Project Income

Income from attendees on training, supported by the grants from Historic Scotland, Cadw, and with sponsorship from Excalibur Procurement covered the expenditure on these activities. 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. Grants from the Heritage Lottery Fund in respect of Diving into History and Forton Lake covered contingency costs incurred in previous years. A small amount of project income derives from the contributions of participants in research projects including the Holland V research project. A donation was also received to support projects in the East of England.

Outreach Income including Annual Conference

The annual conference with grants and sponsorship did not fully cover costs. Small donations were received from outreach activities but these were less than the total costs of outreach.

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 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. Interest was reduced compared with previous years because of lower interest rates. 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.

NAUTICAL ARCHAEOLOGY SOCIETY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2009

FINANCIAL REVIEW

Summary of Financial Position

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 a regional branch of the Society, NAS North East, has its own bank account for regional activity. Previously NAS Scotland also operated in this way, but the arrangements were ended at the end of the March 2008 financial year and in 2008-9, activity in Scotland was managed through the Portsmouth office. 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 NAS NE region is managed locally and the Honorary Treasurer monitors these processes and consolidates the overall accounts.

PLANS FOR 2009-10

The activities in 2009-10 will include similar activities to those in 2008-9. The training, outreach, projects and publishing activities should continue along similar lines. Diving into History has completed. Forton Lake has completed fieldwork and will be in the publication phase. Big Anchor project and Tempus will continue. Additional activities are at the planning stage. The Society is still pursuing becoming a centre for the new Vocational Qualification in Archaeological Practice (NVQ Level 3 and 4). The equipment provided on permanent loan by Karen Carmichael Timson will be available for loan to voluntary groups as well as for use in the Society's projects.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Nautical Archaeology Society for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS


So far as the trustees are aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

NAUTICAL ARCHAEOLOGY SOCIETY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2009

AUDITORS

At the Annual General Meeting in November 2008, a motion to re-appoint Morris Crocker as auditors was agreed. A motion will be proposed at the Annual General Meeting in November 2009 to re-appoint the auditors. It is noted that under the new Companies Act coming into force this year, the Society's incoming resources are less than the level at which it is mandatory for financial statements to be audited and an independent examination is all that is required by statute. The Society's articles previously stated that the financial statements be audited. The articles are being amended at the Annual General Meeting.

ON BEHALF OF THE BOARD:



Viv Hamilton - Trustee

Date: 10 Dec 2009

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NAUTICAL ARCHAEOLOGY SOCIETY

We have audited the financial statements of Nautical Archaeology Society for the year ended 31st March 2009 on pages eleven to twenty two. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page seven.

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 and whether the information given in the Report of the Trustees is consistent with the financial statements.

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 trustees' remuneration and other transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 trustees 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 that 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NAUTICAL ARCHAEOLOGY SOCIETY**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31st March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Morris Crocker
Chartered Accountants
Registered Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU



Date: 16th January 2010

NAUTICAL ARCHAEOLOGY SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31ST MARCH 2009

	Note	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	20,000	-	20,000	-
Activities for generating funds	3	8,082	-	8,082	3,541
Investment income	4	441	-	441	1,137
Incoming resources from charitable activities	5				
Nautical heritage publication, research, education and training		<u>112,573</u>	<u>113,143</u>	<u>225,716</u>	<u>237,937</u>
Total incoming resources		141,096	113,143	254,239	242,615
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	6	6,128	-	6,128	3,844
Charitable activities	7				
Nautical heritage publication, research, education and training		<u>124,019</u>	<u>83,046</u>	<u>207,065</u>	<u>226,134</u>
Governance costs	10	<u>6,876</u>	<u>-</u>	<u>6,876</u>	<u>4,441</u>
Total resources expended		137,023	83,046	220,069	234,419
NET INCOMING RESOURCES before transfers		<u>4,073</u>	<u>30,097</u>	<u>34,170</u>	<u>8,196</u>
Gross transfers between funds	20	<u>14,423</u>	<u>(14,423)</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources		18,496	15,674	34,170	8,196
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>56,903</u>	<u>20,790</u>	<u>77,693</u>	<u>69,497</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>75,399</u></u>	<u><u>36,464</u></u>	<u><u>111,863</u></u>	<u><u>77,693</u></u>

