

REGISTERED COMPANY NUMBER: 09197223 (England and Wales)
REGISTERED CHARITY NUMBER: 1160812

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

FOR

SHEERNESS DOCKYARD PRESERVATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

SHEERNESS DOCKYARD PRESERVATION TRUST

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FOR THE YEAR ENDED 31 DECEMBER 2022

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Mission Statement

The Sheerness Dockyard Preservation Trust was founded in 2014 to campaign for the preservation of the historic buildings in and around the former Royal Naval Dockyard at Sheerness.

The Sheerness Dockyard Preservation Trust has two strategic aims

- To preserve for the benefit of the people of Sheerness and of the nation, the historical, architectural and constructional heritage that may exist in and around Sheerness, in particular in and around the former Royal Naval Dockyard in Sheerness.
- To advance the public education and interest in the history and architectural heritage of the local area.

Significant activities

The main activity that the Trust is pursuing currently is the restoration of the ruined Dockyard Church building within the former Royal Naval Dockyard at Sheerness, and is now in the construction phase of the building project that will see the Church brought back to life as an Enterprise Centre.

Public Benefit

The Charity has referred to the guidance in the Charity Commission general guidance on public benefit when reviewing aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that they have set.

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Volunteers

Currently the Charity doesn't utilise volunteers in its work, other than the time committed by Trustees in the work that they do in supervising the Dockyard Church project, and overseeing the operation of the Charity.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Project Progress: The Sheerness Dockyard Church Project

The transformation of Dockyard Church continued during 2022 with activity focussing on the re-roofing of the building which continued in 2022 after the 5 large glulam (laminated timber) trusses had been installed. The zinc gutters and flashings were completed, the slates laid, the rooflights installed and the interior timber slatting fixed and painted by August 2022 allowing the interior scaffolding to come down.

Elsewhere, the new windows were installed at first floor level, the first fix of the services was completed and the concrete floor poured and polished. The revised project completion date was extended into 2023, due to supply chain complications.

Special events and visits included National Heritage Open Day event in September 2022 when visitors were given tours of the building by the contractor and trustees. On 4 August 2022 the trustees gave the first tour of the re-roofed interior. This was, appropriately, for the Sheppey History Society.

Further information & news updates are available on our website: <https://sdpt.org.uk/>

Future Operation of the Building:

The operating contract for the building was developed with Fruitbowl media, and signed in July 2023, with the building opening to the public shortly afterwards.

Community Engagement:

Our freelance Community & Outreach Co-ordinator Allison Young continued to deliver the NLHF Activity Plan for the project, further developing links with Sheppey College and Oasis Academy School and through the Sheppey Development Forum.

Stand-alone projects included the 'Career Stories' and 'Tales from Dockyard Church' online projects - the latter being a written and oral history of people with connections to the church and dockyard.

The Dockyard Model:

The contract for displaying the Dockyard Model was awarded to local designers Andy and Sharon Feast who have worked extensively on exhibitions and displays in national museums. A costed proposal included a detailed survey of the model itself, now in store in Lincolnshire. This series of secure and movable display cases of different sizes they designed have now been fabricated, are now on display within the ground floor areas of the restored building, showing model sections to the public for the very first time.

Communications and Heritage:

A heritage Open Day in September 2022 brought over a hundred people to the site for guided tours around the building, with talks on the building's history from Trustees, and Project approach from the Contractor's Contracts Manager.

The objectives relating to the operation of the Enterprise Centre at the Dockyard Church are currently in development as an appendix to the contract for the Managing Agent.

The restoration of the Dockyard Church Building continues in line with the Project Plan submitted to the National Heritage Lottery Fund as a component of the 'Permission to Start' process, although there have been some slippages to the original timescale, partially due to issues linked to the Covid lockdown, and practical completion was achieved in July 2023.

Fundraising activities

The fundraising campaign for the Project was completed over two years ago, and there are no specific fundraising campaigns in operation to support the Charity at this time.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL REVIEW

Financial position

As the main construction phase of the Dockyard Church Restoration Project commenced at the end of 2020, 2022 saw a large increase in the incoming resources for the Charity, as increased claims including construction costs were submitted to the NHLF, the project's principal funder, throughout this period, along with increased releases of deferred income from the Projects other funders.

Owing to this, the total deferred income at the end of the year had fallen to £nil.

The total incoming resources were £2,257,458, up from £1,532,542 in the prior year.

The majority of this income is recognised as resources expended through the impairment charge for the Dockyard Church restoration project.

