# THE CHATHAM HISTORIC DOCKYARD TRUST

England & Wales · Charity number 292101

## Details

| | |
|---|---|
| **Other names** | THE HISTORIC DOCKYARD CHATHAM |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 01804108 |
| **Registered** | 1985-07-10 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | The Fitted Rigging House<br>Main Gate Road<br>The Historic Dockyard<br>Chatham<br>Kent<br>ME4 4TZ |
| **Phone** | 01634823800 |
| **Email** | info@chdt.org.uk |
| **Website** | www.thedockyard.co.uk |

## Activities

**Objects:** 1. TO SECURE FOR THE PUBLIC BENEFIT THE PRESERVATION AND USE OF THE HISTORIC DOCKYARD AT CHATHAM IN THE COUNTY OF KENT IN A MANNER APPROPRIATE TO ITS ARCHAEOLOGICAL, HISTORICAL AND ARCHITECTURAL IMPORTANCE. 2. TO PROMOTE AND FOSTER FOR THE PUBLIC BENEFIT A WIDE KNOWLEDGE AND UNDERSTANDING OF THE ARCHAEOLOGICAL, HISTORICAL AND ARCHITECTURAL SIGNIFICANCE OF THE HISTORIC DOCKYARD.

**Activities:** The Trust's primary objectives are the presentation of The Historic Dockyard Chatham, the most complete 18th Century dockyard in the world, and the education of the public in its historical, architectural and arcaheological importance.

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## Classification

- **How:** Provides Services
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

## Geography

- **Area of benefit:** CHATHAM
- Medway

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-31 | £9,759,615 | £9,531,585 | £20,192,913 | 150 |
| 2024-03-31 | £9,565,744 | £9,544,126 | £19,967,314 | 145 |
| 2023-03-31 | £9,822,128 | £8,585,897 | £19,873,853 | 142 |
| 2022-03-31 | £6,806,334 | £7,848,378 | £18,660,816 | 133 |
| 2021-03-31 | £5,925,847 | £6,500,561 | £19,656,630 | 140 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **Admiral Sir Trevor Alan Soar OBE** | Chair | 2016-05-26 |
| Anthony David Jones | | 2024-05-23 |
| Diane Elizabeth Lees | | 2024-05-23 |
| Duncan Henry Wilson OBE | | 2020-02-27 |
| Harinder Singh Mahil | | 2024-05-23 |
| Paul David Hudson | | 2017-05-24 |
| Robert John Allison | | 2021-11-25 |
| Sarah Elizabeth Roots | | 2018-02-24 |
| William Anthony Corbett | | 2017-05-24 |

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**THE CHATHAM HISTORIC DOCKYARD TRUST**

England & Wales - Charity number 292101

# Accounts

# The Chatham Historic Dockyard Trust

## Trustees' Report and Financial Statements

## for the year ended 31 March 2025

Company number 01804108

Registered Charity number: 292101

FRIDAY

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COMPANIES HOUSE

## Vision

The most complete and best-preserved Dockyard of the Age of Sail will increase its impact through innovative reuses of our heritage assets making it ever more relevant to all users, providing excellent experiences for all and inspirational learning for the widest audiences.

## Our Strategic Objectives

**Preservation**

To set the benchmark in maintaining excellence in the sympathetic preservation and use of The Historic Dockyard, its buildings, ships and collections through diverse re-use. Excellence in management of the heritage environment and building use will remain essential in preserving the unique, award-winning, historic character of the site.

**Learning**

To engage the widest audiences in learning about the significance and role of the former Royal Dockyard at Chatham and its people in supporting the Royal Navy from sail to steam to nuclear power over a 400-year period.

Utilising on-site heritage assets as the foundation for an industry leading museum and heritage site, we will maximise our reach and capacity whilst maintaining quality in delivering inspirational programmes and engaging activities which will incorporate the best use of digital technology and outreach activities.

**Excellence**

Providing excellence in everything we do, we will deliver an unmatched, inspirational and memorable experience for all users of The Historic Dockyard - whether visitors, tenants, residents or students - that exceed their expectations and maintains a balanced ecology of uses.

In setting and pursuing these objectives the Trustees have had regard to the Charity Commission's guidance on public benefit.

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**Patron**
HM The King

**Vice Patrons at 31 March 2025**
Admiral Sir Ian Garnett KCB
The Rt. Hon Sir Timothy Sainsbury Kt PC
Lord-Lieutenant of Kent, The Lady Colgrain

**Trustees and Board Members**
Admiral Sir Trevor Soar KCB, OBE, DL (Chairman)
Professor Robert Allison CBE, DL
Sir Ian Andrews CBE, TD (Retired 24/09/2024)
Mr William A Corbett
Mr Paul D Hudson OBE
Mr Paul Jackson OBE
Mr Anthony D Jones (Appointed 23/05/2024)
Dame Diane Lees CBE (Appointed 23/05/2024)
Cllr Harinder Mahil (Appointed 23/05/2024)
Miss Sarah E Roots
Mr Duncan Wilson CBE
Mrs Deirdre Wells OBE

**Secretary**
Mr Christopher Langridge (Retired 31/03/2025)
Miss Jo Kesbey (Appointed 01/04/2025)

**Company members**
The Trustees and Board Members (as above)
The Rt. Hon. The Secretary of State for Defence
The Rt. Hon. The Secretary of State for Digital, Culture, Media and Sport
Mr John Spence OBE DL (Deceased 26 January 2025)

**Key Management**

| | |
|---|---|
| Mr Richard Morsley | Chief Executive |
| Mr Paul Barnard | Deputy Chief Executive |
| Mrs Lynnette Crisp | Director of Communications & Public Engagement |
| Mr Jonathan Arthur | Director of Estates & Preservation |
| Ms Olivia Horner | Director of Commercial & Operations |
| Mr Sean Rodwell | Director of Finance & Resources |

**Bankers**
Barclays Bank PLC
13 Fremlin Walk
Maidstone
Kent ME14 1QG

**Auditor**
Azets Audit Services
First Floor, River House
1 Maidstone Road
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**Solicitors**
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22 Mount Ephraim
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**Registered Office**
1st Floor North
Fitted Rigging House
The Historic Dockyard
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Kent
ME4 4TZ
Tel: 01634 823800 / www.thedockyard.co.uk

The Trust gratefully acknowledges the financial and other support during 2024/25 of its Dockyard Ambassadors, and of its many stakeholders and funders, so essential to its successful operation.

Major Donors and Supporters during 2024/2025 (in alphabetical order):

Arts Council England
The Art Fund
The Garfield Weston Foundation
Marsh Christian Trust
National Lottery Heritage Fund
Sir Charles Jessel Charitable Trust
The V&A Purchase Grant Fund
Ward Security
The Wolfson Foundation

We would like to thank all of the individuals and organisations that have supported the Historic Dockyard through this year, including those who have generously left gifts in the form of a legacy. Their support is hugely appreciated and makes a real difference to the valuable work we do.

In addition, we would like to thank, in particular, the Department for Digital, Culture, Media & Sport and Medway Council for their continued valuable support over many years.

The Chatham Historic Dockyard Trust is a registered charity (Charity No. 292101) and registered company (Company No. 01804108).

Gifts and donations made by UK taxpayers under gift aid substantially increase the value of donations made.

The Trust is a Fully Accredited Museum.

# Trustees' annual report incorporating the strategic report

For the year ended 31 March 2025

## Chairman's Introduction

As Chairman of Chatham Historic Dockyard Trust, I am pleased to present the Annual Report for 2024/25. This year has been one of reflection, celebration and adaptation. 30 March 2024 marked 40 years since the closure of the Royal Dockyard at Chatham, a milestone that offered the opportunity to look back on all that has been achieved and to chart an ambitious course for the future.

In the four decades since closure, the Dockyard has transformed from a symbol of loss for Medway into a thriving, mixed-use heritage estate combining preservation with innovation and learning. Our year-long Dockyard40 programme remembered the devastating impact of closure, celebrated the progress made by the Trust, and invited everyone in our communities to connect with the Dockyard's story now and in the future.

We are also greatly saddened by the passing of two of the Trust's founding Trustees, Mr John Spence and Sir Christopher Wates. As founding Trustees, both played a vital role in the establishment of the Trust and its subsequent success over the last four decades.

This report covers the period from 1 April 2024 to 31 March 2025.

### Visitation

We welcomed 151,853 visitors this year, a 6% increase on 2023/24 despite the wider economic pressures affecting the sector. New exhibitions, engaging family programming and well-targeted marketing helped keep the Dockyard front of mind. Our Call the Midwife Official Location tours and seasonal events remained key draws, bringing in both new and returning visitors.

We maintained our commitment to high-quality, formal learning, engaging more than 12,500 young people. This included 900 pupils from high pupil premium schools in Medway through our new Dockyard Discoverers scheme. I am proud to note that the Historic Dockyard was once again recognised with the Sandford Award for Heritage Education, a reflection of the quality and impact of our learning offer.

### Dockyard40 and public engagement

The Dockyard40 programme brought our story to life through a mix of exhibitions, events, community outreach and a high-profile PR campaign that secured national media coverage. Highlights included the spectacular Ghost Ships production by our partners at Icon Theatre and the return of Medway's Armed Forces Day to the Dockyard, where 10,000 free tickets were offered to local residents.

With a strong focus on reconnecting with our community during this anniversary year, it was especially encouraging to see that 52% of new ticket purchases came from local visitors who had not been to the Dockyard in at least the last two years.

### Collections, exhibitions and programming

We expanded our museum collection with several important acquisitions and began the phased relocation to a new, purpose-built collection store that will improve access and long-term care. Our temporary exhibition programme included RNLI200, created in partnership with the RNLI to mark their bicentenary, and Ralph Steadman: INKling, the first major UK exhibition in nearly a decade from the renowned Kent-based artist. These exhibitions attracted a broad mix of visitors and played a key role in supporting our wider learning and public engagement objectives.

### Preservation

Our "Preservation through Reuse" approach remains central to our work, with essential works delivered across the 80-acre estate. A major milestone was the start of restoration works on Commissioner's House, initially made possible by a £2.3 million grant from the Department for Culture, Media and Sport's Museum Estate and Development Fund

(MEND). Planning also progressed on Docking Station, our partnership project with the University of Kent and Medway Council, which will breathe new life into the Police Section House.

**Commercial and financial performance**

Our commercial tenanted estate remained strong, generating over £3 million in sustainable income. Visitor trading delivered a net profit of £153k, with hospitality sales at £231k. Rope sales and filming revenue remained healthy, and Mission Christmas again proved a popular seasonal offering.

**Excellence and recognition**

We were proud to earn VisitEngland's Gold Award and a record 95% score in our annual VAQAS assessment. We also received the Beautiful South Gold Award for Accessible and Inclusive Tourism and the Tripadvisor Travellers' Choice Award for the 14th consecutive year.

**Looking ahead**

Informed by new audience research and broad stakeholder engagement, we are preparing to launch our new 10-Year Strategy in July 2025. This strategy sets out a clear path forward, focused on three priorities: putting audiences at the heart of our work, preserving our unique heritage through reuse, and building long-term resilience. Together, these will support our ambition to grow as a world-leading maritime heritage destination.

On behalf of the Board, I would like to thank our staff, volunteers, partners and supporters for their continued commitment. As we look ahead, we do so with pride in what we have achieved and a strong sense of purpose for the future.

Admiral Sir Trevor Soar KCB OBE DL

Chairman

## Strategic Report - Vision & Objectives

### Vision

The most complete and best-preserved Dockyard of the Age of Sail will increase its impact through innovative reuses of our heritage assets making it ever more relevant to all users, providing excellent experiences for all and inspirational learning for the widest audiences.

### Our Core Charitable Objectives

- The preservation of The Historic Dockyard Chatham, the most complete 18th Century dockyard in the world
- The education of the public in its historical, architectural and archaeological importance.

### Our Strategic Objectives

**Preservation**
To set the benchmark in maintaining excellence in the sympathetic preservation and use of The Historic Dockyard, its buildings, ships and collections through diverse re-use. Excellence in management of the heritage environment and building use will remain essential in preserving the unique, award-winning, historic character of the site.

**Learning**
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Utilising on-site heritage assets as the foundation for an industry leading museum and heritage site, we will maximise our reach and capacity whilst maintaining quality in delivering inspirational programmes and engaging activities which will incorporate the best use of digital technology and outreach activities.

**Excellence**
Providing excellence in everything we do, we will deliver an unmatched, inspirational and memorable experience for all users of The Historic Dockyard – whether visitors, tenants, residents or students – that exceed their expectations and maintains a balanced ecology of uses.

## Achieving the Learning Objective

Historically, we have delivered our Learning objectives by operating our ships, collections, open spaces, museums, galleries, and public programmes as a visitor attraction.

### Visitation

In 2024/25, we welcomed 151,853 visitors to the Historic Dockyard, representing an increase of c.6% from 2023/24 levels.

Whilst this remains below both our long-term ambition and our original target for the financial year, the operational context from across the visitor economy in the UK evidenced that the sector widely experienced a drop of between 10-15% in visitation compared to 2023. The wider sectoral pressures were widely attributed to ongoing economic pressures, increased overseas travel, and the impact of major international events such as Paris 2024 Olympics, especially given the ease of travel from Kent and London.

The budget had assumed a 6.8% increase in visitor numbers compared to 2023/24, based on trends observed at the Dockyard and within the wider tourism sector. Although April 2024 saw relatively strong performance, the following months experienced a decline in both visitor numbers and admissions income.

Initial analysis identified the shortfall was primarily driven by individual ticket sales (walk-up and online), while other income sources including Learning, Group Sales, and Call the Midwife Official Location tours were performing at or above expectations. This prompted an early reforecast and a shift in strategy, which included:

- Targeted digital advertising to promote core product and increase web traffic
- Price promotion via a "Kids Go Free" campaign during the six-week summer holiday, designed to maintain yield without applying a blanket discount
- Enhanced summer programming supported by a dedicated communications campaign

Despite these interventions, visitor numbers did not reach anticipated levels, leading the Executive team to reforecast individual visitor performance for the remainder of the year.

**Dockyard40**

In 2024, we marked 40 years since the closure of Chatham Dockyard with Dockyard40, a 12-month programme designed to remember the devastating impact the closure of the Dockyard had on Medway, celebrate the achievements of Chatham Historic Dockyard Trust in preserving the former Royal Dockyard and reconnect new and existing audiences with our story.

**Programme highlights:**

**PR, Marketing and Digital Engagement**

- A press campaign reached over 2 million people, including features in *The Times, BBC News Online, BBC South East Today* (18-minute segment), *ITV Meridian*, and *Kent Messenger* (8-page supplement).
- Digital engagement reached 1.2 million users, supported by an interactive timeline featuring archival material and personal accounts.
- A souvenir edition of *Periscope (the* official newspaper of HM Dockyard Chatham from 1965 to 1983). The 8-page paper shared stories from today's Dockyard alongside guest contributions from staff and memories from the very first Dockyard visitor.
- A 40% discount on annual tickets for Medway residents.

**Community Events, Exhibitions and Workshops at the Historic Dockyard**

- *"40:40 - 40 Years of Redevelopment"* - a photographic exhibition featuring 40 "before and after" images captured the Dockyard's transformation since 1984.
- *"Dockyard Mateys tour"* - created for Heritage Open Days, this 90-minute walking tour, led by former Dockyard apprentices, offered a perspective on the Dockyard through the eyes of those who worked there.
- Partnering with Medway Archives, we hosted Reminiscence Sessions themed around Dockyard closure. These sessions provided an opportunity to connect with former Dockyard workers and apprentices, including some of our own volunteers whose stories have not been previously captured.
- *"In Conversation With..."* talks series - a new monthly evening programme spotlighted key figures linked to the Trust's development and commemorated anniversaries like D-Day80, CAVALIER80, and the Three Cruisers' 110th anniversary.

**Community Outreach, Events & Festivals**

We attended a broad range of community outreach events, significantly increasing our visibility beyond the Dockyard's walls, including;

- ***"Dockyard40: Transform"*** - in collaboration with Medway School of Arts Foundation students, we created a portrait photography exhibition celebrating the people who shaped the Dockyard's transformation. It toured three venues including the Halpern Gallery and Mid Kent College
- ***"Human Library"*** - this project gave visitors the chance to hear authentic stories from former Dockyard workers and apprentices. The Human Library debuted at Armed Forces Day and grew in popularity throughout the year.

- *"Anchors Aweigh"* - a creative collaboration with Gillingham-based CIC **Unravel & Unwind**, this community yarn-bombing project saw over **50 participants** contribute **over 300 hours to** produce crocheted anchors, ships, themed post box toppers and a knitted tribute for the iconic Thomas Waghorn statue at Chatham Station. It connected communities with Dockyard heritage in a playful, inclusive way.
- *"40 Years in the Making"* - **this touring exhibition** showcased key moments in the Dockyard's journey, including the key decisions that led to the closure of the Dockyard and celebrating achievements from the Trust's 40-year history
- **Care Home Outreach** - as an extension of our Mobile Dockyard initiative, we developed new themed reminiscence sessions for care homes featuring **Anchors Aweigh** pieces and **40:40** photography. The programme engaged **four care homes** on a **monthly** basis.

Beyond Medway, the Dockyard40 programme reached a global stage through presentations at industry conferences, including the Association of Independent Museums (AIM), the Association of Cultural Enterprises (ACE), and the International Congress of Maritime Museums (ICMM). These speaking engagements provided an opportunity to share the Dockyard story with industry peers while highlighting the Trust's innovative operating model, of 'preservation through reuse' honed over the past four decades.

**Signature events**

As part of our wider major events programme, we hosted some additional activity linked specifically to our 40th anniversary. These included:

- *Armed Forces Day* - in partnership with Medway Council, we hosted Medway's official Armed Forces Day for the first time since 2009. Offering 10,000 free tickets, the event featured military parades, live music, and family entertainment.
- *Ghost Ships* - an extraordinary production by the award-winning Icon Theatre that recharted the history of Chatham Dockyard through explosive storytelling. Blending Hip Hop dance from Olivier Award winners ZooNation: The Kate Prince Company, Kathak from Amina Khayyam Dance Company, original live music, and the power of a community choir, Ghost Ships shared the untold stories of individuals who built and sailed the ships of Chatham Dockyard. The production earned widespread critical acclaim, with glowing reviews from The Times, The Telegraph, and the Evening Standard.

Despite broader trends of declining visitor numbers, we saw a 3% rise in visitors from ME postcodes, with 52% of ticket purchasers not having visited in the previous two years—a clear success in re-engaging local audiences.

**Museum and Collections**

This year has seen significant developments in the Museum and Collections team, marked by exciting acquisitions, infrastructure progress, and forward planning for our long-term vision for the museum.

We acquired a letter signed by King Charles II (1630–1685), purchased at auction. Dated 18 October 1667, the letter offers an insight into the events surrounding the Dutch Raid on the Medway. It is now the oldest object in our collection.

With generous support from Art Fund and the V&A Arts Council Purchase Grant Fund, we secured *"A View of Chatham"*, a painting attributed to Ramsay Richard Reinagle. This early 19th-century painting captures a view north across the River Medway from Jackson's Field, offering an interesting visual record of the Dockyard around 1800.

To safeguard our growing collection, we are currently undertaking a major relocation project of our Collections Store. Prompted by deteriorating conditions in the current facility, construction of a new store within the Fitted Rigging House is now complete, the move will significantly enhance storage conditions and access and is planned to take place gradually over the next two years.

We were also pleased to formally launch the Disability Trailblazers trail on 26 September 2024. This trail is part of Curating for Change, an initiative funded by National Lottery Heritage Fund and delivered in partnership with Accentuate and Screen South, providing opportunities for D/deaf, disabled and neurodivergent people, to pursue a curatorial career in Museums. The 'Disability Trailblazers' was researched and curated by Curating for Change Fellow Suchi Chatterjee, who worked with a volunteer Co-Production Group to uncover and share disability history connected to Chatham Dockyard and the Royal Navy.

**Historic Ships**

Our historic ships programme continues to balance essential conservation with improved visitor experience, ensuring the long-term care and interpretation of the warships in our collection.

Extensive works continued on HMS GANNET this year, including the Poop Deck and Commander's Cabin. Repairs to the Main Deck are planned, while urgent works on the foremast are currently underway and due for completion by September 2025.

With CAVALIER'S 80th anniversary in 2024, focus was given to improving the visitor experience around the ship. These included enhancements to the queuing structure, updated interpretation, and the installation of the CAVALIER 80 commemorative display in No.1 Smithery. However, an issue of asbestos contamination, caused by leaks near the bridge, has been identified and works are currently underway, whilst trying to achieve minimal disruption to the visitor experience.

As we near the completion of our new 10-Year Strategy, we are preparing a new Museum Strategy which will define how we interpret and share the Dockyard's story for the next decade. With audiences at the core of our decision making we will ensure our content remains relevant, accessible, and impactful for future generations.

**Temporary Exhibitions**
We programme our temporary exhibition spaces in No.1 Smithery annually. These exhibitions do not necessarily share a Dockyard story but are used primarily to raise awareness of the Dockyard to new audiences and drive visitation.

**RNLI200: The Exhibition (March - August 2025)**

As a long-standing partner of the RNLI, we were proud to collaborate with the RNLI Heritage team to mark the charity's bicentenary with a new, temporary exhibition: RNLI200. This exhibition celebrated 200 years of courage, innovation, and lifesaving at sea, honouring the people, technology, and stories that have defined the RNLI since its founding in 1824.

The exhibition was officially opened on 21 March 2024 with a press preview and evening reception attended by Admiral Sir Trevor Soar KCB OBE DL and RNLI Chair Janet Legrand OBE KC (Hon), who together unveiled the exhibition.

Media coverage for the exhibition included The Times, BBC Online, Country Life as well as local support from BBC Radio Kent, BBC South East and Kent Messenger.

We were also proud to host *RNLB Her Majesty The Queen* for the duration of the 2024 season, providing an iconic welcome at the entrance to No.1 Smithery. The lifeboat named by, and after, Her Late Majesty Queen Elizabeth II, was handed over to Sir Trevor Soar and the RNLI Historic Lifeboat volunteers by HRH The Duchess of Edinburgh during a ceremony at Windsor Castle.

**Ralph Steadman: INKling (September - November 2024)**

With the aim of attracting new and diverse audiences to the Historic Dockyard, we partnered with renowned Kent-based artist Ralph Steadman to create a brand-new exhibition: INKling.

Curated by his daughter Sadie, this show marked Ralph's first major exhibition in the UK in a decade and offered a rare opportunity to explore the breadth of his extraordinary career. *INKling* showcased four distinctive areas of his work, from his iconic Gonzo journalism illustrations and political satire, to his interpretations of literary classics and children's book art.

The exhibition was officially opened by Ralph himself at an evening reception on 19 September 2024.

A press campaign resulted in significant national media coverage across *The Sunday Times, Mail on Sunday* and *Financial Times* as well as a full-length interview with Samira Ahmed for BBC Radio 4's *Front Row.*

**National Historic Ships Photography Competition**

For the third year running we worked with National Historic Ships to host their photography competition at the Historic Dockyard. The images featured in this exhibition are from the 2023 competition which had a theme of "In all weathers" and showcased a range of traditional heritage vessels captured by amateur photographers around the UK. The exhibition was on display in the Pipe Bending Floor from September to November.

**Brickwrecks: Sunken Ships in LEGO Bricks (opened March 2025)**

In 2024, we made a strategic decision to enhance our 2025 visitor programme with a high-profile exhibition designed specifically to increase footfall. Through a successful partnership with the National Maritime Museum Australia, we secured the UK debut of "Brickwrecks: Sunken Ships in LEGO® Bricks," an exhibition that combines maritime history with the global popularity of LEGO®.

Originally developed in Sydney by the National Maritime Museum Australia in collaboration with LEGO® Certified Master Builder Ryan McNaught, Brickwrecks is officially recognised by the LEGO Group and uses the familiar brand to explore the world of shipwrecks. The exhibition blends large LEGO® models with real and replica artefacts, as well as interactive displays.

Following a successful run in Australia, Brickwrecks travelled to Chatham from the Vasa Museum in Sweden. The Vasa Museum reported a 25% increase in visitor volume in the first three months alone and visitor research indicated that nearly 49% of attendees were motivated to visit specially because of the exhibition.

Brickwrecks: Sunken Ships in LEGO® Bricks officially opened on 9 March 2025. The intention is not only for the exhibition to be a key visitor draw but also an opportunity to deepen our Lifelong Learning offer, particularly by aligning exhibition themes with the STEM curriculum. In addition to school engagement, the exhibition provides content for extended programming to a wide range of audiences, from build sessions for adults, corporate hospitality and team building to public engagement and use of our collections to further explore the maritime archaeology associated with shipwrecks.

The launch of Brickwrecks was supported by a high-impact communications campaign. The campaign launched on International LEGO Day (January 2025) with a LEGO-building competition. Entrants were invited to create Dockyard-inspired models, with winners selected by Ryan McNaught and featured as part of the exhibition. The press launch generated national coverage in *The Telegraph, The Guardian Online,* and *The i,* alongside local features from *BBC Online* and *Kent Online,* and specialist publication, *Blocks* magazine. A dedicated marketing campaign continues to run throughout the exhibition, targeting our key audience segments: *Focused Families* and *Military & History Enthusiasts.*

**Value Added Family Programming**

Attracting family audiences during peak visitation periods remains a priority, providing additional reasons to visit in a competitive seasonal landscape and reinforcing the value of annual tickets. In 2024, we expanded the integration of family programming across the entire visitor experience, increasing animation across the site and linking activities more closely with authentic Dockyard history.

We piloted new approaches this year, including working with professional actors, thematic retail and catering offers, and cross-departmental content development. These initiatives aimed to increase family engagement, boost ticket sales (both new and return visits), and test formats for future programming, aligning with our primary audience segment *Focused Families* and secondary segment, *Fun Time Families.* Programme delivered in 2024/25 included:

**Stormy Stan's Chatham Challenge (Easter 2024)**

- A self-led trail-based activity led by the RNLI's character, Stormy Stan, inviting children to embark on a rescue mission to find scattered lifebuoys around the Historic Dockyard and solve clues linked to water safety. Stormy Stan himself made live appearances on selected dates.
- Themed catering offer: "Build Your Own Snack Box" at the Mess Deck.
- RNLI-themed retail products.

This activity extended beyond Easter to support long-term RNLI engagement.

**The Brave and the Waves (May Half Term)**

- A bespoke interactive promenade theatre show staged in and around the RNLI's Historic Lifeboat Collection (Slip 4), exploring the theme of bravery.
- The story followed three children (live actors) through tales of courage and kindness across two centuries.

**The Game is Afoot (Summer Holidays)**

- A Sherlock Holmes-themed detective activity based on a real crime from Dockyard history.
- Children became "Dockyard Detectives," solving clues to uncover who sold naval secrets in 1887.
- Featured a live actor to introduce the activity, detective kits (including notebooks and deerstalkers), interactive challenges and a "crime lab" photo opportunity.
- "Sherlock Scones Afternoon Teas" were developed and sold in Mess Deck, along with thematic retail product.

This activity also served as a pilot test theming for a potential future film location tour.

**Yuck Yard (October Half Term)**

- Yuck Yard drew on the more gruesome aspects of Dockyard history, exploring unpleasant jobs, medical misfortunes, and the bizarre cures of the past.
- Included a professional two-person show, *Battle of the Bilge,* a site-wide *Rat Catchers Trail* with seven interactive stops and a *Gallery of Goo,* where children could create artworks by firing paint splats onto a giant canvas.
- Foul Face Painting was provided in partnership with Mid Kent College students.
- Themed food and retail include "Gruesome Tea Trays," "Eyeball Sandwiches," and "Slim Green Milkshakes" in the Mess Deck.

**The Rat Pack and the Lost Shipwreck (February Half Term)**

- A self-led trail following the popular rat characters developed for October's Yuck Yard.
- Children were tasked with helping the rats protect a legendary treasure map of HMS PANDORA by finding scattered segments across the Dockyard.

This activity was designed specifically to build excitement ahead of our major exhibition launch in March 2025 and the trail ended at a LEGO ship model.

**Major Events**

With a 40th anniversary programme, 2024 was a busy one for major events. These activities helped us reach new audiences and commemorate our heritage.

- *Medway Gaming Festival (June).* Now in its fourth year at the Dockyard, this event celebrates gaming in all its forms. It serves as a key audience development initiative, attracting visitors who may not typically engage with our core offer. In 2024, the festival welcomed approximately 5,382 paid attendees. This shows a small decline in volume on the previous year but presented an increase in ticket revenue due to a slight increase in the ticket price. The event draws a very local audience, with 69% of attendees being from the "ME" postcode area.
- *Armed Forces Day (June).* As part of our 40th anniversary programme, we partnered with Medway Council to host Medway's Armed Forces Day for the first time since 2009. We issued 10,000 free tickets, proactively removing the price barrier for Medway residents to experience a day at the Dockyard. Almost 60% of event attendees were first-time visitors and unsurprisingly, this event attracted our most local audience when compared to the visitation for other events and experiences.
- *Salute to the '40s (September).* Our long-standing annual event welcomed c.4,640 visitors to site over the weekend, showing a slight increase in volume on the previous year. The event attracts a more geographically diverse audience with the highest proportion of visitors from outside of Kent and Medway compared to our other events.
- ***Ghost Ships (September).*** A new, immersive theatre experience developed in collaboration with Icon Theatre, Ghost Ships reimagined the Dockyard's history through explosive storytelling and live performance. 2,362 visitors attended across three nights, offering an innovative take on telling our 400-year story.

- *CAVALIER 80 (November).* We marked the 80th anniversary of the commissioning of HMS CAVALIER with a formal ceremony held at the Royal Dockyard Church. Led by the Dean of Rochester and Admiral Sir Trevor Soar, and opened by Vice Admiral Sir Jeremy Blackham KCB, the event was attended by members of the HMS CAVALIER Association, RNA Chatham, and invited guests. A dedication and blessing of the HMS CARYSFORT Standard was also performed during the service.

As a charity, our programming needs to align with our core purpose. Where events sit outside our primary remit, they must have clear strategic outcomes, either by generating commercial income or expanding our audience reach.

Rising operational costs and changing audience behaviours have prompted us to commission a strategic review of our major events programme. While this work is ongoing, we have already made some difficult but necessary decisions in the interest of financial sustainability. The Medway Gaming Festival will not return in 2025. 2025 will mark the final year of Salute to the '40s, aligning with the 80th anniversary of the end of the Second World War and bringing the event to a fitting conclusion.

These changes reflect our ongoing commitment to delivering purposeful, high-impact programming that supports both our vision and long-term financial resilience.

**Formal Learning**

This year, our formal learning offer continued to face challenges, particularly due to rising transportation costs that have constrained school group visitation. Despite this, we are pleased to report that over 12,500 learners engaged with our programmes, both on site and through our outreach programmes.

We are proud to have once again been awarded the prestigious Sandford Award for Heritage Education, recognising the excellence of our Lifelong Learning team and the high-quality educational experiences we provide.

In 2024, we launched the "*Dockyard Discoverers*" initiative, a new scheme that enabled 900 students from high Pupil Premium schools in Medway to visit the Historic Dockyard free of charge. This programme offered underprivileged children the opportunity to experience our award-winning learning environment and take part in fun, interactive sessions that explored STEM principles, all linked directly to the national curriculum. The initiative was made possible by a generous grant from the Charles Burnett III Memorial Fund, administered by Kent Community Foundation. We are actively exploring opportunities to expand this programme in 2025.

With support from our Arts Council England National Portfolio Organisation (NPO) funding, we also relaunched our Arts Award programme. New sessions were developed to align with our wider programming, and this year, 60 young people successfully completed their *Arts Award Discover* certification.

Our *Home Educator Days* continue to grow in popularity, offering structured, curriculum-linked learning opportunities for home-educating families. Held four times a year, these sessions cater to a broad range of ages and learning styles, and have become a key part of our learning offer.

**Public Engagement**

In 2024, we strengthened our commitment to community engagement and accessibility through a range of inclusive initiatives, local partnerships, and creative programming. Much of the focus and theming of our activity was linked to our 40th anniversary.

We hosted a range of exhibitions in the Namur Room, our free-to-access community space. These exhibitions were co-curated with both new and established partners, reflecting the diversity and creativity of our local community. New collaborators this year included Medway Diversity Forum, Unravel & Unwind CIC, and Medway School of Arts. We also built on existing relationships with Hazelnut Press, Kent Autistic Trust, and the Medway African Caribbean Association (MACA). We continued to align exhibitions with wider Medway cultural events, including the Medway Print Festival and Medway Open Studios.

Thanks to Arts Council England NPO funding, much of our access and inclusion programming remains free to participants, ensuring price is not a barrier for engaging with us. We delivered two British Sign Language (BSL) tours and two audio-described tours focused on key Dockyard themes and exhibitions and through collaborating with local artist Wendy Daws, we were able to create a tactile art book linked to the Ralph Steadman: INKling exhibition.

This year we have prioritised increasing everyday accessibility over occasional offerings. We were pleased to launch our Sensory Support Backpacks for the 2024 season. Designed for visitors with special educational needs, these complimentary packs contain calming and interactive resources to support accessibility during visits. We have also improved the clarity of access information on our website. A new blog was launched to guide SEND families, providing information on sensory triggers, quieter times of day, and specific details about holiday activities. Following positive feedback from our *Mission Christmas* relaxed sessions in 2023, we offered dedicated relaxed days during the 2024 festive season.

Our monthly Dementia Café continues to grow in popularity, with us celebrating its first birthday in September. Generously supported by the Medway Sunlight Rotary Club, the café offers activities for people living with dementia and their carers. In 2024, the café welcomed external organisations including Bright Shadow, Kent Fire & Rescue, and Carers First. We also share hands-on activities with attendees linked to Dockyard stories.

A highlight of our year was receiving the prestigious GOLD award for Accessible and Inclusive Tourism at the Beautiful South Awards. This proud achievement is a testament to our ongoing commitment to creating an open and welcoming Dockyard for all.

**Marketing and Communications**

The Marketing and Communications team plays a central role in supporting the entire organisation, helping to drive awareness, deepen engagement, and support the fulfilment of our learning objectives through digital and offline activity.

This year, we delivered targeted campaigns across all major initiatives, including value-added family programming, temporary exhibitions, public engagement activity, and major events. Our primary focus was on increasing web traffic, converting web users into online ticket sales, and ultimately driving visitation.

Our digital content strategy remains closely aligned with the Trust's mission, particularly during our 40th anniversary year. We created engaging content around *Dockyard40*, sharing stories that increased reach and deepened audience connection.

Our key digital platforms include our website, thedockyard.co.uk, supported by social media and email marketing. Website user numbers reached an all-time high, with a modest increase on the previous year. Engagement rose to 55%, representing a 12% uplift year-on-year.

On social media, we continue to strike a careful balance between sales-driven messaging and authentic storytelling. Evergreen content such as *Warship Wednesday* and *On This Day* consistently deliver high engagement. Both Facebook and Instagram saw steady growth over the year, with Facebook remaining our top channel for both engagement and website referrals.

We increased the frequency of our enewsletter campaigns, alternating between focused, single-story emails and broader editions featuring multiple updates. While open rates remained stable, the subscriber base grew significantly.
Offline, our efforts focused on targeted distribution of printed leaflets and out-of-home advertising within the local area, maintaining visibility and presence in our key audience catchment areas.

To mark our 40th anniversary, we also launched *Dock Chat*, a new monthly podcast hosted by long-time volunteer and seasoned radio presenter, John Robinson. The podcast explores the stories, people, and history of the Dockyard, offering a new platform to grow our audience and share our stories.

**Audience Development**

As part of the development of our new 10-year strategy, we commissioned BDRC BVC to undertake a comprehensive audience research project. This work aimed to deepen our understanding of current, lapsed, and non-visitors, providing insights into awareness levels, motivations, and preferred engagement methods.
The resulting report offers a deep evidence base that will shape our audience-first approach going forward. Through this process, we have developed seven bespoke audience segments, enabling us to better develop our offer, experiences, programming, and marketing.

We have prioritised these segments based on size, value, and likelihood to visit. Our two primary audiences are *Military & History Enthusiasts* and *Focused Families.* These groups closely align with our core offer and have strong growth potential. Secondary audiences include *Fun Time Families, Curious Creatives,* and *Live Experience Lovers.*

This research and segmentation will play a vital role in shaping our future and inform how deliver against the objectives in our new strategy. Data driven decisions will ensure we produce relevant, inspiring, and engaging experiences that meet the needs of our priority audience groups, now and into the next decade.

**Achieving the Preservation Objective**

With over 100 buildings and structures, including 48 Scheduled Ancient Monuments, preservation across our historic estate is a continuous and evolving responsibility. We deliver our charitable purpose of *preservation* through our long-term strategy of "Preservation through Reuse", ensuring these nationally significant assets remain relevant, safe, and sustainable for generations to come.

Over the past year, the Estates Team has delivered a broad programme of Planned Preventative Maintenance (PPM) and restoration projects. Key highlights include:

- Structural survey of Dock Road Wall
- Roof repairs and sea wall repairs on Turks Shipyard, ensuring weatherproofing and structural integrity of the building and helping to safeguard the historic marine edge of the estate.
- Maintenance works on OCELOT Caisson
- Central stairwell repairs and preservation work on Officer's Terrace.
- Roof repair works on the Clock Tower Building
- Restoration of external finishes at the Tarred Yarn Store and M Sub Station.
- Repairs to the glazed façade on Slip 6.

Alongside these projects we commissioned a detailed aerial survey of the river wall which has provided an invaluable benchmark to guide future maintenance planning.

With the appointment of a new Director of Estates and Preservation, a five-year PPM strategy has been developed to ensure alignment with conservation priorities and all statutory compliance obligations, including Electrical Installation Condition Reports (EICR) and Fire Risk Assessments (FRA) have been reviewed.

**Commissioner's House**

Built in 1704 for Captain George St Lo, Commissioner's House has remained largely unchanged for over three centuries. As one of the most significant buildings in our heritage estate, we have embarked on an ambitious restoration project to preserve the building for future generations. Our vision is to enhance public access and re-establish the House as the centrepiece of our hospitality offer.

We were awarded an initial £2.3 million by the Department for Culture, Media and Sport through the Museum Estate and Development Fund (MEND), administered by Arts Council England. Additional funding includes a £245,063 grant from The National Lottery Heritage Fund, £250,000 from the Garfield Weston Foundation, and £100,000 from the Wolfson Foundation.

Despite securing an impressive £2.9 million in grants, further investment is needed to fully deliver the project visions and we have launched a public appeal, inviting individuals and businesses to support the project.

The project is in two distinct phases:

**Phase 1: Repair and Protect**

The first phase will address structural stability of the building through critical repairs. Conservation efforts will preserve historic interior features, including the remarkable ceiling painting of *Mars Crowning Neptune*, attributed to Highmore and Thornhill. Additionally, remedial work will be undertaken to protect the exhibits and collections housed within the building. Sustainability improvements will also be implemented to reduce the house's operational carbon footprint.

**Phase 2: Access, Interpretation, and Reuse**

In the second phase, the Commissioner's House will be opened to the public for the first time. The building will undergo adaptive reuse, serving both as a museum and a hospitality venue. Efforts will also be made to enhance accessibility, ensuring more people can engage with its history. A programme of events within the House will connect enable visitors to appreciate Medway's maritime legacy and the impact of the Dockyard's naval history.

The re-launch of Commissioner's House is scheduled for Summer 2026.

**Docking Station**

Docking Station, our partnership project with the University of Kent and Medway Council, has reached major milestones during this reporting period. The successful capital fundraising campaign has secured £13.4 million towards the project with a recent £3.5 million grant from the National Lottery Heritage Fund completing the campaign.

October 2024 marked a pivotal moment for the project, with key legal agreements completed, including lease exchanges between Homes England, Chatham Historic Dockyard Trust, and the University of Kent. This legal framework brought the Grade II listed Police Section House the stewardship of the Trust, ensuring its long-term preservation and integration into our wider heritage estate.

February 2025 saw senior representatives from the University of Kent, Chatham Historic Dockyard Trust, and Medway Council gather to celebrate the official start of construction.

Over the next reporting period, the Police Section House will be transformed into a cutting-edge creative production facility. Along with constructing a new studio building, commencing later in the year, Docking Station will be home to a range of state-of-the-art facilities that nurture creativity and innovation. Docking Station will drive the development of immersive technologies in the South-East and drive growth in the Creative Industries, one of the priority sectors in the UK economy and a key part of the Government's Industrial Strategy.

**Commercial Estate**

Our commercial estate, home to over 180 business tenants, continues to thrive and diversify. Generating approximately £3 million per year in sustainable revenue, the estate plays a critical role in supporting our broader charitable purpose. The business mix remains dynamic, with a growing creative industries sector, alongside representation from professional services, manufacturing, and both further and higher education institutions.

With the Joiners Shop serviced office space, brought in-house from 1st October 2023, our property estate now provides space from virtual offices and co-working through up to 20,000 sq ft of space.

**Achieving the Excellence Objective**

As an independent charity our aim is to provide excellence in everything we do. We strive to deliver unmatched, inspirational and memorable experiences for all users of the Historic Dockyard - whether visitors, tenants, residents or students - that exceed their expectations.

Developing excellence is the key to unlocking income and creative development across several areas.

**Quality Assured**

We believe that benchmarking against others and using external judgement through accredited schemes is the best way to assess achievement. We participate in the annual VisitEngland Visitor Attraction Quality Assurance Scheme (VAQAS).

We are re pleased to report that for 2024/25 we received a score of 95% - the highest score awarded since the scheme's inception.

**Double Gold Award Winning**

This year, we were proud to be recognised with two prestigious Gold Awards.

We were honoured with the prestigious Gold Award from VisitEngland in its annual Attraction Accolades, recognising the exceptional quality of our visitor experience.

Our remarkable 95% score in our VAQAS assessment earned us our fifth Gold Award and a fitting external recognition for our continued dedication to delivering an unparalleled visitor experience. We were the only attraction in Kent to receive this coveted accolade.

