

**CHARITY REGISTERED NUMBER:SC020479**

**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2008**

**IAN M BELL**  
**CHARTERED ACCOUNTANTS**  
**11 GREAT KING ST**  
**DUMFRIES**  
**DG1 1BA**

**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**  
**FOR THE PERIOD ENDED 31 DECEMBER 2008**

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**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**

**LEGAL AND ADMINISTRATIVE INFORMATION**

**Registered Charity Number:** SC020479

**Chairman:** A Hannay

**Trustees:** A Hannay  
Captain J B Blackett  
D Lockwood  
Lady Henderson  
B Houston  
I Clark  
J McMyn appointed 25 February 2008  
A Witts appointed 25 February 2008

**Accountants:** Ian M Bell  
Chartered Accountants  
11 Great King St  
Dumfries  
DG1 1BA

**INDEPENDENT EXAMINER'S REPORT**  
**TO THE TRUSTEES OF JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**  
**FOR THE PERIOD ENDED 31 DECEMBER 2008**

We report on the financial statements which are set out on pages 6 to 14.

**Respective responsibilities of Trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44 (1) (c) of the Act and to state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

1. Which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....  
Ian M Bell  
Chartered Accountants

11 Great King St  
Dumfries  
DG1 1BA

Dated: 23rd February 2009

# **JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**

## **REPORT OF THE TRUSTEES**

### **FOR THE PERIOD ENDED 31 DECEMBER 2008**

The Trustees present their annual report for the period ended 31 December 2008 in terms of the Charities and Trustee Investment (Scotland) Act 2005, together with the financial statements for the period, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP 2005.

#### **Structure, Governance and Management**

##### **Governing document**

John Paul Jones Birthplace Museum Trust is a charitable trust, governed by its trust deed.

##### **Appointment of trustees**

The trustees are appointed for an unspecified period.

The trustees who served during the year are set out on the charity information page at the front of these accounts.

##### **Trustee induction and training**

New trustees undergo an orientation meeting to brief them on their legal obligations under charity law, the content of the constitution, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction meeting they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

##### **Organisation**

A board of trustees, who meet regularly, administers the charity. David Lockwood is appointed by his fellow trustees to manage the day to day operations of the charity.

At the trustees' meeting's, the trustees agree the broad strategy and areas of activity for the trust, including consideration of activities, investment, reserves and risk management policies and performance. A scheme of delegation is in place and day to day responsibility for the provision of services rests with the manager. The manager is responsible for ensuring that the charity delivers the services specified and, as such, has responsibility for the day to day operational management of the centre, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

##### **Risk policy**

The trustees have examined the major strategic, business and operational risks which the charity faces and are satisfied that systems have been established to mitigate those risks, including: the establishment of a system of procedures for authorisation of all transactions and projects, an annual review of the risks which the charity may face and the implementation of action designed to minimise any potential impact on the charity should any risks materialise

These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

##### **Objectives and activities**

The Trust was established to preserve the birthplace of John Paul Jones, the father of the American Navy, and to establish a museum depicting his life, all of which would be educational and accessible to the general public.

# **JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**

## **REPORT OF THE TRUSTEES** (Continued)

### **FOR THE PERIOD ENDED 31 DECEMBER 2008**

#### **Achievements and performance**

2008 was a successful year for the Trust. On the 8th May the Cottage received a visit from the National Society Sons of the American Revolution. Their President General Mr Bruce A. Wilcox unveiled a plaque and laid a wreath at the Cottage where the Trustees provided a buffet lunch for their guests. The group also visited Kirkbean Church to see its US Navy font and the grave of John Paul Jones father. Afterwards they viewed Arbigland House where James Craik, George Washington's friend and personal physician, was born as well as St Mary's Isle and the Tolbooth at Kirkcudbright where Jones was briefly imprisoned. Later they visited St Michael's Churchyard, Dumfries, where they saw Burns Mausoleum and the graves of Jones eldest sister Janet and niece Jane who inherited part of his fortune.

In the evening the party was given a Civic Reception by Dumfries and Galloway Council where gifts were exchanged. David Lockwood, the Trust's Curatorial Adviser was presented with the SAR's International Medal by President General Wilcox. This medal has been rarely awarded. During their visit to the UK the group also visited Flamborough Head.