Principal funding sources

All pledged funds have now been received. A further grant from the Art Fund relating to the dockyard model will be completed once 3D scanning of the model has been completed in its new storage space in Kent. All current funders receive regular briefings from project administrator Catherine Hawkins.

We are enormously grateful to all our supporters for giving so generously to this landmark project.

Reserves policy

Restricted funds include any donations which have been granted to the Trust for a specific purpose such as project work or contributions to a capital works programme.

Unrestricted funds are any funds which have been donated to, or earned by the charity, which are not designated against a particular spending stream and can be spent by the charity to further its charitable aims.

Reserves are maintained to ensure the ability of the Charity to manage cashflow issues and to enable it to achieve its objects and ambitions.

Our current reserves policy is that we are seeking to ensure that we have sums sufficient to cover the estimated cost of operation of the Enterprise Centre for a period of 3 months plus 10%.

If our unrestricted reserves at the point that the building becomes operational are not yet at this stage, we will undertake an additional fundraising program to ensure that this is addressed, although the funding model applied by the National Heritage Lottery Fund included a Management & Maintenance payment at 100% at the end of the project and this would also help address any issues identified in relation to reserves at the point that initial operation of the Dockyard Church building commences.

At the start of the year, the total of unrestricted reserves was £43,520.

At the end of the 2022 financial period, unrestricted reserves were £36,988.

Going concern

After making appropriate enquiries, and consideration of forecasts prepared for the next 12 months, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

There are no specific concerns amongst the Board of Trustees at the point of this report.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company is controlled by its governing document, the Memorandum & Articles of Association dated 01/09/2014, and as amended by special resolution dated 20/02/2015, and constitutes a company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

As set out in the Articles of Association the Board shall consist of at least three Trustees, and no more than twelve.

At the annual general meeting one third of the trustees must retire, with those longest in office retiring first and the choice between any of equal service being made by drawing lots.

If the Charity at the meeting at which a trustee retires by rotation, does not fill the vacancy the retiring trustee shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the trustee is put to the meeting and lost.

Prospective trustees are recommended by existing trustees to join the board of trustees, or advertisements are placed in the local press.

Trustee Background & Skills

The Sheerness Dockyard Preservation Trust is formed of eleven Trustees who bring together a range of experience from heritage restoration, conservation, architectural design and history, business and commercial management, project co-ordination, community engagement, design and finance.

The Trust Chairman, William Palin is now the Chief Executive of St Barts Heritage, and was formerly Director of Conservation at the Old Royal Naval College in Greenwich. He has a wealth of experience in leading and delivering similar high-profile government funded projects. He led the Painted Hall conservation project at Greenwich. This was a £9.5 million HLF funded project to clean and conserve over 40,000 square feet of the magnificent Grade I listed Painted Hall wall and ceiling paintings.

Details of other Trustees are available on the Trust website.

The Trust holds quarterly Trustee meetings, along with an Annual General Meeting (AGM). The meetings are minuted and circulated to all Trustees.

In addition to these, as part of the Dockyard Church Project, which received 'Permission to Start' from the Heritage Lottery Fund in May 2017, regular Project meetings also take place.

- Monthly project board meetings, with all members of the Project team and Trustees to discuss on-going progress of the Project
- Quarterly Advisory panel meetings, comprising of a variety of individuals bringing knowledge and advice to the project.

Reporting Structure

The Trust holds quarterly Trustee meetings, along with an Annual General Meeting (AGM). The meetings are minuted and circulated to all Trustees.

In addition to these, as part of the Dockyard Church Project, which received 'Permission to Start' from the Heritage Lottery Fund in May 2017, regular Project meetings also take place.

- Monthly project board meetings, with all members of the Project team and Trustees to discuss on-going progress of the Project
- Quarterly Advisory panel meetings, comprising of a variety of individuals bringing knowledge and advice to the project.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

All trustees are inducted with the Charity Commission charity trustee 'welcome pack' handbook and provided with regular updates issued by the charity commission. At each meeting of trustees, any declaration of interests or conflicts should they arise are minuted. This to prevent them from affecting any decision or the decision-making process.

On occasion, where the trustees consider there may be a skills deficit within the board, the trustees seek to fulfil their duties by seeking independent expert advice on specific matters. Trustees were selected for the individual skills and experience they could bring to the board in order to effectively manage the charity and help achieve its aims and objectives.