We received the Gold Award from VisitEngland as part of its annual attraction awards, celebrating the outstanding quality of our offer. This marks our fifth Gold Award from VisitEngland and helps to reinforce our reputation for consistently delivering a world-class visitor experience. We were the only attraction in Kent to receive this accolade.

In addition, we were honoured with the Accessible and Inclusive Tourism Gold Award at the 2024/25 Beautiful South Awards, presented by Tourism South East. This award recognises organisations that go above and beyond to create welcoming, inclusive, and accessible experiences for all visitors.

**Travellers' Choice**

We were awarded the 2024 Tripadvisor Travellers' Choice Award, which recognises outstanding visitor experiences, for the 14th year running.

**Investing in our people**

As a charity, investing in our staff and volunteers is fundamental to our culture and essential to our long-term success. We continue to prioritise talent development, succession planning, and workplace wellbeing to support a thriving organisation.

In recent years we have navigated key transitions following the retirement of several long-serving team members. Looking ahead, Nigel Howard will be the next long-standing team member to retire. In preparation, Jonathan Arthur joined us as Director of Estates and Preservation in July 2024, with Nigel continuing in a supporting role as Assistant Director until his planned retirement.

The recruitment of a dedicated HR Manager in September 2024 has marked an important step in strengthening our organisational infrastructure. For the first time, we have a dedicated resource focused on people management. A comprehensive review of our HR policies and procedures has been completed, and a new People Strategy is currently in development to guide future growth and support.

We have also prioritised staff wellbeing, introducing an Employee Assistance Programme (EAP), life coaching opportunities, and bi-monthly "Wellbeing Wednesday" sessions. These initiatives are designed to promote both personal and professional development and create a supportive environment across all teams.

Training remains a core part of our culture, with ongoing development in health and safety, GDPR, cyber security and safeguarding delivered through a blend of online and in-person sessions. Our annual staff and volunteer survey continues to be a valuable tool for collecting feedback, monitoring wellbeing, and generating ideas for improvement.

Promoting Equality, Diversity and Inclusion (ED&I) continues to a key strategic priority. We are actively delivering against our ED&I strategy, which outlines how we will identify and overcome barriers to access and ensure The Historic Dockyard Chatham is welcoming to all. The appointment of the HR Manager has enhanced our capacity to improve staff awareness, confidence, and understanding of ED&I, and to increase the diversity of our workforce through inclusive recruitment practices.

**Staff Complement:**

Permanent - 78

Seasonal – 74

**Volunteers**

Volunteers are the lifeblood of The Historic Dockyard Chatham. From railway operators and ship-keepers to conservators and researchers, their passion, time, and expertise are essential to our daily operations and long-term success. We currently have over 300 registered volunteers, with approximately 150 actively giving their time on a regular basis. We are deeply grateful for everything they contribute.

Our dedicated Volunteer Coordinator continues to provide exceptional support to our teams, prioritising wellbeing, creating a sense of community, and championing volunteer involvement across the Trust. A wide range of engagement initiatives help sustain this valued community, including bi-monthly coffee mornings, monthly e-newsletters, and regular day trips to peer organisations.

Each year, we take part in Volunteers' Week, using this national initiative to shine a spotlight on the incredible impact of our volunteer teams. In 2024, to coincide with our 40th anniversary celebrations, we introduced Long Service Awards to formally recognise the contributions of our volunteers over the last four decades. We proudly presented 88 awards, including 13 honours for over 25 years of service.

**Trading Activity**

As an organisation committed to entrepreneurial and sustainable growth, we continue to drive commercial activity that supports and enhances our charitable objectives. Our trading operations play a vital role in generating unrestricted income, which is reinvested directly back into the Historic Dockyard estate.

**Visitor Trading**

In 2024/25, our consolidated trading activity delivered a net profit of £154,000, with a consolidated visitor spend per head reaching £8.07, showing strong performance across our retail and catering operations.

**Hospitality**

Our hospitality business accounted for £231,000 sales in 2024/25. Notable events included BBC Radio Kent Make a Difference Awards, MHS annual conference,

The team has worked closely with the Estates Department to wind down operations at Commissioner's House in preparation for its upcoming restoration. Our final wedding at the venue took place in October.

With Commissioner's House temporarily closed, the team will operate with limited sales opportunities throughout 2025 and 2026, shifting focus to corporate hire across alternative venues, including the Royal Dockyard Church, Fitted Rigging House, and No.1 Smithery.

The team is actively contributing to the redevelopment planning for Commissioner's House and is working alongside the Marketing team to shape a launch campaign and develop sales strategies in anticipation of its reopening in summer 2026.

**Call the Midwife Official Location Tour**

The *Call the Midwife Official Location Tour* remains one of our most popular experiences. Our costumed midwife guides welcomed over 12,000 fans through the guided tour and exclusive exhibition.

Targeted marketing campaigns helped attract new audiences, and visitor feedback continues to be overwhelmingly positive. The tour consistently draws the highest proportion of visitors from outside Kent and Medway, as well as the largest share of international visitors compared to our other events and experiences. Audience insight shows that 83% of attendees are first-time visitors to the Dockyard, demonstrating its effectiveness in reaching new audiences and increasing our awareness to those who would not naturally engage with our core story.

**Mission Christmas**

*Mission Christmas* takes place during our closed season and transforms the Command of the Oceans galleries into a festive, family-friendly experience, creating a valuable commercial opportunity at a time when the museum is typically not open to the public.

In 2024, the experience welcomed 6,958 visitors. While this represented a slight decline in visitor numbers compared to the previous year, ticket revenue increased by 11%, due to a revised pricing structure and a modest price uplift.

The experience continues to resonate strongly with our local audience, with 68% of visitors coming from ME postcodes. Encouragingly, we are also beginning to see a gradual increase in visitors from other Kent postcode areas, indicating a growing regional appeal. The audience profile for *Mission Christmas* aligns closely with our priority segment, Focused Families, and is also well-supported by Fun Time Families. The experience provides an opportunity to introduce new audiences to the Dockyard, many of whom may not typically engage with our core offer. Our aim is to convert these first-time visitors into annual ticket holders.

**Filming**

The Historic Dockyard remains a sought-after filming location, with revenue from productions generating £230,000 during the reporting period. Several high-profile productions aired in 2024, including SAS Rogue Heroes, A Cruel Love: The Ruth Ellis Story and Steve McQueen's The Blitz, which we leveraged to further raise the profile of the Dockyard.

In response to the growing "set-jetting" trend, heavily promoted by VisitBritain, we are actively developing a new Film Location Tour which is set to launch in 2025. This will build on our filming success and help to diversify our visitor offer.

**Rope Sales**

Trading under our subsidiary Master Ropemakers Ltd, rope sales totalled £426,000, a modest increase from £409,000 in 2023/24. This steady performance is a positive result given challenging market conditions and reflects our continued commitment to preserving the traditional skills of rope-making while sustaining commercial viability.

**10 Year Strategy Development**

Over the last 12 months we have run a collaborative process involving everyone from Trustees through to seasonal staff and volunteers to develop a new 10-year strategy for the Trust. Charting our ambitions for the next decade, the strategy will be officially launched in July 2025 and will see us evolving our museum so that it is more audience-centred and feels more relevant to a larger, broader range of visitors; using our estate to respond to regional needs, including creative industries and being more connected to Chatham and Medway contributing to a stronger sense of place and community.

In the development of our new strategy, we have defined a new vision and set of strategic objectives:

**Our Vision: A world-leading maritime heritage destination**

For over 400 years, Chatham Dockyard has defined the wider development of the Medway Towns and has been the beating heart of its community.

40 years on from its formal closure, our aim is for The Historic Dockyard Chatham to uphold our pioneering strategy of 'Preservation through Reuse,' utilising our heritage assets to deliver both charitable impact and sustainable income generation to achieve this vision.

We will do this by understanding and responding to the needs of our audiences and continuing to preserve the most complete dockyard of the age of sail, recognising that our resilience and sustainability are keys to unlocking our success in the future.

**Our Strategic Objectives**

- **Audience - Putting our audiences first**

Our audiences are crucial to our Learning charitable objective. Over 40 years, we have cultivated diverse audiences. Looking ahead to the next decade, we aim to engage locally, nationally, and internationally. We will innovate and personalise our approach to better connect with priority audiences identified through detailed segmentation. These priorities may shift with external changes and evolving narratives.

Key to our success is identifying priority audiences and adapting our museum experience to meet their needs, while remaining flexible as these priorities change.

- **Preservation - Preservation through reuse**

The concept of "Preservation through Reuse" has been a guiding principle for our organisation for many years and remains as relevant today as it did in 1984. Maximising and boldly taking opportunities as well as finding sustainable, innovative and appropriate re-uses for our heritage assets, we will unlock the potential for both delivering charitable impact and improving our financial sustainability.

- **Resilience - Ensure a long-term sustainable future**

Since our creation in 1984, financial resilience has been a defining factor in our success. Guided by our strategy of "Preservation through Reuse", we successfully adjusted to the withdrawal of Government funding in 2024. Looking ahead, our future growth and ability to deliver against our charitable objectives hinges on our resilience and this is recognised within this strategic objective. We believe that the keys to our longer-term resilience are through the wider development of our property portfolio, growing our audiences, creating innovative income generating experiences, and continuing to develop our links with cultural and creative industries.

In setting and pursuing these objectives the Trustees have had regard to the Charity Commission's guidance on public benefit.

**Governance**

In accordance with the articles of association there are eleven trustees, all of whom are the Directors and members of the Trust, which is a company limited by guarantee. The Secretary of State for Digital, Culture, Media & Sport and the Secretary of State for Defence are also members of the Trust company.

The Trust Board retains ultimate responsibility for strategic decision-making, but ordinary management of the activities and business of the Trust is delegated to the Chief Executive, who in turn delegates specific management areas to appropriate member of his executive team. Specific and defined expenditure and contractual limits are in place and operate effectively. The Chief Executive and key members of the Executive team report regularly to Board committees and to the Trust Board itself.

As vacancies in the Trust Board from time to time arise, it is Trust policy to ensure that new appointments reflect specific skill sets seen as important for a charity of this nature. In accordance with an established protocol, nominations for new Trustees are invited from existing Board members, and considered by a Nominations Committee, which includes the Chairman of the Trust, who consults and invites representations from appropriate Board members. After an interview process, a formal proposal is put to the full Board for decision. Once appointed, new Trustees are given a full day's induction at the Historic Dockyard which includes a full site tour and time spent understanding the business with the Chairman, Chief Executive and other senior managers of the Trust with on-going training provided as necessary.

The Trust Board, Committees of the Board and wholly owned subsidiaries (see below), with their separate boards, have all operated effectively during the year, providing strategic guidance to the Executive team and all-important oversight and scrutiny of delivery against objectives set. Following best practice, the Trust Board has effective Audit, Compliance and Risk, Finance & General Purposes and Remuneration Committees as well as specially formed groups start-finish Committees, such as the Interface Land Committee, to focus scrutiny on areas considered to carry special significance and potential risk. The Audit, Risk and Compliance Sub-Committee during the reporting period comprised of 6 members (Robert Allison, Tony Corbett, Paul Hudson, Tony Jones - Chair, David Philip, David Smith and Sir Trevor Soar). The Committee meets four times a year.

**Financial Management Policies**

Management of the finances of the Trust remains the immediate responsibility of the Director of Finance and Resources who prepares detailed monthly financial and management accounting information for review by the Chief Executive. A summary of the financial position of the Trust and its subsidiaries is also presented for quarterly review and approval to the Finance and General Purposes Committee, and then to the Board itself.

**Trust Net Income/Expenditure**

The consolidated Statement of Financial Activities for the year ending 31st March 2025 shows surplus of £226k (2024: £93k).

**Reserves Policy**

The policy of the Trust is to hold in free reserves a minimum sum of £750k and a maximum level of £1.6m. This reserve is to cover various contingencies such as a significant uninsured loss, a significant event which damages the Trust's reputation leading to a reduction in visitor income, and a reduction in the Trust's rental income. The general reserve can also be used to cover temporary cash flow shortfalls in receiving grant payments relating to major capital projects. At 31 March 2025 this reserve stood at £443k (2024: £373k).

The Trust also maintains a designated development reserve of £517k (2024: £247k), use of which is only to be made when considered appropriate against a conscious review of future risks occurring over a project's /payback period. This reserve can be re-designated to general reserve following the review process should perceived risks have changed, therefore is also considered as part of the free reserves calculation.

The Trust has also established a designated PPM of £185k (2024: £185k), to plan for future planned preventative maintenance requirements across the estate. Similar to the designated development reserve, this can be re-designated to general reserve should perceived risks change, so is also considered as part of the free reserves calculation.

The Trust's Reserves Policy provides for a minimum reserve of £750k but rising to a cash maximum of £1.6m when designated reserves are replenished by rentals received post project completion. The total free reserves (including the development reserve and PPM) at 31 March 2025 were £1.15m (2024: £805k).

This policy is reviewed annually by the Trust Board.

**Investment Policy**

Following a full review of the Trust's policy in 2014/15, £400k, as part of the general reserve, was placed in medium term low risk investments through CCLA. These investments have now increased to £702k on 31 March 2025 (2024: £704k). This investment policy is reviewed annually by the Trust Board.

**Risk**

**The Trust has an active risk register, which is reviewed by the Board twice in each year. The register covers identified strategic risks and monitors movement in risk as a key indicator of progress. Key risks are generally stable and considered manageable.**

Chatham Historic Dockyard Trust holds a business risk register which is reviewed on a regular basis by the Board of Trustees. The register identifies key risks and at the point of reporting, these are listed as the following:

1. A substantial reduction in the resources required to meet the Trust's operational and development needs.
2. The occurrence of significant physical damage to the property, historic character or fabric of the Dockyard.
3. A failure in the strategic or operational management of the Trust.
4. A failure to maintain/manage our IT data-holding and related systems appropriately to meet statutory operational and security imperatives.
5. The loss of key staff or damage to morale within the workforce or volunteer community.
6. Failure to maintain a safe and healthy environment.
7. The loss of a key partner or relationship.
8. Inappropriate development or change of use of property adjoining or near to the Dockyard.
9. A change in government policy or professional standards which is incompatible with the charitable purposes of the Trust.
10. Increased energy/utility costs and increased material/labour costs due to current economic climate.

Each of these risks is scored and appropriate mitigating actions are taken to ensure both likelihood and impact are reduced where possible.

To enhance internal controls a member of the finance team provides an internal audit function as a substantial part of his role, reporting directly to the Chief Executive, and thence to the audit and compliance committee of the Trust Board.

Several internal audits have been undertaken in designated areas, to ensure compliance with statutory and internal Trust requirements.

**Fundraising**

Support through third-party sources has been imperative to our survival. During this period, we have been fortunate to receive significant grant support from the Arts Council England, the Wolfson Foundation, the Garfield Weston Foundation and the National Lottery Heritage Fund.

**Individual Fundraising Activity**

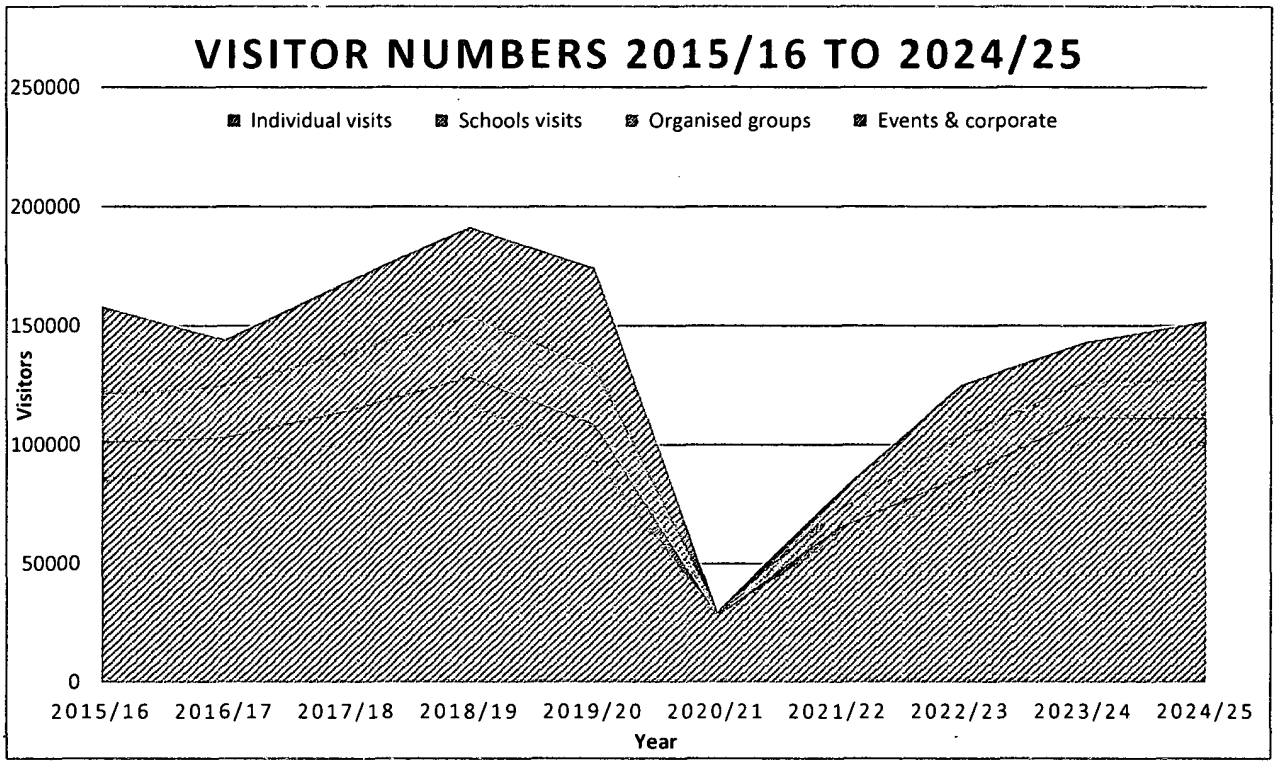
Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts received are presented in our accounts as "income from donations, including grants".

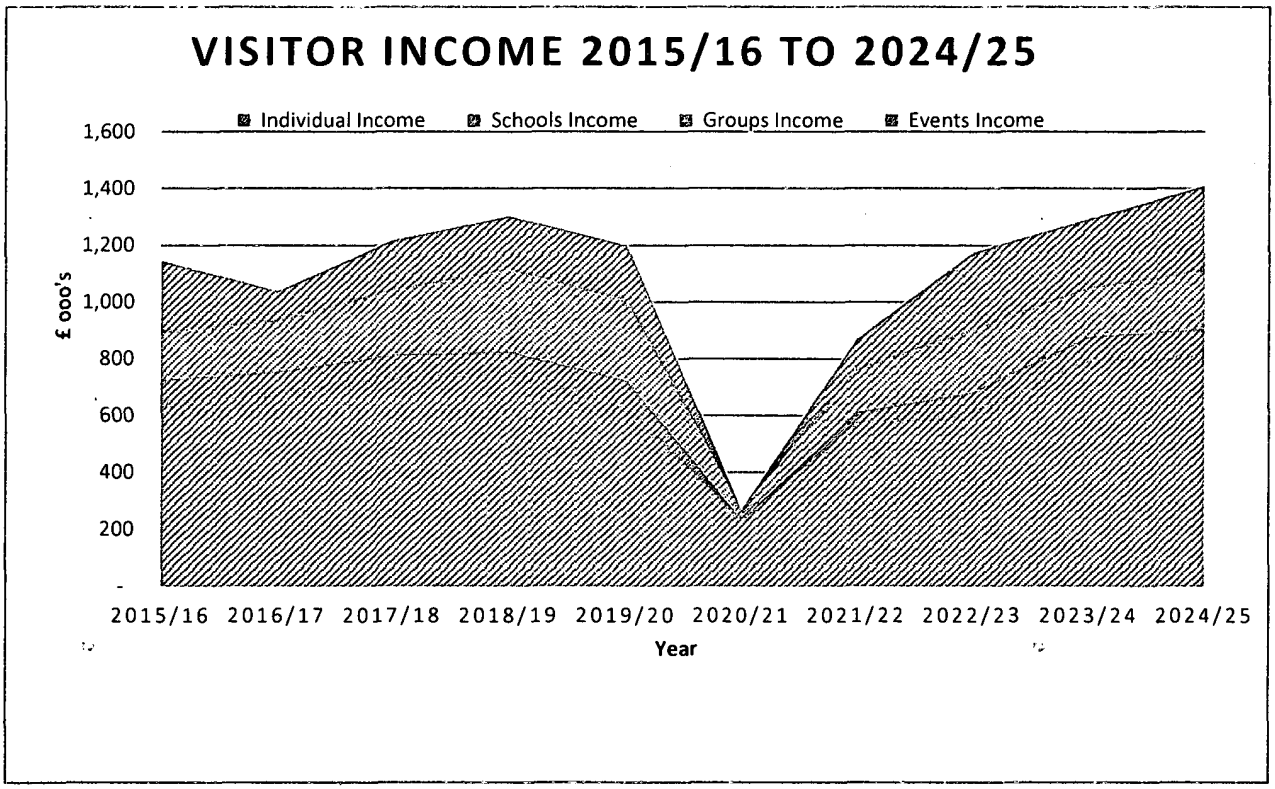
In relation to the above, we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees.

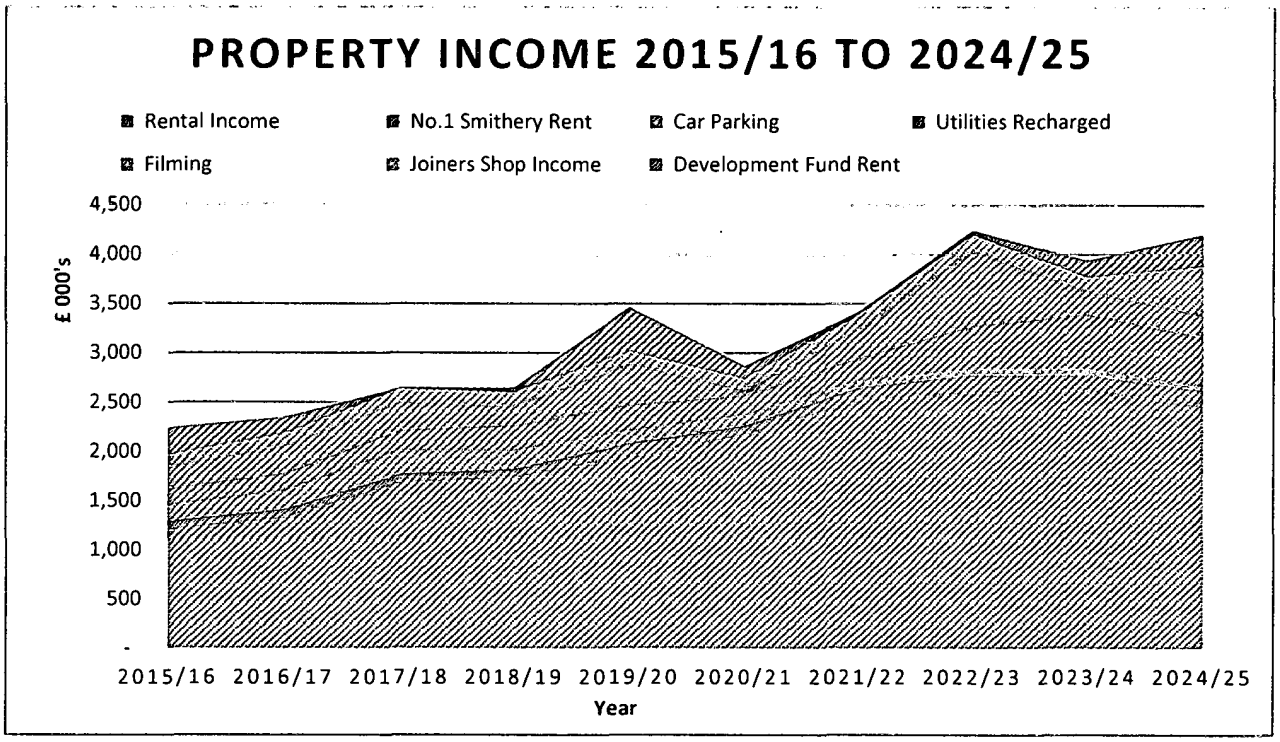
The charity is not bound by any undertaking to be bound by any Regulatory Scheme but any fundraising that does take place with individuals is in line with guidance set by the Fundraising Regulator.

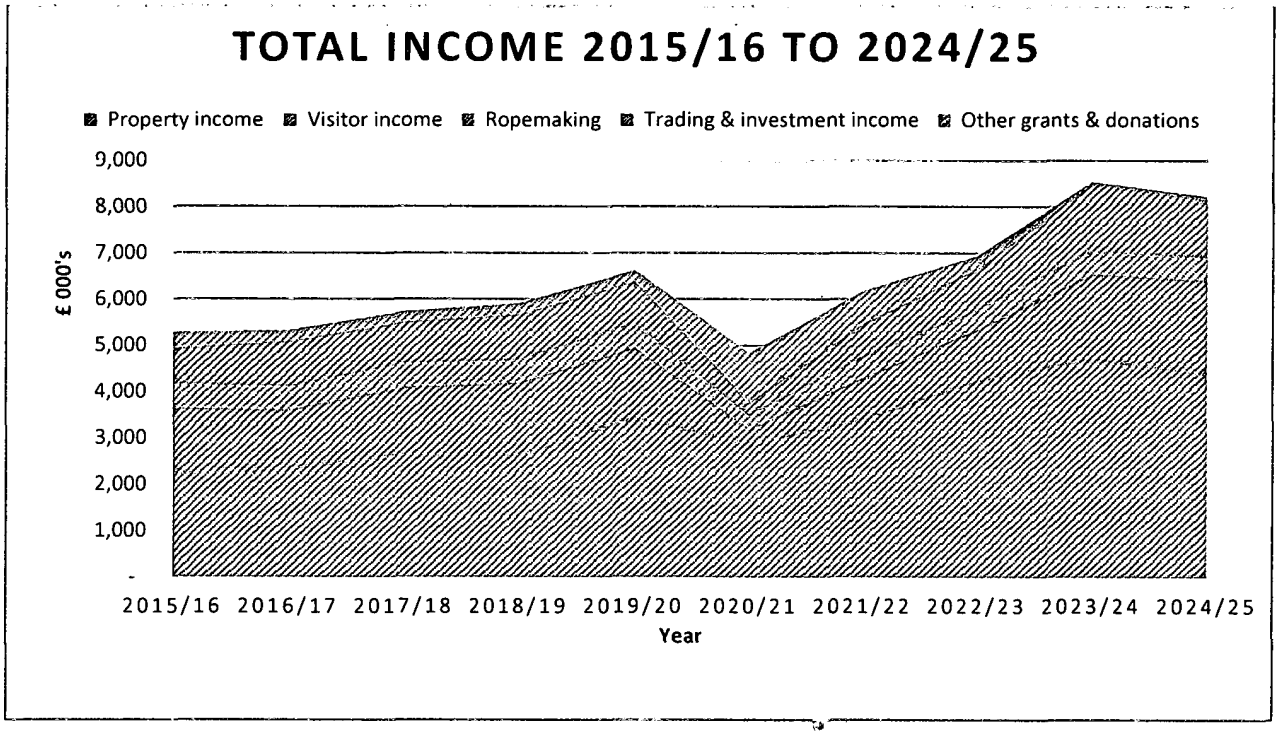
We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds we do not particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

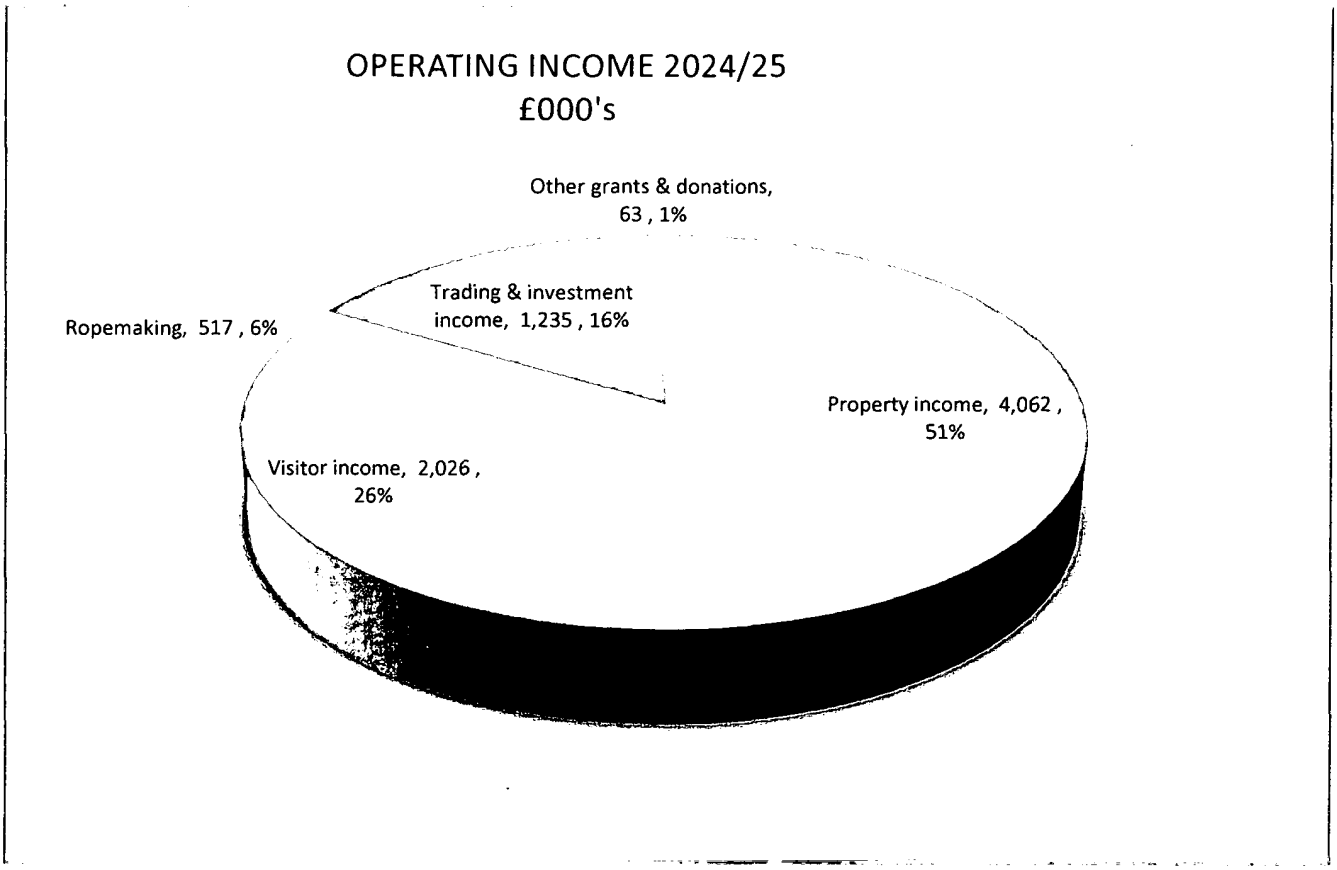
**Financial Statistics**

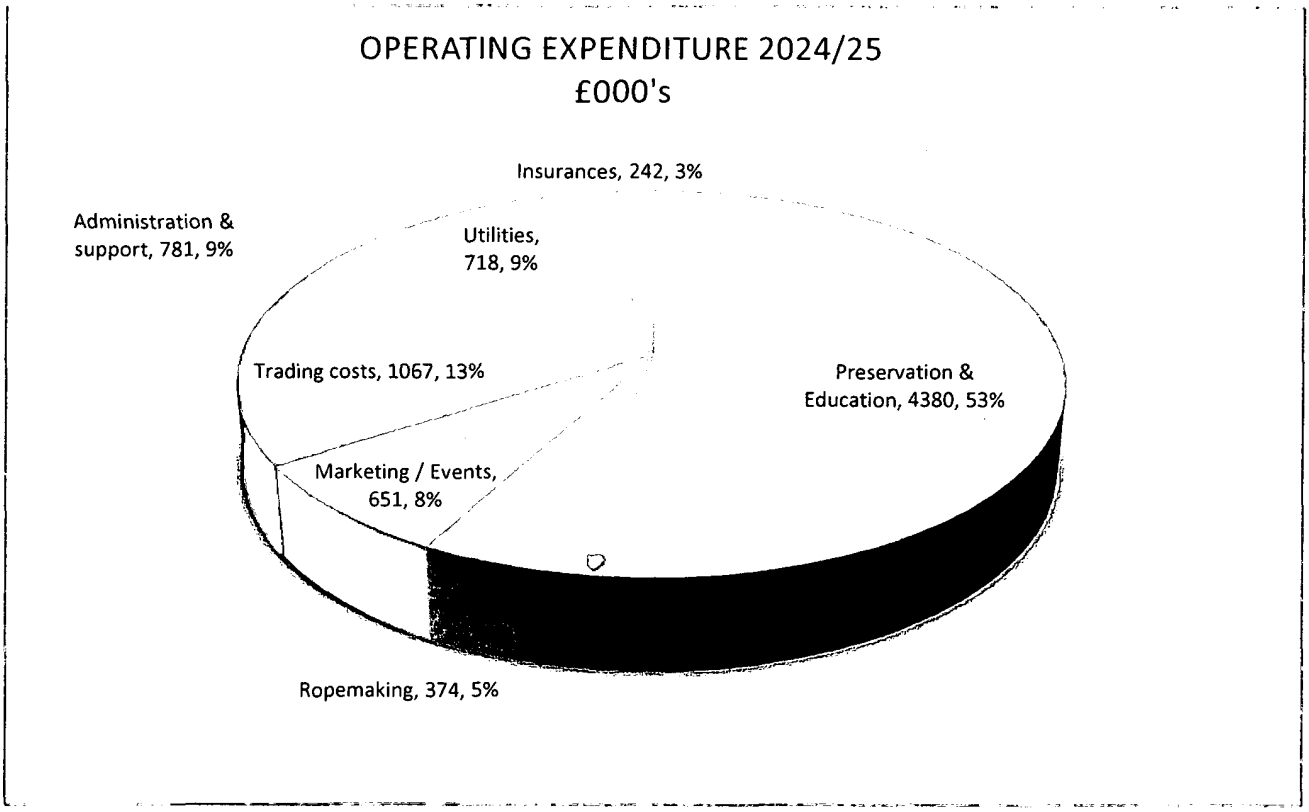



PROPERTY INCOME 2015/16 TO 2024/25
Rental Income
No.1 Smithery Rent
Car Parking
Utilities Recharged
Filming
Joiners Shop Income
Development Fund Rent
£ 000's
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
2015/16 2016/17 2017/18 2018/19 2019/20 2020/21 2021/22 2022/23 2023/24 2024/25
Year


TOTAL INCOME 2015/16 TO 2024/25
Property income
Visitor income
Ropemaking
Trading & investment income
Other grants & donations
£ 000's
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
2015/16 2016/17 2017/18 2018/19 2019/20 2020/21 2021/22 2022/23 2023/24 2024/25
Year


OPERATING INCOME 2024/25
£000's
Other grants & donations, 63 , 1%
Trading & investment income, 1,235 , 16%
Ropemaking, 517 , 6%
Property income, 4,062 , 51%
Visitor income, 2,026 , 26%


OPERATING EXPENDITURE 2024/25
£000's
Insurances, 242, 3%
Administration & support, 781, 9%
Utilities, 718, 9%
Trading costs, 1067, 13%
Preservation & Education, 4380, 53%
Marketing / Events, 651, 8%
Ropemaking, 374, 5%

**Subsidiaries**

The Trust has four wholly owned trading subsidiaries which manage activities designed to create related income streams for the charity that do not arise from its primary purposes of preservation by re-use of its heritage assets and education.

In each case net profits are transferred to the Trust with the benefit of gift aid as a qualifying charitable donation.

The subsidiaries are:

**Chatham Historic Dockyard (Trading) Limited**

This subsidiary undertakes retail, catering and similar operations at the Historic Dockyard. The results for the year were:

| | Retail | Catering |
|---|---|---|
| Turnover | £318k | £875k |
| Net Profit/(Loss) | £63k | £90k |
| Spend per visitor | £2.09 | £5.76 |

CHD(Trading) Ltd. generated a net profit of £153k (£145k in 2023/24). This was despite visitor volumes still below pre-pandemic levels as retail and catering spends per head hit record levels.

**Property Companies**

The Trust has two wholly owned subsidiary property holding companies that manage the residential and potential development land on the Trust's estate:

| *Net Profit for the Year* | |
|---|---|
| Historic Dockyard Property Ltd (HDPL) | £11k |
| Historic Dockyard Property (2005) Ltd (HDPL 2005) | £91k |

HDPL provides management and a range of maintenance services to the residential estate at the Historic Dockyard. It works closely with a formal Residents' Association. The time and commitment devoted by that Association is very valuable in helping to provide a well maintained and harmonious environment as part of the Trust's strategy of excellent service to all users of the estate.

HDPL 2005 owns and manages an area of potential development land within the estate, known as The Interface Land, currently let on commercial leases.

**Master Ropemakers (Trading) Ltd (MRL)**

The Trust recognises that the Ropery is one of its strongest visitor attractions. The combination of a guided tour and the traditional manufacturing process provide a highly enjoyable and educational experience. The manufacturing process, because of its educational value, is now undertaken by the Trust as part of its core activities, but the sale of manufactured rope and rope products continues as a commercial activity, undertaken by MRL.

The year saw the annual turnover for MRL reach £426k. There was a Net Profit of £52k which has been Gift Aided to Chatham Historic Dockyard Trust. Products made from manufactured rope for the retail market continue to grow in importance within the business of MRL. The encouraging results of the company are founded on principles of excellent customer service, quality production and diversification of product and markets.

**Energy Carbon Reporting**

The following SECR Report was completed by GEP Environmental Ltd (GEP) based on The Chatham Historic Dockyard Trust (CHDT) energy consumption, covering their 2025 financial year and contains GHG emissions results and conversions completed by GEPEnv, supporting CHDT's SECR reporting disclosure.

As a "large" company, as defined by Companies Act 2006, The Chatham Historic Dockyard Trust is required to report on its energy usage and related carbon information. Consumption in kWh and emissions in tonnes of CO2e for the financial year ending 31st March 2025 are provided.

*Emissions from combustion of Gas tCO2e (Scope 1)*
Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the invoiced gas consumption in m3 during the reporting period and the 2024 UK Government GHG Conversion Factors for Company Reporting for 'Natural Gas'

Since 1st October 2020, The Chatham Historic Dockyard Trust has purchased Carbon Neutral Gas as part of their Gas supply contract provided by Brook Green Supply Limited. For more information, please visit https://www.brookgreensupply.com/fuel-mix.

*Emissions from purchased electricity tCO2e (Scope 2, Location-based)*
Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the above stated electricity consumption in kWh during the current reporting period and the 2024 UK Government GHG Conversion Factors for Company Reporting for 'Electricity Generated/Electricity: UK'

*Emissions from purchased electricity tCO2e (Scope 2, Market-based)*
Market Based Emissions are reported as 0 due to the fuel mix of the electricity purchased, as defined by the suppliers' fuel mix. Haven Power fuel mix: 100% REGO Backed Renewable Electricity.

*Intensity Ratio (tCO2e gross figure based on mandatory fields)*
The intensity ratio stated above has been calculated as Tonnes of CO2e per total square metres of property owned for The Chatham Historic Dockyard Trust as a whole (113,918 m2).

| **Carbon Emissions Data** | **Previous Reporting Year 1st April 2023 - 31st March 2024** | **Current Year 1st April 2024 - 31st March 2025** |
|---|---|---|
| **Scope 1 (tonnes CO2e)** | 567 | 642 |
| • Combustion of gas | | |
| **Scope 2 (tonnes CO2e)** | | |
| •Electricity (includes T&D losses) | | |
| o Location-based | 538 | 525 |
| o Market-based | - | - |
| **Total Gross CO2e based on above ($tCO_2e$)** | **1,105** | **1,168** |
| **Intensity Ratio (tCO2e/m2)** | **0.0097** | **0.0103** |

Notes:
• Scope 1: Emissions associated with our direct activities, such as heating.
• Scope 2: Emissions related to the electricity we purchase. 'Location-based' represents the CO2e intensity of our sites based on the fuel mix of the National Grid. 'Market-based' represents the electricity we have purchased, which is 100% REGO-backed renewable.

| Carbon Emissions Data | Previous Reporting Year 1st April 2023 - 31st March 2024 | Current Year 1st April 2024 - 31st March 2025 |
|---|---|---|
| **The Chatham Historic Dockyard Trust Energy Consumption** Total energy consumed (kWh) | | |
| • Electricity | 2,393,399 | 2,331,604 |
| • Natural Gas | 3,097,830 | 3,512,654 |
| **The Chatham Historic Dockyard Trust Electricity Renewable %** Total electricity which is renewable % | 100% | 100% |
| **The Chatham Historic Dockyard Trust Natural Gas Carbon Offset %** Total natural gas which is carbon offset % | 100% | 100% |

# Statement of Responsibilities of the Trustees

For the year ended 31 March 2025

The Trustees are responsible for preparing the Strategic Report, the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. 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.

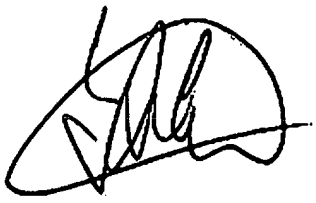
Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

**Provision of Information to the Auditor**

In accordance with company law, as Trustees we confirm that:

- So far as we are aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- As the Trustees of the Trust we have taken all the steps that we ought to have taken in order to make ourselves aware of that information and to establish that the Trust's auditor is aware of that information.

The Trustees' Annual Report, incorporating the Strategic Report, is approved by the Board of Trustees and signed on behalf of the Trustees.