In September 2008 a team of archaeologists headed by Professor Julie Schablitsky of the University of Oregon and Dr Robert Neyland of the American Navy Historical Centre, Washington carried out a second week of excavations around the Cottage. They were looking to find material relating to Jones's early family life. The popular story of Jones is that he was born into poverty and became famous but it is known that his father moved to Arbigland Estate because of his talents as a gardener and the Cottage was built for him so it may well be that the family had a decent standard of living and some social standing as skilled artisans. Finds from the Cottage will assist in determining the family's social status. Others in the team will carry out archival research on the history of the Cottage and it is hoped their investigations will fill in some of the gaps in our knowledge such as whether his mother had to move out of the Cottage after the death of her husband, why the Cottage became derelict in the early 1800s, who lived in it after Lt Pinkham restored it in 1831 and the names of some of the more recent occupants.

A small reception was held by the Trust during the week to thank the team. Towards the end of the dig the team provided public tours of the excavations for visitors and local schools and on the last day Dr Neyland who is head of the Underwater Archaeological Branch of the American Navy Historical Centre gave a talk at Dumfries Museum, the Observatory, Dumfries, on the 2008 search for the wreck of the Bonhomme Richard. Their report of the dig will be published in 2009. The project was kindly funded by the First Landing Foundation. As a result of these visits and the ones made by the Trust to Annapolis/Washington in 2006 and New York in 2007 the number of well intentioned contacts the Trust has in the States is currently at an all time high.

During the year in response to continual enquiries the Trust added additional pages to its website on the subject of descendents of John Paul Jones. These pages have proved to be very popular and were receiving approximately 10,000 hits per month when they were first made live.

Paid admissions at the Museum in 2008 at 1,932 were a little down on the 2007 figures. This is because of the Trust has very limited resources to undertake any marketing or advertising campaigns. There was some free publicity due to the year due to various searches for the wreck of the Bonne Homme Richard. Visitors from overseas, however, continue to be an important element and visitor surveys reveal that visitor satisfaction of the experience remains very high. The cost of fuel rose considerably during the year. The Trust's properties and equipment are now reaching the stage where maintenance costs are increasing and this situation must be monitored. In 2008 Dumfries and Galloway Council awarded a grant of £12,206. The Trust is grateful to the Council for this funding and for its continued support. Without this support the Trust could not continue.

**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**

**REPORT OF THE TRUSTEES** (Continued)

**FOR THE PERIOD ENDED 31 DECEMBER 2008**

**Investment policy**

Aside from retaining a prudent amount in reserves each year most of the charity's funds are to be spent in the short term, so there are no funds for long term investment. Grants received in advance are held at the bank at beneficial rates.

**Reserves policy**

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately three months unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs in the event of a significant drop in resources. Funds were not maintained at this level throughout the period and the trustees are actively considering ways of achieving this objective.

**Prospects for 2009**

Within Dumfries and Galloway the Museum has a unique appeal to visitors from the United States and also enjoys exceptionally high levels of international custom in general. It is a place of pilgrimage for such visitors and this has been a key strength.

Thanks to considerable recent investment, visitors coming in 2009 will encounter the richest experience the facility has offered since opening over decade ago. However, tourism is a discretionary activity involving a "feel good factor" and travellers, particularly in the long haul segment, are sensitive to economic downturns, adverse exchange rates, fuel costs and political tensions. On all these aspects there is heightened uncertainty at this time but as far as matters under their control are concerned the Trustees are confident that the Museum approaches the 2009 season with a competitively priced, quality product which needs to be backed by a strong marketing campaign.

The main aim of the Trustees during the year will be to secure additional funding to increase its financial reserves and ensure its financial viability. The Trustees are focussed on this task.

**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**

**REPORT OF THE TRUSTEES** (Continued)

**FOR THE PERIOD ENDED 31 DECEMBER 2008**

**Accounting and reporting responsibilities**

The Charities and Trustee Investment (Scotland) Act 2005 requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its financial position at the end of that period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 23rd February 2009 signed on its behalf by:

.....  
A Hannay  
Trustee

**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**

**BALANCE SHEET**

**AT 31 DECEMBER 2008**

	Note	2008		2007	
		£	£	£	£
<b>Tangible fixed assets</b>					
Tangible assets	6		81,802		83,904
<b>Current assets</b>					
Stocks	7	1,756		2,132	
Bank Accounts		12,898		12,233	
		<u>14,654</u>		<u>14,365</u>	
<b>Creditors</b>					
Amounts falling due within one year	8	785		765	
		<u>785</u>		<u>765</u>	
<b>Net current assets</b>			13,869		13,600
<b>Total assets less current liabilities</b>			<u>95,671</u>		<u>97,504</u>
<b>Net assets</b>			<u>£95,671</u>		<u>£97,504</u>
<b>Capital funds</b>					
Restricted funds			38,790		39,652
Unrestricted funds			56,881		57,852
			<u>£95,671</u>		<u>£97,504</u>
<b>Total funds</b>			<u>£95,671</u>		<u>£97,504</u>

Approved by the trustees on 23rd February 2009 and signed on its behalf.