Overview: The Dockyard Church Project's professional team:

Project Management

The Project is managed by Glevum consulting, Director Simon Hawkins. Glevum consulting are a highly experienced heritage business consulting team. Since 2002 Glevum have delivered £40M of capital projects and activity plans. Glevum has project managed many HLF funded projects including the restoration of Turners House, Twickenham (£2.3M), the restoration and conservation of St Alfege Church, Greenwich (£2.7M) and the Painted Hall project Greenwich (£9.5M HLF funded).

Architect Team

The principal Design Architects are Hugh Broughton Architects who have many years of experience working on renovation and conservation projects both in the UK and abroad. They worked on the conservation of the Painted Hall at the Old Royal Naval College at Greenwich. They have been the lead design team on projects including the design of a new gallery to house the Portland Collection in Nottinghamshire, the design of a new East Wing at Maidstone Museum and more notably for a series of remote projects including the impressive and innovative Halley VI Antarctic Research Station and the Juan Carlos 1, Spanish Antarctic Base.

HBA have partnered with Martin Ashley Architects who have overseen the recent stabilisation work and will provide specialist conservation advice for the project build.

As part of the Architect led Team HBA have engaged Structural engineering firm Hockley and Dawson. MEP engineering firm Harley Haddow and Acoustics consultant Ramboll UK Ltd.

Cost Consultant

PT projects have been engaged as Cost Consultants. PT Projects have worked on several significant Heritage Projects including Abingdon County Hall & Museum, Museum of the Order of St John, Orleans House & Gallery (Richmond) and Wat Tyler Country Park (Basilidon).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09197223 (England and Wales)

Registered Charity number

1160812

Registered office

4 Naval Terrace
Sheerness
ME12 1RR

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

W M Palin Chairman
A Byrne Vice chairman
J E Baker Treasurer
K J Moore
C D Foulds
A W Deeley
J Webb
M Brown
Mrs A K De Moubray
S Taylor
E J Bamard

Company Secretary

J E Baker

Auditors

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Comforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Sheerness Dockyard Preservation Trust 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 Accounting Standards (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 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


In so far as the trustees are aware:

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 28/9/23 and signed on its behalf by:


.....
W M Palin - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHEERNESS DOCKYARD PRESERVATION TRUST

Opinion

We have audited the financial statements of Sheerness Dockyard Preservation Trust (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHEERNESS DOCKYARD PRESERVATION TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHEERNESS DOCKYARD PRESERVATION TRUST

Our responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including, but not limited to, the Companies Act 2006, Charities Act 2011 and UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHEERNESS DOCKYARD PRESERVATION TRUST

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

↪

Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Comforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

Date: Sep 28, 2023
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SHEERNESS DOCKYARD PRESERVATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	2,257,458	2,257,458	1,532,542
EXPENDITURE ON					
Raising funds	3	-	12,558	12,558	12,434
Charitable activities	4				
Dockyard Preservation		6,532	2,519,994	2,526,526	1,933,772
Total		6,532	2,532,552	2,539,084	1,946,206
NET INCOME/(EXPENDITURE)		(6,532)	(275,094)	(281,626)	(413,664)
RECONCILIATION OF FUNDS					
Total funds brought forward		43,520	2,352,101	2,395,621	2,809,285
TOTAL FUNDS CARRIED FORWARD		36,988	2,077,007	2,113,995	2,395,621


The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	31.12.22 Total funds £	31.12.21 Total funds £
FIXED ASSETS					
Heritage assets	9	1	781,698	781,699	416,509
CURRENT ASSETS					
Debtors	10	9,919	724,296	734,215	618,866
Cash at bank		27,068	1,139,728	1,166,796	1,759,360
		<u>36,987</u>	<u>1,864,024</u>	<u>1,901,011</u>	<u>2,378,226</u>
CREDITORS					
Amounts falling due within one year	11	-	(568,715)	(568,715)	(399,114)
NET CURRENT ASSETS		<u>36,987</u>	<u>1,295,309</u>	<u>1,332,296</u>	<u>1,979,112</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>36,988</u>	<u>2,077,007</u>	<u>2,113,995</u>	<u>2,395,621</u>
NET ASSETS		<u>36,988</u>	<u>2,077,007</u>	<u>2,113,995</u>	<u>2,395,621</u>
FUNDS	13				
Unrestricted funds				36,988	43,520
Restricted funds				<u>2,077,007</u>	<u>2,352,101</u>
TOTAL FUNDS				<u>2,113,995</u>	<u>2,395,621</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 28/9/23 and were signed on its behalf by:


W M Palin - Trustee

SHEERNESS DOCKYARD PRESERVATION TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	31.12.22 £	31.12.21 £
Cash flows from operating activities			
Cash generated from operations	1	<u>2,189,875</u>	<u>1,981,313</u>
Net cash provided by operating activities		<u>2,189,875</u>	<u>1,981,313</u>
 Cash flows from investing activities			
Purchase of heritage assets		<u>(2,782,439)</u>	<u>(2,172,513)</u>
Net cash used in investing activities		<u>(2,782,439)</u>	<u>(2,172,513)</u>
 Change in cash and cash equivalents in the reporting period		<u>(592,564)</u>	<u>(191,200)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,759,360</u>	<u>1,950,560</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>1,166,796</u></u>	<u><u>1,759,360</u></u>

The notes form part of these financial statements

SHEERNESS DOCKYARD PRESERVATION TRUST

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.22 £	31.12.21 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(281,626)	(413,664)
Adjustments for:		
Impairment of heritage assets	2,417,249	1,889,026
(Increase)/decrease in debtors	(115,349)	347,231
Increase in creditors	169,601	158,720
Net cash provided by operations	<u>2,189,875</u>	<u>1,981,313</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank	1,759,360	(592,564)	1,166,796
	<u>1,759,360</u>	<u>(592,564)</u>	<u>1,166,796</u>
Total	<u>1,759,360</u>	<u>(592,564)</u>	<u>1,166,796</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

General information

Sheerness Dockyard Preservation Trust is a registered charity and a company limited by guarantee. The charitable company's registered number and registered office address can be found under reference and administrative details in the report of the trustees.

Basis of preparing the financial statements

The Trustees acknowledge their responsibility for ensuring that the company keeps accounting records that comply with the requirements of the Companies Act, and which give a fair and true view of the state of affairs of the company as at the end of the financial year, and these financial statements have been prepared in accordance with these provisions, and with the Charities Act.

Statement of compliance

The financial statements have been prepared in accordance with the Financial Reporting Standard (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charitable entities preparing their accounts in accordance with the Financial Reporting Standard 102. The charity constitutes a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Impairment of heritage assets:

Due to the considerable conservation deficit in the Dockyard Church project, the costs incurred on the project are being impaired on a straight line basis at a rate of 87% which recognises the value of the completed building as a % of the total project cost. The Church Building valuation was assessed by Caxtons Chartered Surveyors in May 2018. The cost of project activity during 2022 was £2,782,439, resulting in an increase to net book value of £365,191.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

In the case of performance related grants, income has only been recognised to the extent that the charity has provided the specified goods or services, as entitlement to the grant only occurs when the performance related conditions are met

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure included in Raising Funds includes amounts incurred in obtaining grants and other donations.

Heritage assets

Heritage assets are carried at cost, net of depreciation and any provision for impairment.

The heritage asset is currently in the course of construction and so will not be depreciated until it is brought into use.

The heritage asset was initially donated to the Trust and recognised at £1. Restoration costs are capitalised and then impaired so that the asset is held at its estimated post restoration value.

In 2020 the charity were gifted the Sheerness Dockyard Model by English Heritage, which is believed to have originally been produced by John Rennie as part of the Dockyard's expansion works which began on 23rd December 1813. As information on the cost or valuation of this asset cannot be obtained at a cost commensurate with the benefit to the users of these accounts, and in accordance with the Charities SORP, this asset is not recognised within the charity's heritage assets.

Taxation

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

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.

SHEERNESS DOCKYARD PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. DONATIONS AND LEGACIES

	31.12.22	31.12.21
	£	£
Donations	-	5,000
Grants	2,257,458	1,527,542
	<u>2,257,458</u>	<u>1,532,542</u>

3. RAISING FUNDS

Raising donations and legacies

	31.12.22	31.12.21
	£	£
Consultants	<u>12,558</u>	<u>12,434</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 5)	Totals
	£	£	£
Dockyard Preservation	<u>2,507,385</u>	<u>19,141</u>	<u>2,526,526</u>

5. SUPPORT COSTS

	Management	Finance	Information technology	Governance costs	Totals
	£	£	£	£	£
Dockyard Preservation	<u>12,571</u>	<u>102</u>	<u>498</u>	<u>5,970</u>	<u>19,141</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.22	31.12.21
	£	£
Auditors' remuneration	<u>5,000</u>	<u>1,500</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