**Admiral Sir Trevor Soar KCB OBE DL**
Chairman
Date: 30 October 2025
The Historic Dockyard
Chatham
Kent ME4 4TZ

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHATHAM HISTORIC DOCKYARD TRUST

For the year ended 31 March 2025

### Opinion

We have audited the financial statements of Chatham Historic Dockyard Trust (the parent charitable company) and its subsidiaries (the group) for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as 31 March 2025, and of the group's 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 of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 trustees' report (incorporating the [strategic report and the] directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 19, 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 group's and 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 group or charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 an auditor's report 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

**Michelle Wilkes (Senior Statutory Auditor)**
For and on behalf of Azets Audit Services
First Floor, River House
1 Maidstone Road
Sidcup
Kent, DA14 5RH
Date: 7 November 2025

# Consolidated Statement of Financial Activities

(Incorporating the income and expenditure account)

For the year ended 31 March 2025

| | Notes | Unrestricted funds £ | Restricted funds £ | Total 2025 £ | Total 2024 £ |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and grants | 4 | 63,086 | 1,214,107 | **1,277,193** | 1,046,941 |
| Charitable activities | 5 | 6,413,802 | - | **6,413,802** | 6,555,018 |
| Other trading activities | 6 | 2,037,834 | - | **2,037,834** | 1,933,258 |
| Investments | 7 | 5,286 | - | **5,286** | 30,527 |
| Other income | | 25,500 | - | **25,500** | - |
| Total income | | 8,545,508 | 1,214,107 | **9,759,615** | 9,565,744 |
| **Expenditure on:** | | | | | |
| Raising funds | 9 | 2,098,457 | - | **2,098,457** | 1,966,082 |
| Charitable activities | | | | | |
| Preservation | 10 | 2,876,576 | 387,291 | **3,263,867** | 3,624,015 |
| Education | 11 | 3,487,898 | 681,363 | **4,169,261** | 3,954,029 |
| Total charitable activities | | 6,364,474 | 1,068,654 | **7,433,128** | 7,578,044 |
| Total expenditure | | 8,462,931 | 1,068,654 | **9,531,585** | 9,544,126 |
| **Net income/(expenditure) before gains and losses** | | 82,577 | 145,453 | **228,030** | 21,618 |
| Net gains/(losses) on investments | 19 | (2,430) | - | **(2,430)** | 71,843 |
| **Net income (expenditure)** | 14 | 80,147 | 145,453 | **225,600** | 93,461 |
| Transfers between funds | 30 | 58,772 | (58,772) | - | - |
| **Net movement in funds** | | 138,919 | 86,681 | **225,600** | 93,461 |
| Funds as at 1 April 2024 | | 2,522,580 | 17,444,734 | **19,967,314** | 19,873,853 |
| **Funds as at 31 March 2025** | 29, 30 | **2,661,499** | **17,531,415** | **20,192,914** | 19,967,314 |

All amounts relate to continuing activities.

The notes on pages 37 to 65 form part of these financial statements.

# Consolidated Statement of Financial Activities

(Incorporating the income statement)

Full comparative information the year ended 31 March 2024

| | Notes | Unrestricted funds £ | Restricted funds £ | Total 2024 £ | Total 2023 £ |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and grants | 4 | 25,280 | 1,021,661 | **1,046,941** | 2,451,712 |
| Charitable activities | 5 | 6,555,018 | - | **6,555,018** | 5,691,207 |
| Other trading activities | 6 | 1,933,258 | - | **1,933,258** | 1,677,838 |
| Investments | 7 | 30,527 | - | **30,527** | 1,371 |
| Total income | | 8,544,083 | 1,021,661 | **9,565,744** | 9,822,128 |
| **Expenditure on:** | | | | | |
| Raising funds | 9 | 1,966,082 | - | **1,966,082** | 1,704,380 |
| Charitable activities | | | | | |
| Preservation | 10 | 3,235,508 | 388,507 | **3,624,015** | 3,025,240 |
| Education | 11 | 3,047,366 | 906,663 | **3,954,029** | 3,856,277 |
| Total charitable activities | | 6,282,874 | 1,295,170 | **7,578,044** | 6,881,517 |
| Total expenditure | | 8,248,956 | 1,295,170 | **9,544,126** | 8,585,897 |
| **Net income/(expenditure) before gains and losses** | | 295,127 | (273,509) | **21,618** | 1,236,231 |
| Net (losses)/gains on investments | 19 | 71,843 | - | **71,843** | (23,194) |
| **Net income (expenditure)** | 14 | 366,970 | (273,509) | **93,461** | 1,213,037 |
| Transfers between funds | | (65,271) | 65,271 | **-** | - |
| **Net movement in funds** | | 301,699 | (208,238) | **93,461** | 1,213,037 |
| Funds as at 1 April 2023 | | 2,220,881 | 17,652,972 | **19,873,853** | 18,660,816 |
| **Funds as at 31 March 2024** | 29,30 | **2,522,580** | **17,444,734** | **19,967,314** | 19,873,853 |

All amounts relate to continuing activities.

The notes on pages 37 to 65 form part of these financial statements.

# Consolidated and Trust Balance Sheets

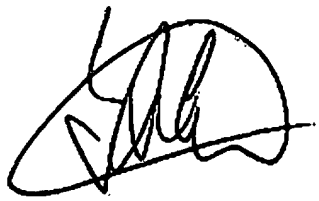
As at 31 March 2025

| | Notes | Consolidated | | Trust | |
|---|---|---|---|---|---|
| | | **2025** | 2024 | **2025** | 2024 |
| | | **£** | £ | **£** | £ |
| **Fixed assets** | | | | | |
| Property plant and equipment | 15 | **1,207,785** | 1,493,866 | **1,187,377** | 1,478,636 |
| Heritage assets | 16 | **17,533,048** | 17,410,367 | **17,533,048** | 17,410,367 |
| Investment properties | 17 | **310,554** | 310,554 | **-** | - |
| Investments in subsidiaries | 18 | **-** | - | **26,100** | 26,100 |
| Listed investments | 19 | **701,735** | 704,165 | **701,735** | 704,165 |
| | | **19,753,122** | 19,918,952 | **19,448,260** | 19,619,268 |
| **Current assets** | | | | | |
| Inventories | 20 | **345,663** | 352,411 | **255,107** | 261,563 |
| Debtors | 21 | **1,284,741** | 1,139,951 | **1,526,494** | 1,325,442 |
| Cash and cash equivalents | | **689,098** | 624,143 | **432,017** | 420,197 |
| | | **2,319,501** | 2,116,505 | **2,213,618** | 2,007,202 |
| **Creditors:** amounts falling due within one year | 22 | **(1,620,705)** | (1,809,138) | **(1,535,385)** | (1,725,576) |
| **Net current assets** | | **698,797** | 307,367 | **678,233** | 281,626 |
| **Total assets less current liabilities** | | **20,451,919** | 20,226,319 | **20,126,493** | 19,900,894 |
| **Creditors:** amounts falling due after more than one year | 23 | **(200,000)** | (200,000) | **(200,000)** | (200,000) |
| Provision for deferred tax | 25 | **(59,005)** | (59,005) | **-** | - |
| **Net assets** | 28 | **20,192,914** | 19,967,314 | **19,926,493** | 19,700,894 |
| **Funds employed** | | | | | |
| Restricted funds | | | | | |
| Fitted Rigging House | | **8,121,990** | 8,354,520 | **8,121,990** | 8,354,520 |
| Other | | **9,409,425** | 9,090,214 | **9,409,425** | 9,090,214 |
| Total restricted funds | 29 | **17,531,415** | 17,444,734 | **17,531,415** | 17,444,734 |
| Unrestricted funds | | | | | |
| Designated funds | 30 | **1,972,334** | 1,903,596 | **1,951,924** | 1,888,367 |
| Revaluation reserve | 30 | **246,321** | 246,321 | **-** | - |
| General | 30 | **442,884** | 372,663 | **443,154** | 367,793 |
| | 30 | **2,661,539** | 2,522,580 | **2,395,078** | 2,256,160 |
| | 28 | **20,192,914** | 19,967,314 | **19,926,493** | 19,700,894 |

# Consolidated and Trust Balance Sheets

As at 31 March 2025

The financial statements were approved and authorised for issue by the Trustees in accordance with section 408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity has not been presented. The surplus attributable to the Trust for the year was £225,599 (2024 - surplus of £93,463). Income attributable to the Trust for the year was £8,643,244 (2024 - £9,565,744).



**Admiral Sir Trevor Soar**
Chairman

Company number 01804108

Date: 30 October 2025

The notes on pages 37 to 65 form part of these financial statements

# Consolidated statement of cash flows

For the year ended 31 March 2025

| | Notes | 2025<br>£ | 2024<br>£ |
|---|---|---|---|
| **Net cash from operating activities** | 31 | 837,247 | 1,038,505 |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment | | (793,969) | (2,384,268) |
| Income from investment property | | 21,677 | 13,810 |
| | | (772,292) | (2,370,458) |
| **Cash flow from financing activities** | | | |
| Loan repayments | | - | (100,000) |
| | | - | (100,000) |
| **Net increase/(decrease) in cash and cash equivalents** | | 64,955 | (1,431,953) |
| Cash and cash equivalents at the beginning of the year | | 624,143 | 2,056,096 |
| **Cash and cash equivalents at the end of the year** | | 689,098 | 624,143 |
| **Cash and cash equivalents at the end of the year** | | | |
| Restricted fund | | 411,220 | 11,727 |
| Unrestricted funds | | 277,878 | 612,416 |
| Cash and cash equivalents at the end of the year | | 689,098 | 624,143 |

Cash and cash equivalents comprise cash at bank and in hand.

The notes on pages 37 to 65 form part of these financial statements.

# Notes to the financial statements

For the year ended 31 March 2025

## 1 Status

The Chatham Historic Dockyard Trust ("the Trust") is an independent charitable trust, incorporated in England and Wales, formed for the purpose of preserving The Historic Dockyard for the public benefit and to promote a wide knowledge of its archaeological, historical and architectural importance. The Trust was set up in 1984 under the terms of a Memorandum of Understanding with the Department of the Environment, under which a grant of £11,350,000 was received to be applied to the principal activities of the Trust. The Trust's constitution is set out in its Memorandum and Articles of Association, as amended by Special Resolutions on 27 February 2013, 18 July 2017, 24 May 2018 and 24 November 2022.

The Trust is a company limited by guarantee, registered in England, not having a share capital, and has a licence to dispense with the word "limited" in its title. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member. The members of the Trust are the Secretary of State for Defence, the Secretary of State for Digital, Culture, Media and Sport and the Trustees. The Trust's registered office is: The Fitted Rigging House, The Historic Dockyard, Chatham, Kent, England, ME4 4TZ, and its registered number is 01804108.

Details of the principal activities of the Trust is given in the accompanying narrative reporting.

## 2 Accounting policies

The principal accounting policies are summarised below.

*Basis of preparation*

The Trust is a public benefit entity and the Group is a public benefit group, as defined by FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and listed investments.

*Going concern*

As a charity the Trustees of Chatham Historic Dockyard Trust (CHDT) and its trading subsidiaries have a duty to consider the future resilience of all parts of the organisation. The Trust holds necessary reserves should there be a need to undertake an orderly wind down of operations caused by financial challenges or a change in the need for charitable services making the charity's role redundant. CHDT reviews this situation on a monthly rolling basis through cash flow management based on evidence-based business planning.

Review of the Trust's ongoing financial resilience is considered for 12 months from the date of accounts approval and beyond through regular reviews (at board level) of the strategic risk register and changes to it. The impact of internal and external factors likely to have a significant effect on income and expenditure are key elements of ongoing cash flow management and by implication the Going Concern status.

**2. Accounting policies (continued)**

*Going concern (continued)*
The Trustees will continue to review plans with the CHDT Executive Team to make the necessary changes to remain within the free reserves level over the coming two years and indeed the life of the current Corporate Plan. The Trust has a strong balance sheet, so the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as required. As such, they remain satisfied that the Chatham Historic Dockyard Trust can continue operating for the next 12 months and accounts have been prepared in the knowledge that the Chatham Historic Dockyard Trust is a financially viable organisation.

*Disclosure exemptions for qualifying entities under FRS 102*
The Trust is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the following exemptions:

- presenting a statement of entity cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements;
- presenting certain financial instruments disclosures on the grounds that the relevant information is included within the consolidated information presented within these financial statements; and
- presenting information concerning key management personnel compensations.

*Basis of consolidation*
The Group consolidated financial statements include the financial statements of the Trust and all of its subsidiary undertakings.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Any entities which either become, or cease being, subsidiary undertakings during the year are included up to, or from, the dates of change of control, respectively. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

*Income recognition*
Income is measured at the fair value of the consideration received or receivable and represents property rental and service income, admissions income from visitors, grants and donations, income from the sale of goods and services, and interest.

Income is recognised as follows:

- Property rental - on a time apportioned basis, over the life of the lease.
- Services - as the services are provided.
- Retail sales of goods - when the sale is made.
- Other sales of goods - when the risk of ownership passes to the customer.
- Grants - when the group has met the relevant performance criteria, and the grant can be measured reliably and receipt is probable.
- Donations - when the Group has entitlement, the donation or grant can be measured reliably and receipt is probable.
- Interest - as it is earned.

Any income received prior to recognition is deferred.

**2. Accounting policies (continued)**

*Grants*

Grants are recognised in the Statement of Financial Activities as described above, with any grants received prior to recognition being deferred. In certain circumstance grants may become repayable (for example, if the grant funded property ceases to be used for a charitable purposes). A creditor is established whenever it becomes probable that a grant will become repayable.

Restricted grants received to fund capital expenditure are transferred to general funds once the expenditure has been incurred unless the resultant asset is restricted as to its use, in which case the funds remain as restricted. Depreciation on restricted assets is charged to the appropriate restricted fund.

*Donated assets*

Donated assets and services which would otherwise have been purchased are included at the estimated expenditure which has been avoided as a result of the gift. No value is attributed to volunteer time donated to the Trust. Except for the initial gift to the Trust, other donated assets and services are recognised at the fair value of the asset or service received. The initial gift to the Trust is recognised at £1 (being the nominal consideration paid) as the cost of valuing the assets outweighs the benefit of such a valuation.

*Employee benefits*

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits, including compensation for loss of employment, holiday pay and other non-monetary benefits, are recognised as an expense in the period in which the service is received.

The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

*Expenditure*

Expenditure is accounted for in the period in which it is incurred. Expenditure includes any VAT which cannot be fully recovered which is reported as part of the expenditure to which it relates.

Expenditure relating directly to a particular activity is allocated to that activity. Indirect costs are classified as support costs, and these are allocated to activities on a basis consistent with use of the resources.

Expenditure includes the estimated value of donations in kind.

**2. Accounting policies (continued)**

*Operating leases*

Operating leases are leases that do not transfer all the risks and rewards of ownership. Payments made by the Group under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease, including payments which are not required to be made on a straight-line basis. Lease incentives given or received are similarly spread on a straight-line basis over the relevant lease term.

*Taxation*

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date. The Trust's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Trust is not liable to tax. In addition, its subsidiaries incur no current tax charge as all their profits, which would otherwise be taxable, are distributed to the Trust by way of Gift Aid and thus no tax liability arises.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Whilst the tax expense is immaterial, it is recognised as a part of the cost of the relevant activity, rather than being disclosed separately in the Statement of Financial Activities.

*Property expenditure*

The Trust has a substantial property portfolio which includes a significant number of scheduled ancient monuments, listed properties and other historic properties. On the inception of the Trust, many of the properties were in a state of disrepair and were not functional. The Trust is pursuing a programme of works to bring all properties into productive use which results in significant expenditure on the properties.

Expenditure on the existing properties is capitalised (as either part of property, plant and equipment or heritage assets, as appropriate) when the expenditure results in incremental future benefits to the Trust or replaces a previously identified component. Incremental benefits may arise through bringing a property into use (or back into use), through reduced future maintenance expenditure, or through the ability to generate additional income, directly or indirectly, in the future.

Expenditure which does not meet this criteria is written off as incurred.

**2 Accounting policies (continued)**

*Property, plant and equipment*

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. Cost comprises the original purchase price, subsequent expenditure capitalised in accordance with the policy on *Property expenditure*, and expenditure directly attributable in bringing the asset to its working condition for its intended use. As noted above, the assets transferred to the Trust on its formation are recorded at £1, this being the nominal cost of these assets.

Land and assets under construction are not depreciated. Other assets are depreciated on a straight line basis so as to write off their cost over their expected useful lives, using the straight line method. The component categories and annual rates used are as follows:

| | | | |
|---|---|---|---|
| Structural works to buildings | 2% | Computer/AV equipment | 20% |
| Roofs | 4% | Other fixtures and fittings | 10% |
| Ships refurbishments | 10% | Plant and machinery | 10% |
| Exhibition equipment | 6.67% | Motor vehicles | 20% |
| Galleries | 10% | | |
| Assets under construction | Not depreciated | | |

Subsequent expenditure which relates to either the replacement of previously capitalised component or part of a component or the enhancement of the asset which results in incremental future benefits, is capitalised and the carrying amount of any replaced part of the asset is derecognised.

*Heritage Assets*

Heritage assets are tangible and intangible assets with historic, artistic, scientific, technological, geophysical, or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. As a charity with preservation as one of its objects, in accordance with the SORP, the Trust's heritage assets may include assets which are not accessible to the public.

The Trust classifies the following classes of assets as heritage assets:

- The land and building acquired from the Ministry of Defence on the inception of the Trust.
- Capital works to the structure of its historic buildings.
- Its various collections of artefacts, exhibits and historical archives.
- Items of plant and machinery of historic importance, notably the three ships.

Currently, all the Trust's heritage assets are tangible assets and are accounted for in accordance with the accounting policy for property, plant and equipment as detailed in the policy on *Property expenditure*. The Trustees consider the cost of obtaining a valuation of donated heritage assets would outweigh the benefit of such a valuation.

**2 Accounting policies (continued)**

*Impairment*
At each period end date, non-financial assets (comprising property, plant and equipment and heritage assets) are assessed to determine if there are indicators that the assets may be impaired in value; if there are such indicators of impairment, then a comparison of the asset's carrying value to its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Financial Activities; the carrying value of the asset is reduced appropriately.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use for the Trust's properties and other non-financial assets held for charitable purposes and which are fulfilling the charitable purpose for which they were acquired, is based on the depreciated replacement cost of the asset. For other assets, value in use is defined as the net present value of the future cash flows before interest expected to be generated from the assets.

For financial assets (comprising trade and other debtors) carried at cost less impairment, the impairment loss is the difference between the assets carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

If an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of their recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

*Investment properties*
Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently at fair value. Revaluation surpluses and deficits are recognised in net income.

*Investments*
Investments in subsidiaries are stated at cost less accumulated impairment losses. Other investments are stated at fair value with movements through income and expenditure.

*Inventories*
Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment is recognised immediately in profit or loss.

*Cash and cash equivalents*
Cash and cash equivalents comprise cash in hand, cash at bank and bank deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

**2 Accounting policies (continued)**

*Provisions and contingencies*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Currently, the Group has no provisions.

Contingent liabilities arise from past events when either:

- It is only possible that an obligation will arise and when the existence or otherwise of the obligation will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control; or.
- An obligation has arisen, but a provision is not recognised because either it is not probable that there will be an outflow of resources or the amount cannot be reliably measured at the reporting date.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

*Financial instruments*

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The charity has elected to apply the provisions of Section 11 Basic Financial Instruments' and Section 12 'Other Financial instruments Issues' of FRS 102 to all of its financial instruments.

*Funds*

Designated funds are unrestricted funds which the Trustees have ring-fenced for a particular purpose. Transfers to and from the designated funds are recognised as and when decided by the Trustees.

Restricted funds are funds subject to specific restrictions imposed by donors, the nature of the appeal or other reasons.

Unrestricted funds comprise the accumulated surplus or deficit or recognised in income and expenditure after transfers to other reserves.

## 3 Key judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

**Critical judgements**

In preparing the financial statements, the following judgements which have, or could have, a material impact on the financial statements were made:

*Classification of property expenditure*

Expenditure on properties is analysed as either giving rise to an asset or expenditure which is written off as an expense when incurred, depending on whether the expenditure results in an incremental benefit, or not. The assessment of whether there is future benefit requires judgement. A key aspect of the judgement is whether the expenditure enables the Trust to gain greater use of the properties.

*Classification of properties as investment properties*

Investment properties are properties which are held to generate income or capital appreciation rather than for their contribution to culture or for the provision of services. As all of the Group's properties are within the boundary of the historic 80-acre site and are accessible to a certain extent to the visitors to the site; therefore the categorisation of any property as an investment property requires the exercise of judgement. The Trustees consider that the reversionary freeholds of the residential estate should be classed as investment properties as the Trust has no rights to use the properties and the freehold reversions are held to provide an income stream.

*Property components*

The Group accounts for its expenditure on property, plant and equipment using component accounting. Under component accounting, the property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components and in determining the useful lives of each component. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge.

**3 Key judgements and sources of estimation uncertainty (continued)**

*Property impairments*
It is necessary to undertake an impairment assessment if there are any indicators of impairment, the identification of such indicators requires judgement. The Trustees consider that for properties used for charitable purposes, the key indicators of impairment are the extent to which the property continues to be used for its intended use, any forecast future reductions in use, and the physical condition of the property. During the year, the Trustees judged that there were no indicators of impairment and so no requirement to undertake an impairment review.

*Initial gift to the Trust*
The initial gift to the Trust has not been valued as, in the Trustees' judgement, the cost of obtaining such a valuation, which would be subjective and possibly unreliable, would outweigh the benefit of such a valuation.

*Recognition of grant income*
Grant income is recognised, inter alia, when the Trust has met any criteria of substance required of it under the relevant grant agreement. In the case of Heritage Lottery Funding, the Trustees consider that the receipt of permission to start is the only criteria of substance and therefore recognise grant income once that permission has been received. The DCMS provides funding for specific years; in the judgement of the Trustees, the terms of the grant are such that the Trust does not have prior entitlement to the funding.

*Contingent assets and liabilities*
The classification of assets and liabilities as contingent requires the exercise of judgement as to the probability of future cash flows. In the case of the contingent liabilities, in the Trustees' judgement any future cash flows would arise from actions of third parties over which the Trust has no or limited influence, and as such no provision is needed.

*Restricted funds relating to capitalised expenditure*
Restricted funds received to fund capital expenditure are transferred to general funds once the expenditure has been incurred unless the resultant asset is restricted as to its use, in which case the funds remain as restricted. The assessment of whether an asset is restricted as to its use requires the exercise of judgement in assessing whether the terms of the donation(s) which funded the asset prevent the Trust from using the asset for any of its general purposes. Where the Trustees consider that this to be the case, the entire cost of the asset is classed as restricted and all of the related funds are retained as restricted funds. The corollary of this is that the subsequent depreciation of the assets is deemed to be a restricted cost.

**Critical estimates**

*Investment property valuations*
Investment properties are recognised at their fair value, which is estimated as being the anticipated proceeds from future disposals, based on the immediate past history property sales. The timing and actual proceeds of any future sales are uncertain and may not reflect the past history.

### 3 Key judgements and sources of estimation uncertainty (continued)

*Useful lives*

Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The useful lives of property components (for example roofs) are estimated based on relevant construction data.

*Carrying values*

The carrying amount of the assets and liabilities affected by the above judgements and estimates are set out in the following notes.

### 4 Income from donations, including grants

| | Unrestricted £ | Restricted £ | **Total 2025 £** | Total 2024 £ |
|---|---|---|---|---|
| Government grants | | | | |
| - Department for Digital, Culture, Media & Sport | - | - | - | 311,000 |
| - Medway Council | - | - | - | 366,219 |
| - Arts Council England (ACE) | - | 945,028 | **945,028** | 249,508 |
| Foyle Foundation | - | - | - | 50,000 |
| The Headley Trust | - | - | - | 30,000 |
| Garfield Weston | - | 250,000 | **250,000** | - |
| Other grants | 14,213 | 19,079 | **33,292** | 20,434 |
| Sponsorship | 7,045 | - | **7,045** | - |
| Donations | 41,828 | - | **41,828** | 19,780 |
| Legacies | - | - | - | - |
| | 63,086 | 1,214,107 | **1,277,193** | 1,046,941 |

### 5 Income from charitable activities

| | 2025 £ | 2024 £ |
|---|---|---|
| Preservation - rent & service charges | 4,539,867 | 4,830,302 |
| Education - visitor admissions | 1,873,935 | 1,724,176 |
| | 6,413,802 | 6,554,478 |

Income from charitable activities arises from the provision of services and is fully unrestricted.

## 6 Income from other trading activities

| | 2025 £ | 2024 £ |
|---|---|---|
| Income from sale of goods | | |
| Retail - gift shop | 227,256 | 219,568 |
| Sales of rope products | 517,029 | 490,840 |
| Catering | 667,141 | 725,795 |
| Income from provision of services | | |
| Weddings & other functions | 444,766 | 326,154 |
| Property income | 148,312 | 170,651 |
| Other miscellaneous income | 33,330 | 250 |
| | 2,037,834 | 1,933,258 |

## 7 Income from investments

| | 2025 £ | 2024 £ |
|---|---|---|
| Fixed interest on cash deposits | 5,286 | 30,527 |

## 8 Future income from non-cancellable operating leases

| | 2025 £ | 2024 £ |
|---|---|---|
| The Group is due to receive the following amounts under non-cancellable operating leases: | | |
| Due next year | 2,101,641 | 2,833,470 |
| Due in 2 to 5 years | 7,772,540 | 9,095,588 |
| Due after more than 5 years | 6,730,951 | 7,529,551 |
| | 16,605,132 | 19,458,609 |

Under the terms of the leases, the rental income is subject to periodic review. The leases give the tenants no right of acquisition.

## 9 Expenditure on raising funds

| | 2025 £ | 2024 £ |
|---|---|---|
| Incurred by the Trust | 747,961 | 684,176 |
| Incurred by the trading subsidiaries | 1,110,390 | 1,040,239 |
| Depreciation | 5,977 | 6,963 |
| | 1,864,328 | 1,731,378 |
| Support costs allocated to raising funds (see note 12) | 234,129 | 234,704 |
| | 2,098,457 | 1,966,082 |

## 10 Expenditure on preservation

| | 2025 £ | 2024 £ |
|---|---|---|
| Staff and associated costs | 556,904 | 436,469 |
| Maintenance costs | 1,044,203 | 1,140,519 |
| Utilities | 763,021 | 928,885 |
| Other direct costs | 61,244 | 283,246 |
| Depreciation | 438,039 | 434,767 |
| Allocated support costs (see note 12) | 400,456 | 400,129 |
| | 3,263,867 | 3,624,015 |

Preservation comprises the cost of repair, maintenance and restoration of the historic buildings and ships of the Dockyard and other maintenance.

## 11 Expenditure on education

| | 2025 £ | 2024 £ |
|---|---|---|
| Staff and associated costs | 1,624,909 | 1,415,179 |
| Other direct costs | 1,066,528 | 971,086 |
| Depreciation | 513,353 | 508,104 |
| Other project expenditure | 48,049 | 67,075 |
| Maintenance | 188,182 | 233,881 |
| Allocated support costs (see note 12) | 728,240 | 758,704 |
| | 4,169,261 | 3,954,029 |

Education expenditure comprises the cost of the maintenance and operation of the galleries and exhibits within the Dockyard.

**12 Support costs**

| | 2025 £ | 2024 £ |
|---|---|---|
| Staff and associated costs | 937,342 | 914,866 |
| Office costs | 92,244 | 93,514 |
| Professional fees | 42,777 | 81,671 |
| Insurances | 241,638 | 237,693 |
| Other costs | 28,591 | 46,879 |
| Governance costs | 20,233 | 18,914 |
| | 1,362,825 | 1,393,537 |

| Support costs are allocated as follows: | 2025 £ | 2024 £ |
|---|---|---|
| Raising funds | 234,129 | 234,704 |
| Preservation | 400,456 | 400,129 |
| Education | 728,240 | 758,704 |
| | 1,362,825 | 1,393,537 |

Support costs comprise the management costs of the Trust and its charitable subsidiaries and site security costs. Management costs comprise the Senior Executive and Finance functions (including Personnel and IT support). Site security comprises staff and other costs in respect of the provision of 24-hour security for the site for the benefit of the Trust, its tenants and residents.

The bases of apportionment utilised are as follows:

- Trustee expenses and security - equally between the two charitable activities.
- Management costs - in accordance with staff numbers.

**13 Wages and salaries**

| **Group** | 2025 £ | 2024 £ |
|---|---|---|
| Wages and salaries | 3,439,170 | 3,084,300 |
| Social security costs | 301,487 | 262,618 |
| Pension scheme - defined contribution scheme | 195,627 | 189,647 |
| | 3,936,284 | 3,536,565 |

| **Trust** | 2025 £ | 2024 £ |
|---|---|---|
| Wages and salaries | 3,041,219 | 2,735,591 |
| Social security costs | 274,008 | 238,254 |
| Pension scheme - defined contribution scheme | 179,859 | 174,560 |
| | 3,495,086 | 3,148,405 |

**13 Wages and salaries (continued)**

| Average no. of persons employed: | Group 2025 Number | 2024 Number | Trust 2025 Number | 2024 Number |
|---|---|---|---|---|
| Preservation | 24 | 24 | 24 | 24 |
| Education | 80 | 79 | 80 | 79 |
| Ropemaking | 6 | 6 | 6 | 6 |
| Catering & retail | 29 | 26 | 29 | 26 |
| Support | 11 | 10 | 11 | 10 |
| | 150 | 145 | 150 | 145 |

In addition, volunteers assist the Trust in undertaking its activities; details are provided in the Trustees' Annual Report.

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

| | 2025 Number | 2024 Number |
|---|---|---|
| £60,001 - £70,000 | 1 | 2 |
| £70,001 - £80,000 | 2 | 2 |
| £80,001 - £90,000 | 1 | - |
| £90,001 - £100,000 | 1 | 1 |

Contributions in the year for the provision of money purchase benefits to higher paid employees totalled £38,283 (2024: £48,718).

During the year, the Trust incurred reorganisation costs of £Nil (2024: £30k)

The Chairman of the Trustees is entitled to receive remuneration from the Trust for services provided, as permitted by the Memorandum and Articles and approved by the Charity Commission. The Chairman's emoluments for the year were £27,805 for Sir Trevor (2024 - £28,988 for Sir Trevor); this remuneration is not pensionable. The Trust chooses to pay the Chairman as the role significantly exceeds that of other Trustees. No other Trustees received emoluments. Expenses reimbursed to 3 (2024 - 4) Trustees in respect of the cost of attending meetings and other reimbursed expenses amounted to £2,457 (2024 - £3,025).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, including any Trustee. In the opinion of the Trust key management personnel are the Trustees and the senior managers.

Key management remuneration was as follows:

| | 2025 £ | 2024 £ |
|---|---|---|
| Key management remuneration | 585,861 | 585,192 |

## 14 Net income/(expenditure)

| Net income/(expenditure) is stated after charging: | 2025 £ | 2024 £ |
|---|---|---|
| Depreciation of tangible assets: | | |
| - Property, plant and equipment | 389,022 | 388,072 |
| - Heritage assets | 568,790 | 561,762 |
| (Profit)/Loss on sale of fixed assets | (25,500) | - |
| Auditor's remuneration: | | |
| - Audit (Trust) | 19,925 | 19,900 |
| - Audit (Subsidiaries) | 14,100 | 13,305 |
| Income received under non-cancellable operating leases | 3,431,126 | 3,174,092 |
| Operating lease charges | 7,661 | 3,722 |

## 15 Tangible fixed assets - Property plant and equipment

| Group | Fixtures, fittings and equipment £ | Galleries £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| 1 April 2024 | 8,176,776 | 7,279,254 | 15,456,030 |
| Additions | 78,984 | 23,514 | 102,498 |
| Disposals | (83,199) | - | (83,199) |
| **31 March 2025** | 8,172,561 | 7,302,768 | 15,475,329 |
| **Depreciation** | | | |
| 1 April 2024 | 7,302,973 | 6,659,191 | 13,962,164 |
| Charge for year | 205,862 | 183,160 | 389,022 |
| On disposals | (83,642) | - | (83,642) |
| **31 March 2025** | 7,425,193 | 6,842,351 | 14,267,544 |
| **Net book value** | | | |
| **31 March 2025** | 747,368 | 460,417 | 1,207,785 |
| 31 March 2024 | 873,803 | 620,063 | 1,493,866 |

**15 Tangible fixed assets - Property plant and equipment (continued)**

| Trust | Fixtures, fittings and equipment £ | Galleries £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| 1 April 2024 | 8,026,628 | 7,279,254 | 15,305,882 |
| Additions | 67,826 | 23,514 | 91,340 |
| Disposals | (83,199) | - | (83,199) |
| **31 March 2025** | 8,011,255 | 7,302,768 | 15,314,023 |
| **Depreciation** | | | |
| 1 April 2024 | 7,168,055 | 6,659,191 | 13,827,246 |
| Charge for year | 199,885 | 183,160 | 383,045 |
| On disposals | (83,645) | - | (83,645) |
| **31 March 2025** | 7,284,295 | 6,842,351 | 14,126,646 |
| **Net book value** | | | |
| **31 March 2025** | 726,960 | 460,417 | 1,187,377 |
| 31 March 2024 | 858,573 | 620,063 | 1,478,636 |

As part of the terms of the heritage lottery grant, there is a charge in place over the fitted rigging house.

**16 Heritage assets**

| Group and Trust | Freehold land and buildings £ | Ships £ | Collections and artefacts £ | Total £ |
|---|---|---|---|---|
| **Cost** | | | | |
| 1 April 2024 | 24,298,453 | 3,344,642 | 144,000 | 27,787,095 |
| Additions | 649,053 | 10,418 | 32,000 | 691,471 |
| **31 March 2025** | 24,947,506 | 3,355,060 | 176,000 | 28,478,566 |
| **Depreciation** | | | | |
| 1 April 2024 | 7,032,086 | 3,344,642 | - | 10,376,728 |
| Charge for year | 567,748 | 1,042 | - | 568,790 |
| **31 March 2025** | 7,599,834 | 3,345,684 | - | 10,945,518 |
| **Net book value** | | | | |
| **31 March 2025** | 17,347,672 | 9,376 | 176,000 | 17,533,048 |
| 31 March 2024 | 17,266,367 | - | 144,000 | 17,410,367 |

**16 Heritage assets (continued)**

No value was attributed to the assets transferred to the Trust on its creation as the cost of obtaining such valuations would not be commensurate with the benefits to the users of the accounts and, in any event, given the uniqueness of many of the assets transferred, a reliable valuation may be impossible to obtain.

The heritage assets comprise the Trust's freehold land and buildings, the ships, items of historic plant and equipment, the museum collections, art and photographs and the archives. The heritage assets recognised comprise capitalised expenditure on enhancing the utility of the historic properties and expenditure on assets which have been purchased since the inception of the Trust.

The assets include:

- 47 structures designated as Scheduled Ancient Monuments and 54 listed buildings;
- two ships and one submarine;
- large plant and equipment, including the rope manufacturing machines, cranes and metal working plant;
- over 100,000 items connected to the history of Chatham Dockyard and the Royal Navy at Chatham. They range from small items of personal ephemera - a dockyard matey's old cigarette box - to HMS Cavalier, the Royal Navy's last Second World War destroyer;
- over 20,000 photographs dating from the very earliest years of photography, mainly depicting Chatham Dockyard at work and ships of the Royal Navy on the River Medway;
- over 150 works of art including oil paintings, watercolours and prints. Their content ranges from topographical views of the dockyard to portraits of naval personnel;
- 50 models, mainly of naval ships;
- over 100 machine tools all of which were originally used in the dockyard for shipbuilding and repair;
- over 100 items of naval ordnance dating from the seventeenth to the twentieth centuries and includes guns, torpedoes, mines and mortars; and
- over 10,000 items in the archive collection, mainly documents relating to naval and dockyard correspondence and to individuals' naval service.

Whilst the Trust would like to acquire further assets to add to its collections, the main focus of the Trust's efforts has been - and will be for the foreseeable future - preserving the various buildings. To this end, the Trust has a long term maintenance plan for its buildings and a shorter term plan for bringing unused buildings into use through appropriate refurbishment work. However, in the year, the Trust was able to acquire a model submarine and a white ensign; the cost of these new assets was less than the de minimis capitalisation threshold.

All assets have been catalogued in order that they can be properly managed and all collections are stored in such a manner to prevent any deterioration in their condition and to ensure that they are physically secure. The buildings, the ships, structures and heavy plant are all accessible to visitors to the Dockyard (although the public cannot obtain access to the interior of certain buildings as they are in use). The collections are accessible to the public through the Trust's museum and those items not on show are made accessible to researchers on request.

The Trust does not expect to dispose of any of its heritage assets.

**17 Investment Properties**

| Group | 2025<br>£ | 2024<br>£ |
|---|---|---|
| 1 April | 310,554 | 310,554 |
| 31 March | 310,554 | 310,554 |

The investment properties are valued by reference to the rental yield established by recent sales of properties as determined by independent valuers and applying that yield to the rental income stream from ongoing investment properties. The directors have carried out that valuation at 31st March 2025 and the revaluation is £310,554.

**18 Investments - shares in subsidiary companies**

| Trust | Share capital<br>£ | Total<br>£ |
|---|---|---|
| 1st April 2024 and 31 March 2025 | 26,100 | 26,100 |

The subsidiary companies at 31 March 2025 were wholly owned and registered in England & Wales and are as follows:

| Name | Company number | Activity |
|---|---|---|
| Master Ropemakers (Trading) Limited | 02651660 | Non-traditional rope sales |
| Chatham Historic Dockyard (Trading) Limited | 01983754 | Retail & catering |
| Historic Dockyard Property Limited | 02331347 | Residential property management |
| Historic Dockyard Property (2005) Limited | 05538093 | Property development |
| Historic Dockyard Property (2010) Limited | 07232729 | Dormant |
| Master Ropemakers Limited | 07232492 | Dormant |

The registered office of the above subsidiaries is The Fitted Rigging House, The Historic Dockyard, Chatham, Kent, England, ME4 4TZ.

**18 Investments - shares in subsidiary companies - Trust (continued)**

**Results of active subsidiaries**

| | Master Ropemakers (Trading) Limited £ | Historic Dockyard Property Limited £ | Historic Dockyard Property 2005 Limited £ | Chatham Historic Dockyard (Trading) Limited £ |
|---|---|---|---|---|
| **Year ended 31 March 2025** | | | | |
| Turnover | 426,232 | 21,677 | 106,730 | 1,192,904 |
| Expenditure | (375,037) | (10,997) | (16,049) | (1,039,860) |
| Other income | 609 | - | - | - |
| Distribution to the Trust | (51,804) | (10,680) | (90,681) | (153,044) |
| Result for the year | - | - | - | - |
| **As at 31 March 2025** | | | | |
| Assets | 130,420 | 333,954 | 50,135 | 233,246 |
| Creditors and provisions | (105,420) | (86,633) | (50,035) | (213,146) |
| Net assets | 25,000 | 247,321 | 100 | 20,100 |
| **Year ended 31 March 2024** | | | | |
| Turnover | 408,899 | 13,810 | 127,984 | 1,119,830 |
| Expenditure | (373,943) | (11,229) | (16,367) | (974,890) |
| Other income | 353 | - | - | - |
| Distribution to the Trust | (35,309) | (2,581) | (111,617) | (144,940) |
| Result for the year | - | - | - | - |
| **As at 31 March 2024** | | | | |
| Assets | 128,468 | 316,440 | 22,005 | 254,045 |
| Creditors and provisions | (103,468) | (69,119) | (21,905) | (233,945) |
| Net assets | 25,000 | 247,321 | 100 | 20,100 |

**19 Investments**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2025 £ | 2024 £ | 2025 £ | 2024 £ |
| **Listed investments - common investment funds** | | | | |
| As at 1 April 2024 | 704,165 | 632,322 | 704,165 | 632,322 |
| Unrealised gain/(loss) | (2,430) | 71,843 | (2,430) | 71,843 |
| As at 31 March 2025 | 701,735 | 704,165 | 701,735 | 704,165 |

**19 Investments (continued)**

Listed investments comprise

| | Group | | Trust | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Investment Fund | 296,590 | 301,586 | 296,590 | 301,586 |
| Property Fund | 149,932 | 138,029 | 149,932 | 138,029 |
| Global Equity Fund | 255,213 | 264,550 | 255,213 | 264,550 |
| | 701,735 | 704,165 | 701,735 | 704,165 |
| Historical cost | 400,000 | 400,000 | 400,000 | 400,000 |

**20 Inventories**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Raw materials and consumables | 162,642 | 160,849 | 162,642 | 160,849 |
| Goods for resale | 183,021 | 191,562 | 92,465 | 100,714 |
| | 345,663 | 352,411 | 255,107 | 261,563 |

There is no significant difference between the replacement cost of the inventories and their carrying amount. Inventories are stated after provisions for impairment of £12,214 (2024 - £13,904).

**21 Debtors**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Trade debtors | 319,508 | 368,899 | 263,931 | 300,478 |
| Amount owed by subsidiary undertakings | - | - | 390,467 | 285,556 |
| Other debtors | 127,032 | 152,628 | 40,029 | 128,109 |
| Prepayments and accrued income | 838,201 | 618,424 | 832,067 | 611,299 |
| | 1,284,741 | 1,139,951 | 1,526,494 | 1,325,442 |

Amounts above owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**22 Creditors: amounts falling due within one year**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Other loan | 150,000 | 150,000 | 150,000 | 150,000 |
| Trade creditors | 545,305 | 569,724 | 497,505 | 521,651 |
| Taxation and social security | 72,078 | 59,065 | 72,078 | 59,065 |
| Other creditors | 487,993 | 480,237 | 485,694 | 474,752 |
| Accruals and deferred income (see note 24) | 365,329 | 550,112 | 330,108 | 520,108 |
| | 1,620,705 | 1,809,138 | 1,535,385 | 1,725,576 |

**23 Creditors: amounts falling due after more than one year**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Other loan | 200,000 | 200,000 | 200,000 | 200,000 |
| Due within one year | 150,000 | 150,000 | 150,000 | 150,000 |
| Due within 1 - 2 years | 100,000 | 200,000 | 100,000 | 200,000 |
| Due within 2 - 5 years | 100,000 | - | 100,000 | - |
| | 350,000 | 350,000 | 350,000 | 350,000 |

The South East Local Enterprise Partnership (SELEP) loan is repayable by March 2028.