.....  
A Hannay

The annexed notes form part of these financial statements.

**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 DECEMBER**  
**2008**

	<b>Unrest'd Funds £</b>	<b>Rest'd Income Funds £</b>	<b>Total Funds 2008 £</b>	<b>Total Funds 2007 £</b>
<b>Incoming resources</b>				
Incoming Resources from generated funds:				
Voluntary income	13,694	-	13,694	16,996
Activities to generate funds	5,716	-	5,716	5,905
Investment income	166	-	166	166
<b>Total incoming resources</b>	<u>19,576</u>	<u>-</u>	<u>19,576</u>	<u>23,067</u>
<b>Resources expended</b>				
Charitable activities	20,614	-	20,614	19,882
Governance costs	795	-	795	765
<b>Total resources expended</b>	<u>21,409</u>	<u>-</u>	<u>21,409</u>	<u>20,647</u>
<b>Net movement in funds</b>	<u>(1,833)</u>	<u>-</u>	<u>(1,833)</u>	<u>2,420</u>
Gross transfers between funds	862	(862)	-	-
<b>Total funds brought forward</b>	<u>£57,852</u>	<u>£39,652</u>	<u>£97,504</u>	<u>95,084</u>
<b>Total funds carried forward</b>	<u>£56,881</u>	<u>£38,790</u>	<u>£95,671</u>	<u>£97,504</u>

Details of Incoming resources and resources used are given in the notes to the financial statements.

**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES**

**DETAILED ANALYSIS OF MOVEMENTS IN FUNDS**

**FOR THE PERIOD ENDED 31 DECEMBER 2008**

	<b>2008</b>		<b>2007</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>General Fund</b>				
Balance B/fwd	30,852		27,570	
(Deficit)/Surplus for the period	(1,833)		2,420	
Transfer from restricted funds	862		862	
	<hr/>		<hr/>	
		29,881		30,852
<b>Revaluation reserve</b>				
Opening Balance	27,000		27,000	
	<hr/>		<hr/>	
		27,000		27,000
<b>Heritage Lottery fund</b>				
Opening Balance	39,652		40,514	
Transfer to general funds	(862)		(862)	
	<hr/>		<hr/>	
		38,790		39,652
<b>Total funds at 31 December 2008</b>		<hr/> <hr/>		<hr/> <hr/>
		£95,671		£97,504

Revaluation reserve arose on the revaluation of the Trust's facilities in 1996.

Heritage Lottery Fund advanced monies to fund the building of the extension to the existing facilities.

**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2008**

**1. Accounting policies**

The financial statements are prepared under the historical cost convention (as modified by the revaluation of certain assets). 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.

**Cash flow statement**

The Trust has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small organisation.

**Incoming resources**

- All incoming resources are included in the SoFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:
- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Grants related to capital expenditure on tangible assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grants relate.

**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS** (Continued)  
**FOR THE PERIOD ENDED 31 DECEMBER 2008**

**Resources expended**

- All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.
- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor area, staff time etc.
- Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. The cost of minor additions or those costing below £500 are not capitalised.

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

Heritable property	2% straight line
Fixtures and fittings	25% straight line

Exhibit costs are not depreciated as the trustees are of the opinion that the market value of these assets is significantly in excess of book value.

**Fund accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. These include a revaluation reserve representing the restatement of investment assets at market value.
- Designated funds are unrestricted funds earmarked by the trustees for particular purposes.
- Restricted funds are subject to restrictions on their expenditure imposed by the donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund as set out in the notes to the financial statements.

- **JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**

**NOTES TO THE FINANCIAL STATEMENTS** (Continued)

**FOR THE PERIOD ENDED 31 DECEMBER 2008**

**Investment Income**

Income from investments is accounted for on an accruals basis

2. **Turnover**

Turnover is attributable solely to continuing operations and derives from one activity that of operating the Museum.