During the year ended 31 December 2022, two trustees were reimbursed expenses of £1,322 (2021: one trustee was reimbursed expenses of £346) as follows:-

	2022	2021
W Palin - Travel & subsistence	999	274
W Palin - Utility reimbursement	275	-
W Palin - Web hosting	-	72
M Brown - Lock & chain	48	-
	<u>1,322</u>	<u>346</u>

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	<u>5,001</u>	<u>1,527,541</u>	<u>1,532,542</u>
EXPENDITURE ON			
Raising funds	-	12,434	12,434
Charitable activities			
Dockyard Preservation	<u>-</u>	<u>1,933,772</u>	<u>1,933,772</u>
Total	<u>-</u>	<u>1,946,206</u>	<u>1,946,206</u>
NET INCOME/(EXPENDITURE)	5,001	(418,665)	(413,664)
RECONCILIATION OF FUNDS			
Total funds brought forward			
As previously reported	38,519	152,902	191,421
Prior year adjustment	<u>-</u>	<u>2,617,864</u>	<u>2,617,864</u>
As restated	<u>38,519</u>	<u>2,770,766</u>	<u>2,809,285</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>43,520</u></u>	<u><u>2,352,101</u></u>	<u><u>2,395,621</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

9. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1 January 2022	416,509
Additions	2,782,439
Impairments	(2,417,249)
	<hr/>
At 31 December 2022	781,699
	<hr/>
NET BOOK VALUE	
At 31 December 2022	781,699
	<hr/>
At 31 December 2021	416,509
	<hr/>

Summary analysis of heritage asset transactions:

	2022 £	2021 £	2020 £	2019 £	2018 £	2017 £
Purchases						
Dockyard Church Freehold	-	-	-	-	-	-
Dockyard Church Renovation	2,782,439	2,172,513	288,650	205,592	369,876	155,286
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total additions	2,782,439	2,172,513	288,650	205,592	369,876	155,286
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Charge for impairment						
Dockyard Church Freehold	-	-	-	-	-	-
Dockyard Church Renovation	(2,417,249)	(1,889,026)	(250,985)	(178,765)	(321,611)	(135,022)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total charge for impairment	(2,417,249)	(1,889,026)	(250,985)	(178,765)	(321,611)	(135,022)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net change in assets						
Dockyard Church Freehold	-	-	-	-	-	-
Dockyard Church Renovation	365,190	283,487	37,665	26,827	48,265	20,264
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net change in assets	365,190	283,487	37,665	26,827	48,265	20,264
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The heritage assets held by the charity include the freehold of the Dockyard Church, which was a gift to the charity in 2016 and is valued in the accounts at £1 (2020: £1), and the restoration works to the Church which remained under construction as at 31 December 2022 and are valued in the accounts at £781,699 (2021: £416,509).

SHEERNESS DOCKYARD PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Other debtors	475,855	318,971
VAT	181,291	149,895
Prepayments and accrued income	77,069	150,000
	<u>734,215</u>	<u>618,866</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Trade creditors	207,228	333,800
Other creditors	141,526	63,814
Accruals and deferred income	219,961	1,500
	<u>568,715</u>	<u>399,114</u>

12. SECURED DEBTS

The charity received grant funding from the National Heritage Memorial Fund, more commonly known as the National Heritage Lottery Fund, towards the refurbishment of the Sheerness Dockyard Church. As part of the grant agreement, the charity agreed to a number of conditions with regards to how the funding shall be spent and on some of the uses of the Dockyard Church upon the completion of the restoration works.

The National Heritage Memorial Fund hold a fixed charge over the Sheerness Dockyard Church, which it holds as security should any sums become payable to them arising from a breach of the terms and conditions of the grant funding.

13. MOVEMENT IN FUNDS

	At 1.1.22	Net movement in funds	At 31.12.22
	£	£	£
Unrestricted funds			
General fund	43,520	(6,532)	36,988
Restricted funds			
Restoration of Sheerness Dockyard Church	2,266,727	(267,186)	1,999,541
Arts fund	64,589	-	64,589
QFT	390	(390)	-
Swale Borough Council fund	20,395	(7,518)	12,877
	<u>2,352,101</u>	<u>(275,094)</u>	<u>2,077,007</u>
TOTAL FUNDS	<u>2,395,621</u>	<u>(281,626)</u>	<u>2,113,995</u>