**24 Deferred income**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| Balance at 1 April | 156,796 | 125,839 | 156,796 | 125,839 |
| Amount released to SOFA | (156,796) | (125,839) | (156,796) | (125,839) |
| Amount deferred in the period | 85,489 | 156,796 | 85,489 | 156,796 |
| Balance at 31 March | 85,489 | 156,796 | 85,489 | 156,796 |

Deferred income principally relates to advance event ticket sales and pre-billed rents.

**25 Deferred tax**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Arising on property revaluations: | £ | £ | £ | £ |
| At 1 April | 59,005 | 59,005 | - | - |
| At 31 March | 59,005 | 59,005 | - | - |

Deferred tax is calculated at a rate of 19% (2024 - 19%).

**26 Contingent liabilities**

Within the Historic Dockyard there are 47 structures designated as Scheduled Ancient Monuments and 54 Listed Buildings. The Trust has a responsibility and liability to remedy any state of disrepair of the Listed Buildings under the Planning (Listed Buildings & Conservation Areas) Act 1990. Whilst the Trust continues to maintain these structures, it may have insufficient funds to carry out the full-scale repair of all the structures should the appropriate notice be served upon the Trustees. To date, no such notice has been served.

Certain grants received by the Trust for capital works within the Historic Dockyard may, under the provisions of the respective grant contracts, become repayable under certain circumstances. In the opinion of the Trustees such circumstances are unlikely to arise and accordingly no provision has been made in the accounts.

If fixed assets are disposed of then under certain circumstances any related grant funding in respect of these properties may be repayable. The Trustees have no intention of disposing of any grant funded assets.

### 27 Capital commitments

As at the year end, the Group and Trust had contracted for capital commitments totalling £2,623,449 (2024: £Nil).

### 28 Analysis of funds

| Group - as at 31 March 2025 | Restricted | Unrestricted | | | | Group |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | Total |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 638,034 | 569,751 | - | - | 569,751 | 1,207,785 |
| Heritage assets | 16,482,161 | 1,050,887 | - | - | 1,050,887 | 17,533,048 |
| Investment properties | - | - | 246,321 | 64,233 | 310,554 | 310,554 |
| Listed Investments | - | - | - | 701,735 | 701,735 | 701,735 |
| Inventories | - | - | - | 345,663 | 345,663 | 345,663 |
| Debtors | - | - | - | 1,284,741 | 1,284,741 | 1,284,741 |
| Cash and cash equivalents | 411,220 | 351,694 | - | (73,818) | 277,878 | 689,098 |
| Creditors | - | - | - | (1,820,705) | (1,820,705) | (1,820,705) |
| Deferred tax | - | - | - | (59,005) | (59,005) | (59,005) |
| | 17,531,415 | 1,972,334 | 246,321 | 442,844 | 2,661,499 | 20,192,914 |

| Group - as at 31 March 2024 | Restricted | Unrestricted | | | | Group |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | Total |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 904,743 | 589,123 | - | - | 589,123 | 1,493,866 |
| Heritage assets | 16,528,264 | 882,103 | - | - | 882,103 | 17,410,367 |
| Investment properties | - | - | 246,321 | 64,233 | 310,554 | 310,554 |
| Inventories | - | - | - | 704,165 | 704,165 | 704,165 |
| Debtors | - | - | - | 352,411 | 352,411 | 352,411 |
| Investments | - | - | - | 1,139,951 | 1,139,951 | 1,139,951 |
| Cash and cash equivalents | 11,727 | 432,370 | - | 180,046 | 612,416 | 624,143 |
| Creditors | - | - | - | (2,009,138) | (2,009,138) | (2,009,138) |
| Deferred tax | - | - | - | (59,005) | (59,005) | (59,005) |
| | 17,444,734 | 1,903,596 | 246,321 | 372,663 | 2,522,580 | 19,967,314 |

**28 Analysis of funds (continued)**

| Trust - as at 31 March 2025 | Restricted | Unrestricted | | | | Trust Total |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 638,034 | 549,343 | - | - | 549,343 | 1,187,377 |
| Heritage assets | 16,482,161 | 1,050,887 | - | - | 1,050,887 | 17,533,048 |
| Inventories | - | - | - | 255,107 | 255,107 | 255,107 |
| Investment in subsidiaries | - | - | - | 26,100 | 26,100 | 26,100 |
| Debtors | - | - | - | 1,526,494 | 1,526,494 | 1,526,494 |
| Investments | - | - | - | 701,735 | 701,735 | 701,735 |
| Cash and cash equivalents | 411,220 | 351,694 | - | (330,897) | 20,797 | 432,017 |
| Creditors | - | - | - | (1,735,385) | (1,735,385) | (1,735,385) |
| | 17,531,415 | 1,951,924 | - | 443,154 | 2,395,078 | 19,926,493 |

| Trust - as at 31 March 2024 | Restricted | Unrestricted | | | | Trust Total |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 904,743 | 573,893 | - | - | 573,893 | 1,478,636 |
| Heritage assets | 16,528,264 | 882,103 | - | - | 882,103 | 17,410,367 |
| Inventories | - | - | - | 261,563 | 261,563 | 261,563 |
| Investment in subsidiaries | - | - | - | 26,100 | 26,100 | 26,100 |
| Debtors | - | - | - | 1,325,442 | 1,325,442 | 1,325,442 |
| Investments | - | - | - | 704,165 | 704,165 | 704,165 |
| Cash and cash equivalents | 11,727 | 432,371 | - | (23,901) | 408,470 | 420,197 |
| Creditors | - | - | - | (1,925,576) | (1,925,576) | (1,925,576) |
| | 17,444,734 | 1,888,367 | - | 367,793 | 2,256,160 | 19,700,894 |

**29 Restricted funds**

| Year ended 31 March 2025<br>Group and Trust | At 1 April 2024<br>£ | Transfers 2025<br>£ | Income 2025<br>£ | Expend-iture 2025<br>£ | At 31 March 2025<br>£ |
|---|---|---|---|---|---|
| Fixed asset funds | 8,812,987 | (58,772) | - | (542,798) | 8,211,417 |
| Fitted Rigging House | 6,223,142 | - | - | (189,032) | 6,034,110 |
| Arts Council England - NPO | 11,727 | - | 249,508 | (245,389) | 15,846 |
| No 1 Smithery | 265,500 | - | - | (29,500) | 236,000 |
| Other | - | - | 17,879 | (18,437) | (558) |
| Fitted Rigging House (South) | 2,131,378 | - | - | (43,498) | 2,087,880 |
| MEND Fund - Commissioners House | - | (550,787) | 695,520 | - | 144,733 |
| Other Commissioners House funding | - | - | 251,200 | - | 251,200 |
| Commissioners House restoration project | - | 550,787 | - | - | 550,787 |
| | 17,444,734 | (58,772) | 1,214,107 | (1,068,654) | 17,531,415 |

| Year ended 31 March 2024<br>Group and Trust | At 1 April 2023<br>£ | Transfers 2024<br>£ | Income 2024<br>£ | Expend-iture 2024<br>£ | At 31 March 2024<br>£ |
|---|---|---|---|---|---|
| Fixed asset funds | 9,290,514 | 65,271 | - | (542,798) | 8,812,987 |
| Fitted Rigging House | 6,412,174 | - | - | (189,032) | 6,223,142 |
| Arts Council England - NPO | 6,500 | - | 249,508 | (244,281) | 11,727 |
| No 1 Smithery | 100,000 | - | 195,000 | (29,500) | 265,500 |
| Other | 35,127 | - | 14,934 | (50,061) | - |
| DCMS | - | - | 196,000 | (196,000) | - |
| Fitted Rigging House (South) | 1,808,657 | - | 366,219 | (43,498) | 2,131,378 |
| | 17,652,972 | 65,271 | 1,021,661 | (1,295,170) | 17,444,734 |

**29 Restricted funds (continued)**

The fixed asset funds represent the donations and grants received in previous years to fund capital expenditure; the balance of the funds represents the net book value of the related assets and the expenditure represents the annual depreciation of the related assets.

The Fitted Rigging House project is to preserve the North end of the fitted rigging house, this being the last major building within the dockyard which has yet to be refurbished, to allow it to be used more productively.

The Arts Council England - NPO programmes relate to various activities, designed to provide school children with educational activities relevant to the dockyard and its contribution to naval history.

No 1 Smithery - The Trust was pledged a total of £215,000 from the DCMS Wolfson Museums and Galleries Improvement Fund followed by an additional £100,000 from the Garfield Weston Foundation, £50,000 from the Foyle Foundation and £30,000 from The Headley Trust to support the refurbishment of the existing No.1 Smithery gallery space which was first developed in 2010 and is in need of uplift and improvement.

Other Grants - This represented a number of smaller grants for specific projects completed during the course of the year.

The Fitted Rigging House (South) project is to preserve the Southern end of the fitted rigging house, this being the last major building within the dockyard which has yet to be refurbished, to allow it to be used more productively.

MEND Fund - Commissioners House - This represents the MEND funded element of the Commissioners House restoration project.

Other Commissioners House funding - This represents the funded element of the Commissioners House restoration project, from other fundings than the MEND funding.

Commissioners House restoration project - This represents the capital works to-date in respect of the Commissioners House restoration project.

**Transfers between funds**

Transfers between funds represent the amounts transferred to restricted and designated fixed assets fund, to reflect the net book value of the fixed assets incorporated within these funds.

**30 Unrestricted funds**

| Year ended 31 March 2025<br>Group | At 1 April 2024 £ | Gains/ Transfers 2025 £ | Income in 2025 £ | Expend-iture in 2025 £ | At 31 March 2025 £ |
|---|---|---|---|---|---|
| Designated funds | | | | | |
| - Fixed assets | 1,471,227 | (47,603) | - | (152,984) | 1,270,640 |
| - Maintenance and development | 432,369 | (57,157) | 326,482 | - | 701,694 |
| Revaluation | 246,321 | - | - | - | 246,321 |
| General | 372,663 | 161,102 | 8,219,026 | (8,309,947) | 442,844 |
| | 2,522,580 | 56,342 | 8,545,508 | (8,462,931) | 2,661,499 |

| Year ended 31 March 2024<br>Group | At 1 April 2023 £ | Gains/ Transfers 2024 £ | Income in 2024 £ | Expend-iture in 2024 £ | At 31 March 2024 £ |
|---|---|---|---|---|---|
| Designated funds | | | | | |
| - Fixed assets | 460,949 | 1,148,321 | - | (138,043) | 1,471,227 |
| - Maintenance and development | 869,710 | (611,614) | 174,273 | - | 432,369 |
| Revaluation | 246,321 | - | - | - | 246,321 |
| General | 643,901 | (530,135) | 8,369,810 | (8,110,913) | 372,663 |
| | 2,220,881 | 6,572 | 8,544,083 | (8,248,956) | 2,522,580 |

| Year ended 31 March 2025<br>Trust | At 1 April 2024 £ | Gains/ Transfers 2025 £ | Income in 2025 £ | Expend-iture in 2025 £ | At 31 March 2025 £ |
|---|---|---|---|---|---|
| Designated funds | | | | | |
| - Fixed assets | 1,455,998 | (58,761) | - | (147,007) | 1,250,230 |
| - Maintenance and development | 432,369 | (57,157) | 326,482 | - | 701,694 |
| General | 367,793 | 172,260 | 7,102,655 | (7,199,554) | 443,154 |
| | 2,256,160 | 56,342 | 7,429,137 | (7,346,561) | 2,395,078 |

| Year ended 31 March 2024<br>Trust | At 1 April 2023 £ | Gains/ Transfers 2024 £ | Income in 2024 £ | Expend-iture in 2024 £ | At 31 March 2024 £ |
|---|---|---|---|---|---|
| Designated funds | | | | | |
| - Fixed assets | 460,949 | 1,133,092 | - | (138,043) | 1,455,998 |
| - Maintenance and development | 869,710 | (611,614) | 174,273 | - | 432,369 |
| General | 623,800 | (514,906) | 8,369,810 | (8,110,911) | 367,793 |
| | 1,954,459 | 6,572 | 8,544,083 | (8,248,954) | 2,256,160 |

**30 Unrestricted funds (continued)**

The fixed assets fund presents funds used to acquire fixed assets and which are therefore not available for funding the Trust's day to day activities.

The Maintenance and Development Fund represents sums set aside for planned preventive maintenance and building refurbishment expenditure in future periods.

**Transfers between funds**

Transfers between funds represent the amounts transferred to restricted and designated fixed assets fund, to reflect the net book value of the fixed assets incorporated within these funds.

**31 Reconciliation of net income to net cash outflow from operating activities**

| | 2025<br>£ | 2024<br>£ |
|---|---|---|
| Net income/(expenditure) | 225,600 | 93,461 |
| Depreciation of property, plant and equipment | 389,022 | 388,072 |
| Depreciation of heritage assets | 568,790 | 561,762 |
| Loss on disposal of tangible fixed assets | (443) | 13,831 |
| Rental income | (21,677) | (13,810) |
| Net (loss)/gain on investments | 2,430 | (71,842) |
| (Increase) in inventories | 6,748 | (26,916) |
| Decrease / (Increase) in debtors | (144,790) | 160,286 |
| (Decrease) / Increase in creditors | (188,433) | (66,339) |
| **Net cash provided by from operating activities** | 837,247 | 1,038,505 |

**32 Analysis of net debt**

| | At 1 April 2024<br>£ | Cash flows<br>£ | At 31 March 2025<br>£ |
|---|---|---|---|
| Cash at bank and in hand | 624,143 | 64,955 | 689,098 |
| Loans | (350,000) | - | (350,000) |
| **Net cash inflow from operating activities** | 274,143 | 64,955 | 339,098 |

### 33 Operating lease commitments

At 31 March 2025 the Group was committed to making the following payments under non-cancellable operating leases in the coming years

| | 2025 £ | 2024 £ |
|---|---|---|
| Due next year | 7,711 | 5,683 |
| Due in the next 2 to 5 years | 23,862 | 12,258 |
| Due in more than 5 years | - | 1,383 |
| | 31,573 | 19,324 |

### 34 Related Party Transactions

The Trust has a number of transactions with its subsidiaries. The Trust provides accommodation, management, IT and other services to its subsidiaries, details of these are as follows:

| | Chatham Historic Dockyard (Trading) Ltd £ | Master Ropemakers Trading Ltd £ | Historic Dockyard Property Ltd £ | Historic Dockyard Property (2005) Ltd £ | Total 2025 £ |
|---|---|---|---|---|---|
| **From the Trust:** | | | | | |
| Employment recharges | 401,362 | 39,837 | - | - | 441,199 |
| Rent | 19,000 | - | - | - | 19,000 |
| Utilities | 4,776 | - | - | - | 4,776 |
| Rope purchases | - | 306,575 | - | - | 306,575 |
| Management fees | - | - | 26,263 | - | 26,263 |
| Finance, insurance and other costs | - | - | 11,314 | - | 11,314 |
| | 425,138 | 346,412 | 37,577 | - | 809,127 |
| Amounts owed from/(to): | 188,221 | 98,710 | 17,975 | 48,235 | 353,141 |

**34 Related Party Transactions (continued)**

| | Chatham Historic Dockyard (Trading) Ltd | Master Ropemakers Trading Ltd | Historic Dockyard Property Ltd | Historic Dockyard Property (2005) Ltd | Total 2024 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **From the Trust:** | | | | | |
| Employment recharges | 349,649 | 38,511 | - | - | 388,160 |
| Rent | 19,000 | - | - | - | 19,000 |
| Utilities | 2,987 | - | - | - | 2,987 |
| Rope purchases | - | 309,873 | - | - | 309,873 |
| Management fees | - | - | 23,875 | - | 23,875 |
| Finance, insurance and other costs | - | - | 6,660 | - | 6,660 |
| | 371,636 | 348,384 | 30,535 | - | 750,555 |
| Amounts owed from/(to): | 167,947 | 97,410 | (5) | 20,205 | 285,557 |

The subsidiaries have committed to distribute any profits made, by way of charitable donation, to the Trust on an annual basis (see note 18).

The balances due from the subsidiaries are shown in note 21.

During the year, the Trust paid £nil (2024: £4,400) to The True Leader Company Limited, a company which Admiral Sir Trevor Soar (Trustee) is a Director, for staff training.

**THE CHATHAM HISTORIC DOCKYARD TRUST**

England & Wales - Charity number 292101

# Accounts

# The Chatham Historic Dockyard Trust

## Trustees' Report and Financial Statements

## for the year ended 31 March 2024

Company number 01804108

Registered Charity number: 292101

WEDNESDAY
*ADDV3JG9*
A8 16/10/2024 #32
COMPANIES HOUSE

# Vision

The most complete and best-preserved Dockyard of the Age of Sail will increase its impact through innovative reuses of our heritage assets making it ever more relevant to all users, providing excellent experiences for all and inspirational learning for the widest audiences.

# Our Strategic Objectives

**Preservation**

To set the benchmark in maintaining excellence in the sympathetic preservation and use of The Historic Dockyard, its buildings, ships and collections through diverse re-use. Excellence in management of the heritage environment and building use will remain essential in preserving the unique, award-winning, historic character of the site.

**Learning**

To engage the widest audiences in learning about the significance and role of the former Royal Dockyard at Chatham and its people in supporting the Royal Navy from sail to steam to nuclear power over a 400 year period.

Utilising on-site heritage assets as the foundation for an industry leading museum and heritage site, we will maximise our reach and capacity whilst maintaining quality in delivering inspirational programmes and engaging activities which will incorporate the best use of digital technology and outreach activities.

**Excellence**

Providing excellence in everything we do, we will deliver an unmatched, inspirational and memorable experience for all users of The Historic Dockyard – whether visitors, tenants, residents or students – that exceed their expectations and maintains a balanced ecology of uses.

In setting and pursuing these objectives the Trustees have had regard to the Charity Commission's guidance on public benefit.

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**Patron**

HM The King

**Vice Patrons at 31 March 2024**

Admiral Sir Ian Garnett KCB

The Rt. Hon Sir Timothy Sainsbury Kt PC

Lord-Lieutenant of Kent, The Lady Colgrain

**Trustees and Board Members**

Admiral Sir Trevor Soar KCB, OBE, DL (Chairman)
Professor Robert Allison CBE, DL
Sir Ian Andrews CBE, TD
Mr William A Corbett
Mr Paul D Hudson
Mr Paul Jackson OBE
Mr Tony Jones (Appointed 23/05/2024)
Dame Diane Lees CBE (Appointed 23/05/2024)
Cllr Harinder Mahil (Appointed 23/05/2024)
Miss Sarah E Roots
Mr Prodaman K Sarwal MBE (Retired 23/05/2024
Mr Duncan Wilson CBE
Mrs Deirdre Wells OBE

**Secretary**

Mr Christopher Langridge

**Company members**

The Trustees and Board Members (as above)
The Rt. Hon. The Secretary of State for Defence
The Rt. Hon. The Secretary of State for Digital, Culture, Media and Sport
Mr John Spence OBE DL

**Key Management**

| | |
|---|---|
| Mr Richard Morsley | Chief Executive |
| Mr Paul Barnard | Deputy Chief Executive |
| Mrs Lynnette Crisp | Director of Communications & Public Engagement |
| Mr Nigel Howard | Director of the Historic Environment and Buildings |
| Mr Christopher Knott | Financial Controller (Retired 31 March 2024) |
| Ms Olivia Horner | Director of Commercial and Operations |
| Mr Sean Rodwell | Financial Controller (Appointed 27 November 2023) |

**Bankers**

Barclays Bank PLC
13 Fremlin Walk
Maidstone
Kent ME14 1QG

**Auditor**

Azets
First Floor, River House
1 Maidstone Road
Sidcup
Kent, DA14 5RH

**Solicitors**

Cripps LLP
22 Mount Ephraim
Tunbridge Wells
Kent TN4 8AS

**Registered Office**

1st Floor North
Fitted Rigging House
The Historic Dockyard
Chatham
Kent
ME4 4TZ

Tel: 01634 823800 / www.thedockyard.co.uk

The Trust gratefully acknowledges the financial and other support during 2023/24 of its Dockyard Ambassadors, and of its many stakeholders and funders, so essential to its successful operation.

Major Donors and Supporters during 2023/2024 (in alphabetical order):

Arts Council England
DCMS Wolfson Museums and Galleries Improvements Fund
The Department for Digital, Culture, Media and Sport (DCMS)
The Department for Levelling Up, Housing and Communities
The Foyle Foundation
The Garfield Weston Foundation
The Headley Trust
Marsh Christian Trust
Medway Council
National Lottery Heritage Fund
Sir Charles Jessel Charitable Trust

We would like to thank all of the individuals and organisations that have supported the Historic Dockyard through this year, including those who have generously left gifts in the form of a legacy. Their support is hugely appreciated and makes a real difference to the valuable work we do.

In addition, we would like to thank, in particular, the Department for Digital, Culture, Media & Sport and Medway Council for their continued valuable support over many years.

The Chatham Historic Dockyard Trust is a registered charity (Charity No. 292101) and registered company (Company No. 01804108).

Gifts and donations made by UK taxpayers under gift aid substantially increase the value of donations made.

The Trust is a Fully Accredited Museum.

## Chairman's Introduction

As Chairman of the Chatham Historic Dockyard Trust, I am honoured to present the Annual Review for 2023/24. This year has been one of remarkable progress and profound significance for this very special place. The 31st March 1984 marked the closure of the Royal Dockyard at Chatham and 40 years later, we are very proud to note all the incredible achievements that have taken place over that period of time to create a sustainable mixed-use heritage estate. In our 40th year, we are also very proud to say that following many years of valued support from the Department of Digital, Culture, Media and Sport (DCMS), this funding relationship came to an end of 31st March 2023, marking the Trust's complete financial independence. This incredible achievement is testament to our unique business model, generating multiple income streams and utilising our site assets to underpin our financial viability. We are very grateful for the support that has been provided by DCMS over many years and we hope to continue our relationship with the Department for many years to come. This document reports against the period 1 April 2023 to 31 March 2024.

*Achieving the Learning Purpose*

The Historic Dockyard continues to grow back its audiences following the COVID-19 pandemic and we are pleased to report that we welcomed 143,162 visitors to the Historic Dockyard during this reporting period, a 13% uplift from the previous year. Whilst visitor numbers remain below pre-pandemic levels, we are very pleased to see visitors returning to the site and recognise the wider trends for heritage visitation within the sector which also remain below pre-pandemic levels.

**Visitors**

Over the course of the last twelve months, we have undertaken a range of additions and improvements to our visitor offer to help grow audiences further. Working in partnership with the National Maritime Museum Cornwall, we were delighted to host their "Monsters of the Deep" exhibition within No.1 Smithery for the entire 2023 visitor season.

This exhibition explored a wide range of themes related to underwater exploration and the creatures found at the murky depths of our oceans. The exhibition explored the mythology of sea monsters and the science behind modern oceanography and displayed a wonderful collection of deep sea specimens on loan from the National Oceanographic Centre. Loans for this exhibition were also secured from the National Maritime Museum, the British Library, the Beaney House of Knowledge and Brighton and Hove Museums Trust.

The exhibition received significant press interest from its launch on 1st April 2023 and a broader range of family activities, talks programmes and events were organised throughout the course of the year all following the wider theme of Monsters of the Deep.

Over the course of the year, we have also worked closely in partnership with the Royal National Lifeboat Institute (RNLI) in developing a temporary exhibition for 2024 which marks the 200th anniversary of this inspirational organisation. This exhibition launched on 23rd March 2024 and I look forward to sharing more information about the success of this exhibition in our next annual report.

Over the winter of 2023/24, the Trust took the opportunity to undertake a major refresh of the wider No.1 Smithery building, creating a revised Orientation Gallery as well as updating and refreshing the Permanent Exhibition Gallery. These works were funded by the DCMS/Wolfson Museums and Galleries Improvement Fund, the Garfield Weston Foundation, the Foyle Foundation and the Hedley Trust. We are grateful for their continued support and the revised gallery spaces opened to the public on 24th March 2024.

We continue to grow the number of formal educational visits and during the reporting period and would like to recognise our Lifelong Learning Teams for the achievement of a Sandford Award for Education, recognising their contribution to excellence in learning outside the classroom.

*Achieving the Preservation Purpose*

The Trust has made some great strides in the last year in achieving against its Preservation objective. We are delighted to report the effective completion of the Fitted Rigging House South project following significant investment from the Department of Levelling Up, Housing and Communities (DLUHC). Commercial tenants have now moved into the spaces created and the additional income streams generated by their presence will play a significant role in securing the Trust's long-term financial sustainability.

We are also pleased to report that our bid to Arts Council England MEND Round 3 has been successful, securing c.£2.3million to support essential maintenance works for Commissioner's House. This valuable funding will enable the Trust to undertake a programme of essential maintenance and repairs throughout 2025/26 that will see repair and replacement of the roof and improved mechanical and electrical provisions within the building itself.

Our partnership with the University of Kent continues to develop following the continued progress of the Docking Station project which seeks to utilise the Police Section House on the former Royal Dockyard site. The Trust continues to pursue the acquisition of this building via Homes England as part of this partnership project.

**External Support**

Support through third-party sources has always been transformational, not only in supporting our day-to-day operation but in supporting us in our drive for financial resilience. During this period, we have been fortunate to receive significant grant support from Arts Council England, the Foyle Foundation, the Hedley Trust and DCMS as well as support from a number of donors and benefactors who are referenced later in this report.

**Our Teams**

Over the course of the past year, the Senior Leadership Team within the Trust has seen a small amount of change following the retirement of the Trust's long-standing Financial Controller, Chris Knott. We are pleased to announce the appointment of Sean Rodwell to the position of Financial Controller following a succession planning exercise. We would also like to acknowledge a number of Trustees who will retire from our Board following the completion of their standard terms of engagement. In particular, we would like to acknowledge Pommy Sarwal MBE and Sir Ian Andrews CBE, TD who both step down later this year.

We are fortunate to have a highly dedicated and motivated team of staff and volunteers that give so much time and energy to supporting the furtherance of our charitable objectives and my thanks goes to each and every one of those people that make this place what it is today.

**Forging the Future**

Following the effective delivery of our current 5-year Corporate Plan, the Board of Trustees are embarking on a 10-year strategic planning exercise to ascertain the future direction of the organisation. As the Trust has now reached a point of financial independence, in our 40th year of operation, it is appropriate to develop a strategy that has a focus on the delivery of our charitable purposes, the values which underpin the culture of our organisation and the strategic imperatives that will drive our organisation over the next 10 years. We look forward to working with our teams and stakeholders to develop this strategy over the coming months.

This next part of our journey fills all of us with a great deal of excitement and I look forward to the opportunity to report on the progress of this in the future.

Admiral Sir Trevor Soar KCB OBE DL

Chairman

## Strategic Report - Vision & Objectives

### Vision

The most complete and best-preserved Dockyard of the Age of Sail will increase its impact through innovative reuses of our heritage assets making it ever more relevant to all users, providing excellent experiences for all and inspirational learning for the widest audiences.

### Our Core Charitable Objectives

The preservation of the Historic Dockyard Chatham, the most complete 18th Century dockyard in the world and;
The education of the public in its historical, architectural and archaeological importance.

### Our Strategic Objectives

**Preservation**
To set the benchmark in maintaining excellence in the sympathetic preservation and use of The Historic Dockyard, its buildings, ships and collections through diverse re-use. Excellence in management of the heritage environment and building use will remain essential in preserving the unique, award-winning, historic character of the site.

**Learning**
To engage the widest audiences in learning about the significance and role of the former Royal Dockyard at Chatham and its people in supporting the Royal Navy from sail to steam to nuclear power over a 400-year period.

Utilising on-site heritage assets as the foundation for an industry leading museum and heritage site, we will maximise our reach and capacity whilst maintaining quality in delivering inspirational programmes and engaging activities which will incorporate the best use of digital technology and outreach activities.

**Excellence**
Providing excellence in everything we do, we will deliver an unmatched, inspirational and memorable experience for all users of The Historic Dockyard – whether visitors, tenants, residents or students – that exceed their expectations and maintains a balanced ecology of uses.

### Achieving the Vision and Objectives

### Learning

The Trust has traditionally operated its ships, collections, open spaces, museums, galleries and programmes as a visitor attraction to meet the majority of its Learning objectives.

Before the pandemic there was an ambition to grow visitor numbers to 225-250K but with a fundamentally different operating environment and shifts in consumer behaviour, reaching such targets will not be achievable for several years. We are, however, pleased to report that the Historic Dockyard was able to operate a full visitor season and welcomed 143,162 visitors to site over this period. Whilst this is still below our ambition, the growth shown throughout the year gives us cause for optimism going into the year ahead to further increase our visitor number and hence, the delivery of our charitable objectives whilst simultaneously aiming to increase spends with visitors who choose to be with us.

*Monsters of the Deep and Engaging Programming to Drive Visitation*

The Trust took the conscious decision in 2022 to programme more thematically for 2023 and beyond and the theme of "Monsters of the Deep" was settled upon following the confirmation of the Monsters of the Deep exhibition on loan from the National Maritime Museum Cornwall. This temporary exhibition opened to the public on 1st April 2023.

Working alongside our exhibitions programme, the Trust developed an engaging range of family activities to excite and engage audiences during peak visitation periods around school holidays. These included a variety of craft activities all linked to either our core product or to our temporary exhibition. We were also thrilled to continue our partnership with Silvergate Media to present a range of activities from May to August linked to Octonauts, a popular children's TV series originated from a range of books. This activity was heavily linked into the Monsters of the Deep exhibition.

**Family Programming**
Attracting family audiences during our peak visitation periods is important to us as it provides an additional reason for our visitors to join us during a very competitive time of year. We programme each of the holiday periods independently and over the reporting period have delivered the following activities:

- Easter 2023 - What's Hatching at the Dockyard (Monsters of the Deep themed)
- May 2023 (to Summer 2022) - Octonauts
- Summer 2023 - Doc Yard Summer Show
- October 2023 - Here Be Dragons (Monsters of the Deep themed)
- February 2024 - HMS CAVALIER Crew Challenge

*Festivals in Full Swing*
Throughout 2023, the Historic Dockyard was proud to host 2 major events:

- Medway Gaming Festival 2023 (1st & 2ndJuly 2023) - 2023 marked the third year of this event which was hosted at the Historic Dockyard in partnership with Medway Council following a pilot in 2021 towards the end of the COVID-19 pandemic. The event is a celebration of Gaming in its widest form and serves as an excellent way to drive new audiences that are currently not engaging with our core product. We welcomed c.5,500 paid visitors to this event, an increase of c.30% from the previous year.
- Salute to the 40s (9th & 10th September 2023) - We hosted our annual Salute to the 40s event in September. We were delighted to have welcomed c.4,600 visitors to site over the weekend.

*Lifelong Learning*
The Trust continues to see an impact on formal learning visitation with the costs of transportation for school groups particularly impacting the growth of our formal learning function. With that in mind, we are however pleased to report that we engaged with over c.13,500 through our formal learning programmes, both on-site and through our educational outreach activities to schools and events. We are pleased to report that we have once again been selected as a recipient of the much coveted Sandford Award for Heritage Education, recognising the high quality learning provision provided by our Lifelong Learning teams.

*Community and Public Engagement*
Following the completion of our consultancy project with B&G Consulting, we are now actively working to make a wider impact within our immediate local communities through a range of public engagement works. This has been achieved through a range of partnership with local community organisation and charities and have focussed on increasing our presence and audiences within underrepresented groups.

*Museum and Collections*
Following a successful fundraising campaign, the Trust took the opportunity during the closed period to visitors of 2023/24 to undertake a programme of upgrades and improvements to No.1 Smithery, primarily focussed on the Orientation Gallery and Permanent Exhibition Gallery. These works sought to deal with issues around failing audio visual equipment but also upgrade the spaces to give a more modern and flexible feel. We also took the opportunity to relocate the Chatham Chest from its existing location in our main visitor entrance to its new home in the Permanent Exhibition Gallery. This decision was taken to allow us to provide a more complete interpretation of the object and recognise the links with Sir John Hawkins and the slave trade, putting this in context with the charitable message of the object. We worked closely with the Medway African Caribbean Association (a long-standing partner of the Trust) to re-tell the story of this object and the Trust is grateful for their support in this process. This forms part of a longer project that aims to look at the challenging messages around both slavery and colonialism that are woven into the wider context of the dockyard's 400-year history.

**Preservation**

With over 100 buildings and structures, including 47 ancient monuments, preservation on our historic estate can never stand still. We achieve our charitable purpose of 'preservation' through our long-term 'Preservation through Reuse' strategy.

*Caring for Scheduled Ancient Monuments*

The Trust secured a significant grant from the Levelling Up Fund (LUF) in 2021 to bring the southern end of the Fitted rigging House, a Scheduled Ancient Monument, into effective use. The building was underutilised and the LUF funded project has transformed the property from a heritage liability into a significant heritage asset. The project, which was directly managed by the Trust as Managing Contractor, has seen the building preserved and let for commercial office space. The building is fully let and generating property derived revenue for the benefit of the Trust. The project was completed in November 2023 and was formally opened by the Secretary of State for Culture Media and Sport, the Rt Hon Lucy Frazer MP.

Throughout the year, the Estates and Preservation team has undertaken a wide range of other projects across our historic estate. These projects have included the full external redecoration of the Sail and Colour Loft, a significant Scheduled Ancient Monument, which is now the home of Mid Kent College's Medway School of Arts. In addition to the external redecoration, the project included a range of external fabric repairs and major internal works to ensure suitability for the new tenant.

No.1 Smithery, a cultural facility and gallery at the heart of the Dockyard, underwent a major refresh which saw significant improvements to the building, the first significant works since a major capital project completed in 2010. The project saw full internal redecoration of key gallery spaces, new flooring, lighting, interpretation and access improvements. The improved No.1 Smithery Gallery was opened to the public in March 2024.

A range of smaller projects have been undertaken across the historic estate, including roof repairs at the intersection of No.3 and 4 Slip, repair to the external façade of Machine Shop No.3 and repair and redecoration of Building 73. Across the tenanted Dockyard estate, there has been considerable programme of work to maintain and decorate properties, including notably internal redecorations to Admirals Offices.

We are in the process of acquiring our 48th Scheduled Ancient Monument. In a partnership between Medway Council, the University of Kent's Institute of Cultural and Creative Industries and the Trust, the Police Section House, a Grade II listed Scheduled Ancient Monument, will be developed into innovative new creative space called The Docking Station. This new development will become a digital creative and cultural industries hub providing cutting edge technologies, performance and training opportunities. Construction is planned to commence in autumn 2024.

Having secured a major grant through the Arts Council England administered MEND programme, planning is now well underway for a major preservation project the Grade I Listed, Scheduled Ancient Monument, Commissioners House. Preservations works on Commissioner's House will include roof repair, mechanical and electrical, and environmental improvement. The project will commence in late 2024 with a planned completion in 2026.

*Historic Ship Maintenance*

With three historic warships in our care, their preservation is an important part of our activity.

Ongoing maintenance work has taken place onboard HMS Gannet and HMS Ocelot to maintain the current condition and undertake regular reviews and surveys to ensure their ongoing condition. Further improvements have been made to the interpretation onboard HMS Ocelot to improve the visitor experience.

HMS Cavalier is a Second World War destroyer built on the Isle of Wight in 1944. HMS Cavalier is preserved at the Historic Dockyard Chatham as the National Destroyer Memorial commemorating the lives and Royal Navy Destroyers lost during the Second World War. As part of our planned maintenance, works were undertaken to provide hull repairs, painting of the hull and decks. We are currently monitoring the condition of HMS Cavalier carefully where we are seeing areas of deterioration within the hull with a longer-term dry docking procedure planned for the coming years.

**Achieving Excellence**

As an independent charity our aim is to provide excellence in everything we do. We strive to deliver unmatched, inspirational and memorable experiences for all users of the Historic Dockyard - whether visitors, tenants, residents or students - that exceed their expectations.

Developing excellence is the key to unlocking income and creative development across several areas.

*Quality Assured*

We believe that benchmarking against others and using external judgement through accredited schemes is the best way to assess achievement. We participate in the Visit England Visitor Attraction Quality Assurance Scheme (VAQAS) and we're pleased to report that for 2023/24 we received a score of 92 out of 100.

**Travellers' Choice**

We are delighted to have been awarded the 2023 Tripadvisor Travellers' Choice Award, which recognises outstanding visitor experiences, for the 13th year running.

**Investing in our people**

Investment in our staff and volunteers as an educational charity is fundamental to our culture and essential for our future success. We continue to manage talent within our organisation. Following the retirement of some long-standing members of the team, a succession planning process has engaged people at different levels of the Trust.

In 2023/24, we said farewell to our longstanding Financial Controller, Christ Knott, who retired following a long career with Chatham Historic Dockyard Trust. We are pleased to report the appointment of Sean Rodwell as the current Financial Controller who joined the Trust in 2023 originally as Financial Controller (Designate).

We have policies in place to encourage good relationships with staff and managers, and to promote a happy and productive working environment. The areas covered include training in health and safety, GDPR, equal opportunities, technology and safeguarding. A comprehensive staff handbook is issued to all new staff during induction and is available through internal systems. We are also pleased to report that in the last financial year, we have introduced a range of well-being initiatives to enhance wellbeing across all our teams including regular social activities and the integration of a new employee assistance service.

Engaging diverse audiences and ensuring everyone has access to The Historic Dockyard Chatham is a priority. The Trust has adopted a new Equality, Diversity and Inclusion strategy putting the importance of this work stream at the highest level. The strategy documents how we aim to better understand our barriers to entry and make The Historic Dockyard Chatham welcoming and inclusive for everyone.

Staff Complement

Permanent - 77

Seasonal - 68

Volunteers

From railway operators to ship-keepers and conservators to researchers, volunteers are crucial to the operation of the Historic Dockyard and the Trust is forever grateful for the time and expertise our volunteers bring to the organisation. The Trust has over 300 registered volunteers with c.150 of these giving up their valuable time to work with us on a regular basis. We are grateful for all the support they provide to us.

**Trading activity**

As an organisation we are committed to being entrepreneurial, dynamic and proactive whilst remaining focussed on activity that maximises charitable purpose. We use trading activity to generate income to further our core purpose.

*Visitor Trading*

Our consolidated trading result generated a net profit of £145k, with 'spend per head' hitting a record breaking high.

*Call the Midwife*

Call the Midwife location tours remain a popular choice for visitors and our costumed midwife guides took over 12,000 fans through our official tour and gallery. Planning began in 2022 for a revised Call The Midwife tour which brings the product up to date with the current TV series and included a revised and refreshed gallery adding new props, sets and costumes to further enhance the experience. This product was launched in May 2023.

*Filming*

We remain a popular choice for location managers with our filming business having generated £222K in the reporting period. This was much reduced from the previous year due to the Hollywood writers strike which had a major impact on filming projects happening globally.

*Rope Sales*

Rope sales were £409k for the year versus £404k in 2023/24, demonstrating a small increase despite a difficult market.

**Governance**

In accordance with the articles of association there are eleven trustees, all of whom are the Directors and members of the Trust, which is a company limited by guarantee. The Secretary of State for Digital, Culture, Media & Sport, the Secretary of State for Defence and Mr John Spence OBE DL are also members of the Trust company.

The Trust Board retains ultimate responsibility for strategic decision-making, but ordinary management of the activities and business of the Trust is delegated to the Chief Executive, who in turn delegates specific management areas to appropriate member of his executive team. Specific and defined expenditure and contractual limits are in place and operate effectively. The Chief Executive and key members of the Executive team report regularly to Board committees and to the Trust Board itself.

As vacancies in the Trust Board from time to time arise, it is Trust policy to ensure that new appointments reflect specific skill sets seen as important for a charity of this nature. In accordance with an established protocol, nominations for new Trustees are invited from existing Board members, and considered by a Nominations Committee, comprising the Chairman of the Trust and the Chairman of the Remuneration Committee, who consult and invite representations from appropriate Board members. After an interview process, a formal proposal is put to the full Board for decision. Once appointed, new Trustees are given a full day's induction at the Historic Dockyard which includes a full site tour and time spent understanding the business with the Chairman, Chief Executive and other senior managers of the Trust with on-going training provided as necessary.

The Trust Board, Committees of the Board and wholly owned subsidiaries (see below), with their separate boards, have all operated effectively during the year, providing strategic guidance to the Executive team and all-important oversight and scrutiny of delivery against objectives set. Following best practice, the Trust Board has effective Audit, Finance & General Purposes and Remuneration Committees as well as specially formed groups start-finish Committees, such as the Interface Land Committee, to focus scrutiny on areas considered to carry special significance and potential risk.

The Audit Sub-Committee during the reporting period comprised of 6 members (Pommy Sarwal, Tony Corbett, Paul Hudson, Sir Ian Andrews, David Philip and Sir Trevor Soar). The Committee meets twice a year (February and October).

**Financial Management Policies**

Management of the finances of the Trust remains the immediate responsibility of the Financial Controller who prepares detailed monthly financial and management accounting information for review by the Chief Executive. A summary of the financial position of the Trust and its subsidiaries is also presented for quarterly review and approval to the Finance and General Purposes Committee, and then to the Board itself.

**Trust Net Income/Expenditure**

The consolidated Statement of Financial Activities for the year ending 31st March 2024 shows surplus of £93k (2023: £1.2m).

**Reserves Policy**

The policy of the Trust is to hold in free reserves a minimum sum of £800k and a maximum level of £1.6m. This reserve is to cover various contingencies such as a significant uninsured loss, a significant event which damages the Trust's reputation leading to a reduction in visitor income, and a reduction in the Trust's rental income. The general reserve can also be used to cover temporary cash flow shortfalls in receiving grant payments relating to major capital projects. At 31 March 2024 this reserve stood at £373k (2023: £644k).

The Trust also maintains a designated development reserve of £247k (2023: £785k), use of which is only to be made when considered appropriate against a conscious review of future risks occurring over a project's /payback period. This reserve can be re-designated to general reserve following the review process should perceived risks have changed, therefore is also considered as part of the free reserves calculation.