The notes form part of these financial statements

NAUTICAL ARCHAEOLOGY SOCIETY

BALANCE SHEET AT 31ST MARCH 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	14	31,037	5,441
Heritage assets	15	<u>19,247</u>	<u>19,247</u>
		50,284	24,688
CURRENT ASSETS			
Stocks		8,691	7,382
Debtors: amounts falling due within one year	16	32,609	44,096
Cash at bank		<u>38,356</u>	<u>56,971</u>
		79,656	108,449
CREDITORS			
Amounts falling due within one year	17	<u>(18,077)</u>	<u>(55,444)</u>
NET CURRENT ASSETS		<u>61,579</u>	<u>53,005</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>111,863</u>	<u>77,693</u>
NET ASSETS		<u>111,863</u>	<u>77,693</u>
FUNDS	20		
Unrestricted funds		75,400	56,903
Restricted funds		<u>36,463</u>	<u>20,790</u>
TOTAL FUNDS		<u>111,863</u>	<u>77,693</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Trustees on 7 November 2009 and were signed on its behalf by:



Viv Hamilton -Trustee

The notes form part of these financial statements

NAUTICAL ARCHAEOLOGY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2009

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007), the Companies Act 1985 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

Income from charitable activities such as grants, membership, training and publications provide core funding or are of a 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.

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 trustee directors' annual report.

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 costs 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.

Tangible fixed assets

Tangible fixed assets are capitalised at cost.

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

Training equipment	33.33% and 20% straight line
Fixtures and fittings	20% straight line
Computer equipment	33.33% straight line

Heritage assets

Heritage assets are capitalised at cost unless they have been donated when they are included at market value on the date the asset was gifted to the Society. No depreciation is provided for on heritage assets.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

NAUTICAL ARCHAEOLOGY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2009

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

2. VOLUNTARY INCOME

	2009 £	2008 £
Donated services and facilities	<u>20,000</u>	<u>-</u>

The trustees recognise that there is a potential future liability should the equipment that has been provided on permanent loan ever be required to be returned.

3. ACTIVITIES FOR GENERATING FUNDS

	2009 £	2008 £
Merchandise income	<u>8,082</u>	<u>3,541</u>

4. INVESTMENT INCOME

	2009 £	2008 £
Interest on UK bank balances	<u>441</u>	<u>1,137</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2009 £	2008 £
Grants	Nautical heritage publication, research, education and training	103,872	102,732
Membership income	Nautical heritage publication, research, education and training	19,967	19,507
Training events and materials	Nautical heritage publication, research, education and training	55,891	66,369
Publications	Nautical heritage publication, research, education and training	41,443	27,915
Donations	Nautical heritage publication, research, education and training	3,286	16,000
Sundry income	Nautical heritage publication, research, education and training	<u>1,257</u>	<u>5,414</u>
		<u>225,716</u>	<u>237,937</u>

NAUTICAL ARCHAEOLOGY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2009

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - continued

Grants received, included in the above, are as follows:

	2009	2008
	£	£
Cadw	9,954	4,210
English Heritage	25,000	16,793
Heritage Lottery Fund	15,608	14,877
University of Southampton	8,866	1,893
Historic Scotland	7,044	17,915
English Heritage	-	22,230
Institute of Field Archaeologists	7,414	16,254
Excalibur	-	1,000
Local Heritage Initiative	4,960	-
NEEMARA	-	7,560
Big Lottery Fund Awards for All	5,274	-
Crown Estate	12,000	-
British Sub-Aqua Club Jubilee Trust	1,650	-
Subnauta	1,000	-
Gosport Borough Council	1,000	-
Postgraduate Institute	1,746	-
Grants less than £1,000	2,356	-
	<u>103,872</u>	<u>102,732</u>

6. COSTS OF GENERATING VOLUNTARY INCOME

	2009	2008
	£	£
Merchandise for resale	<u>6,128</u>	<u>3,844</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8)	Support costs (See note 9)	Totals
	£	£	£
Nautical heritage publication, research, education and training	<u>170,117</u>	<u>36,948</u>	<u>207,065</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2009	2008
	£	£
Staff costs	59,984	56,507
Sales promotions	129	8,583
Training fund and outreach	36,694	45,316
Subcontractors	49,501	63,459
Purchases	18,199	9,434
General expenses	5,610	6,252
Grants awarded	-	626
	<u>170,117</u>	<u>190,177</u>

NAUTICAL ARCHAEOLOGY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2009

9. SUPPORT COSTS

	Management and administratio n £
Governance costs	3,876
Nautical heritage publication, research, education and training	<u>36,948</u>
	<u>40,824</u>

Support costs, included in the above, are as follows:

Management and administration

			2009	2008
	Governance costs £	Nautical heritage publication, research, education and training £	Total activities £	Total activities £
Wages	1,308	16,103	17,411	18,815
Training	281	896	1,177	498
Professional fees	2,287	4,046	6,333	412
Equipment hire and rental	-	184	184	245
Rent	-	1,500	1,500	1,500
Insurance	-	3,034	3,034	2,436
Telephone	-	3,079	3,079	2,778
Postage	-	-	-	216
Books and stationery	-	3,559	3,559	3,313
Sundries	-	1,977	1,977	2,743
Equipment repairs and services	-	58	58	82
Bank charges	-	1,226	1,226	1,271
Depreciation	-	1,286	1,286	2,612
	<u>3,876</u>	<u>36,948</u>	<u>40,824</u>	<u>36,921</u>

10. GOVERNANCE COSTS

	2009 £	2008 £
Auditors' remuneration	3,000	3,477
Support costs	<u>3,876</u>	<u>964</u>
	<u>6,876</u>	<u>4,441</u>

NAUTICAL ARCHAEOLOGY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2009

11. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2009	2008
	£	£
Auditors' remuneration	3,000	3,477
Depreciation - owned assets	1,286	2,612
Hire of plant and machinery	<u>184</u>	<u>245</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2009 nor for the year ended 31st March 2008.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31st March 2009 nor for the year ended 31st March 2008.

13. STAFF COSTS

	2009	2008
	£	£
Salaries and wages	68,427	66,080
Social Security costs	5,444	5,565
Pension costs	<u>3,527</u>	<u>4,617</u>
	<u>77,398</u>	<u>76,262</u>

The average monthly number of employees during the year was as follows:

	2009	2008
Charitable activities	2	2
Support	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

During the year no employee received emoluments in excess of £60,000 (2008: none).

NAUTICAL ARCHAEOLOGY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2009

14. TANGIBLE FIXED ASSETS

	Furniture £	Training equipment £	Computer equipment £	Totals £
COST				
At 1st April 2008	666	10,077	13,710	24,453
Additions	<u>80</u>	<u>20,000</u>	<u>6,802</u>	<u>26,882</u>
At 31st March 2009	<u>746</u>	<u>30,077</u>	<u>20,512</u>	<u>51,335</u>
DEPRECIATION				
At 1st April 2008	208	7,024	11,780	19,012
Charge for year	<u>133</u>	<u>975</u>	<u>178</u>	<u>1,286</u>
At 31st March 2009	<u>341</u>	<u>7,999</u>	<u>11,958</u>	<u>20,298</u>
NET BOOK VALUE				
At 31st March 2009	<u>405</u>	<u>22,078</u>	<u>8,554</u>	<u>31,037</u>
At 31st March 2008	<u>458</u>	<u>3,053</u>	<u>1,930</u>	<u>5,441</u>

15. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1st April 2008 and 31st March 2009	<u>19,247</u>
NET BOOK VALUE	
At 31st March 2009	<u>19,247</u>
At 31st March 2008	<u>19,247</u>

Included within heritage assets is a Lloyd's Register which when donated by Glasgow University in 2007/08 was considered to have a market value of £16,000.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade debtors	3,564	36,307
Other debtors	28,545	2,296
Prepayments	<u>500</u>	<u>5,493</u>
	<u>32,609</u>	<u>44,096</u>

NAUTICAL ARCHAEOLOGY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2009

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Trade creditors	3,136	1,566
Social security and other taxes	-	4,067
Other creditors	3,029	19,394
Deferred income	<u>11,912</u>	<u>30,417</u>
	<u>18,077</u>	<u>55,444</u>

18. PENSION COMMITMENTS

During the year the charitable company operated a defined contribution pension scheme for its employees. The charge for the year was £3,527 (2008: £4,617). There were no amounts prepaid or outstanding with the scheme (2008: £nil).

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2009 Total funds	2008 Total funds
	£	£	£	£
Fixed assets	44,540	5,744	50,284	24,688
Current assets	48,937	30,719	79,656	108,449
Current liabilities	<u>(18,077)</u>	<u>-</u>	<u>(18,077)</u>	<u>(55,444)</u>
	<u>75,400</u>	<u>36,463</u>	<u>111,863</u>	<u>77,693</u>