3. **Staff costs**

The average number of persons employed by the company, including director, during the period was as follows:

	<b>2008</b>	<b>2007</b>
Salaries and wages	8,610	8,187
Social security costs	<u>333</u>	<u>312</u>
	<u>8,943</u>	<u>8,499</u>

The average number of persons employed by the trust during the year was as follows:

	<b>2008</b>	<b>2007</b>
Sales and administration	2	2
	=	=

There were no staff earning in excess of £60,000.

The trustees receive no remuneration for their services, nor did they claim any expenses during the period.

4. **Investment Income**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Interest	166	166
	<u>    </u>	<u>    </u>

**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS** (Continued)  
**FOR THE PERIOD ENDED 31 DECEMBER 2008**

5. **Resources expended**

	<b>Museum operation</b>	<b>Governance</b>	<b>2008 Total</b>	<b>2007 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Purchases (adjusted for stock movement)	816	-	816	742
Wages	8,943	-	8,943	8,499
Stationery & advertising	1,287	-	1,287	2,221
Telephone	592	-	592	657
Subscriptions	229	-	229	219
Posts and sundries	25	-	25	89
Depreciation of fixed assets	2,102	-	2,102	2,536
Buffet & entertainment costs	318	-	318	-
Payroll fees	306	-	306	353
Heat and light	1,015	-	1,015	404
Repairs and maintenance	1,953	-	1,953	585
Ground maintenance	1,222	-	1,222	1,354
Fire alarm maintenance	619	-	619	589
Rates	9	-	9	42
Computer sundries	54	-	54	55
Professional fees	-	-	-	440
Insurance	1,124	-	1,124	1,097
Accountancy charges		795	795	765
	<u>20,614</u>	<u>795</u>	<u>21,409</u>	<u>20,647</u>

Direct costs have been allocated between museum operation and governance on an estimated usage basis.

**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS** (Continued)  
**FOR THE PERIOD ENDED 31 DECEMBER 2008**

6. **Tangible fixed assets**

	<b>Land and Buildings £</b>	<b>Plant and Machinery £</b>	<b>Total £</b>
Cost:			
At 1 January 2008	84,996	46,310	131,306
	<hr/>	<hr/>	<hr/>
At 31 December 2008	84,996	46,310	131,306
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 January 2008	8,354	39,048	47,402
Charge for the period	1,700	402	2,102
	<hr/>	<hr/>	<hr/>
At 31 December 2008	10,054	39,450	49,504
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31 December 2008	£ 74,942	£ 6,860	£ 81,802
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2007	£ 76,642	£ 7,262	£ 83,904
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The land and buildings were valued on 31st December 1996 by C G Grieve & Co Chartered Surveyors in accordance with RICS Appraisal and Valuation Manual as follows:

Bungalow	1,000	Open market value subject to existing lease provisions
Visitor centre	26,000	Open market value and car park

No further revaluations have been carried out due to a lack of funds. The trustees are of the opinion that the valuation shown above has not materially altered in the intervening years. Since the valuation referred to above, an extension has been added to improve the visitor attraction at a cost of £57,996.

7. **Stocks**

	<b>2008 £</b>	<b>2007 £</b>
Stocks	1,756	2,132
	<hr/> <hr/>	<hr/> <hr/>

**JOHN PAUL JONES BIRTHPLACE MUSEUM TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS** (Continued)  
**FOR THE PERIOD ENDED 31 DECEMBER 2008**

8. **Creditors**

Amounts falling due within one year:-

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Accrued Expenses	785	765
	£ 785	£ 765
	£ 785	£ 765

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

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Tangible fixed assets	43,012	38,790	81,802
Other net current assets	13,869	-	13,869
	£56,881	£38,790	£95,671
	£56,881	£38,790	£95,671

10. **Incoming resources**

	<b>Unrest'd Funds 2008 £</b>	<b>Rest'd Income Funds 2008 £</b>	<b>Total Funds 2008 £</b>	<b>Total Funds 2007 £</b>
<b>Voluntary Income</b>				
Donations and Grants	13,694	-	13,694	16,996
	13,694	-	13,694	16,996
<b>Activities for generating funds</b>				
Shop sales	1,264	-	1,264	1,284
Admission fees	3,825	-	3,825	4,211
Caravan Park	627	-	627	410
	5,716	-	5,716	5,905
<b>Investment income</b>				
Interest	166	-	166	166
	166	-	166	166