The Trust has also established a designated PPM of £185k (2023: £85k), to plan for future planned preventative maintenance requirements across the estate. Similar to the designated development reserve, this can be re-designated to general reserve should perceived risks change, so is also considered as part of the free reserves calculation.

The Trust's Reserves Policy provides for a minimum reserve of £800k but rising to a cash maximum of £1.6m when designated reserves are replenished by rentals received post project completion. The total free reserves (including the development reserve and PPM) at 31 March 2024 were £805k (2023: £1.5m).

This policy is reviewed annually by the Trust Board.

**Investment Policy**

Following the Trust's policy review in 2014/15, £400k, as part of the general reserve, has been placed in medium term low risk investments through CCLA. These investments have now increased to £704k on 31 March 2024 (2023: £632k).

**Risk**

The Trust has an active risk register, which is reviewed by the Board twice in each year. The register covers identified strategic risks and monitors movement in risk as a key indicator of progress. Key risks are generally stable and considered manageable.

Chatham Historic Dockyard Trust holds a business risk register which is reviewed on a regular basis by the Board of Trustees. The register identifies key risks and at the point of reporting, these are listed as the following:

1. A substantial reduction in the resources required to meet the Trust's operational and development needs.
2. The occurrence of significant physical damage to the property, historic character or fabric of the Dockyard.
3. A failure in the strategic or operational management of the Trust.
4. A failure to maintain/manage our IT data-holding and related systems appropriately to meet statutory operational and security imperatives.
5. The loss of key staff or damage to morale within the workforce or volunteer community.
6. Failure to maintain a safe and healthy environment.

7. The loss of a key partner or relationship.
8. Inappropriate development or change of use of property adjoining or near to the Dockyard.
9. A change in government policy or professional standards which is incompatible with the charitable purposes of the Trust.
10. Increased energy/utility costs and increased material/labour costs due to current economic climate.

Each of these risks is scored and appropriate mitigating actions are taken to ensure both likelihood and impact are reduced where possible.

To enhance internal controls a member of the finance team provides an internal audit function as a substantial part of his role, reporting directly to the Chief Executive, and thence to the audit and compliance committee of the Trust Board.

Several internal audits have been undertaken in designated areas, to ensure compliance with statutory and internal Trust requirements.

**Fundraising**

Support through third-party sources has been imperative to the Trust's survival. During this period, we have been fortunate to receive significant grant support from the Arts Council England, DCMS Wolfson Museums and Galleries Improvements Fund, the Foyle Foundation, the Headley Trust and the Garfield Weston Foundation.

*DCMS*

We were awarded £196,000 from DCMS to support a range of Planned Preventative Maintenance projects.

***Individual Fundraising Activity***

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts received are presented in our accounts as "income from donations, including grants".

In relation to the above, we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees.

The charity is not bound by any undertaking to be bound by any Regulatory Scheme but any fundraising that does take place with individuals is in line with guidance set by the Fundraising Regulator.

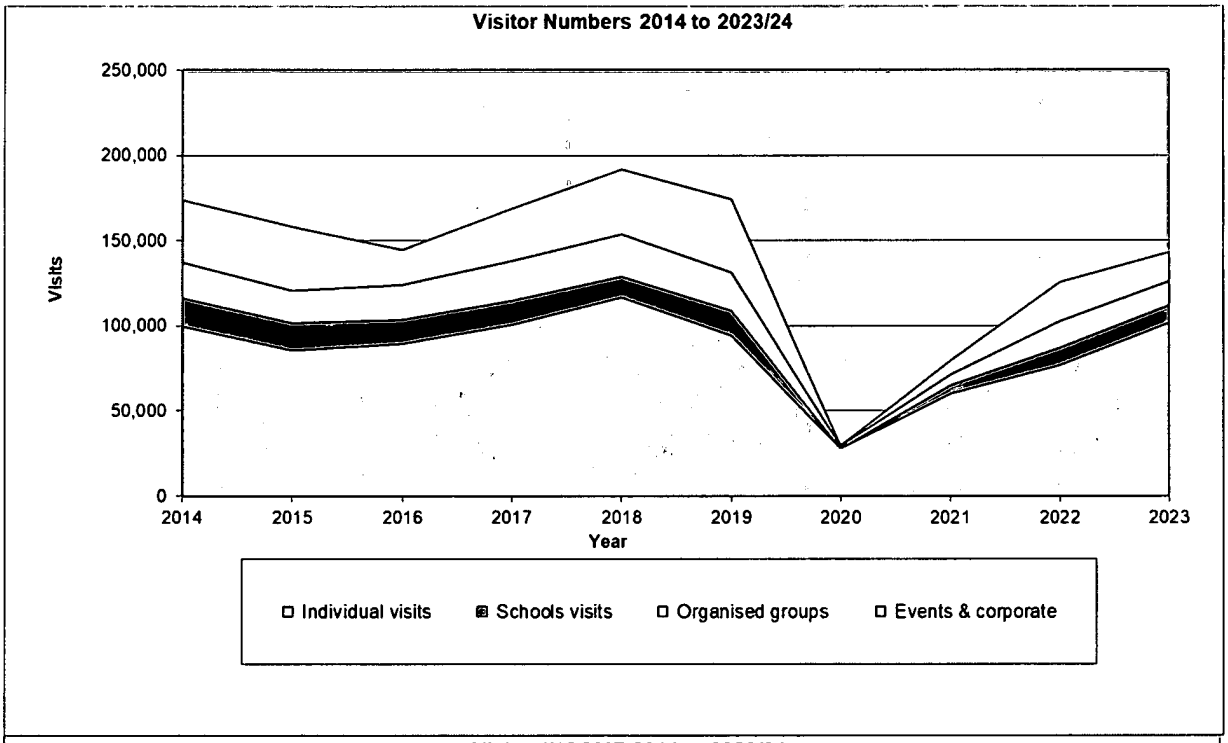
We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds we do not particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

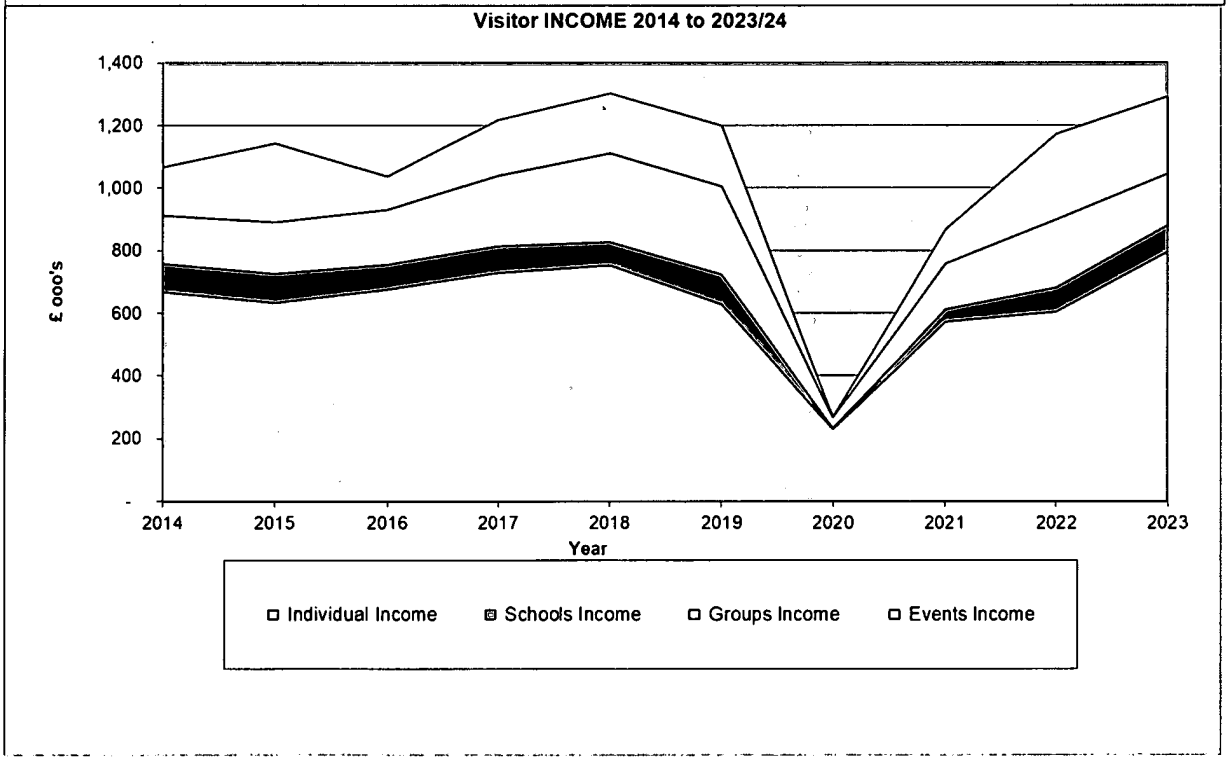
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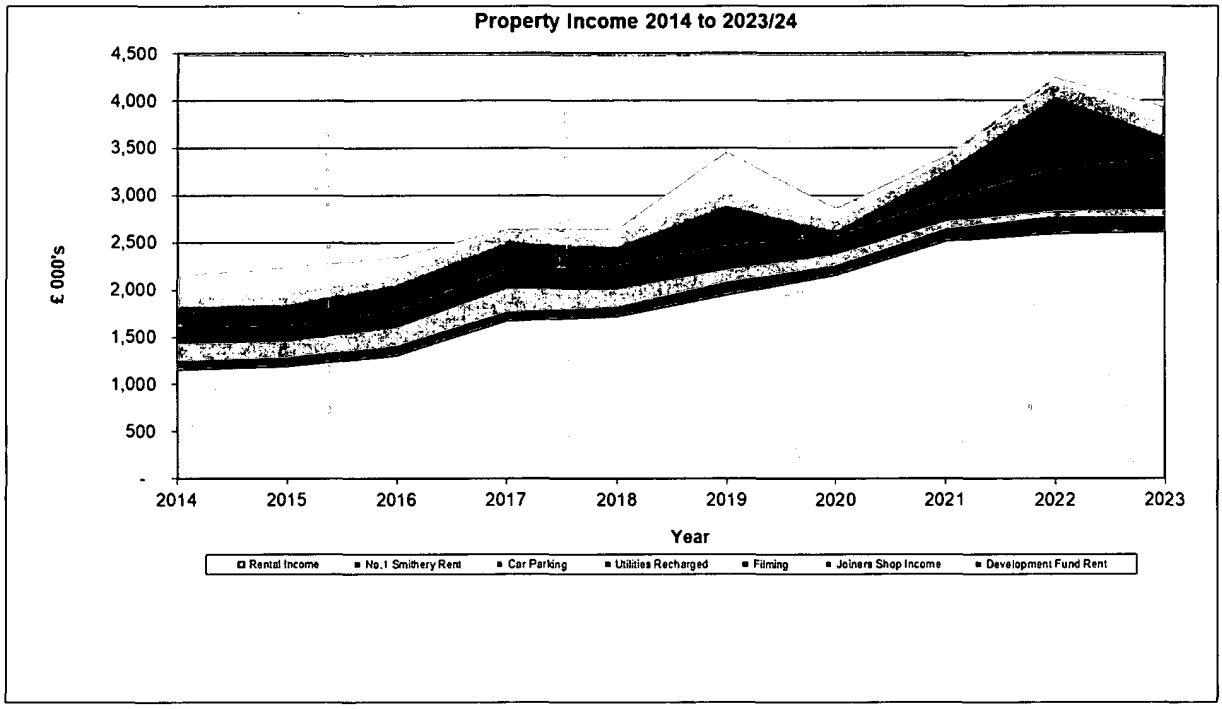
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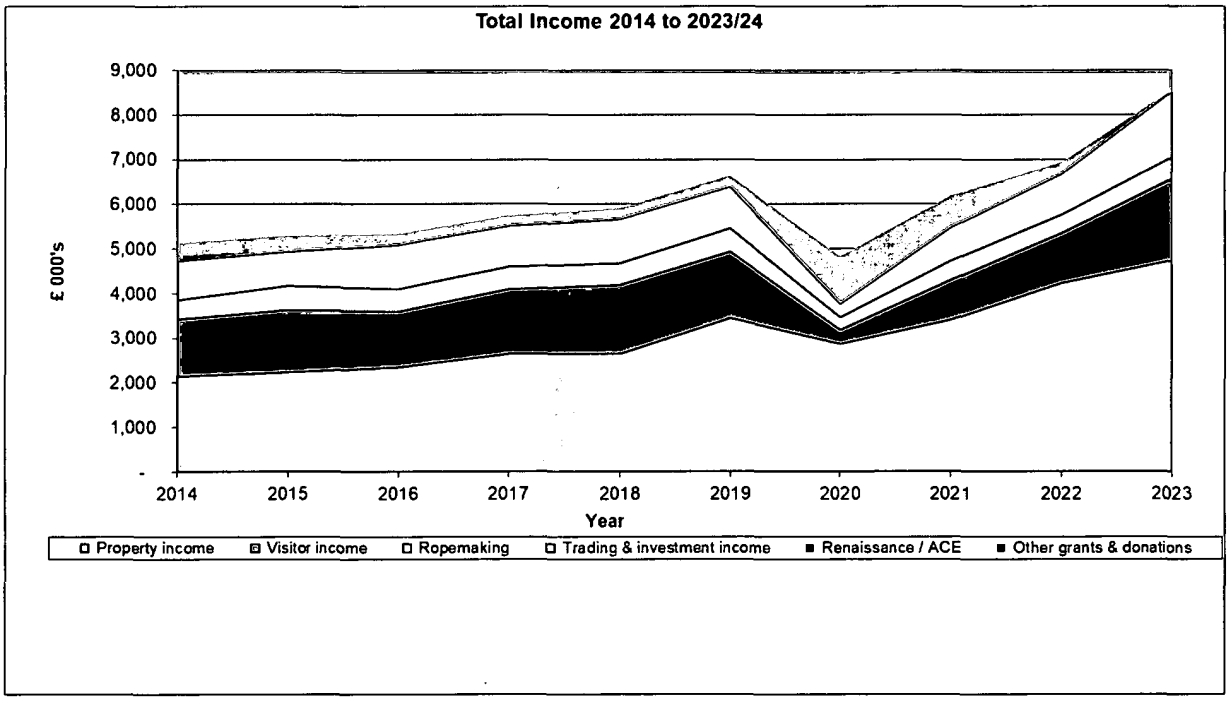
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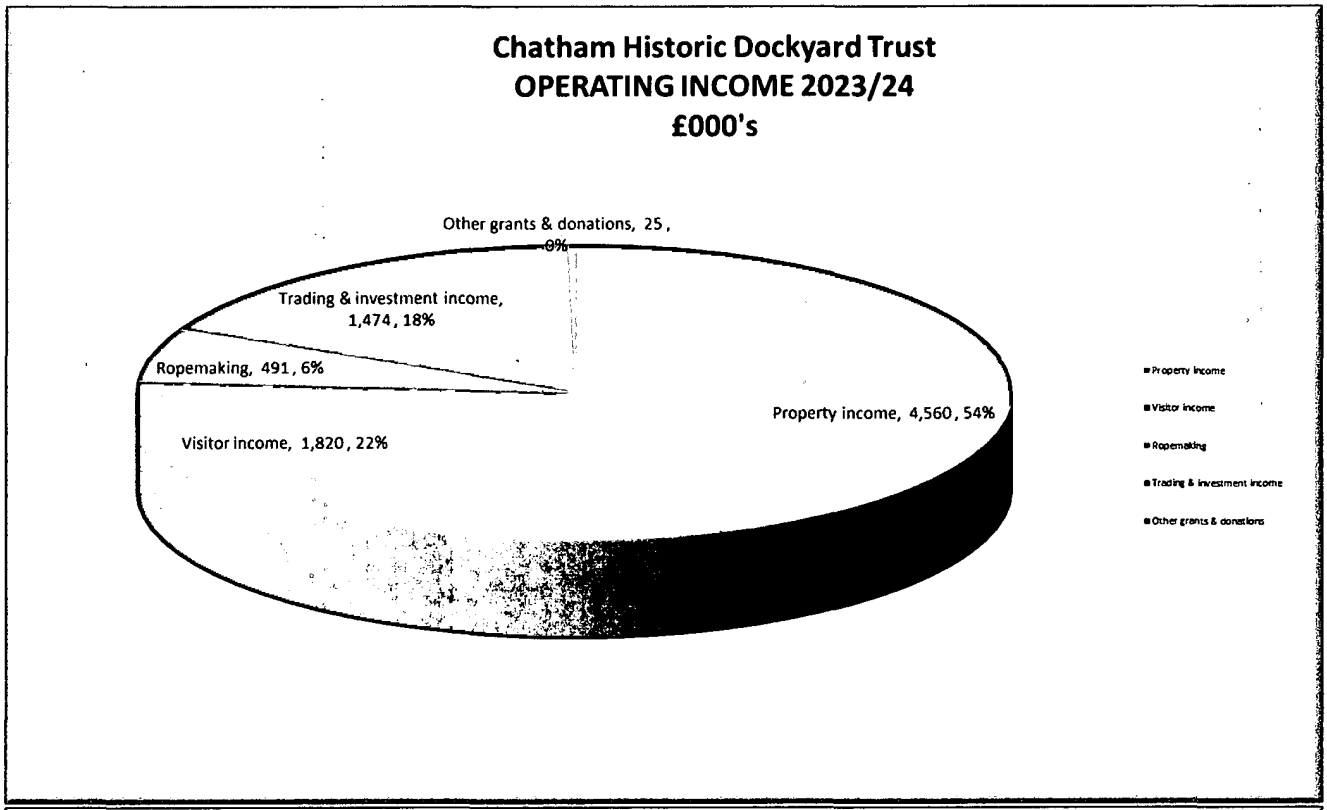
**Financial Statistics**

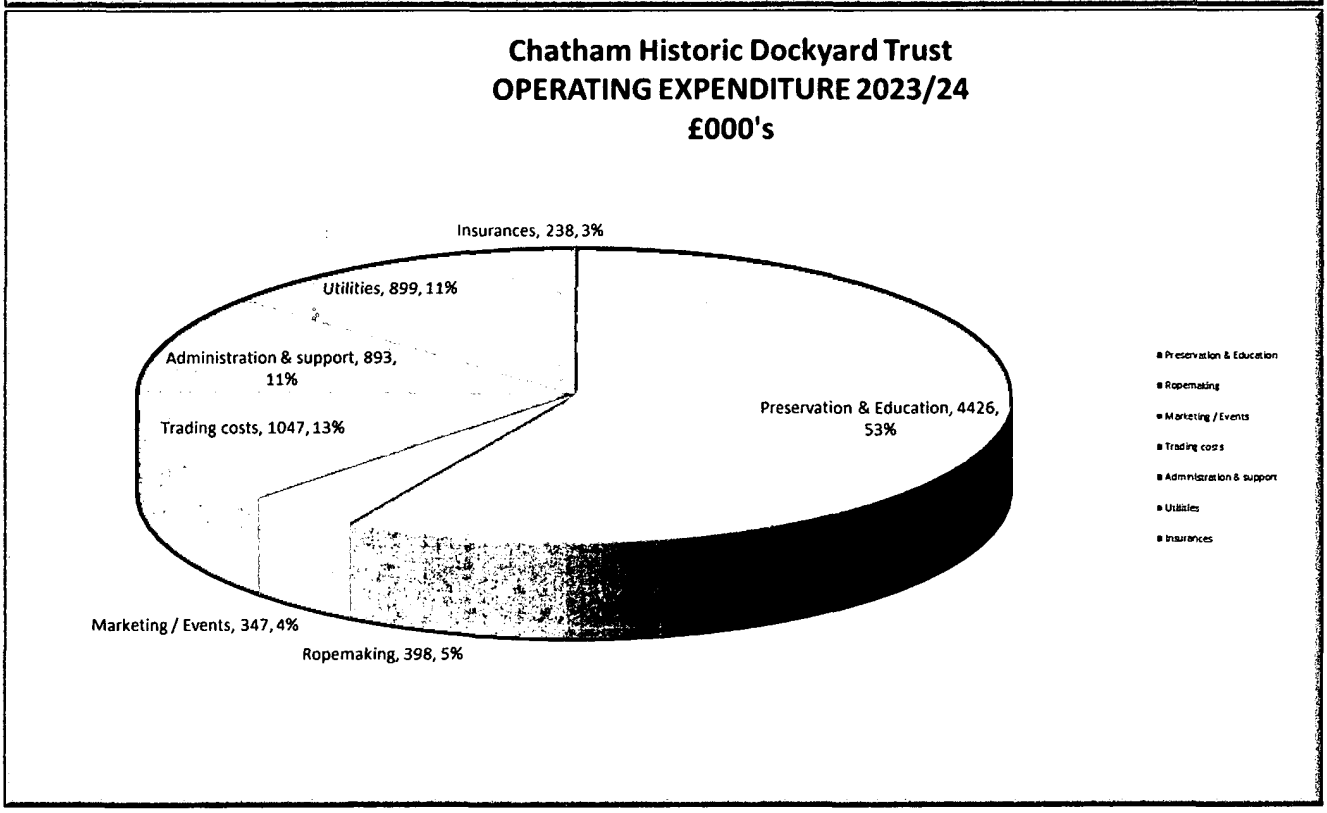



Property Income 2014 to 2023/24
£ 000's
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
Year
Rental Income
No.1 Smithery Rent
Car Parking
Utilities Recharged
Filming
Joiners Shop Income
Development Fund Rent


Total Income 2014 to 2023/24
£ 000's
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
Year
Property income
Visitor income
Ropemaking
Trading & investment income
Renaissance / ACE
Other grants & donations


Chatham Historic Dockyard Trust
OPERATING INCOME 2023/24
£000's
Other grants & donations, 25, 0%
Trading & investment income, 1,474, 18%
Ropemaking, 491, 6%
Property income, 4,560, 54%
Visitor income, 1,820, 22%
Property income
Visitor income
Ropemaking
Trading & investment income
Other grants & donations


Chatham Historic Dockyard Trust
OPERATING EXPENDITURE 2023/24
£000's
Insurances, 238, 3%
Utilities, 899, 11%
Administration & support, 893, 11%
Trading costs, 1047, 13%
Preservation & Education, 4426, 53%
Marketing / Events, 347, 4%
Ropemaking, 398, 5%
Preservation & Education
Ropemaking
Marketing / Events
Trading costs
Administration & support
Utilities
Insurances

**Subsidiaries**

The Trust has four wholly owned trading subsidiaries which manage activities designed to create related income streams for the charity that do not arise from its primary purposes of preservation by re-use of its heritage assets and education.

In each case net profits are transferred to the Trust with the benefit of gift aid as a qualifying charitable donation.

The subsidiaries are:

*Chatham Historic Dockyard (Trading) Limited*

This subsidiary undertakes retail, catering and similar operations at the Historic Dockyard. The results for the year were:

| | Retail | Catering |
|---|---|---|
| Turnover | £302k | £818k |
| Net Profit/(Loss) | £57k | £88k |
| Spend per visitor | £2.11 | £5.71 |

CHD(Trading) Ltd. generated a net profit of £145k (£90k in 2022/23). This was despite visitor volumes still below pre-pandemic levels as retail and catering spends per head hit record levels.

*Property Companies*

The Trust has two wholly owned subsidiary property holding companies that manage the residential and potential development land on the Trust's estate:

| ***Net Profit for the Year*** | |
|---|---|
| Historic Dockyard Property Ltd (HDPL) | £3k |
| Historic Dockyard Property (2005) Ltd (HDPL 2005) | £112k |

HDPL provides management and a range of maintenance services to the residential estate at the Historic Dockyard. It works closely with a formal Residents' Association. The time and commitment devoted by that Association is very valuable in helping to provide a well maintained and harmonious environment as part of the Trust's strategy of excellent service to all users of the estate.

HDPL 2005 owns and manages an area of potential development land within the estate, known as The Interface Land, currently let on commercial leases.

*Master Ropemakers (Trading) Ltd (MRL)*

The Trust recognises that the Ropery is one of its strongest visitor attractions. The combination of a guided tour and the traditional manufacturing process provide a highly enjoyable and educational experience. The manufacturing process, because of its educational value, is now undertaken by the Trust as part of its core activities, but the sale of manufactured rope and rope products continues as a commercial activity, undertaken by MRL.

The year saw the annual turnover for MRL reach £409k. There was a Net Profit of £35k which has been Gift Aided to Chatham Historic Dockyard Trust. Products made from manufactured rope for the retail market continue to grow in importance within the business of MRL. The encouraging results of the company are founded on principles of excellent customer service, quality production and diversification of product and markets.

**Energy Carbon Reporting**

The following SECR Report was completed by GEP Environmental Ltd (GEP) based on The Chatham Historic Dockyard Trust (CHDT) energy consumption, covering their 2024 financial year and contains GHG emissions results and conversions completed by GEPEnv, supporting CHDT's SECR reporting disclosure.

As a "large" company, as defined by Companies Act 2006, The Chatham Historic Dockyard Trust is required to report on its energy usage and related carbon information. Consumption in kWh and emissions in tonnes of CO2e for the financial year ending 31st March 2024 are provided.

*Emissions from combustion of Gas tCO2e (Scope 1)*
Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the invoiced gas consumption in m3 during the reporting period and the 2023 UK Government GHG Conversion Factors for Company Reporting for 'Natural Gas'

Since 1st October 2020, The Chatham Historic Dockyard Trust has purchased Carbon Neutral Gas as part of their Gas supply contract provided by Brook Green Supply Limited. For more information, please visit https://www.brookgreensupply.com/fuel-mix.

*Emissions from purchased electricity tCO2e (Scope 2, Location-based)*
Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the above stated electricity consumption in kWh during the current reporting period and the 2023 UK Government GHG Conversion Factors for Company Reporting for 'Electricity Generated/Electricity: UK'

*Emissions from purchased electricity tCO2e (Scope 2, Market-based)*
Market Based Emissions are reported as 0 due to the fuel mix of the electricity purchased, as defined by the suppliers' fuel mix. Haven Power fuel mix: 100% REGO Backed Renewable Electricity.
Intensity Ratio (tCO2e gross figure based on mandatory fields)

The intensity ratio stated above has been calculated as Tonnes of CO2e per total square metres of property owned for The Chatham Historic Dockyard Trust as a whole (113,918 m2).

| Carbon Emissions Data | Previous Reporting Year 1st April 2022 - 31st March 2023 | Current Year 1st April 2023 - 31st March 2024 |
|---|---|---|
| **Scope 1 (tonnes CO2e)** | 620 | 567 |
| • Combustion of gas | | |
| **Scope 2 (tonnes CO2e)** | | |
| •Electricity (includes T&D losses) | | |
| o Location-based | 502 | 538 |
| o Market-based | - | - |
| **Total Gross CO2e based on above ($tCO_2e$)** | **1,122** | **1,105** |
| **Intensity Ratio (tCO2e/m2)** | **0.0098** | **0.0097** |

Notes:
• Scope 1: Emissions associated with our direct activities, such as heating.
• Scope 2: Emissions related to the electricity we purchase. 'Location-based' represents the CO2e intensity of our sites based on the fuel mix of the National Grid. 'Market-based' represents the electricity we have purchased, which is 100% REGO-backed renewable.

| Carbon Emissions Data | Previous Reporting Year 1st April 2022 - 31st March 2023 | Current Year 1st April 2023 - 31st March 2024 |
|---|---|---|
| **The Chatham Historic Dockyard Trust Energy Consumption** Total energy consumed (kWh) | | |
| • Electricity | 2,377,561 | 2,393,399 |
| • Natural Gas | 3,396,887 | 3,097,830 |
| **The Chatham Historic Dockyard Trust Electricity Renewable %** Total electricity which is renewable % | 100% | 100% |
| **The Chatham Historic Dockyard Trust Natural Gas Carbon Offset %** Total natural gas which is carbon offset % | 100% | 100% |

# Statement of Responsibilities of the Trustees

For the year ended 31 March 2024

The Trustees are responsible for preparing the Strategic Report, the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. 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.

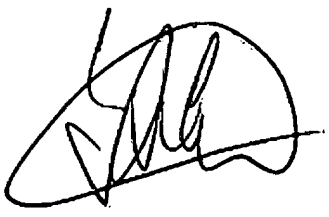
Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

**Provision of Information to the Auditor**

In accordance with company law, as Trustees we confirm that:

- So far as we are aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- As the Trustees of the Trust we have taken all the steps that we ought to have taken in order to make ourselves aware of that information and to establish that the Trust's auditor is aware of that information.

The Trustees' Annual Report, incorporating the Strategic Report, is approved by the Board of Trustees and signed on behalf of the Trustees.



**Admiral Sir Trevor Soar KCB OBE DL**
Chairman
Date: 10th October 2024

The Historic Dockyard
Chatham
Kent ME4 4TZ

## Opinion

We have audited the financial statements of Chatham Historic Dockyard Trust (the parent charitable company) and its subsidiaries (the group) for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2024, and of the group's 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 of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report , other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 trustees' report (incorporating the [strategic report and the] directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 19, 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 group's and 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 group or charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 an auditor's report 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

**Michelle Wilkes (Senior Statutory Auditor)**
For and on behalf of Azets Audit Services
First Floor, River House
1 Maidstone Road
Sidcup
Kent, DA14 5RH

15 October 2024

# Consolidated Statement of Financial Activities

(Incorporating the income and expenditure account)

For the year ended 31 March 2024

| | Notes | Unrestricted funds | Restricted Funds: Fitted Rigging House | Restricted Funds: Other | Total 2024 | (as restated) Total 2023 |
|---|---|---|---|---|---|---|
| **Income from:** | | £ | £ | £ | £ | £ |
| Donations and grants | 4 | 25,280 | 366,219 | 655,442 | **1,046,941** | 2,451,712 |
| Charitable activities | 5 | 6,555,018 | - | - | **6,555,018** | 5,691,207 |
| Other trading activities | 6 | 1,933,258 | - | - | **1,933,258** | 1,677,838 |
| Investments | 7 | 30,527 | - | - | **30,527** | 1,371 |
| Total income | | 8,544,083 | 366,219 | 655,442 | **9,565,744** | 9,822,128 |
| **Expenditure on:** | | | | | | |
| Raising funds | 9 | 1,966,082 | - | - | **1,966,082** | 1,704,380 |
| Charitable activities | | | | | | |
| Preservation | 10 | 3,235,508 | 232,530 | 155,977 | **3,624,015** | 3,025,240 |
| Education | 11 | 3,047,366 | - | 906,663 | **3,954,029** | 3,856,277 |
| Total charitable activities | | 6,282,874 | 232,530 | 1,062,640 | **7,578,044** | 6,881,517 |
| Total expenditure | | 8,248,956 | 232,530 | 1,062,640 | **9,544,126** | 8,585,897 |
| **Net income/(expenditure) before gains and losses** | | 295,127 | 133,689 | (407,198) | **21,618** | 1,236,231 |
| Net gains/(losses) on investments | 19 | 71,843 | - | - | **71,843** | (23,194) |
| **Net income (expenditure)** | 14 | 366,970 | 133,689 | (407,198) | **93,461** | 1,213,037 |
| Transfers between funds | 30 | (65,271) | - | 65,271 | **-** | - |
| **Net movement in funds** | | 301,699 | 133,689 | (341,927) | **93,461** | 1,213,037 |
| Funds as at 1 April 2023 | | 2,220,881 | 8,220,831 | 9,432,141 | **19,873,853** | 18,660,816 |
| **Funds as at 31 March 2024** | 29, 30 | **2,522,580** | **8,354,520** | **9,090,214** | **19,967,314** | 19,873,853 |

All amounts relate to continuing activities.

The notes on pages 27 to 55 form part of these financial statements.

# Consolidated Statement of Financial Activities

(Incorporating the income statement)

Full comparative information the year ended 31 March 2023

| | Notes | Unrestricted funds | Restricted Funds | | (as restated) Total 2023 | Total 2022 |
|---|---|---|---|---|---|---|
| | | | Fitted Rigging House | Other | | |
| **Income from:** | | £ | £ | £ | £ | £ |
| Donations and grants | 4 | 72,835 | 1,808,657 | 570,220 | **2,451,712** | 1,016,042 |
| Charitable activities | 5 | 5,691,207 | - | - | **5,691,207** | 4,391,250 |
| Other trading activities | 6 | 1,677,838 | - | - | **1,677,838** | 1,397,436 |
| Investments | 7 | 1,371 | - | - | **1,371** | 2,506 |
| Other income | 8 | - | - | - | - | (900) |
| Total income | | 7,443,251 | 1,808,657 | 570,220 | **9,822,128** | 6,806,334 |
| **Expenditure on:** | | | | | | |
| Raising funds | 9 | 1,704,380 | - | - | **1,704,380** | 1,470,207 |
| Charitable activities | | | | | | |
| Preservation | 10 | 2,664,386 | 219,672 | 141,182 | **3,025,240** | 2,875,591 |
| Education | 11 | 2,976,441 | - | 879,836 | **3,856,277** | 3,502,580 |
| Total charitable activities | | 5,640,827 | 219,672 | 1,021,018 | **6,881,517** | 6,378,171 |
| Total expenditure | | 7,345,207 | 219,672 | 1,021,018 | **8,585,897** | 7,848,378 |
| **Net income/(expenditure) before gains and losses** | | 98,044 | 1,588,985 | (450,798) | **1,236,231** | (1,042,044) |
| Net (losses)/gains on investments | 19 | (23,194) | - | - | **(23,194)** | 67,380 |
| Net gains on investment property | 17 | - | - | - | - | (21,150) |
| **Net income (expenditure)** | 14 | 74,850 | 1,588,985 | (450,798) | **1,213,037** | (995,814) |
| Transfers between funds | | - | - | -- | - | - |
| **Net movement in funds** | | 74,850 | 1,588,985 | (450,798) | **1,213,037** | (995,814) |
| Funds as at 1 April 2022 | | 2,146,031 | 6,631,846 | 9,882,939 | **18,660,816** | 19,656,630 |
| **Funds as at 31 March 2023** | 29,30 | **2,220,881** | **8,220,831** | **9,432,141** | **19,873,853** | 18,660,816 |

All amounts relate to continuing activities.

The notes on pages 27 to 55 form part of these financial statements.

# Consolidated and Trust Balance Sheets

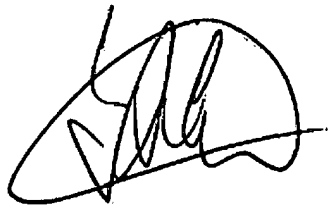
As at 31 March 2024

| | Notes | Consolidated 2024 £ | Consolidated (as restated) 2023 £ | Trust 2024 £ | Trust (as restated) 2023 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Property plant and equipment | 15 | **1,493,866** | 2,420,176 | **1,478,636** | 2,410,572 |
| Heritage assets | 16 | **17,410,367** | 15,063,455 | **17,410,367** | 15,063,455 |
| Investment properties | 17 | **310,554** | 310,554 | **-** | - |
| Investments in subsidiaries | 18 | **-** | - | **26,100** | 26,100 |
| Listed investments | 19 | **704,165** | 632,322 | **704,165** | 632,322 |
| | | **19,918,952** | 18,426,507 | **19,619,269** | 18,132,449 |
| **Current assets** | | | | | |
| Inventories | 20 | **352,411** | 325,495 | **261,563** | 237,799 |
| Debtors | 21 | **1,139,951** | 1,300,237 | **1,325,442** | 1,578,087 |
| Cash and cash equivalents | | **624,143** | 2,056,096 | **420,197** | 1,787,717 |
| | | **2,116,505** | 3,681,828 | **2,007,202** | 3,603,603 |
| **Creditors:** amounts falling due within one year | 22 | **(1,809,138)** | (1,825,477) | **(1,725,576)** | (1,778,621) |
| **Net current assets** | | **307,367** | 1,856,351 | **281,624** | 1,824,982 |
| **Total assets less current liabilities** | | **20,226,319** | 20,282,858 | **19,900,894** | 19,957,431 |
| **Creditors:** amounts falling due after more than one year | 23 | **(200,000)** | (350,000) | **(200,000)** | (300,000) |
| Provision for deferred tax | 25 | **(59,005)** | (59,005) | **-** | - |
| **Net assets** | 28 | **19,967,314** | 19,873,853 | **19,700,894** | 19,607,431 |
| **Funds employed** | | | | | |
| Restricted funds | | | | | |
| Fitted Rigging House | | **8,354,520** | 8,220,831 | **8,354,520** | 8,220,831 |
| Other | | **9,090,214** | 9,432,141 | **9,090,214** | 9,432,141 |
| Total restricted funds | 29 | **17,444,734** | 17,652,972 | **17,444,734** | 17,652,972 |
| Unrestricted funds | | | | | |
| Designated funds | 30 | **1,903,596** | 1,330,659 | **1,888,367** | 1,330,659 |
| Revaluation reserve | 30 | **246,321** | 246,321 | **-** | - |
| General | 30 | **372,663** | 643,901 | **367,793** | 623,800 |
| | 30 | **2,522,580** | 2,220,881 | **2,256,160** | 1,954,459 |
| | 28 | **19,967,314** | 19,873,853 | **19,700,894** | 19,607,431 |

# Consolidated and Trust Balance Sheets

As at 31 March 2023

The financial statements were approved and authorised for issue by the Trustees on 24th September 2024 in accordance with section 408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity has not been presented. The surplus attributable to the Trust for the year was £93,463 (2023- deficit of £1,236,232). Income attributable to the Trust for the year was £9,565,744 (2023- £8,924,938).



**Admiral Sir Trevor Soar**
Chairman

Company number 01804108

The notes on pages 27 to 55 form part of these financial statements

# Consolidated statement of cash flows

For the year ended 31 March 2024

| | Notes | 2024<br>£ | 2023<br>£ |
|---|---|---|---|
| **Net cash from operating activities** | 31 | 1,038,505 | 1,993,287 |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment | | (2,384,268) | (1,455,008) |
| Proceeds from the disposal of investment properties | | - | - |
| (Purchase) of investments | | - | - |
| Income from investment property | | 13,810 | 15,249 |
| | | (2,370,458) | (1,439,759) |
| **Cash flow from financing activities** | | | |
| Loan repayments | | (100,000) | - |
| | | (100,000) | - |
| **Net increase/(decrease) in cash and cash equivalents** | | (1,431,953) | 553,528 |
| Cash and cash equivalents at the beginning of the year | | 2,056,096 | 1,502,568 |
| **Cash and cash equivalents at the end of the year** | | 624,143 | 2,056,096 |
| **Cash and cash equivalents at the end of the year** | | | |
| Restricted fund | | 11,727 | 812,842 |
| Unrestricted funds | | 612,416 | 1,243,254 |
| Cash and cash equivalents at the end of the year | | 624,143 | 2,056,096 |

Cash and cash equivalents comprise cash at bank and in hand.

The notes on pages 27 to 55 form part of these financial statements.

# Notes to the financial statements

For the year ended 31 March 2024

## 1 Status

The Chatham Historic Dockyard Trust ("the Trust") is an independent charitable trust, incorporated in England and Wales, formed for the purpose of preserving The Historic Dockyard for the public benefit and to promote a wide knowledge of its archaeological, historical and architectural importance. The Trust was set up in 1984 under the terms of a Memorandum of Understanding with the Department of the Environment, under which a grant of £11,350,000 was received to be applied to the principal activities of the Trust. The Trust's constitution is set out in its Memorandum and Articles of Association, as amended by Special Resolutions on 27 February 2013, 18 July 2017, 24 May 2018 and 24 November 2022.

The Trust is a company limited by guarantee, registered in England, not having a share capital, and has a licence to dispense with the word "limited" in its title. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member. The members of the Trust are the Secretary of State for Defence, the Secretary of State for Digital, Culture, Media and Sport, Mr John Spence OBE DL and the Trustees. The Trust's registered office is: The Fitted Rigging House, The Historic Dockyard, Chatham, Kent, England, ME4 4TZ, and its registered number is 01804108.

Details of the principal activities of the Trust is given in the accompanying narrative reporting.

## 2 Accounting policies

The principal accounting policies are summarised below.

*Basis of preparation*

The Trust is a public benefit entity and the Group is a public benefit group, as defined by FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and listed investments.

*Going concern*

As a charity the Trustees of Chatham Historic Dockyard Trust (CHDT) and its trading subsidiaries have a duty to consider the future resilience of all parts of the organisation. The Trust holds necessary reserves should there be a need to undertake an orderly wind down of operations caused by financial challenges or a change in the need for charitable services making the charity's role redundant. CHDT reviews this situation on a monthly rolling basis through cash flow management based on evidence-based business planning.

Review of the Trust's ongoing financial resilience is considered for 12 months from the date of accounts approval and beyond through regular reviews (at board level) of the strategic risk register and changes to it. The impact of internal and external factors likely to have a significant effect on income and expenditure are key elements of ongoing cash flow management and by implication the Going Concern status.

**2. Accounting policies (continued)**

*Going concern (continued)*
The Trustees will continue to review plans with the CHDT Executive Team to make the necessary changes to remain within the free reserves level over the coming two years and indeed the life of the current Corporate Plan. The Trust has a strong balance sheet, so the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as required. As such, they remain satisfied that the Chatham Historic Dockyard Trust can continue operating for the next 12 months and accounts have been prepared in the knowledge that the Chatham Historic Dockyard Trust is a financially viable organisation.

*Disclosure exemptions for qualifying entities under FRS 102*
The Trust is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the following exemptions:

- presenting a statement of entity cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements;
- presenting certain financial instruments disclosures on the grounds that the relevant information is included within the consolidated information presented within these financial statements; and
- presenting information concerning key management personnel compensations.

*Basis of consolidation*
The Group consolidated financial statements include the financial statements of the Trust and all of its subsidiary undertakings.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Any entities which either become, or cease being, subsidiary undertakings during the year are included up to, or from, the dates of change of control, respectively. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

*Income recognition*
Income is measured at the fair value of the consideration received or receivable and represents property rental and service income, admissions income from visitors, grants and donations, income from the sale of goods and services, and interest.