SHEERNESS DOCKYARD PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

13. 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	-	(6,532)	(6,532)
Restricted funds			
Restoration of Sheerness Dockyard Church	2,257,458	(2,524,644)	(267,186)
QFT	-	(390)	(390)
Swale Borough Council fund	-	(7,518)	(7,518)
	<u>2,257,458</u>	<u>(2,532,552)</u>	<u>(275,094)</u>
TOTAL FUNDS	<u>2,257,458</u>	<u>(2,539,084)</u>	<u>(281,626)</u>

Comparatives for movement in funds

	At 1.1.21 £	Prior year adjustment £	Net movement in funds £	At 31.12.21 £
Unrestricted funds				
General fund	38,519	-	5,001	43,520
Restricted funds				
Restoration of Sheerness Dockyard Church	64,929	2,617,864	(416,066)	2,266,727
Arts fund	64,930	-	(341)	64,589
QFT	1,050	-	(660)	390
Swale Borough Council fund	21,993	-	(1,598)	20,395
	<u>152,902</u>	<u>2,617,864</u>	<u>(418,665)</u>	<u>2,352,101</u>
TOTAL FUNDS	<u>191,421</u>	<u>2,617,864</u>	<u>(413,664)</u>	<u>2,395,621</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,001	-	5,001
Restricted funds			
Restoration of Sheerness Dockyard Church	1,527,540	(1,943,606)	(416,066)
Arts fund	-	(341)	(341)
QFT	-	(660)	(660)
Swale Borough Council fund	1	(1,599)	(1,598)
	<u>1,527,541</u>	<u>(1,946,206)</u>	<u>(418,665)</u>
TOTAL FUNDS	<u>1,532,542</u>	<u>(1,946,206)</u>	<u>(413,664)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.21 £	Prior year adjustment £	Net movement in funds £	At 31.12.22 £
Unrestricted funds				
General fund	38,519	-	(1,531)	36,988
Restricted funds				
Restoration of Sheerness Dockyard Church	64,929	2,617,864	(683,252)	1,999,541
Arts fund	64,930	-	(341)	64,589
QFT	1,050	-	(1,050)	-
Swale Borough Council fund	21,993	-	(9,116)	12,877
	<u>152,902</u>	<u>2,617,864</u>	<u>(693,759)</u>	<u>2,077,007</u>
TOTAL FUNDS	<u>191,421</u>	<u>2,617,864</u>	<u>(695,290)</u>	<u>2,113,995</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

13. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,001	(6,532)	(1,531)
Restricted funds			
Restoration of Sheerness Dockyard Church	3,784,998	(4,468,250)	(683,252)
Arts fund	-	(341)	(341)
QFT	-	(1,050)	(1,050)
Swale Borough Council fund	1	(9,117)	(9,116)
	<hr/>	<hr/>	<hr/>
	3,784,999	(4,478,758)	(693,759)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,790,000</u>	<u>(4,485,290)</u>	<u>(695,290)</u>

The nature and purpose of each restricted fund is as follows:

Restoration of Sheerness Dockyard Church

The charity has received funds from numerous funding bodies and individuals, which are restricted to the costs of the restoration works of the Sheerness Dockyard Church. Upon completion of the restoration, the building is restricted for use to develop a 'Sheerness Enterprise Centre' and deliver a programme of heritage activity including site-based apprenticeships/traineeships, volunteer training, guided tours, projects/resources for schools, and professional sharing/heritage careers awareness events.

Arts Fund

Funding received from the Art Fund is restricted to conserve, re-site and interpret the Sheerness Dockyard Model.

QFT

Funding received from the Queenborough Fishery Trust to be used toward the charity's reminiscence project.

Swale Borough Council Fund

Funding received from Swale Borough Council to support the charity's Sheerness Dockyard projects.

SHEERNESS DOCKYARD PRESERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

14. CAPITAL COMMITMENTS

	31.12.22	31.12.21
	£	£
Contracted but not provided for in the financial statements	356,819	2,727,269

15. RELATED PARTY DISCLOSURES

During the year ended 31 December 2022, there were no related party transactions with entities that the trustees were actively involved in. However, during 2021 the charity paid Innov8 on Sheppey C.I.C. £660 to undertake work as part of the Trust's reminiscence project. Innov8 on Sheppey C.I.C. was related to the charity by virtue of being under the control of trustee Christopher Foulds. It has since been dissolved.

During the year ended 31 December 2022, the charity did not receive any donations from related parties. However, during 2021 the charity received a donation of £5,000 from the father of a trustee of the charity, William Palin.

See note 7 for details of transactions with trustees.