20. MOVEMENT IN FUNDS

	At 1.4.08	Net movement in funds	Transfers between funds	At 31.3.09
	£	£	£	£
Unrestricted funds				
General fund	56,903	4,074	14,423	75,400
Restricted funds				
Wales	-	5,598	(5,598)	-
Scotland NAS	1,855	(4,680)	2,825	-
North East NAS	5,322	10,653	16,000	31,975
Forton Lake Project	4,244	6,338	(10,582)	-
Diving into History	1,093	6,217	(7,310)	-
IKUWA3 Project	490	(43)	(447)	-
Bench Marking	3,356	(1,566)	(1,790)	-
Bursary	3,943	3,578	(7,521)	-
Tempus	487	1,729	-	2,216
Big Anchor	-	1,495	-	1,495
Muckelroy	-	777	-	777
	<u>20,790</u>	<u>30,096</u>	<u>(14,423)</u>	<u>36,463</u>
TOTAL FUNDS	<u>77,693</u>	<u>34,170</u>	<u>-</u>	<u>111,863</u>

NAUTICAL ARCHAEOLOGY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2009

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	141,096	(137,022)	4,074
Restricted funds			
Scotland NAS	7,044	(11,724)	(4,680)
Diving into History	15,899	(9,682)	6,217
Bursary	7,413	(3,835)	3,578
Tempus	8,865	(7,136)	1,729
Wales	9,954	(4,356)	5,598
North East NAS	26,990	(16,337)	10,653
Forton Lake Project	17,960	(11,622)	6,338
IKUWA3 Project	10,388	(10,431)	(43)
Bench Marking	929	(2,495)	(1,566)
Big Anchor	6,924	(5,429)	1,495
Muckelroy	777	-	777
	113,143	(83,047)	30,096
TOTAL FUNDS	<u>254,239</u>	<u>(220,069)</u>	<u>34,170</u>

NAUTICAL ARCHAEOLOGY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2009

20. MOVEMENT IN FUNDS - continued

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 for in the general funds.

Scotland NAS

Grant aided by Historic Scotland, this provided for a project design for the future of training courses run in Scotland.

North East NAS

The NAS NE is based in Hartlepool, and in receipt of a number of regionally based grants for community and heritage development. Project activities have included the establishment of the North East of England Maritime Archaeology Archive (NEEMARA) and a new project "Hartlepool Built".

Forton Lake Project

Grant aided by the Local Heritage Initiative (managed by Heritage Lottery Fund) on a matching contribution basis with in-kind donations from volunteers and organisations, and by the Crown Estate and Gosport Borough Council and conducted jointly with the Hampshire and Wight Trust for Maritime Archaeology, this project has included three years of fieldwork to engage the local community with the local history and archaeology of the wrecks on the foreshore and now moves to the publication phase. The final grant payment from Heritage Lottery Fund included contingency costs incurred in previous years.

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 project to raise public awareness of the nautical heritage, especially amongst local communities, visitors and recreational divers completed this year. The final grant payment included contingency costs incurred in previous years.

IKUWA3 Project

The IKUWA3 project is jointly organised with the IFA and UCL with IFA managing the financial accounts. The conference was held in London at UCL in July 2008.

Bench Marking

English Heritage commissioned the NAS to undertake a project to research what makes a maritime archaeologist competent. This project involved employing a project officer, project manager and sub-contractors to undertake the research.

Bursary

The Bursary involved a member of staff being employed by the NAS, but paid by the Institute of Field Archaeologists for a twelve month period - September 2007 to September 2008. The NAS was able to claim back the salary, NI contributions and pension contribution. A small amount of money was also provided to the NAS to cover advertising and interview expenses. The NAS bore the costs of any training, travel, subsistence, accommodation incurred by the bursary student. The bursary student has received work-place training and contributed to the work of the Society as the Assistant Training and Publications Officer. At the end of the bursary, the bursary holder has been employed full-time by the Society as the Training and Publications Officer.

NAUTICAL ARCHAEOLOGY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2009

20. MOVEMENT IN FUNDS - continued

Tempus

This is an EU Tempus Education Programme grant provided to the University of Southampton to establish a Centre for Maritime Archaeology in Alexandria, Egypt. The Society is involved as a curriculum advisor, steering board member, for training locals and for providing teaching materials.

Big Anchor

This is funded by the Big Lottery Fund "Awards for All" with the aim of public participation in recording anchors, and thereby providing information for researchers.

Muckelroy Award

The Muckelroy award is awarded to a publication in memory of Keith Muckelroy to encourage high standards of writing in nautical archaeology. The award was formally administered by the British Archaeological Awards but they no longer wish to do so. Accordingly the residue of the trust has been transferred to the Society and the award will henceforth be administered by an independent committee.

21. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity nor any one individual.

22. 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.