Income is recognised as follows:

- Property rental – on a time apportioned basis, over the life of the lease.
- Services – as the services are provided.
- Retail sales of goods – when the sale is made.
- Other sales of goods – when the risk of ownership passes to the customer.
- Grants – when the group has met the relevant performance criteria, and the grant can be measured reliably and receipt is probable.
- Donations – when the Group has entitlement, the donation or grant can be measured reliably and receipt is probable.
- Interest – as it is earned.

Any income received prior to recognition is deferred.

**2. Accounting policies (continued)**

*Grants*

Grants are recognised in the Statement of Financial Activities as described above, with any grants received prior to recognition being deferred. In certain circumstance grants may become repayable (for example, if the grant funded property ceases to be used for a charitable purposes). A creditor is established whenever it becomes probable that a grant will become repayable.

Restricted grants received to fund capital expenditure are transferred to general funds once the expenditure has been incurred unless the resultant asset is restricted as to its use, in which case the funds remain as restricted. Depreciation on restricted assets is charged to the appropriate restricted fund.

*Donated assets*

Donated assets and services which would otherwise have been purchased are included at the estimated expenditure which has been avoided as a result of the gift. No value is attributed to volunteer time donated to the Trust. Except for the initial gift to the Trust, other donated assets and services are recognised at the fair value of the asset or service received. The initial gift to the Trust is recognised at £1 (being the nominal consideration paid) as the cost of valuing the assets outweighs the benefit of such a valuation.

*Employee benefits*

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits, including compensation for loss of employment, holiday pay and other non-monetary benefits, are recognised as an expense in the period in which the service is received.

The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

*Expenditure*

Expenditure is accounted for in the period in which it is incurred. Expenditure includes any VAT which cannot be fully recovered which is reported as part of the expenditure to which it relates.

Expenditure relating directly to a particular activity is allocated to that activity. Indirect costs are classified as support costs, and these are allocated to activities on a basis consistent with use of the resources.

Expenditure includes the estimated value of donations in kind.

**2. Accounting policies (continued)**

*Operating leases*
Operating leases are leases that do not transfer all the risks and rewards of ownership. Payments made by the Group under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease, including payments which are not required to be made on a straight-line basis. Lease incentives given or received are similarly spread on a straight-line basis over the relevant lease term.

*Taxation*
The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date. The Trust's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Trust is not liable to tax. In addition, its subsidiaries incur no current tax charge as all their profits, which would otherwise be taxable, are distributed to the Trust by way of Gift Aid and thus no tax liability arises.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Whilst the tax expense is immaterial, it is recognised as a part of the cost of the relevant activity, rather than being disclosed separately in the Statement of Financial Activities.

*Property expenditure*
The Trust has a substantial property portfolio which includes a significant number of scheduled ancient monuments, listed properties and other historic properties. On the inception of the Trust, many of the properties were in a state of disrepair and were not functional. The Trust is pursuing a programme of works to bring all properties into productive use which results in significant expenditure on the properties.

Expenditure on the existing properties is capitalised (as either part of property, plant and equipment or heritage assets, as appropriate) when the expenditure results in incremental future benefits to the Trust or replaces a previously identified component. Incremental benefits may arise through bringing a property into use (or back into use), through reduced future maintenance expenditure, or through the ability to generate additional income, directly or indirectly, in the future.

Expenditure which does not meet this criteria is written off as incurred.

**2 Accounting policies (continued)**

*Property, plant and equipment*

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. Cost comprises the original purchase price, subsequent expenditure capitalised in accordance with the policy on *Property expenditure*, and expenditure directly attributable in bringing the asset to its working condition for its intended use. As noted above, the assets transferred to the Trust on its formation are recorded at £1, this being the nominal cost of these assets.

Land and assets under construction are not depreciated. Other assets are depreciated on a straight line basis so as to write off their cost over their expected useful lives, using the straight line method. The component categories and annual rates used are as follows:

| | | | |
|---|---|---|---|
| Structural works to buildings | 2% | Computer/AV equipment | 20% |
| Roofs | 4% | Other fixtures and fittings | 10% |
| Ships refurbishments | 10% | Plant and machinery | 10% |
| Exhibition equipment | 6.67% | Motor vehicles | 20% |
| Galleries | 10% | | |
| Assets under construction | Not depreciated | | |

Subsequent expenditure which relates to either the replacement of previously capitalised component or part of a component or the enhancement of the asset which results in incremental future benefits, is capitalised and the carrying amount of any replaced part of the asset is derecognised.

*Heritage Assets*

Heritage assets are tangible and intangible assets with historic, artistic, scientific, technological, geophysical, or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. As a charity with preservation as one of its objects, in accordance with the SORP, the Trust's heritage assets may include assets which are not accessible to the public.

The Trust classifies the following classes of assets as heritage assets:

- The land and building acquired from the Ministry of Defence on the inception of the Trust.
- Capital works to the structure of its historic buildings.
- Its various collections of artefacts, exhibits and historical archives.
- Items of plant and machinery of historic importance, notably the three ships.

Currently, all the Trust's heritage assets are tangible assets and are accounted for in accordance with the accounting policy for property, plant and equipment as detailed in the policy on *Property expenditure*. The Trustees consider the cost of obtaining a valuation of donated heritage assets would outweigh the benefit of such a valuation.

**2 Accounting policies (continued)**

*Impairment*
At each period end date, non-financial assets (comprising property, plant and equipment and heritage assets) are assessed to determine if there are indicators that the assets may be impaired in value; if there are such indicators of impairment, then a comparison of the asset's carrying value to its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Financial Activities; the carrying value of the asset is reduced appropriately.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use for the Trust's properties and other non-financial assets held for charitable purposes and which are fulfilling the charitable purpose for which they were acquired, is based on the depreciated replacement cost of the asset. For other assets, value in use is defined as the net present value of the future cash flows before interest expected to be generated from the assets.

For financial assets (comprising trade and other debtors) carried at cost less impairment, the impairment loss is the difference between the assets carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

If an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of their recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

*Investment properties*
Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently at fair value. Revaluation surpluses and deficits are recognised in net income.

*Investments*
Investments in subsidiaries are stated at cost less accumulated impairment losses. Other investments are stated at fair value with movements through income and expenditure.

*Inventories*
Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment is recognised immediately in profit or loss.

*Cash and cash equivalents*
Cash and cash equivalents comprise cash in hand, cash at bank and bank deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

**2 Accounting policies (continued)**

*Provisions and contingencies*
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Currently, the Group has no provisions.

Contingent liabilities arise from past events when either:

- It is only possible that an obligation will arise and when the existence or otherwise of the obligation will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control; or.
- An obligation has arisen, but a provision is not recognised because either it is not probable that there will be an outflow of resources or the amount cannot be reliably measured at the reporting date.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

*Financial instruments*
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The charity has elected to apply the provisions of Section 11 Basic Financial Instruments' and Section 12 'Other Financial instruments Issues' of FRS 102 to all of its financial instruments.

*Funds*
Designated funds are unrestricted funds which the Trustees have ring-fenced for a particular purpose. Transfers to and from the designated funds are recognised as and when decided by the Trustees.

Restricted funds are funds subject to specific restrictions imposed by donors, the nature of the appeal or other reasons.

Unrestricted funds comprise the accumulated surplus or deficit or recognised in income and expenditure after transfers to other reserves.

## 3 Key judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

**Critical judgements**

In preparing the financial statements, the following judgements which have, or could have, a material impact on the financial statements were made:

*Classification of property expenditure*

Expenditure on properties is analysed as either giving rise to an asset or expenditure which is written off as an expense when incurred, depending on whether the expenditure results in an incremental benefit, or not. The assessment of whether there is future benefit requires judgement. A key aspect of the judgement is whether the expenditure enables the Trust to gain greater use of the properties.

*Classification of properties as investment properties*

Investment properties are properties which are held to generate income or capital appreciation rather than for their contribution to culture or for the provision of services. As all of the Group's properties are within the boundary of the historic 80 acre site and are accessible to a certain extent to the visitors to the site; therefore the categorisation of any property as an investment property requires the exercise of judgement. The Trustees consider that the reversionary freeholds of the residential estate should be classed as investment properties as the Trust has no rights to use the properties and the freehold reversions are held to provide an income stream.

*Property components*

The Group accounts for its expenditure on property, plant and equipment using component accounting. Under component accounting, the property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components and in determining the useful lives of each component. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge.

**3 Key judgements and sources of estimation uncertainty (continued)**

*Property impairments*

It is necessary to undertake an impairment assessment if there are any indicators of impairment, the identification of such indicators requires judgement. The Trustees consider that for properties used for charitable purposes, the key indicators of impairment are the extent to which the property continues to be used for its intended use, any forecast future reductions in use, and the physical condition of the property. During the year, the Trustees judged that there were no indicators of impairment and so no requirement to undertake an impairment review.

*Initial gift to the Trust*

The initial gift to the Trust has not been valued as, in the Trustees' judgement, the cost of obtaining such a valuation, which would be subjective and possibly unreliable, would outweigh the benefit of such a valuation.

*Recognition of grant income*

Grant income is recognised, inter alia, when the Trust has met any criteria of substance required of it under the relevant grant agreement. In the case of Heritage Lottery Funding, the Trustees consider that the receipt of permission to start is the only criteria of substance and therefore recognise grant income once that permission has been received. The DCMS provides funding for specific years; in the judgement of the Trustees, the terms of the grant are such that the Trust does not have prior entitlement to the funding.

*Contingent assets and liabilities*

The classification of assets and liabilities as contingent requires the exercise of judgement as to the probability of future cash flows. In the case of the contingent liabilities, in the Trustees' judgement any future cash flows would arise from actions of third parties over which the Trust has no or limited influence, and as such no provision is needed.

*Restricted funds relating to capitalised expenditure*

Restricted funds received to fund capital expenditure are transferred to general funds once the expenditure has been incurred unless the resultant asset is restricted as to its use, in which case the funds remain as restricted. The assessment of whether an asset is restricted as to its use requires the exercise of judgement in assessing whether the terms of the donation(s) which funded the asset prevent the Trust from using the asset for any of its general purposes. Where the Trustees consider that this to be the case, the entire cost of the asset is classed as restricted and all of the related funds are retained as restricted funds. The corollary of this is that the subsequent depreciation of the assets is deemed to be a restricted cost.

**Critical estimates**

*Investment property valuations*

Investment properties are recognised at their fair value, which is estimated as being the anticipated proceeds from future disposals, based on the immediate past history property sales. The timing and actual proceeds of any future sales are uncertain and may not reflect the past history.

## 3 Key judgements and sources of estimation uncertainty (continued)

*Useful lives*

Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The useful lives of property components (for example roofs) are estimated based on relevant construction data.

*Carrying values*

The carrying amount of the assets and liabilities affected by the above judgements and estimates are set out in the following notes.

## 4 Income from donations, including grants

| | Unrestricted £ | Restricted £ | **Total 2024 £** | Total 2023 £ |
|---|---|---|---|---|
| Government grants | | | | |
| - Department for Digital, Culture, Media & Sport | - | 311,000 | **311,000** | 196,000 |
| - Medway Council | - | 366,219 | **366,219** | 1,808,657 |
| - Arts Council England (ACE) | - | 249,508 | **249,508** | 249,508 |
| Other grants | 5,500 | 14,934 | **20,434** | 28,545 |
| Foyle Foundation | - | 50,000 | **50,000** | - |
| The Headley Trust | - | 30,000 | **30,000** | - |
| Garfield Weston | - | - | **-** | 100,000 |
| Donations | 19,780 | - | **19,780** | 19,002 |
| Legacies | - | - | **-** | 50,000 |
| | 25,280 | 1,021,661 | **1,046,941** | 2,451,712 |

## 5 Income from charitable activities

| | 2024 £ | 2023 £ |
|---|---|---|
| Preservation - rent & service charges | 4,830,302 | 4,331,495 |
| Education - visitor admissions | 1,724,716 | 1,359,712 |
| | 6,555,018 | 5,691,207 |

Income from charitable activities arises from the provision of services and is fully unrestricted.

## 6 Income from other trading activities

| | 2024 £ | 2023 £ |
|---|---|---|
| Income from sale of goods | | |
| Retail - gift shop | 219,568 | 151,199 |
| Sales of rope products | 490,840 | 476,098 |
| Catering | 725,795 | 599,904 |
| Income from provision of services | | |
| Weddings & other functions | 326,154 | 282,079 |
| Property income | 170,651 | 168,558 |
| Other miscellaneous income | 250 | - |
| | 1,933,258 | 1,677,838 |

## 7 Income from investments

| | 2024 £ | 2023 £ |
|---|---|---|
| Fixed interest on cash deposits | 30,527 | 1,371 |

## 8 Future income from non-cancellable operating leases

| | 2024 £ | 2023 £ |
|---|---|---|
| The Group is due to receive the following amounts under non-cancellable operating leases: | | |
| Due next year | 2,833,470 | 1,461,305 |
| Due in 2 to 5 years | 9,095,588 | 5,004,023 |
| Due after more than 5 years | 7,529,551 | 10,063,162 |
| | 19,458,609 | 16,528,490 |

Under the terms of the leases, the rental income is subject to periodic review. The leases give the tenants no right of acquisition.

## 9 Expenditure on raising funds

| | 2024 £ | 2023 £ |
|---|---|---|
| Incurred by the Trust | 684,176 | 630,534 |
| Incurred by the trading subsidiaries | 1,040,239 | 892,733 |
| Depreciation | 6,963 | 4,456 |
| | 1,731,378 | 1,527,723 |
| Support costs allocated to raising funds (see note 12) | 234,704 | 176,657 |
| | 1,966,082 | 1,704,380 |

## 10 Expenditure on preservation

| | 2024 £ | (as restated) 2023 £ |
|---|---|---|
| Staff and associated costs | 436,469 | 431,521 |
| Maintenance costs | 1,140,519 | 724,437 |
| Fitted Rigging House preliminary expenditure | - | 920 |
| Utilities | 928,885 | 912,578 |
| Other direct costs | 283,246 | 417,259 |
| Depreciation | 434,767 | 150,671 |
| Allocated support costs (see note 12) | 400,129 | 387,854 |
| | 3,624,015 | 3,025,240 |

Preservation comprises the cost of repair, maintenance and restoration of the historic buildings and ships of the Dockyard and other maintenance.

## 11 Expenditure on education

| | 2024 £ | (as restated) 2023 £ |
|---|---|---|
| Staff and associated costs | 1,415,179 | 1,353,100 |
| Other direct costs | 971,086 | 873,523 |
| Depreciation | 508,104 | 650,090 |
| Other project expenditure | 67,075 | 57,129 |
| Maintenance | 233,881 | 222,833 |
| Allocated support costs (see note 12) | 758,704 | 699,602 |
| | 3,954,029 | 3,856,277 |

Education expenditure comprises the cost of the maintenance and operation of the galleries and exhibits within the Dockyard.

## 12 Support costs

| | 2024 £ | 2023 £ |
|---|---|---|
| Staff and associated costs | 914,866 | 878,514 |
| Office costs | 93,514 | 83,357 |
| Professional fees | 81,671 | 26,859 |
| Insurances | 237,693 | 202,818 |
| Other costs | 46,879 | 52,485 |
| Governance costs | 18,914 | 20,080 |
| | 1,393,537 | 1,264,113 |

| Support costs are allocated as follows: | 2024 £ | 2023 £ |
|---|---|---|
| Raising funds | 234,704 | 176,657 |
| Preservation | 400,129 | 387,854 |
| Education | 758,704 | 699,602 |
| | 1,393,537 | 1,264,113 |

Support costs comprise the management costs of the Trust and its charitable subsidiaries and site security costs. Management costs comprise the Senior Executive and Finance functions (including Personnel and IT support). Site security comprises staff and other costs in respect of the provision of 24-hour security for the site for the benefit of the Trust, its tenants and residents.

The bases of apportionment utilised are as follows:

- Trustee expenses and security – equally between the two charitable activities.
- Management costs – in accordance with staff numbers.

## 13 Wages and salaries

| Group | 2024 £ | 2023 £ |
|---|---|---|
| Wages and salaries | 3,084,300 | 2,793,095 |
| Social security costs | 262,618 | 227,591 |
| Pension scheme – defined contribution scheme | 189,647 | 155,420 |
| | 3,536,565 | 3,176,106 |

| Trust | 2024 £ | 2023 £ |
|---|---|---|
| Wages and salaries | 2,735,591 | 2,469,471 |
| Social security costs | 238,254 | 202,933 |
| Pension scheme – defined contribution scheme | 174,560 | 135,016 |
| | 3,148,405 | 2,807,420 |

**13 Wages and salaries (continued)**

| Average no. of persons employed: | Group 2024 Number | 2023 Number | Trust 2024 Number | 2023 Number |
|---|---|---|---|---|
| Preservation | 24 | 21 | 24 | 21 |
| Education | 79 | 81 | 79 | 81 |
| Ropemaking | 6 | 6 | 6 | 6 |
| Catering & retail | 26 | 25 | 26 | 25 |
| Support | 10 | 9 | 10 | 9 |
| | 145 | 142 | 145 | 142 |

In addition, volunteers assist the Trust in undertaking its activities; details are provided in the Trustees' Annual Report.

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

| | 2024 Number | 2023 Number |
|---|---|---|
| £60,001 - £70,000 | 2 | 2 |
| £70,001 - £80,000 | 2 | 1 |
| £80,001 - £90,000 | - | - |
| £90,001 - £100,000 | 1 | 1 |

Contributions in the year for the provision of money purchase benefits to higher paid employees totalled £48,718 (2023: £26,679).

During the year, the Trust incurred reorganisation costs of £30k (2023: £1k)

The Chairman of the Trustees is entitled to receive remuneration from the Trust for services provided, as permitted by the Memorandum and Articles and approved by the Charity Commission. The Chairman's emoluments for the year were £28,988 for Sir Trevor (2023 - £27,708 for Sir Trevor); this remuneration is not pensionable. The Trust chooses to pay the Chairman as the role significantly exceeds that of other Trustees. No other Trustees received emoluments. Expenses reimbursed to 4 (2023 – 3) Trustees in respect of the cost of attending meetings and other reimbursed expenses amounted to £3,025 (2023 – £2,724).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, including any Trustee. In the opinion of the Trust key management personnel are the Trustees and the senior managers.

Key management remuneration was as follows:

| | 2024 £ | 2023 £ |
|---|---|---|
| Key management remuneration | 585,192 | 530,043 |

## 14 Net income/(expenditure)

| Net income/(expenditure) is stated after charging: | 2024 £ | 2023 £ |
|---|---|---|
| Depreciation of tangible assets: | | |
| - Property, plant and equipment | 388,072 | 250,152 |
| - Heritage assets | 561,762 | 555,065 |
| Auditor's remuneration: | | |
| - Audit (Trust) | 19,900 | 17,400 |
| - Audit under provision | - | (70) |
| - Audit (Subsidiaries) | 13,305 | 12,325 |
| - Non audit services paid to companies associated with the auditors | - | 2,750 |
| Income received under non-cancellable operating leases | 3,174,092 | 1,565,388 |
| Operating lease charges | 3,722 | 907 |

## 15 Tangible fixed assets - Property plant and equipment

| Group | Fixtures, fittings and equipment | Galleries | Assets under construction | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| 1 April 2023 | 7,759,726 | 6,935,505 | 1,306,904 | 16,002,135 |
| Additions | 438,748 | 343,749 | 1,543,000 | 2,325,497 |
| Disposals | (21,698) | - | - | (21,698) |
| Transfer between classes | - | - | (2,849,904) | (2,849,904) |
| **31 March 2024** | 8,176,776 | 7,279,254 | - | 15,456,060 |
| **Depreciation** | | | | |
| 1 April 2023 | 7,103,576 | 6,478,383 | - | 13,581,959 |
| Charge for year | 207,264 | 180,808 | - | 388,072 |
| On disposals | (7,867) | - | - | (7,867) |
| **31 March 2024** | 7,302,973 | 6,659,191 | - | 13,962,164 |
| **Net book value** | | | | |
| **31 March 2024** | 873,803 | 620,063 | - | 1,493,866 |
| 31 March 2023 | 656,150 | 457,122 | 1,306,904 | 2,420,176 |

**15 Tangible fixed assets - Property plant and equipment (continued)**

| Trust | Fixtures, fittings and equipment | Galleries | Assets under construction | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| 1 April 2023 | 7,622,167 | 6,935,505 | 1,306,904 | 15,864,576 |
| Additions | 426,159 | 343,749 | 1,543,000 | 2,312,908 |
| Disposals | (21,698) | - | - | (21,698) |
| Transfer between classes | - | - | (2,849,904) | (2,849,904) |
| **31 March 2024** | 8,026,628 | 7,279,254 | - | 15,305,882 |
| **Depreciation** | | | | |
| 1 April 2023 | 6,975,621 | 6,478,383 | - | 13,454,004 |
| Charge for year | 200,301 | 180,808 | - | 381,109 |
| On disposals | (7,867) | - | - | (7,867) |
| **31 March 2024** | 7,168,055 | 6,659,191 | - | 13,827,246 |
| **Net book value** | | | | |
| **31 March 2024** | 858,573 | 620,063 | - | 1,478,636 |
| 31 March 2023 | 646,546 | 457,122 | 1,306,904 | 2,410,572 |

As part of the terms of the heritage lottery grant, there is a charge in place over the fitted rigging house.

**16 Heritage assets**

| Group and Trust | Freehold land and buildings | Ships | Collections and artefacts | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| 1 April 2023 | 21,389,779 | 3,344,642 | 144,000 | 24,878,421 |
| Additions | 58,771 | - | - | 58,771 |
| Transfer between classes | 2,849,903 | - | - | 2,849,903 |
| **31 March 2024** | 24,298,453 | 3,344,642 | 144,000 | 27,787,095 |
| **Depreciation** | | | | |
| 1 April 2023 | 6,470,324 | 3,344,642 | - | 9,814,966 |
| Charge for year | 561,762 | - | - | 561,762 |
| **31 March 2024** | 7,032,086 | 3,344,642 | - | 10,376,728 |
| **Net book value** | | | | |
| **31 March 2024** | 17,266,367 | - | 144,000 | 17,410,367 |
| 31 March 2023 | 14,919,455 | - | 144,000 | 15,063,455 |

**16 Heritage assets (continued)**

No value was attributed to the assets transferred to the Trust on its creation as the cost of obtaining such valuations would not be commensurate with the benefits to the users of the accounts and, in any event, given the uniqueness of many of the assets transferred, a reliable valuation may be impossible to obtain.

The heritage assets comprise the Trust's freehold land and buildings, the ships, items of historic plant and equipment, the museum collections, art and photographs and the archives. The heritage assets recognised comprise capitalised expenditure on enhancing the utility of the historic properties and expenditure on assets which have been purchased since the inception of the Trust.

The assets include:

- 47 structures designated as Scheduled Ancient Monuments and 54 listed buildings;
- two ships and one submarine;
- large plant and equipment, including the rope manufacturing machines, cranes and metal working plant;
- over 100,000 items connected to the history of Chatham Dockyard and the Royal Navy at Chatham. They range from small items of personal ephemera - a dockyard matey's old cigarette box - to HMS Cavalier, the Royal Navy's last Second World War destroyer;
- over 20,000 photographs dating from the very earliest years of photography, mainly depicting Chatham Dockyard at work and ships of the Royal Navy on the River Medway;
- over 150 works of art including oil paintings, watercolours and prints. Their content ranges from topographical views of the dockyard to portraits of naval personnel;
- 50 models, mainly of naval ships;
- over 100 machine tools all of which were originally used in the dockyard for shipbuilding and repair;
- over 100 items of naval ordnance dating from the seventeenth to the twentieth centuries and includes guns, torpedoes, mines and mortars; and
- over 10,000 items in the archive collection, mainly documents relating to naval and dockyard correspondence and to individuals' naval service.

Whilst the Trust would like to acquire further assets to add to its collections, the main focus of the Trust's efforts has been - and will be for the foreseeable future - preserving the various buildings. To this end, the Trust has a long term maintenance plan for its buildings and a shorter term plan for bringing unused buildings into use through appropriate refurbishment work. However, in the year, the Trust was able to acquire a model submarine and a white ensign; the cost of these new assets was less than the de minimis capitalisation threshold.

All assets have been catalogued in order that they can be properly managed and all collections are stored in such a manner to prevent any deterioration in their condition and to ensure that they are physically secure. The buildings, the ships, structures and heavy plant are all accessible to visitors to the Dockyard (although the public cannot obtain access to the interior of certain buildings as they are in use). The collections are accessible to the public through the Trust's museum and those items not on show are made accessible to researchers on request.

The Trust does not expect to dispose of any of its heritage assets.

**17 Investment Properties**

| Group | 2024<br>£ | 2023<br>£ |
|---|---|---|
| 1 April | 310,554 | 310,554 |
| 31 March | 310,554 | 310,554 |

The investment properties are valued by reference to the rental yield established by recent sales of properties as determined by independent valuers and applying that yield to the rental income stream from ongoing investment properties. The directors have carried out that valuation at 31st March 2024 and the revaluation is £310,554.

**18 Investments - shares in subsidiary companies**

| Trust | Share capital<br>£ | Total<br>£ |
|---|---|---|
| 1st April 2023 and 31 March 2024 | 26,100 | 26,100 |

The subsidiary companies at 31 March 2024 were wholly owned and registered in England & Wales and are as follows:

| Name | Company number | Activity |
|---|---|---|
| Master Ropemakers (Trading) Limited | 02651660 | Non-traditional rope sales |
| Chatham Historic Dockyard (Trading) Limited | 01983754 | Retail & catering |
| Historic Dockyard Property Limited | 02331347 | Residential property management |
| Historic Dockyard Property (2005) Limited | 05538093 | Property development |
| Historic Dockyard Property (2010) Limited | 07232729 | Dormant |
| Master Ropemakers Limited | 07232492 | Dormant |

The registered office of the above subsidiaries is The Fitted Rigging House, The Historic Dockyard, Chatham, Kent, England, ME4 4TZ.

**18 Investments - shares in subsidiary companies - Trust (continued)**

**Results of active subsidiaries**

| | Master Ropemakers (Trading) Limited £ | Historic Dockyard Property Limited £ | Historic Dockyard Property 2005 Limited £ | Chatham Historic Dockyard (Trading) Limited £ |
|---|---|---|---|---|
| **Year ended 31 March 2024** | | | | |
| Turnover | 408,899 | 13,810 | 127,984 | 1,119,830 |
| Expenditure | (373,943) | (11,229) | (16,367) | (974,890) |
| Other income | 353 | - | - | - |
| Distribution to the Trust | (35,309) | (2,581) | (111,617) | (144,940) |
| Result for the year | - | - | - | - |
| **As at 31 March 2024** | | | | |
| Assets | 128,468 | 316,440 | 22,005 | 254,045 |
| Creditors and provisions | (103,468) | (69,119) | (21,905) | (233,945) |
| Net assets | 25,000 | 247,321 | 100 | 20,100 |
| **Year ended 31 March 2023** | | | | |
| Turnover | 403,950 | 15,249 | 120,703 | 915,047 |
| Expenditure | (337,469) | (13,630) | (16,260) | (824,771) |
| Distribution to the Trust | (66,481) | (1,619) | (104,443) | (90,276) |
| Result for the year | - | - | - | - |
| **As at 31 March 2023** | | | | |
| Assets | 129,573 | 338,755 | 103,032 | 210,925 |
| Creditors and provisions | (104,573) | (91,434) | (102,932) | (190,825) |
| Net assets | 25,000 | 247,321 | 100 | 20,100 |

**19 Investments**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2024 £ | 2023 £ | 2024 £ | 2023 £ |
| **Listed investments - common investment funds** | | | | |
| As at 1 April 2023 | 632,322 | 655,516 | 632,322 | 655,516 |
| Unrealised gain/(loss) | 71,843 | (23,194) | 71,843 | (23,194) |
| As at 31 March 2024 | 704,165 | 632,322 | 704,165 | 632,322 |

**19 Investments (continued)**

| Listed investments comprise | Group | | Trust | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Investment Fund | 301,586 | 269,435 | 301,586 | 269,435 |
| Property Fund | 138,029 | 138,324 | 138,029 | 128,324 |
| Global Equity Fund | 264,550 | 224,563 | 264,550 | 224,563 |
| | 704,165 | 632,322 | 704,165 | 632,322 |
| Historical cost | 400,000 | 400,000 | 400,000 | 400,000 |

**20 Inventories**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Raw materials and consumables | 160,849 | 155,284 | 160,849 | 155,284 |
| Goods for resale | 191,562 | 170,211 | 100,714 | 82,515 |
| | 352,411 | 325,495 | 261,563 | 237,799 |

There is no significant difference between the replacement cost of the inventories and their carrying amount. Inventories are stated after provisions for impairment of £13,904 (2023 - £14,871).

**21 Debtors**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Trade debtors | 368,899 | 424,212 | 300,478 | 423,264 |
| Amount owed by subsidiary undertakings | - | - | 285,556 | 383,904 |
| Other debtors | 152,628 | 315,746 | 128,109 | 213,818 |
| Prepayments and accrued income | 618,424 | 560,279 | 611,299 | 557,101 |
| | 1,139,951 | 1,300,237 | 1,325,442 | 1,578,087 |

Amounts above owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**22 Creditors: amounts falling due within one year**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Other loan | 150,000 | 100,000 | 150,000 | 100,000 |
| Trade creditors | 569,724 | 357,608 | 521,651 | 333,916 |
| Taxation and social security | 59,065 | 55,144 | 59,065 | 55,144 |
| Other creditors | 480,237 | 359,443 | 474,752 | 357,288 |
| Accruals and deferred income (see note 24) | 550,112 | 953,282 | 520,108 | 932,273 |
| | 1,809,138 | 1,825,477 | 1,725,576 | 1,778,621 |

**23 Creditors: amounts falling due after more than one year**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Other loan | 200,000 | 350,000 | 200,000 | 350,000 |
| Due within one year | 150,000 | 100,000 | 150,000 | 100,000 |
| Due within 1 - 2 years | 200,000 | 150,000 | 200,000 | 150,000 |
| Due within 2 - 5 years | - | 200,000 | - | 200,000 |
| | 350,000 | 450,000 | 350,000 | 450,000 |

The South East Local Enterprise Partnership (SELEP) loan is repayable by March 2026.

**24 Deferred income**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £ | £ | £ | £ |
| Balance at 1 April | 125,839 | 32,139 | 125,839 | 32,139 |
| Amount released to SOFA | (125,839) | (32,139) | (125,839) | (32,139) |
| Amount deferred in the period | 156,796 | 125,839 | 156,796 | 125,839 |
| Balance at 31 March | 156,796 | 125,839 | 156,796 | 125,839 |

Deferred income principally relates to advance event ticket sales and pre-billed rents.

**25 Deferred tax**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Arising on property revaluations: | £ | £ | £ | £ |
| At 1 April | 59,005 | 59,005 | 59,005 | 59,005 |
| At 31 March | 59,005 | 59,005 | 59,005 | 59,005 |

Deferred tax is calculated at a rate of 19% (2023 - 19%).

**26 Contingent liabilities**

Within the Historic Dockyard there are 47 structures designated as Scheduled Ancient Monuments and 54 Listed Buildings. The Trust has a responsibility and liability to remedy any state of disrepair of the Listed Buildings under the Planning (Listed Buildings & Conservation Areas) Act 1990. Whilst the Trust continues to maintain these structures, it may have insufficient funds to carry out the full-scale repair of all the structures should the appropriate notice be served upon the Trustees. To date, no such notice has been served.

Certain grants received by the Trust for capital works within the Historic Dockyard may, under the provisions of the respective grant contracts, become repayable under certain circumstances. In the opinion of the Trustees such circumstances are unlikely to arise and accordingly no provision has been made in the accounts.

If fixed assets are disposed of then under certain circumstances any related grant funding in respect of these properties may be repayable. The Trustees have no intention of disposing of any grant funded assets.

**27 Capital commitments**

As at the year end, the Group and Trust had contracted for capital commitments totalling £Nil (2023: £1,543,877).

**28 Analysis of funds**

| Group - as at 31 March 2024 | Restricted | Unrestricted | | | | Group |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | Total |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 904,743 | 589,123 | - | - | 589,123 | 1,493,866 |
| Heritage assets | 16,528,264 | 882,103 | - | - | 882,103 | 17,410,367 |
| Investment properties | - | - | 246,321 | 64,233 | 310,554 | 310,554 |
| Listed Investments | - | - | - | 704,165 | 704,165 | 704,165 |
| Inventories | - | - | - | 352,411 | 352,411 | 352,411 |
| Debtors | - | - | - | 1,139,951 | 1,139,951 | 1,139,951 |
| Cash and cash equivalents | 11,727 | 432,370 | - | 180,046 | 612,416 | 624,143 |
| Creditors | - | - | - | (2,009,138) | (2,009,138) | (2,009,138) |
| Deferred tax | - | - | - | (59,005) | (59,005) | (59,005) |
| | 17,444,734 | 1,903,596 | 246,321 | 372,663 | 2,522,580 | 19,967,314 |

| Group - as at 31 March 2023 | Restricted | Unrestricted | | | | Group |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | Total |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 2,074,094 | 163,530 | - | 182,552 | 346,082 | 2,420,176 |
| Heritage assets | 14,766,036 | 297,419 | - | - | 297,419 | 15,063,455 |
| Investment properties | - | - | 246,321 | 64,233 | 310,554 | 310,554 |
| Inventories | - | - | - | 632,322 | 632,322 | 632,222 |
| Debtors | - | - | - | 325,495 | 325,495 | 325,495 |
| Investments | - | - | - | 1,300,237 | 1,300,237 | 1,300,237 |
| Cash and cash equivalents | 812,842 | 869,710 | - | 373,544 | 1,243,254 | 2,056,096 |
| Creditors | - | - | - | (2,175,477) | (2,175,477) | (2,175,477) |
| Deferred tax | - | - | - | (59,005) | (59,005) | (59,005) |
| | 17,652,972 | 1,330,659 | 246,321 | 643,901 | 2,220,881 | 19,873,853 |

**28 Analysis of funds (continued)**

| Trust - as at 31 March 2024 | Restricted | Unrestricted | | | | Trust Total |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 904,743 | 573,893 | - | - | 573,893 | 1,478,636 |
| Heritage assets | 16,528,264 | 882,103 | - | - | 882,103 | 17,410,367 |
| Inventories | - | - | - | 261,563 | 261,563 | 261,563 |
| Investment in subsidiaries | - | - | - | 26,100 | 26,100 | 26,100 |
| Debtors | - | - | - | 1,325,442 | 1,325,442 | 1,325,442 |
| Investments | - | - | - | 704,165 | 704,165 | 704,165 |
| Cash and cash equivalents | 11,727 | 432,371 | - | (23,901) | 408,470 | 420,197 |
| Creditors | - | - | - | (1,925,576) | (1,925,576) | (1,925,576) |
| | 17,444,734 | 1,888,367 | - | 367,793 | 2,256,160 | 19,700,894 |

| Trust - as at 31 March 2023 | Restricted | Unrestricted | | | | Trust Total |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 2,074,094 | 163,530 | - | 172,948 | 336,478 | 2,410,572 |
| Heritage assets | 14,766,036 | 297,419 | - | - | 297,419 | 15,063,455 |
| Inventories | - | - | - | 237,799 | 237,799 | 237,799 |
| Investment in subsidiaries | - | - | - | 26,100 | 26,100 | 26,100 |
| Debtors | - | - | - | 1,578,087 | 1,578,087 | 1,578,087 |
| Investments | - | - | - | 632,322 | 632,322 | 632,322 |
| Cash and cash equivalents | 812,842 | 869,710 | - | 105,165 | 974,875 | 1,787,717 |
| Creditors | - | - | - | (2,128,621) | (2,128,621) | (2,128,621) |
| | 17,652,972 | 1,330,659 | - | 623,800 | 1,954,459 | 19,607,431 |

**29 Restricted funds**

| Year ended 31 March 2024<br>Group and Trust | At 1 April 2023<br>£ | Transfers 2024<br>£ | Income 2024<br>£ | Expend-iture 2024<br>£ | At 31 March 2024<br>£ |
|---|---|---|---|---|---|
| Fixed asset funds | 9,290,514 | 65,271 | - | (542,798) | 8,812,987 |
| Fitted Rigging House | 6,412,174 | - | - | (189,032) | 6,223,142 |
| Arts Council England - NPO | 6,500 | - | 249,508 | (244,281) | 11,727 |
| No 1 Smithery | 100,000 | - | 195,000 | (29,500) | 265,500 |
| Other | 35,127 | - | 14,934 | (50,061) | - |
| DCMS | - | - | 196,000 | (196,000) | - |
| Fitted Rigging House (South) | 1,808,657 | - | 366,219 | (43,498) | 2,131,378 |
| | 17,652,972 | 65,271 | 1,021,661 | (1,295,170) | 17,444,734 |

| Year ended 31 March 2023<br>Group and Trust | At 1 April 2022<br>£ | Transfers 2023<br>£ | Income 2023<br>£ | Expend-iture 2023<br>£ | At 31 March 2023<br>£ |
|---|---|---|---|---|---|
| Fixed asset funds | 9,802,672 | - | - | (512,158) | 9,290,514 |
| Fitted Rigging House | 6,631,846 | - | - | (219,672) | 6,412,174 |
| Arts Council England - NPO | 53,292 | - | 249,508 | (296,300) | 6,500 |
| No 1 Smithery | - | - | 100,000 | - | 100,000 |
| Other | 26,975 | - | 24,712 | (16,560) | 35,127 |
| DCMS | - | - | 196,000 | (196,000) | - |
| Fitted Rigging House (South) | - | - | 1,808,657 | - | 1,808,657 |
| | 16,514,785 | - | 2,378,877 | (1,240,690) | 17,652,972 |

**29 Restricted funds (continued)**

The fixed asset funds represent the donations and grants received in previous years to fund capital expenditure; the balance of the funds represents the net book value of the related assets and the expenditure represents the annual depreciation of the related assets.

The Fitted Rigging House project is to preserve the North end of the fitted rigging house, this being the last major building within the dockyard which has yet to be refurbished, to allow it to be used more productively.

The Arts Council England - NPO programmes relate to various activities, designed to provide school children with educational activities relevant to the dockyard and its contribution to naval history.

No 1 Smithery - The Trust was pledged a total of £215,000 from the DCMS Wolfson Museums and Galleries Improvement Fund followed by an additional £100,000 from the Garfield Weston Foundation, £50,000 from the Foyle Foundation and £30,000 from The Headley Trust to support the refurbishment of the existing No.1 Smithery gallery space which was first developed in 2010 and is in need of uplift and improvement.

DCMS - The Trust acknowledges the continuing support from DCMS of £196k for FY 2023/24 which has been utilised to support a variety of preservation and learning projects across the organisation.

Other Grants - This represented a number of smaller grants for specific projects completed during the course of the year.

The Fitted Rigging House (South) project is to preserve the Southern end of the fitted rigging house, this being the last major building within the dockyard which has yet to be refurbished, to allow it to be used more productively.

**Transfers between funds**

Transfers between funds represent the amounts transferred to restricted and designated fixed assets fund, to reflect the net book value of the fixed assets incorporated within these funds.

**30 Unrestricted funds**

| **Year ended 31 March 2024** | At 1 April 2023 | Gains/ Transfers 2024 | Income in 2024 | Expend-iture in 2024 | At 31 March 2024 |
|---|---|---|---|---|---|
| **Group** | £ | £ | £ | £ | £ |
| Designated funds | | | | | |
| - Fixed assets | 460,949 | 1,148,321 | - | (138,043) | 1,471,227 |
| - Maintenance and development | 869,710 | (611,614) | 174,273 | - | 432,369 |
| Revaluation | 246,321 | - | - | - | 246,321 |
| General | 643,901 | (530,135) | 8,369,810 | (8,110,913) | 372,663 |
| | 2,220,881 | 6,572 | 8,544,083 | (8,248,956) | 2,522,580 |

| **Year ended 31 March 2023** | At 1 April 2022 | Gains/ Transfers 2023 | Income in 2023 | Expend-iture in 2023 | At 31 March 2023 |
|---|---|---|---|---|---|
| **Group** | £ | £ | £ | £ | £ |
| Designated funds | | | | | |
| - Fixed assets | 386,776 | 143,104 | - | (68,931) | 460,949 |
| - Maintenance and development | 732,707 | 92,867 | 44,136 | - | 869,710 |
| Revaluation | 246,321 | - | - | - | 246,321 |
| General | 780,227 | (259,165) | 7,399,115 | (7,276,276) | 643,901 |
| | 2,146,031 | (23,194) | 7,443,251 | (7,345,207) | 2,220,881 |

| **Year ended 31 March 2024** | At 1 April 2023 | Gains/ Transfers 2024 | Income in 2024 | Expend-iture in 2024 | At 31 March 2024 |
|---|---|---|---|---|---|
| **Trust** | £ | £ | £ | £ | £ |
| Designated funds | | | | | |
| - Fixed assets | 460,949 | 1,133,092 | - | (138,043) | 1,455,998 |
| - Maintenance and development | 869,710 | (611,614) | 174,273 | - | 432,369 |
| General | 623,800 | (514,906) | 8,369,810 | (8,110,911) | 367,793 |
| | 1,954,459 | 6,572 | 8,544,083 | (8,248,954) | 2,256,160 |

| **Year ended 31 March 2023** | At 1 April 2022 | Gains/ Transfers 2023 | Income in 2023 | Expend-iture in 2023 | At 31 March 2023 |
|---|---|---|---|---|---|
| **Trust** | £ | £ | £ | £ | £ |
| Designated funds | | | | | |
| - Fixed assets | 386,776 | 143,104 | - | (68,931) | 460,949 |
| - Maintenance and development | 732,707 | 92,867 | 44,136 | - | 869,710 |
| General | 735,125 | (259,165) | 6,526,925 | (6,379,085) | 623,800 |
| | 1,854,608 | (23,194) | 6,571,061 | (6,448,016) | 1,954,459 |

**30 Unrestricted funds (continued)**

The fixed assets fund presents funds used to acquire fixed assets and which are therefore not available for funding the Trust's day to day activities.

The Maintenance and Development Fund represents sums set aside for planned preventive maintenance and building refurbishment expenditure in future periods.

**Transfers between funds**

During the year, £100,000 was transferred from general funds to the maintenance and development fund as a contribution to future planned preventative maintenance.

Other transfers between funds represent the amounts transferred to restricted and designated fixed assets fund, to reflect the net book value of the fixed assets incorporated within these funds.

**31 Reconciliation of net income to net cash outflow from operating activities**

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Net income/(expenditure) | 93,461 | 1,213,037 |
| Depreciation of property, plant and equipment | 388,072 | 250,152 |
| Depreciation of heritage assets | 561,762 | 555,065 |
| Loss on disposal of tangible fixed assets | 13,831 | - |
| Rental income | (13,810) | (15,249) |
| Net (loss)/gain on investments | (71,842) | 23,194 |
| (Increase) in inventories | (26,916) | (55,238) |
| Decrease / (Increase) in debtors | 160,286 | (289,656) |
| (Decrease) / Increase in creditors | (66,339) | 312,982 |
| **Net cash provided by from operating activities** | 1,038,505 | 1,994,287 |

**32 Analysis of net debt**

| | At 1 April 2023<br>£ | Cash flows<br>£ | At 31 March 2024<br>£ |
|---|---|---|---|
| Cash at bank and in hand | 2,056,096 | (1,431,953) | 624,143 |
| Loans | (450,000) | 100,000 | (350,000) |
| **Net cash inflow from operating activities** | 1,606,096 | (1,331,953) | 274,143 |

### 33 Operating lease commitments

At 31 March 2024 the Group was committed to making the following payments under non-cancellable operating leases in the coming years

| | 2024 £ | 2023 £ |
|---|---|---|
| Due next year | 5,683 | 2,954 |
| Due in the next 2 to 5 years | 12,258 | 4,431 |
| Due in more than 5 years | 1,383 | - |
| | 19,324 | 7,385 |

### 34 Related Party Transactions

The Trust has a number of transactions with its subsidiaries. The Trust provides accommodation, management, IT and other services to its subsidiaries, details of these are as follows:

| | Chatham Historic Dockyard (Trading) Ltd £ | Master Ropemakers Trading Ltd £ | Historic Dockyard Property Ltd £ | Historic Dockyard Property(2005) Ltd £ | Total 2024 £ |
|---|---|---|---|---|---|
| **From the Trust:** | | | | | |
| Employment recharges | 349,649 | 38,511 | - | - | 388,160 |
| Rent | 19,000 | - | - | - | 19,000 |
| Utilities | 2,987 | - | - | - | 2,987 |
| Rope purchases | - | 309,873 | - | - | 309,873 |
| Management fees | - | - | 23,875 | - | 23,875 |
| Finance, insurance and other costs | - | - | 6,660 | - | 6,660 |
| | 371,636 | 348,384 | 30,535 | - | 750,555 |
| Amounts owed from/(to): | 167,947 | 97,410 | (5) | 20,205 | 285,557 |

**34 Related Party Transactions (continued)**

| | Chatham Historic Dockyard (Trading) Ltd | Master Ropemakers Trading Ltd | Historic Dockyard Property Ltd | Historic Dockyard Property(2005) Ltd | Total 2023 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **From the Trust:** | | | | | |
| Employment recharges | 334,470 | 33,606 | - | - | 368,076 |
| Rent | 19,000 | - | - | - | 19,000 |
| Utilities | 3,633 | - | - | - | 3,633 |
| Rope purchases | - | 278,870 | - | - | 278,870 |
| Management fees | - | - | 20,833 | - | 20,833 |
| Finance, insurance and other costs | - | - | 5,340 | - | 5,340 |
| | 357,103 | 312,476 | 26,173 | - | 695,752 |
| Amounts owed from/(to): | 64,048 | 30,888 | 29,245 | (3,086) | 121,095 |

The subsidiaries have committed to distribute any profits made, by way of charitable donation, to the Trust on an annual basis (see note 18).

The balances due from the subsidiaries are shown in note 21.

During the year, the Trust paid £4,400 (2023: £5,200) to The True Leader Company Limited, a company which Admiral Sir Trevor Soar (Trustee) is a Director, for staff training.

**35 Prior year restatement**

The prior year allocation of support costs to education and preservation was incorrect, with £311,478 allocated to preservation activities in error, which should have been allocated to education activities. The net impact on charity funds and net income/(expenditure) is £nil, however notes 10, 11 and the Statement of Financial Activities have been restated.

In 2023, £50,298 was incorrectly classified as Property, plant and equipment, instead of Heritage assets. The net impact on charity funds and net income/(expenditure) is £nil, however notes 15, 16 and the Balance Sheet have been restated.

The prior year allocation of depreciation between funds on the Statement of Financial Activities included £219,672 that was allocated to restricted fixed asset funds, which should have been allocated against the Fitted Rigging House restricted fund. The net impact on charity funds and net income/(expenditure) is £nil, however the comparative Statement of Financial Activities has been restated.

**THE CHATHAM HISTORIC DOCKYARD TRUST**

England & Wales - Charity number 292101

# Accounts

# The Chatham Historic Dockyard Trust

## Trustees' Report and Financial Statements

## for the year ended 31 March 2023

Company number 01804108

Registered Charity number: 292101

# Vision

The most complete and best-preserved Dockyard of the Age of Sail will increase its impact through innovative reuses of our heritage assets making it ever more relevant to all users, providing excellent experiences for all and inspirational learning for the widest audiences.

# Our Strategic Objectives

**Preservation**

To set the benchmark in maintaining excellence in the sympathetic preservation and use of The Historic Dockyard, its buildings, ships and collections through diverse re-use. Excellence in management of the heritage environment and building use will remain essential in preserving the unique, award-winning, historic character of the site.

**Learning**

To engage the widest audiences in learning about the significance and role of the former Royal Dockyard at Chatham and its people in supporting the Royal Navy from sail to steam to nuclear power over a 400 year period.

Utilising on-site heritage assets as the foundation for an industry leading museum and heritage site, we will maximise our reach and capacity whilst maintaining quality in delivering inspirational programmes and engaging activities which will incorporate the best use of digital technology and outreach activities.

**Excellence**

Providing excellence in everything we do, we will deliver an unmatched, inspirational and memorable experience for all users of The Historic Dockyard – whether visitors, tenants, residents or students – that exceed their expectations and maintains a balanced ecology of uses.

In setting and pursuing these objectives the Trustees have had regard to the Charity Commission's guidance on public benefit.

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**Patron**

HRH The Former Prince of Wales

**Vice Patrons at 31 March 2023**

Admiral of the Fleet Lord Boyce KG GCB OBE DL (Deceased 06/11/2022)
Admiral Sir Ian Garnett KCB
The Rt. Hon Sir Timothy Sainsbury Kt PC

**Trustees and Board Members**

Admiral Sir Trevor Soar KCB, OBE, DL (Chairman)
Professor Robert Allison CBE, DL
Sir Ian Andrews CBE, TD
Councillor Rodney Chambers OBE
Mr William A Corbett
Mr Paul D Hudson
Mr Paul Jackson OBE
Miss Sarah E Roots
Mr Prodaman K Sarwal MBE
Mr Duncan Wilson CBE
Mrs Deidre Wells OBE (Appointed 24/05/2022)

**Secretary**

Mr Christopher Langridge

**Company members**

The Trustees and Board Members (as above)
The Rt. Hon. The Secretary of State for Defence
The Rt. Hon. The Secretary of State for Digital, Culture, Media and Sport
Mr John Spence OBE DL

**Key Management**

| | |
|---|---|
| Mr Richard Morsley | Chief Executive |
| Mr Paul Barnard | Chief Operating Officer |
| Ms Lynnette Crisp | Director of Communications & Public Engagement |
| Mr Nigel Howard | Director of the Historic Environment and Buildings |
| Mr Christopher Knott | Financial Controller |
| Ms Olivia Horner | Director of Commercial Operations (Appointed 01/04/2022) |

**Bankers**

Barclays Bank PLC
13 Fremlin Walk
Maidstone
Kent ME14 1QG

**Auditor**

Azets Audit Services
Greytown House
Orpington, Kent BR6 0NZ

**Solicitors**

Cripps LLP
22 Mount Ephraim
Tunbridge Wells
Kent TN4 8AS

**Registered Office**

1st Floor North
Fitted Rigging House
The Historic Dockyard
Chatham
Kent
ME4 4TZ
Tel: 01634 823800 /www.thedockyard.co.uk

The Trust gratefully acknowledges the financial and other support during 2022/23 of its Dockyard Ambassadors, and of its many stakeholders and funders, so essential to its successful operation.

Major Donors and Supporters during 2022/2023 (in alphabetical order):

Arts Council England
BAE Systems
DCMS Wolfson Museums and Galleries Improvements Fund
The Department for Digital, Culture, Media and Sport (DCMS)
The Garfield Weston Foundation
Historic England
Marsh Christian Trust
Medway Council
National Lottery Heritage Fund
Sir Charles Jessel Charitable Trust
The Submarine Family (RN Charities)
The Submariners Association (National Museum of the Royal Navy)
South East LEP

We would like to thank all of the individuals and organisations that have supported the Historic Dockyard through this year, including those who have generously left gifts in the form of a legacy. Their support is hugely appreciated and makes a real difference to the valuable work we do.

In addition, we would like to thank, in particular, the Department for Digital, Culture, Media & Sport and Medway Council for their continued valuable support.

The Chatham Historic Dockyard Trust is a registered charity (Charity No. 292101) and registered company (Company No. 01804108).

Gifts and donations made by UK taxpayers under gift aid substantially increase the value of donations made.

The Trust is a Fully Accredited Museum.

## Chairman's Introduction

As 2022/23 draws to a close and a new year begins, it is with some pleasure that I write this report following a year of relative normality following the impact of the COVID pandemic. Whilst the year has come with its own challenges, not least the emerging cost of living crisis, it has been hugely satisfying to start to welcome visitors back to The Historic Dockyard for an uninterrupted year and for all our income streams to start to recover.

This document reports against the period 1 April 2022 to 31 March 2023.

### *Achieving the Learning Purpose*

We were delighted to be able to operate a full visitor season in 2022 following the two years of uncertainty due to the COVID-19 Pandemic. Our visitors started to return over the course of the year and we are pleased to report that 125,280 people visited the Historic Dockyard throughout the reporting period. Whilst this is still below our pre-pandemic averages, the green shoots of recovery were very much present throughout the whole year, particularly as we headed into 2023, giving us cause for optimism for the year ahead.

### Visitors

It has been a real pleasure to see visitors returning to The Historic Dockyard Chatham throughout 2022. In an effort to rebuild our visitor numbers following the pandemic, we took a conscious decision to remain competitive with our pricing and offer the greatest value possible through a diverse range of exhibitions and activities hosted across the year. Whilst visitor numbers didn't return to pre-pandemic levels (around 28% down), we believe that our efforts have supported our efforts in rebuilding audiences.

Throughout 2022, we hosted the exhibition Diving Deep: HMS Invincible 1744. This ground-breaking exhibition told the story of the Invincible, her sinking and subsequent fascinating discovery over 260 years later. The exhibition was developed in partnership with the National Museum of the Royal Navy, Bournemouth University and Maritime Archaeology Sea Trust (MAST) with funding from the National Lottery Heritage Fund. Originally due to open in Chatham in 2020 but postponed due to COVID restrictions, the exhibition was officially opened by our research volunteers who worked tirelessly during the national lockdown periods developing content for the exhibition with our partners in Portsmouth. We took the opportunity to also create a wide range of family activities linked to this exhibition to excite and engage audiences, including a brand partnership with Silvergate Media to bring Octonauts, a popular children's TV show and range of books, to The Historic Dockyard.

2022 also marked the 60th Anniversary of the launch of HM Submarine OCELOT. We took the opportunity to mark this event by making some significant upgrades to the experience onboard the submarine and held a commemorative event that was attended by submariners and dockyard workers, brought together to celebrate the launch of the last vessel built for the Royal Navy in Chatham.

For the first time, The Historic Dockyard Chatham opened its doors to audiences over the Christmas period having launched a new product, Mission Christmas. This was a separately ticketed event that welcomed visitors throughout December to an immersive Christmas experience with the clear objective to drive new audiences to the site. We were delighted to welcome over 7,400 visitors to this experience and we are looking forward to developing the product further for future years.

### *Achieving the Preservation Purpose*

With over 100 buildings and structures, including 47 ancient monuments, preservation of our historic estate can never stand still. Our strategy of 'preservation through reuse' remains effective and our commercial estate sustains an enviable rate of occupation.

I'm pleased to report that excellent progress is being made in the delivery of the Levelling Up Fund funded Fitted Rigging House South project and the project is still on course to be completed with tenants moving into the newly

created spaces in Autumn 2023. Interest in the commercial space has been very strong with most of the spaces having been pre-let at the time of writing this report.

We are currently in the process of acquiring our 48th Scheduled Ancient Monument - the Police Section House. This Grade II listed Scheduled Ancient Monument will be developed into an innovative new creative space called The Docking Station. This new development will become a digital creative and cultural industries hub providing cutting edge technologies, performance and training opportunities. Construction is planned to commence in 2024 and the project is being led by the University of Kent.

A number of small preservation projects have been undertaken across the course of the year including the external repair and redecoration of the Craft workshops, refurbishment and rehanging of the Main Gate doors, the rebuilding of the Commissioners House canopy, and a range of site surveys including quinquennial inspections of chimneys and a full inspection of the dry dock caissons.

**External Support**

Support through third-party sources has always been transformational, not only in supporting our day-to-day operation but in supporting us in our drive for financial resilience. During this period, we have been fortunate to receive significant grant support from the Levelling Up Fund, Arts Council England, the Garfield Weston Foundation and DCMS as well as support from a number of donors and benefactors who are referenced later in this report. It is worth noting that the Trust's consolidated net surplus of £1,213k is due to receipt of Levelling Up Fund grant for the Fitted Rigging House South project of £1,808k in mid-March 2023, less depreciation of £805k (£732k of which is restricted).

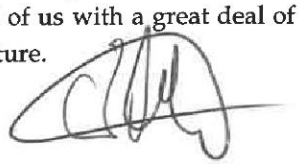
**Our Teams**

Chatham Historic Dockyard Trust has gone through a period of significant change within its staff teams at a Leadership level over the past couple of years and I'm very pleased to report that the Senior Leadership Team is now fully settled into post, completed in this reporting year with the appointment of Olivia Horner as Director of Commercial Operations.

We are fortunate to have a highly dedicated and motivated team of staff and volunteers that give so much time and energy to supporting the furtherance of our charitable objectives and my thanks goes to each and every one of those people that make this place what it is today.

**Looking to the Future**

The Trust is looking towards the future in a very positive way. It is anticipated that the completion of the Fitted Rigging House South project in Autumn 2023 will mark a significant point in the Trust's history where we will finally reach a point of financial self-sustainability on a revenue level. As we head into our 40th anniversary as a charity in 2024, I can't think of a more fitting achievement than the realisation of this long-held ambition. Our ambition for the future doesn't simply stop there however. Financial resilience marks the point where Chatham Historic Dockyard Trust can forge a path into the future that is based on choice rather than necessity. This path will always be forged with the delivery of our charitable objectives at its core and our strategic planning over the coming years will provide direction for how best to achieve this. This next part of our journey fills all of us with a great deal of excitement and I look forward to the opportunity to report on the progress of this in the future.



Admiral Sir Trevor Soar KCB OBE DL

Chairman

## Strategic Report - Vision & Objectives

### Vision

The most complete and best-preserved Dockyard of the Age of Sail will increase its impact through innovative reuses of our heritage assets making it ever more relevant to all users, providing excellent experiences for all and inspirational learning for the widest audiences.

### Our Core Charitable Objectives

The preservation of the Historic Dockyard Chatham, the most complete 18th Century dockyard in the world and;
The education of the public in its historical, architectural and archaeological importance.

### Our Strategic Objectives

**Preservation**
To set the benchmark in maintaining excellence in the sympathetic preservation and use of The Historic Dockyard, its buildings, ships and collections through diverse re-use. Excellence in management of the heritage environment and building use will remain essential in preserving the unique, award-winning, historic character of the site.

**Learning**
To engage the widest audiences in learning about the significance and role of the former Royal Dockyard at Chatham and its people in supporting the Royal Navy from sail to steam to nuclear power over a 400-year period.

Utilising on-site heritage assets as the foundation for an industry leading museum and heritage site, we will maximise our reach and capacity whilst maintaining quality in delivering inspirational programmes and engaging activities which will incorporate the best use of digital technology and outreach activities.

**Excellence**
Providing excellence in everything we do, we will deliver an unmatched, inspirational and memorable experience for all users of The Historic Dockyard – whether visitors, tenants, residents or students – that exceed their expectations and maintains a balanced ecology of uses.

### Achieving the Vision and Objectives

#### Learning

The Trust has traditionally operated its ships, collections, open spaces, museums, galleries and programmes as a visitor attraction to meet the majority of its Learning objectives.

Before the pandemic there was an ambition to grow visitor numbers to 225-250K but with a fundamentally different operating environment and shifts in consumer behaviour, reaching such targets will not be achievable for several years. We are, however, pleased to report that the Historic Dockyard was able to operate a full visitor season and welcomed 125,280 visitors to site over this period. Whilst this is still below our ambition, the growth shown throughout the year gives us cause for optimism going into the year ahead to further increase our visitor number and hence, the delivery of our charitable objectives whilst simultaneously aiming to increase spends with visitors who choose to be with us.

*Monsters of the Deep and Engaging Programming to Drive Visitation*

The Trust took the conscious decision in 2022 to programme more thematically for 2023 and beyond and the theme of "Monsters of the Deep" was settled upon following the confirmation of the Monsters of the Deep exhibition on loan from the National Maritime Museum Cornwall. This temporary exhibition, which opened to the public on 1st April 2023 followed on from the successful Diving Deep exhibition which was hosted within the No.1 Smithery temporary exhibition space throughout 2022.

The Trust also took the decision to start to include a smaller range of temporary exhibitions within No.1 Smithery and further across the site. We were delighted to host the National Historic Ships Photography exhibition for the first time in 2022 and will be hosting this again in 2023. This followed an initial exhibition created within the Pipe Bending Floor to commemorate the 40th Anniversary of the Falklands Conflict.

Working alongside our exhibitions programme, the Trust developed an engaging range of family activities to excite and engage audiences during peak visitation periods around school holidays. These included a variety of craft activities, underwater archaeology and storytelling all linked to either our core product or to our temporary exhibition. We were also thrilled to enter into a partnership with Silvergate Media to present a range of activities from May to August linked to Octonauts, a popular children's TV series originated from a range of books. This partnership was exceptionally successful, and the Trust took the decision to extend this partnership with Silvergate Media into 2023 to support the Monsters of the Deep programme of activity.

**Family Programming**
Attracting family audiences during our peak visitation periods is important to us as it provides an additional reason for our visitors to join us during a very competitive time of year. We programme each of the holiday periods independently and over the reporting period have delivered the following activities:

- Easter 2022 – Doc. Yard's Easter Eggstravaganza – 2,578 participants
- May 2022 (to Summer 2022) – Octonauts – 8,750 participants
- Summer 2022 – Science of the Sea – 3,542 participants
- October 2022 – Spookyard Crafts – 2,242 participants
- February 2023 – Big Games – 2,160 participants

In total, we have delivered 522 family learning sessions to 19,272 participants during the reporting period.

***Brand Partnership***
Of note in 2022, we developed a brand partnership with Silvergate Media to utilise the Octonauts intellectual property at The Historic Dockyard. This took the form of a trail where our younger visitors could undertake a number of tasks around the Historic Dockyard site to become an Octo-Cadet. This gave us the opportunity to work with a recognised brand and we are very grateful for the support provided by Silvergate Media in helping us deliver these trails to over 8,000 young people between May and August 2022.

***Community and Public Engagement***
B&G Partners was commissioned in Spring 2022 to conduct research and support the development of a new public engagement strategy for Chatham Historic Dockyard Trust. A focus of this was on how we could engage and include a more diverse local audience. To this end, B&G ran a series of consultative conversations with people and organisations in a selection of the local communities with which we particularly want to build relationships. This piece of work has provided a solid foundation for the development of a wider public engagement strategy and will guide the partnerships that we will foster to enable us to deliver this effectively.

Working alongside this work, our Public Engagement team have already started to work with several partners within Medway and the local area to start to build relationships and address improvements across the organisation that will enable us to reach the broadest possible audiences. The nature of these partnerships include outreach to several events, focussed training sessions for our teams and the full integration of relaxed opening sessions aimed at visitors who find a quiet environment more inviting for their needs.

***Festivals in Full Swing***
Throughout 2022, the Historic Dockyard was proud to host 3 major events:

- Medway Gaming and Creative Festival 2022 (16th & 17th July 2022) – 2022 marked the second year of this event which was hosted at the Historic Dockyard in partnership with Medway Council following a pilot in 2021 towards the end of the COVID-19 pandemic. The event is a celebration of Gaming in its widest form and serves as an excellent way to drive new audiences that are currently not engaging with our core product. We welcomed 3,989 paid visitors to this event.
- Medway Safety in Action Day (24th July 2022) – In partnership with Medway Council, the Historic Dockyard was the host to the first Medway Safety in Action day, an event which seeks to promote a positive safety

message ahead of the summer holidays for families in Medway. We opened the Historic Dockyard site for free to visitors (operated via a pre-registered online system) to also give Medway residents a chance to see the wider Historic Dockyard site with a clear objective to be able to provide access to people where price may be a barrier for accessing cultural activities. We welcomed 5,441 people onto site on this day.

- Salute to the 40s (10th & 11th September 2022) – We hosted our annual Salute to the 40s event in September following a relaunch event in 2021 after the COVID-19 pandemic. Visitor numbers to this nostalgic event grew from the previous year and we were delighted to have welcomed 5,618 visitors to site over the weekend.

*Lifelong Learning*

The COVID-19 pandemic had a pronounced impact on organised group visitation to museums and attractions across the country and we experienced this throughout 2020 and 2021. 2022 marked the start of a recovery for organised school groups as teachers were keen to get groups out of the classroom to aid attainment and learning. Over the course of the reporting period, we have welcomed 10,309 school visitors to the Historic Dockyard as part of organised school visits with an additional c.2,000 young people engaged via online learning and physical outreach to schools This marked a 99% increase from the previous year but was unfortunately below pre-pandemic levels. The rising cost of coach travel is being cited as a sector-wide challenge for schools and we are experimenting with our pricing models to mitigate these rising costs recognising that the delivery of this type of activity feeds directly to our core charitable purposes.

*Building Collections*

Following the completion of the Ropery Gallery in 2022, our Museums and Collections team have been focusing on several projects throughout the year including some targeted acquisitions to further enhance our museum collections. Notable acquisitions include a sword owned by Charles Austen (Commanding Officer of the Namur and brother to author Jane Austen). We also took the opportunity over the reporting period to refine our Collecting Policy to ensure it is fit for purpose and carefully aligned to our charitable objectives.

Online collections have been developed further over the course of the reporting period and we are pleased to have trebled the number of objects available to view online via our website. Additions to digital collections include our Uniform collection., Historic Vessels, Lifebuoys and a selection of Historic Photographs (where copyright allows).

**Preservation**

With over 100 buildings and structures, including 47 ancient monuments, preservation on our historic estate can never stand still. We achieve our charitable purpose of 'preservation' through our long-term 'Preservation through Reuse' strategy.

*Caring for Scheduled Ancient Monuments*

This year our Historic Buildings team has undertaken a wide range of projects across our historic estate, including the external redecoration of the Spinning Room and Hemp House Stores. Forming part of the wider Ropery complex, these buildings are a significant part of the process and story of ropemaking in Chatham. A range of external fabric repairs and redecoration were undertaken to this significant Scheduled Ancient Monument.

A range of smaller projects have been undertaken across the historic estate, including the external repair and redecoration of the Craft workshops, refurbishment and rehanging of the Main Gate doors, the rebuilding of the Commissioners House canopy, and a range of site surveys including quinquennial inspections of chimneys and a full inspection of the dry dock caissons.

Following the successful re-use of the northern Fitted Rigging House in 2019 for public benefit and to generate property revenue, the Trust secured a significant grant from the Levelling Up Fund (LUF) in 2021 to bring the southern end of the building, a Scheduled Ancient Monument, into effective use. The building was underutilised and the LUF funded project will transform the property from a heritage liability into a significant heritage asset. The project, directly managed by the Trust as managing contractor, will see the building preserved and appropriately re-used, generating further property revenue. The project is ongoing and will be completed in September 2023.

The Fitted Rigging House project required enabling works to ensure that the property was fully vacated. This required the relocation of the Chatham Dockyard Historical Society collection into a newly created collections store located on the First Floor of the Ropery. The newly created store provides dedicated collections storage facilities with enhanced security and environmental conditions.

We are in the process of acquiring our 48th Scheduled Ancient Monument. In a partnership between Medway Council, the University of Kent's Institute of Cultural and Creative Industries, and the Trust, the Police Section House, a Grade II listed Scheduled Ancient Monument will be developed into innovative new creative space called The Docking Station. This new development will become a digital creative and cultural industries hub providing cutting edge technologies, performance and training opportunities. Construction is planned to commence in 2024.

*Historic Ship Maintenance*

With three historic warships in our care, their preservation is an important part of our activity.

May 2022 was the 60th anniversary of HMS Ocelot, the last submarine built for the Royal Navy in Chatham. This anniversary presented an opportunity to undertake vital Preservation works, including a full repaint, and to dress the submarine as she would have been on her last command in the 1980's, providing an immersive experience.

HMS Cavalier is a Second World War destroyer built on the Isle of Wight in 1944. HMS Cavalier is preserved at the Historic Dockyard Chatham as the National Destroyer Memorial commemorating the lives and Royal Navy Destroyers lost during the Second World War. As part of our planned maintenance, works were undertaken to provide hull repairs, painting of the hull and decks and improvements to interpretation with the Dive Cabin.

**Achieving Excellence**

As an independent charity our aim is to provide excellence in everything we do. We strive to deliver unmatched, inspirational and memorable experiences for all users of the Historic Dockyard – whether visitors, tenants, residents or students – that exceed their expectations.

Developing excellence is the key to unlocking income and creative development across several areas.

*Quality Assured*

We believe that benchmarking against others and using external judgement through accredited schemes is the best way to assess achievement. We participate in the VisitEngland Visitor Attraction Quality Assurance Scheme (VAQAS) and we're pleased to report that for 2022/23 we received a score of 93 out of 100.

**Travellers' Choice**

We are delighted to have been awarded the 2023 Tripadvisor Travellers' Choice Award, which recognises outstanding visitor experiences, for the 12th year running.

**Investing in our people**

Investment in our staff and volunteers as an educational charity is fundamental to our culture and essential for our future success.

The challenges of operating the business over the last three years has placed a huge amount of strain on our teams. The Board of Trustees and Executive team worked hard to ensure all teams have been supported in the aftermath of the COVID-19 pandemic as the country now heads into a cost of living crisis. The Trustees took the decision to support paid staff with additional pay awards to mitigate cost of living pressures in 2022 alongside annual pay reviews.

We continue to manage talent within our organisation. Following the retirement of some long-standing members of the team, a succession planning process has engaged people at different levels of the Trust.

In addition to a new Executive team, a few other key appointments were made to support development within the organisation, including:

Olivia Horner, Director of Commercial Operations – appointed April 2022

Ben Morgan, Head of Facilities Management (new appointment) - appointed December 2022

We have policies in place to encourage good relationships with staff and managers, and to promote a happy and productive working environment. The areas covered include training in health and safety, GDPR, equal opportunities, technology and safeguarding. A comprehensive staff handbook is issued to all new staff during induction and is available through internal systems.

Engaging diverse audiences and ensuring everyone has access to The Historic Dockyard Chatham is a priority. In February the Board of Trustees adopted a new Equality, Diversity and Inclusion strategy putting the importance of this work stream at the highest level. The strategy documents how we aim to better understand our barriers to entry and make The Historic Dockyard Chatham welcoming and inclusive for everyone.

Staff Complement

Permanent 69

Seasonal 73

Volunteers

The year saw the return to normal activities for our volunteer teams, after volunteering activity was severely restricted in 2020 and 2021. From railway operators to ship-keepers and conservators to researchers, volunteers are crucial to the operation of the Historic Dockyard and the Trust is forever grateful for the time and expertise our volunteers bring to the organisation.

**Trading activity**

As an organisation we are committed to being entrepreneurial, dynamic and proactive whilst remaining focussed on activity that maximises charitable purpose. We use trading activity to generate income to further our core purpose.

***Visitor Trading***

Our consolidated trading result generated a net profit of £90k, with 'spend per head' hitting a record breaking high.

***Call the Midwife***

Call the Midwife location tours remain a popular choice for visitors and our costumed midwife guides took over 6,175 fans through our official tour and gallery. Planning began in 2022 for a revised Call The Midwife tour which brings the product up to date with the current TV series and included a revised and refreshed gallery adding new props, sets and costumes to further enhance the experience. This product was launched in May 2023.

***Filming***

We remain a popular choice for location managers with our filming business having our best year, generating £757k in income.

***Rope Sales***

Rope sales were £404k for the year versus £430k in 2021/22, demonstrating a small decrease in a difficult market.

**Governance**

In accordance with the articles of association there are eleven trustees, all of whom are the Directors and members of the Trust, which is a company limited by guarantee. The Secretary of State for Digital, Culture, Media & Sport, the Secretary of State for Defence and Mr John Spence OBE DL are also members of the Trust company.

The Trust Board retains ultimate responsibility for strategic decision-making, but ordinary management of the activities and business of the Trust is delegated to the Chief Executive, who in turn delegates specific management areas to appropriate member of his executive team. Specific and defined expenditure and contractual limits are in place and operate effectively. The Chief Executive and key members of the Executive team report regularly to Board committees and to the Trust Board itself.

As vacancies in the Trust Board from time to time arise, it is Trust policy to ensure that new appointments reflect specific skill sets seen as important for a charity of this nature. In accordance with an established protocol, nominations for new Trustees are invited from existing Board members, and considered by a Nominations Committee, comprising the Chairman of the Trust and the Chairman of the Remuneration Committee, who consult and invite representations from appropriate Board members. After an interview process, a formal proposal is put to the full Board for decision. Once appointed, new Trustees are given a full day's induction at the Historic Dockyard which includes a full site tour and time spent understanding the business with the Chairman, Chief Executive and other senior managers of the Trust with on-going training provided as necessary.

The Trust Board, Committees of the Board and wholly owned subsidiaries (see below), with their separate boards, have all operated effectively during the year, providing strategic guidance to the Executive team and all-important oversight and scrutiny of delivery against objectives set. Following best practice, the Trust Board has effective Audit, Finance & General Purposes and Remuneration Committees as well as specially formed groups start-finish Committees, such as the Interface Land Committee, to focus scrutiny on areas considered to carry special significance and potential risk. The Audit Sub-Committee is comprised of 6 members (Pommy Sarwal, Tony Corbett, Paul Hudson, Sir Ian Andrews, David Philip and Sir Trevor Soar). The Committee meets twice a year (February and October).

The Remuneration Committee is comprised of 6 members (Tony Corbett, Sir Ian Andrews, Pommy Sarwal, Paul Hudson, David Philip and Sir Trevor Soar). The Committee meets at least twice a year (April and September) to consider pay conditions, any annual increases and performance related pay (where applicable).

**Financial Management Policies**

Management of the finances of the Trust remains the immediate responsibility of the Financial Controller who prepares detailed monthly financial and management accounting information for review by the Chief Executive. A summary of the financial position of the Trust and its subsidiaries is also presented for quarterly review and approval to the Finance and General Purposes Committee, and then to the Board itself.

**Trust Net Expenditure**

The consolidated Statement of Financial Activities for the year ending 31st March 2023 shows a significant surplus of £1,213k on Net Expenditure but it should be noted that this surplus is due to a grant of £1,808k received from the Levelling Up Fund less the depreciation charge of £805k (£732k of which relates to depreciation of restricted assets).

**Reserves Policy**

The policy of the Trust is to hold in reserve a minimum sum of £800k and a maximum level of £1.6m. This reserve is to cover various contingencies such as a significant uninsured loss, a significant event which damages the Trust's reputation leading to a reduction in visitor income, and a reduction in the Trust's rental income. The general reserve can also be used to cover temporary cash flow shortfalls in receiving grant payments relating to major capital projects. At 31 March 2023 this reserve stood at £644k.

The Trust also maintains a designated development reserve and a designated PPM reserve of at least £400k (£870k at 31 March 2023), use of which is only to be made when considered appropriate against a conscious review of future risks occurring over a project's /payback period. This reserve can be re-designated to general reserve following the review process should perceived risks have changed.

This will provide a minimum reserve of £800k but rising to a cash maximum of £1.6m when the designated PPM reserve and development reserve is replenished by rentals received post project completion. The total free reserves at 31 March 2023 were £1,494k.

This policy is reviewed annually by the Trust Board.

**Investment Policy**

Following the Trust's policy review in 2014/15, £400k, as part of the general reserve, has been placed in medium term low risk investments through CCLA. These investments have now decreased to £632k on 31 March 2023.

**Risk**

The Trust has an active risk register, which is reviewed by the Board twice in each year. The register covers identified strategic risks and monitors movement in risk as a key indicator of progress. Key risks are generally stable and considered manageable.

Chatham Historic Dockyard Trust holds a business risk register which is reviewed on a regular basis by the Board of Trustees. The register identifies key risks and at the point of reporting, these are listed as the following:

1. A substantial reduction in the resources required to meet the Trust's operational and development needs.
2. The occurrence of significant physical damage to the property, historic character or fabric of the Dockyard.
3. A failure in the strategic or operational management of the Trust.
4. A failure to maintain/manage our IT data-holding and related systems appropriately to meet statutory operational and security imperatives.
5. The loss of key staff or damage to morale within the workforce or volunteer community.
6. Failure to maintain a safe and healthy environment.
7. The loss of a key partner or relationship.
8. Inappropriate development or change of use of property adjoining or near to the Dockyard.
9. A change in government policy or professional standards which is incompatible with the charitable purposes of the Trust.
10. Increased energy/utility costs and increased material/labour costs due to current economic climate.

Each of these risks is scored and appropriate mitigating actions are taken to ensure both likelihood and impact are reduced where possible.

To enhance internal controls a member of the finance team provides an internal audit function as a substantial part of his role, reporting directly to the Chief Executive, and thence to the audit and compliance committee of the Trust Board.

Several internal audits have been undertaken in designated areas, to ensure compliance with statutory and internal Trust requirements.

**Fundraising,**

Support through third-party sources has been imperative to the Trust's survival. During this period, we have been fortunate to receive significant grant support from the Arts Council England, DCMS Wolfson Museums and Galleries Improvements Fund and the Garfield Weston Foundation.

***DCMS***

We were awarded £196,000 from DCMS to support a range of Planned Preventative Maintenance projects.

***DCMS/Wolfson Museums and Galleries Improvements Fund and Garfield Weston Foundation***

We have been successful in raising £100,000 from the DCMS/Wolfson Museums and Galleries Improvements Fund and £100,000 from the Garfield Weston Foundation to support reinterpretation of No.1 Smithery. This project is due to commence from November 2023 and will be completed and reopened to the public from March 2024.

***Individual Fundraising Activity***

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts received are presented in our accounts as "income from donations, including grants".

In relation to the above, we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees.

The charity is not bound by any undertaking to be bound by any Regulatory Scheme but any fundraising that does take place with individuals is in line with guidance set by the Fundraising Regulator.

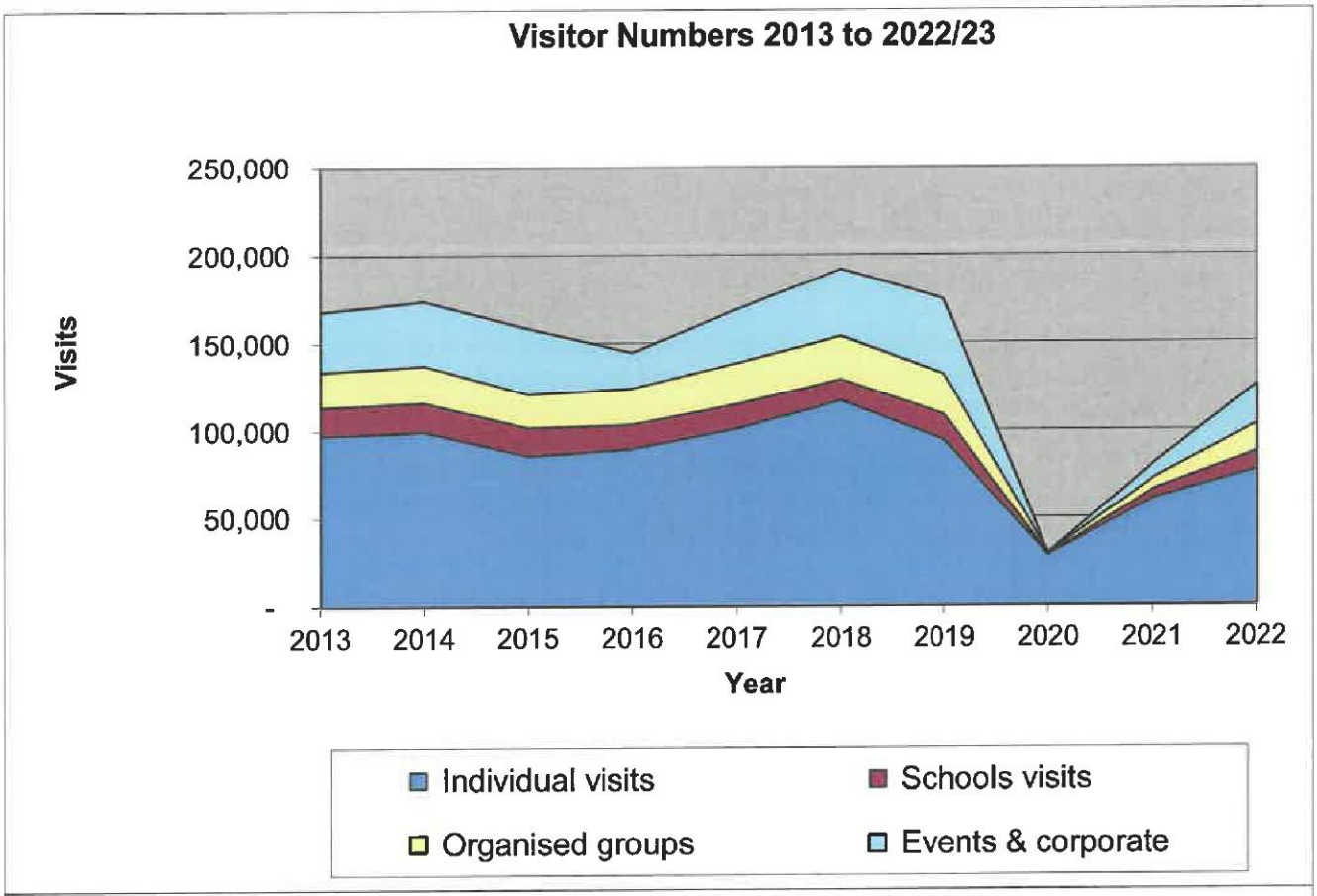
We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds we do not particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

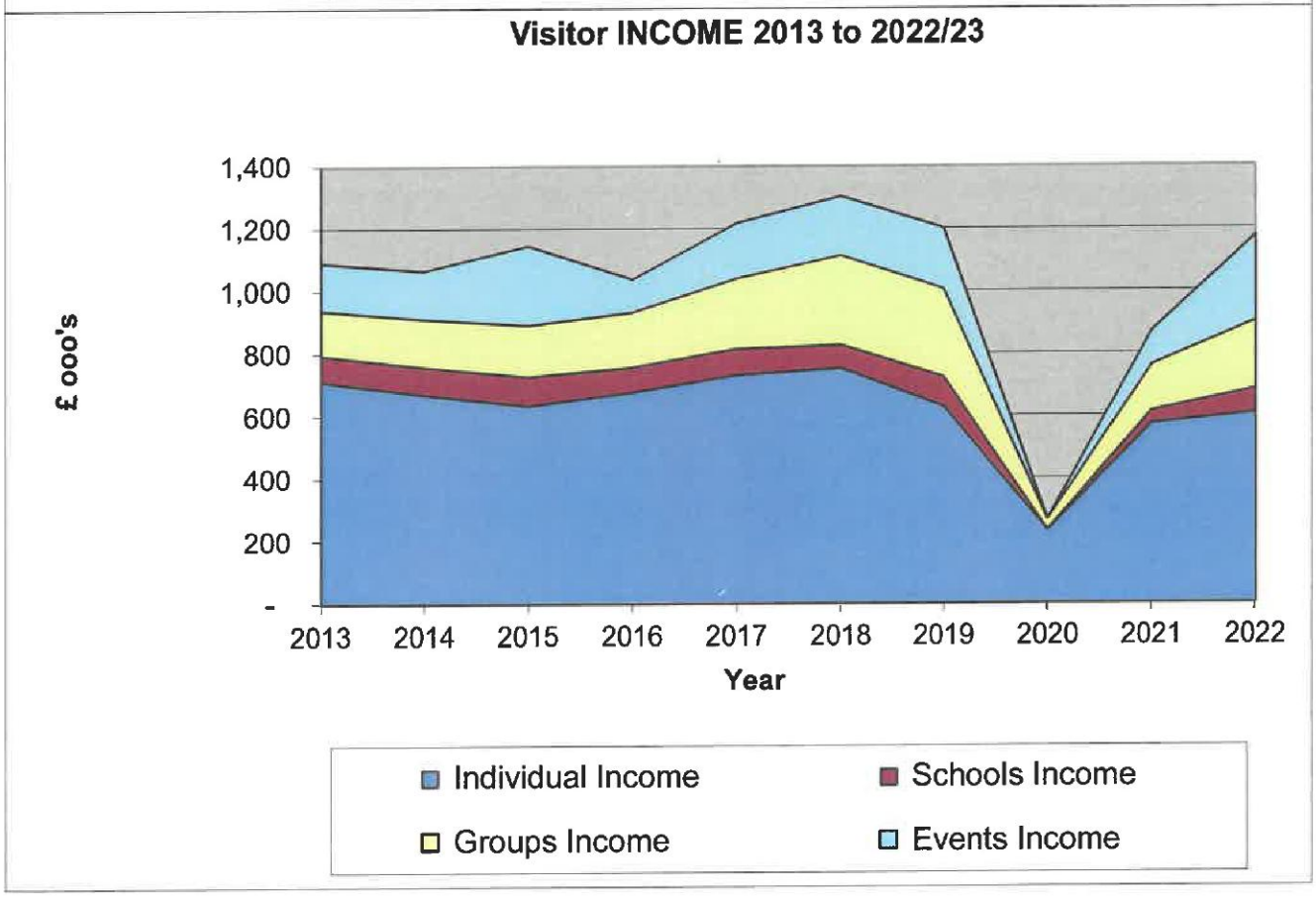
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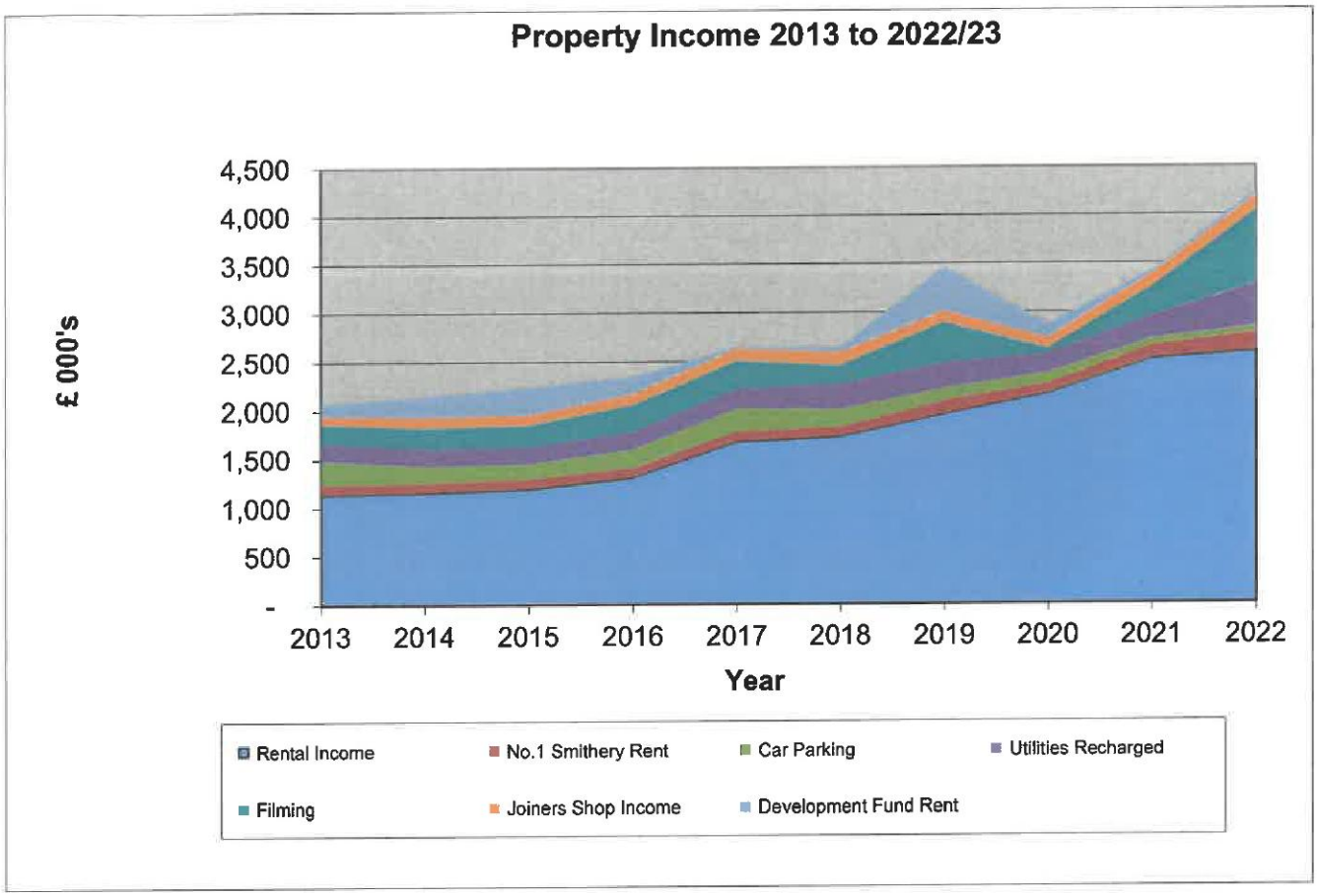
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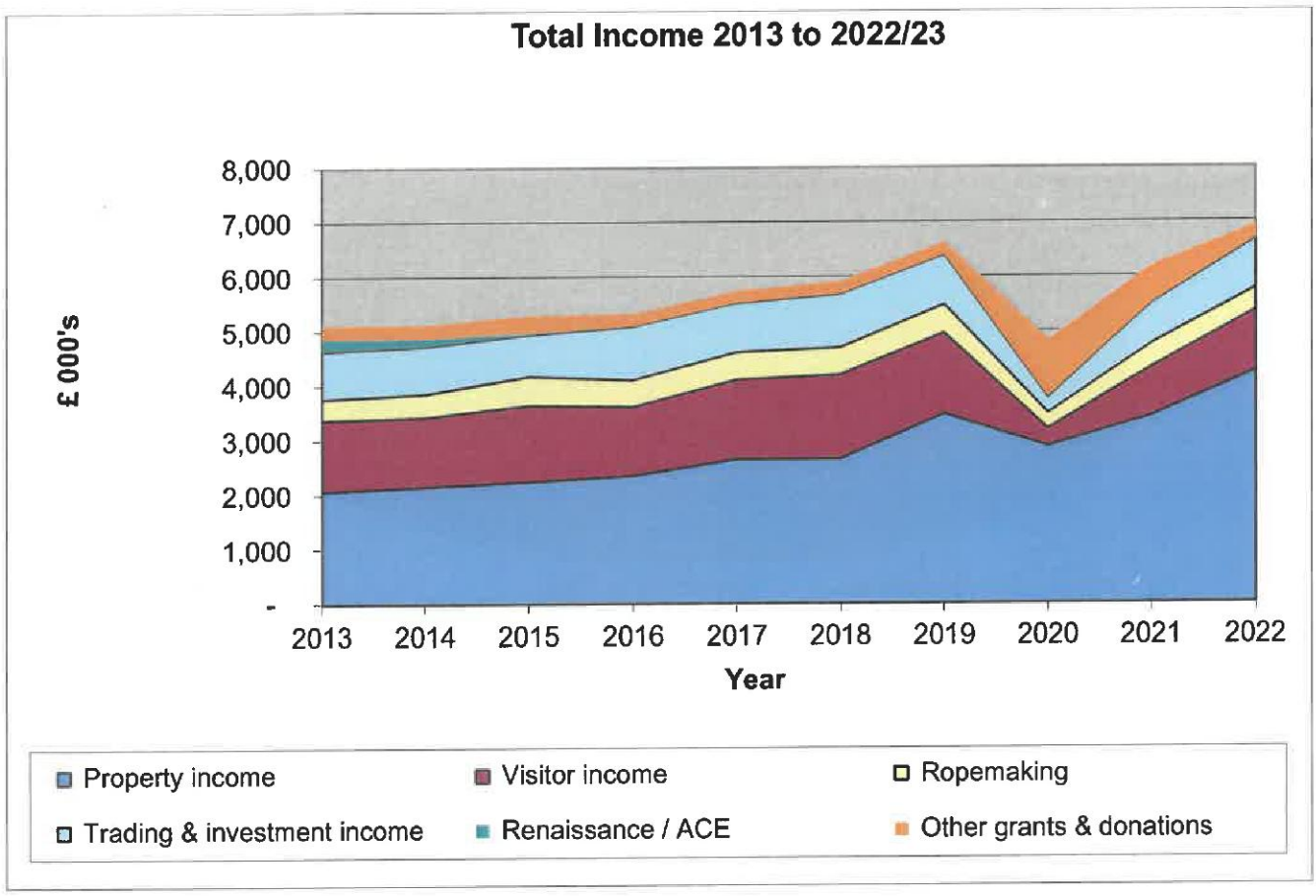
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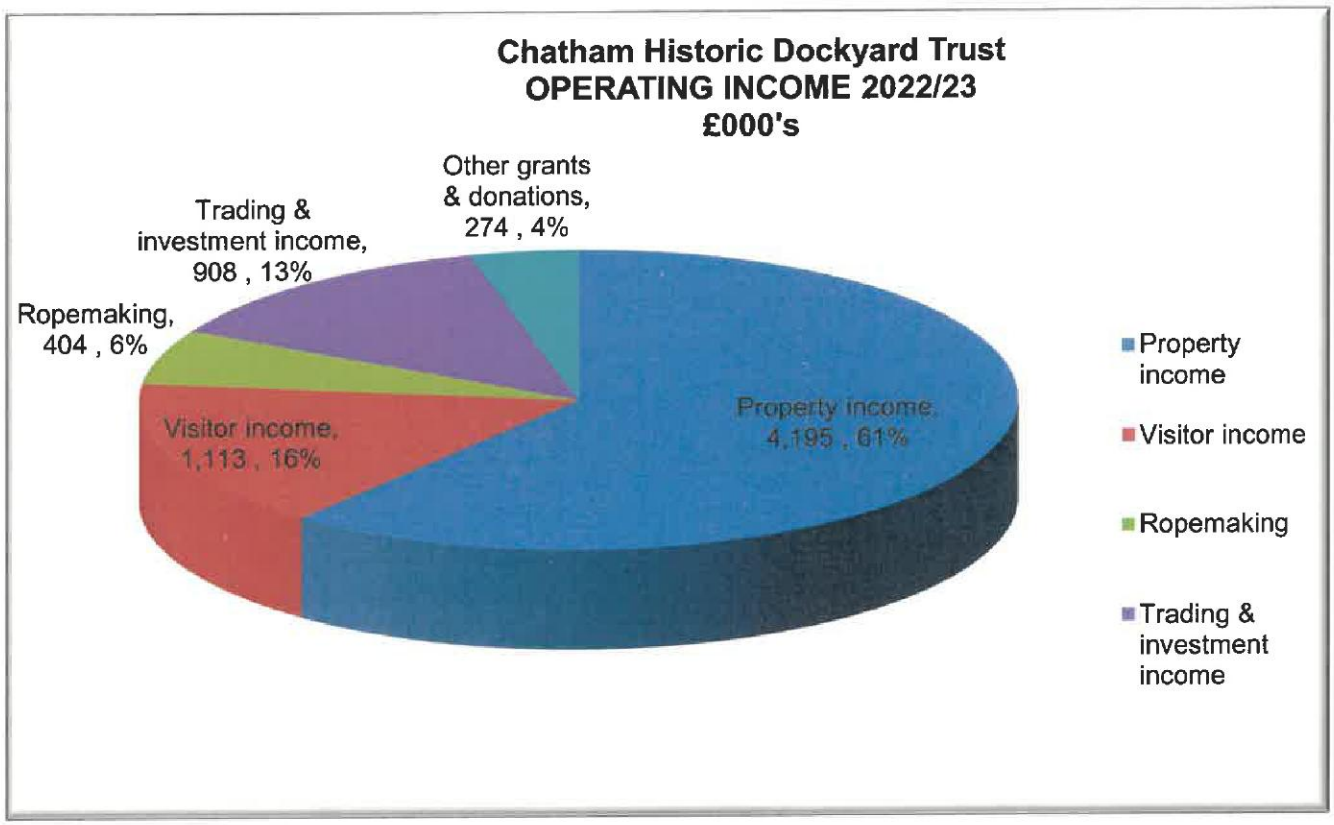
**Financial Statistics**

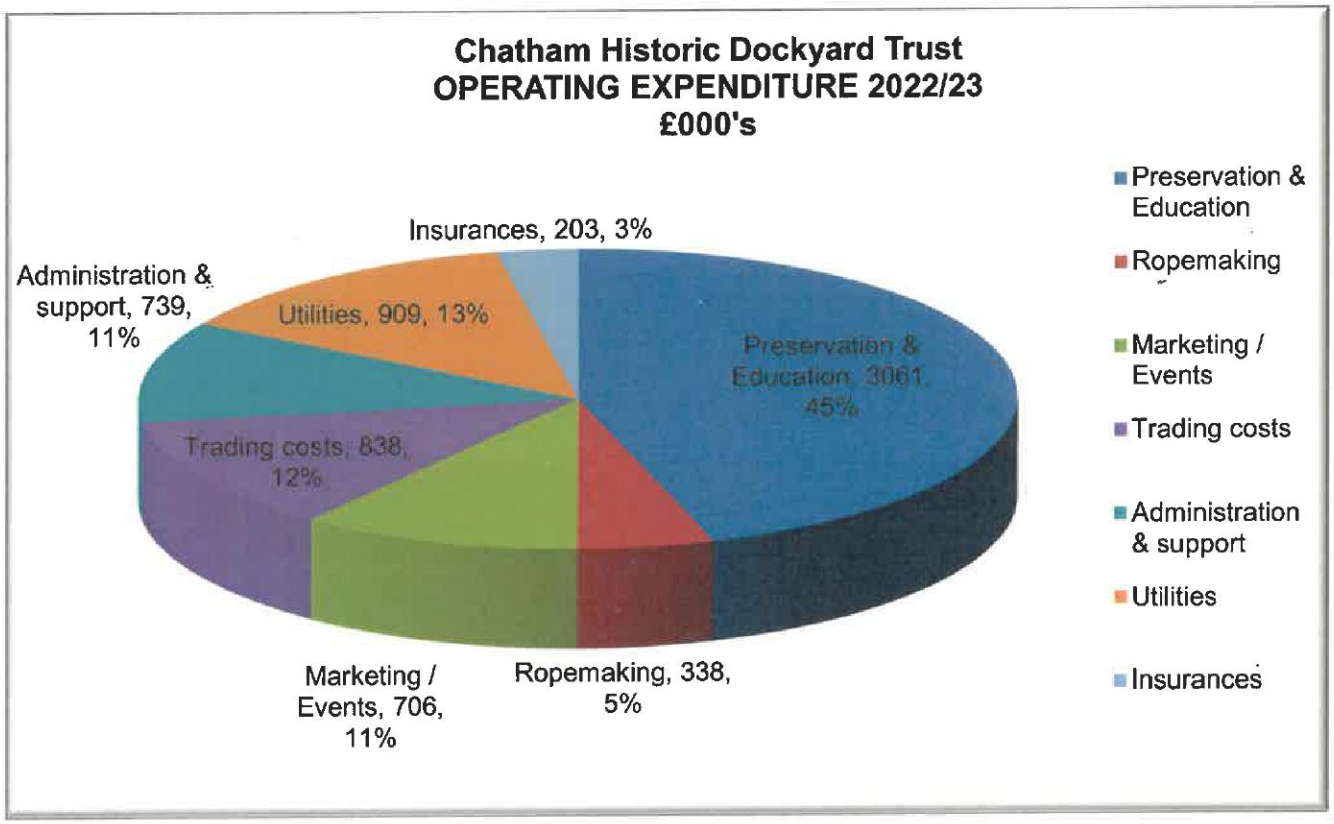



Property Income 2013 to 2022/23
£ 000's
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
Year
Rental Income
No.1 Smithery Rent
Car Parking
Utilities Recharged
Filming
Joiners Shop Income
Development Fund Rent


Total Income 2013 to 2022/23
£ 000's
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
Year
Property income
Visitor income
Ropemaking
Trading & investment income
Renaissance / ACE
Other grants & donations




**Subsidiaries**

The Trust has four wholly owned trading subsidiaries which manage activities designed to create related income streams for the charity that do not arise from its primary purposes of preservation by re-use of its heritage assets and education.

In each case net profits are transferred to the Trust with the benefit of gift aid as a qualifying charitable donation.

The subsidiaries are:

*Chatham Historic Dockyard (Trading) Limited*

This subsidiary undertakes retail, catering and similar operations at the Historic Dockyard. The results for the year were:

| | **Retail** | **Catering** |
|---|---|---|
| Turnover | £223k | £692k |
| Net Profit/(Loss) | £27k | £63k |
| Spend per visitor | £1.97 | £5.02 |

CHD(Trading) Ltd. generated a net profit of £90k (£99k in 2021/22). This was despite visitor volumes still below pre-pandemic levels as retail and catering spends per head hit record levels.

*Property Companies*

The Trust has two wholly owned subsidiary property holding companies that manage the residential and potential development land on the Trust's estate:

| ***Net Profit for the Year*** | |
|---|---|
| Historic Dockyard Property Ltd (HDPL) | £2k |
| Historic Dockyard Property (2005) Ltd (HDPL 2005) | £104k |

HDPL provides management and a range of maintenance services to the residential estate at the Historic Dockyard. It works closely with a formal Residents' Association. The time and commitment devoted by that Association is very valuable in helping to provide a well maintained and harmonious environment as part of the Trust's strategy of excellent service to all users of the estate.

HDPL 2005 owns and manages an area of potential development land within the estate, known as The Interface Land, currently let on commercial leases.

*Master Ropemakers (Trading) Ltd (MRL)*

The Trust recognises that the Ropery is one of its strongest visitor attractions. The combination of a guided tour and the traditional manufacturing process provide a highly enjoyable and educational experience. The manufacturing process, because of its educational value, is now undertaken by the Trust as part of its core activities, but the sale of manufactured rope and rope products continues as a commercial activity, undertaken by MRL.

The year saw the annual turnover for MRL reach £404k. There was a Net Profit of £66k which has been Gift Aided to Chatham Historic Dockyard Trust. Products made from manufactured rope for the retail market continue to grow in importance within the business of MRL. The encouraging results of the company are founded on principles of excellent customer service, quality production and diversification of product and markets.

**Energy Carbon Reporting**
The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the 2018 Regulations) implement the government's policy on Streamlined Energy and Carbon Reporting (SECR). Although Chatham Historic Dockyard Trust currently falls outside of the SECR remit, the Trust commission a SECR

report in order to voluntarily disclose Scope 1 and Scope 2 energy and carbon emissions for the 2022/23 fiscal year against a 2021/22 baseline.

The Trust fully acknowledges the climate change emergency and the urgency required to adapt and mitigate the effects of climate change. As a large multi operation estate with over 100 buildings, the Historic Dockyard Chatham is a large emitter of carbon through energy, water consumption, generated waste, purchase of supplier goods and transportation fuel. The Trust seeks to address the estate's carbon footprint by reducing operational energy within its buildings through adoption of green technologies, but equally through engagement with stakeholders to reduce energy demand. Moreover, the Trust seeks to assess current waste streams and energy drainers within operational activity in order to mitigate and reduce GHG emissions. Furthermore, the Trust recognises biodiversity loss from land development and human activity and will seek to restore and preserve natural ecosystems within the heritage estate.

**Carbon Emissions and Energy Consumption**

| | | |
|---|---|---|
| **Scope 1 (tonnes CO2e)** | 623 | 620 |
| • Combustion of gas | | |
| **Scope 2 (tonnes CO2e)** | | |
| •Electricity | | |
| o Location-based | 607 | 502 |
| o Market-based | - | - |
| **Total Gross CO2e based on above (tCO2e)** | **1,230** | **1,122** |
| **Intensity Ratio (tCO2e/m2)** | **0.0180** | **0.0098** |

Notes:
• Scope 1: Emissions associated with our direct activities, such as heating.
• Scope 2: Emissions related to the electricity we purchase. 'Location-based' represents the CO2e intensity of our sites based on the fuel mix of the National Grid. 'Market-based' represents the electricity we have purchased, which is 100% REGO-backed renewable.

| | | |
|---|---|---|
| **The Chatham Historic Dockyard Trust Energy Consumption** Total energy consumed (kWh) | 2,860,215<br>3,403,479 | 2,377,561<br>3,396,887 |
| • Electricity | | |
| • Natural Gas | | |
| **The Chatham Historic Dockyard Trust Electricity Renewable %** Total electricity which is renewable % | 100% | 100% |
| **The Chatham Historic Dockyard Trust Natural Gas Carbon Offset %** Total natural gas which is carbon offset % | 100% | 100% |

*Methodology and Estimates*

**Emissions from combustion of Gas tCO2e (Scope 1)**
Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the invoiced gas consumption in kWh during the previous reporting period and the 2022 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Natural Gas'

Since 1st October 2020, The Chatham Historic Dockyard Trust has purchased Carbon Neutral Gas as part of their Gas supply contract provided by Brook Green Supply Limited. For more information, please visit https://www.brookgreensupply.com/fuel-mix.

**Emissions from purchased electricity tCO2e (Scope 2, Location-based)**
Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the above stated electricity consumption in kWh during the current reporting period and the 2022 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Electricity Generated/Electricity: UK'

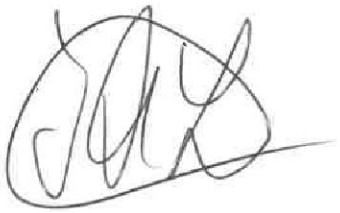
**Emissions from purchased electricity tCO2e (Scope 2, Market-based)**
Market Based Emissions are reported as 0 due to the fuel mix of the electricity purchased, as defined by the suppliers' fuel mix. Haven Power fuel mix: 100% REGO Backed Renewable Electricity.

**Intensity Ratio (tCO2e gross figure based on mandatory fields)**
The intensity ratio stated above has been calculated as Tonnes of CO2e per total square metres of property owned for The Chatham Historic Dockyard Trust as a whole (113,918 m2).

**Provision of Information to the Auditor**
In accordance with company law, as Trustees we confirm that:

- So far as we are aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- As the Trustees of the Trust we have taken all the steps that we ought to have taken in order to make ourselves aware of that information and to establish that the Trust's auditor is aware of that information.

The Trustees' Annual Report, incorporating the Strategic Report, is approved by the Board of Trustees and signed on behalf of the Trustees.



**Admiral Sir Trevor Soar KCB OBE DL**
Chairman
Date: 12TH OCTOBER 2023

The Historic Dockyard
Chatham
Kent ME4 4TZ

# Statement of Responsibilities of the Trustees

For the year ended 31 March 2023

The Trustees are responsible for preparing the Strategic Report, the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHATHAM HISTORIC DOCKYARD TRUST

For the year ended 31 March 2023

### Opinion

We have audited the financial statements of Chatham Historic Dockyard Trust (the parent charitable company) and its subsidiaries (the group) for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2023, and of the group's 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 of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report , other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 trustees' report (incorporating the [strategic report and the] directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 19, 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 group's and 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 group or charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 an auditor's report 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azet Audit Servic

**Michelle Wilkes (Senior Statutory Auditor)**
For and on behalf of Azets Audit Services
Greytown House
221 - 227 High Street
Kent, BR6 0NZ
Date:
23/10/23

# Consolidated Statement of Financial Activities

(Incorporating the income and expenditure account)

For the year ended 31 March 2023

| | Notes | Unrestricted funds £ | Restricted Funds: Fitted Rigging House £ | Restricted Funds: Other £ | Total 2023 £ | Total 2022 £ |
|---|---|---|---|---|---|---|
| **Income from:** | | | | | | |
| Donations and grants | 4 | 72,835 | 1,808,657 | 570,220 | **2,451,712** | 1,016,042 |
| Charitable activities | 5 | 5,691,207 | - | - | **5,691,207** | 4,391,250 |
| Other trading activities | 6 | 1,677,838 | - | - | **1,677,838** | 1,397,436 |
| Investments | 7 | 1,371 | - | - | **1,371** | 2,506 |
| Other income | 8 | - | - | - | **-** | (900) |
| Total income | | 7,443,251 | 1,808,657 | 570,220 | **9,822,128** | 6,806,334 |
| **Expenditure on:** | | | | | | |
| Raising funds | 9 | 1,704,380 | - | - | **1,704,380** | 1,470,207 |
| Charitable activities | | | | | | |
| Preservation | 10 | 2,976,134 | - | 360,854 | **3,336,988** | 2,875,591 |
| Education | 11 | 2,664,693 | - | 879,836 | **3,544,529** | 3,502,580 |
| Total charitable activities | | 5,640,827 | - | 1,240,690 | **6,881,517** | 6,378,171 |
| Total expenditure | | 7,345,207 | - | 1,240,690 | **8,585,897** | 7,848,378 |
| **Net income/(expenditure) before gains and losses** | | 98,044 | 1,808,657 | (670,470) | **1,236,231** | (1,042,044) |
| Net (losses)/gains on investments | 19 | (23,194) | - | - | **(23,194)** | 67,380 |
| Net gains on investment property | 17 | - | - | - | **-** | (21,150) |
| **Net income (expenditure)** | 14 | 74,850 | 1,808,657 | (670,470) | **1,213,037** | (995,814) |
| Transfers between funds | | - | - | -- | **-** | - |
| **Net movement in funds** | | 74,850 | 1,808,846 | (670,470) | **1,213,037** | (995,814) |
| Funds as at 1 April 2022 | | 2,146,031 | 6,631,846 | 9,882,939 | **18,660,816** | 19,656,630 |
| **Funds as at 31 March 2023** | 29,30 | **2,220,881** | **8,440,503** | **9,212,469** | **19,873,853** | 18,660,816 |

All amounts relate to continuing activities.

The notes on pages 29 to 57 form part of these financial statements.

# Consolidated Statement of Financial Activities

(Incorporating the income statement)

Full comparative information the year ended 31 March 2022

| | Notes | Unrestricted funds £ | Restricted Funds: Fitted Rigging House £ | Restricted Funds: Other £ | Total 2022 £ | Total 2021 £ |
|---|---|---|---|---|---|---|
| **Income from:** | | | | | | |
| Donations and grants | 4 | 178,051 | - | 837,991 | **1,016,042** | 1,994,557 |
| Charitable activities | 5 | 4,391,250 | - | - | **4,391,250** | 3,253,910 |
| Other trading activities | 6 | 1,397,436 | - | - | **1,397,436** | 928,895 |
| Investments | 7 | 2,506 | - | - | **2,506** | 3,646 |
| Other income | 8 | (900) | - | - | **(900)** | 3,190 |
| Total income | | 5,968,343 | - | 837,991 | **6,806,334** | 6,184,198 |
| **Expenditure on:** | | | | | | |
| Raising funds | 9 | 1,470,207 | - | - | **1,470,207** | 1,020,090 |
| Charitable activities | | | | | | |
| Preservation | 10 | 2,501,721 | 189,032 | 184,838 | **2,875,591** | 2,105,594 |
| Education | 11 | 2,038,645 | - | 1,463,935 | **3,502,580** | 3,633,228 |
| Total charitable activities | | 4,540,366 | 189,032 | 1,648,773 | **6,378,171** | 5,738,822 |
| Total expenditure | | 6,010,573 | 189,032 | 1,648,773 | **7,848,378** | 6,758,912 |
| **Net income/(expenditure) before gains and losses** | | (42,230) | (189,032) | (810,782) | **(1,042,044)** | (574,714) |
| Net gains on investments | 19 | 67,380 | - | - | **67,380** | 86,347 |
| Net gains on investment property | 17 | (21,150) | - | - | **(21,150)** | 72,668 |
| **Net income (expenditure)** | 14 | 4,000 | (189,032) | (810,782) | **(995,814)** | (415,699) |
| Transfers between funds | | - | - | - | **-** | - |
| **Net movement in funds** | | (4,000) | (189,032) | (810,782) | **(995,814)** | (415,699) |
| Funds as at 1 April 2021 | | 2,142,031 | 6,820,878 | 10,693,721 | **19,656,630** | 20,072,329 |
| **Funds as at 31 March 2022** | 29,30 | **2,146,031** | **6,631,846** | **9,882,939** | **18,660,816** | 19,656,630 |

All amounts relate to continuing activities.

The notes on pages 29 to 57 form part of these financial statements.

# Consolidated and Trust Balance Sheets

As at 31 March 2023

| | Notes | Consolidated 2023 £ | Consolidated 2022 £ | Trust 2023 £ | Trust 2022 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Property plant and equipment | 15 | **2,470,474** | 1,264,618 | **2,460,870** | 1,256,467 |
| Heritage assets | 16 | **15,013,157** | 15,568,222 | **15,013,157** | 15,568,222 |
| Investment properties | 17 | **310,554** | 310,554 | **-** | - |
| Investments in subsidiaries | 18 | **-** | - | **26,100** | 1,100 |
| Listed investments | 19 | **632,322** | 655,516 | **632,322** | 655,516 |
| | | **18,426,507** | 17,798,910 | **18,132,449** | 17,481,305 |
| **Current assets** | | | | | |
| Inventories | 20 | **325,495** | 270,257 | **237,799** | 211,623 |
| Debtors | 21 | **1,300,237** | 1,010,581 | **1,578,087** | 1,350,501 |
| Cash and cash equivalents | | **2,056,096** | 1,502,568 | **1,787,717** | 1,115,970 |
| | | **3,681,828** | 2,783,406 | **3,603,603** | 2,678,094 |
| **Creditors:** amounts falling due within one year | 22 | **(1,825,477)** | (1,412,495) | **(1,778,621)** | (1,340,006) |
| **Net current assets** | | **1,856,351** | 1,370,911 | **1,824,982** | 1,338,088 |
| **Total assets less current liabilities** | | **20,282,858** | 19,169,821 | **19,957,431** | 18,819,393 |
| **Creditors:** amounts falling due after more than one year | 23 | **(350,000)** | (450,000) | **(350,000)** | (450,000) |
| Provision for deferred tax | 25 | **(59,005)** | (59,005) | **-** | - |
| **Net assets** | 28 | **19,873,853** | 18,660,816 | **19,607,431** | 18,369,393 |
| **Funds employed** | | | | | |
| Restricted funds | | | | | |
| Fitted Rigging House | | **8,440,503** | 6,631,846 | **8,440,503** | 6,631,846 |
| Other | | **9,212,469** | 9,882,939 | **9,212,469** | 9,882,939 |
| Total restricted funds | 29 | **17,652,972** | 16,514,785 | **17,652,972** | 16,514,785 |
| Unrestricted funds | | | | | |
| Designated funds | 30 | **1,330,659** | 1,119,483 | **1,330,659** | 1,119,483 |
| Revaluation reserve | 30 | **246,321** | 246,321 | **-** | - |
| General | 30 | **643,901** | 780,227 | **623,800** | 735,125 |
| | 30 | **2,220,881** | 2,146,031 | **1,954,459** | 1,854,608 |
| | 28 | **19,873,853** | 18,660,816 | **19,607,431** | 18,369,393 |

# Consolidated and Trust Balance Sheets

As at 31 March 2022

The financial statements were approved and authorised for issue by the Trustees on 28th September 2023 in accordance with section 408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity has not been presented. The surplus attributable to the Trust for the year was £1,236,232 (2022- deficit of £998,920). Income attributable to the Trust for the year was £8,924,938 (2022- £6,151,768).



**Admiral Sir Trevor Soar**
Chairman

Company number 01804108

The notes on pages 29 to 57 form part of these financial statements

# Consolidated statement of cash flows

For the year ended 31 March 2023

| | Notes | 2023<br>£ | 2022<br>£ |
|---|---|---|---|
| **Net cash from operating activities** | 31 | 1,993,287 | 124,745 |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment | | (1,455,008) | (60,996) |
| Proceeds from the disposal of investment properties | | - | 21,150 |
| (Purchase) of investments | | - | (150,000) |
| Income from investment property | | 15,249 | 16,242 |
| | | (1,439.759) | (173,620) |
| **Cash flow from financing activities** | | | |
| Loan repayments | | - | (100,000) |
| | | - | (100,000) |
| **Net increase/(decrease) in cash and cash equivalents** | | 553,528 | (148,875) |
| Cash and cash equivalents at the beginning of the year | | 1,502,568 | 1,651,443 |
| **Cash and cash equivalents at the end of the year** | | 2,056,096 | 1,502,568 |
| **Cash and cash equivalents at the end of the year** | | | |
| Restricted fund | | - | - |
| Unrestricted funds | | 2,056,096 | 1,502,568 |
| Cash and cash equivalents at the end of the year | | 2,056,096 | 1,502,568 |

Cash and cash equivalents comprise cash at bank and in hand.

The notes on pages 29 to 57 form part of these financial statements.

## 1 Status

The Chatham Historic Dockyard Trust ("the Trust") is an independent charitable trust, incorporated in England and Wales, formed for the purpose of preserving The Historic Dockyard for the public benefit and to promote a wide knowledge of its archaeological, historical and architectural importance. The Trust was set up in 1984 under the terms of a Memorandum of Understanding with the Department of the Environment, under which a grant of £11,350,000 was received to be applied to the principal activities of the Trust. The Trust's constitution is set out in its Memorandum and Articles of Association, as amended by Special Resolutions on 27 February 2013, 18 July 2017, 24 May 2018 and 24 November 2022

The Trust is a company limited by guarantee, registered in England, not having a share capital, and has a licence to dispense with the word "limited" in its title. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member. The members of the Trust are the Secretary of State for Defence, the Secretary of State for Digital, Culture, Media and Sport, Mr John Spence OBE DL and the Trustees. The Trust's registered office is: The Fitted Rigging House, The Historic Dockyard, Chatham, Kent, England, ME4 4TZ, and its registered number is 01804108.

Details of the principal activities of the Trust is given in the accompanying narrative reporting.

## 2 Accounting policies

The principal accounting policies are summarised below.

*Basis of preparation*

The Trust is a public benefit entity and the Group is a public benefit group, as defined by FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and listed investments.

*Going concern*

As a charity the Trustees of Chatham Historic Dockyard Trust (CHDT) and its trading subsidiaries have a duty to consider the future resilience of all parts of the organisation. The Trust holds necessary reserves should there be a need to undertake an orderly wind down of operations caused by financial challenges or a change in the need for charitable services making the charity's role redundant. CHDT reviews this situation on a monthly rolling basis through cash flow management based on evidence-based business planning.

Review of the Trust's ongoing financial resilience is considered for 12 months from the date of review and beyond through regular reviews (at board level) of the strategic risk register and changes to it. The impact of internal and external factors likely to have a significant effect on income and expenditure are key elements of ongoing cash flow management and by implication the Going Concern status.

**2. Accounting policies (continued)**

*Going concern (continued)*
The Trustees will continue to review plans with the CHDT Executive Team to make the necessary changes to remain within the free reserves level over the coming two years and indeed the life of the current Corporate Plan. The Trust has a strong balance sheet, so the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as required. As such, they remain satisfied that the Chatham Historic Dockyard Trust can continue operating for the next 12 months and accounts have been prepared in the knowledge that the Chatham Historic Dockyard Trust is a financially viable organisation.

*Disclosure exemptions for qualifying entities under FRS 102*
The Trust is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the following exemptions:

- presenting a statement of entity cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements;
- presenting certain financial instruments disclosures on the grounds that the relevant information is included within the consolidated information presented within these financial statements; and
- presenting information concerning key management personnel compensations.

*Basis of consolidation*
The Group consolidated financial statements include the financial statements of the Trust and all of its subsidiary undertakings.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Any entities which either become, or cease being, subsidiary undertakings during the year are included up to, or from, the dates of change of control, respectively. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

*Income recognition*
Income is measured at the fair value of the consideration received or receivable and represents property rental and service income, admissions income from visitors, grants and donations, income from the sale of goods and services, and interest.

Income is recognised as follows:

- Property rental - on a time apportioned basis, over the life of the lease.
- Services - as the services are provided.
- Retail sales of goods - when the sale is made.
- Other sales of goods - when the risk of ownership passes to the customer.
- Grants - when the group has met the relevant performance criteria, and the grant can be measured reliably and receipt is probable.
- Donations - when the Group has entitlement, the donation or grant can be measured reliably and receipt is probable.
- Interest - as it is earned.

Any income received prior to recognition is deferred.

**2. Accounting policies (continued)**

*Grants*

Grants are recognised in the Statement of Financial Activities as described above, with any grants received prior to recognition being deferred. In certain circumstance grants may become repayable (for example, if the grant funded property ceases to be used for a charitable purposes). A creditor is established whenever it becomes probable that a grant will become repayable.

Restricted grants received to fund capital expenditure are transferred to general funds once the expenditure has been incurred unless the resultant asset is restricted as to its use, in which case the funds remain as restricted. Depreciation on restricted assets is charged to the appropriate restricted fund.

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

*Donated assets*

Donated assets and services which would otherwise have been purchased are included at the estimated expenditure which has been avoided as a result of the gift. No value is attributed to volunteer time donated to the Trust. Except for the initial gift to the Trust, other donated assets and services are recognised at the fair value of the asset or service received. The initial gift to the Trust is recognised at £1 (being the nominal consideration paid) as the cost of valuing the assets outweighs the benefit of such a valuation.

*Employee benefits*

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits, including compensation for loss of employment, holiday pay and other non-monetary benefits, are recognised as an expense in the period in which the service is received.

The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

*Expenditure*

Expenditure is accounted for in the period in which it is incurred. Expenditure includes any VAT which cannot be fully recovered which is reported as part of the expenditure to which it relates.

Expenditure relating directly to a particular activity is allocated to that activity. Indirect costs are classified as support costs, and these are allocated to activities on a basis consistent with use of the resources.

Expenditure includes the estimated value of donations in kind.

**2. Accounting policies (continued)**

*Operating leases*

Operating leases are leases that do not transfer all the risks and rewards of ownership. Payments made by the Group under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease, including payments which are not required to be made on a straight-line basis. Lease incentives given or received are similarly spread on a straight-line basis over the relevant lease term.

*Taxation*

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date. The Trust's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Trust is not liable to tax. In addition, its subsidiaries incur no current tax charge as all their profits, which would otherwise be taxable, are distributed to the Trust by way of Gift Aid and thus no tax liability arises.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Whilst the tax expense is immaterial, it is recognised as a part of the cost of the relevant activity, rather than being disclosed separately in the Statement of Financial Activities.

*Property expenditure*

The Trust has a substantial property portfolio which includes a significant number of scheduled ancient monuments, listed properties and other historic properties. On the inception of the Trust, many of the properties were in a state of disrepair and were not functional. The Trust is pursuing a programme of works to bring all properties into productive use which results in significant expenditure on the properties.

Expenditure on the existing properties is capitalised (as either part of property, plant and equipment or heritage assets, as appropriate) when the expenditure results in incremental future benefits to the Trust or replaces a previously identified component. Incremental benefits may arise through bringing a property into use (or back into use), through reduced future maintenance expenditure, or through the ability to generate additional income, directly or indirectly, in the future.

Expenditure which does not meet this criteria is written off as incurred.

**2 Accounting policies (continued)**

*Property, plant and equipment*

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. Cost comprises the original purchase price, subsequent expenditure capitalised in accordance with the policy on *Property expenditure*, and expenditure directly attributable in bringing the asset to its working condition for its intended use. As noted above, the assets transferred to the Trust on its formation are recorded at £1, this being the nominal cost of these assets.

Land and assets under construction are not depreciated. Other assets are depreciated on a straight line basis so as to write off their cost over their expected useful lives, using the straight line method. The component categories and annual rates used are as follows:

| | | | |
|---|---|---|---|
| Structural works to buildings | 2% | Computer/AV equipment | 20% |
| Roofs | 4% | Other fixtures and fittings | 10% |
| Ships refurbishments | 10% | Plant and machinery | 10% |
| Exhibition equipment | 6.67% | Motor vehicles | 20% |
| Galleries | 10% | | |
| Assets under construction | Not depreciated | | |

Subsequent expenditure which relates to either the replacement of previously capitalised component or part of a component or the enhancement of the asset which results in incremental future benefits, is capitalised and the carrying amount of any replaced part of the asset is derecognised.

*Heritage Assets*

Heritage assets are tangible and intangible assets with historic, artistic, scientific, technological, geophysical, or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. As a charity with preservation as one of its objects, in accordance with the SORP, the Trust's heritage assets may include assets which are not accessible to the public.

The Trust classifies the following classes of assets as heritage assets:

- The land and building acquired from the Ministry of Defence on the inception of the Trust.
- Capital works to the structure of its historic buildings.
- Its various collections of artefacts, exhibits and historical archives.
- Items of plant and machinery of historic importance, notably the two ships.

Currently, all the Trust's heritage assets are tangible assets and are accounted for in accordance with the accounting policy for property, plant and equipment as detailed in the policy on *Property expenditure*. The Trustees consider the cost of obtaining a valuation of donated heritage assets would outweigh the benefit of such a valuation.

**2 Accounting policies (continued)**

*Impairment*
At each period end date, non-financial assets (comprising property, plant and equipment and heritage assets) are assessed to determine if there are indicators that the assets may be impaired in value; if there are such indicators of impairment, then a comparison of the asset's carrying value to its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Financial Activities; the carrying value of the asset is reduced appropriately.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use for the Trust's properties and other non-financial assets held for charitable purposes and which are fulfilling the charitable purpose for which they were acquired, is based on the depreciated replacement cost of the asset. For other assets, value in use is defined as the net present value of the future cash flows before interest expected to be generated from the assets.

For financial assets (comprising trade and other debtors) carried at cost less impairment, the impairment loss is the difference between the assets carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

If an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of their recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

*Investment properties*
Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently at fair value. Revaluation surpluses and deficits are recognised in net income.

*Investments*
Investments in subsidiaries are stated at cost less accumulated impairment losses. Other investments are stated at fair value with movements through income and expenditure.

*Inventories*
Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment is recognised immediately in profit or loss.

*Cash and cash equivalents*
Cash and cash equivalents comprise cash in hand, cash at bank and bank deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

**2 Accounting policies (continued)**

*Provisions and contingencies*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Currently, the Group has no provisions.

Contingent liabilities arise from past events when either:

- It is only possible that an obligation will arise and when the existence or otherwise of the obligation will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control; or.
- An obligation has arisen, but a provision is not recognised because either it is not probable that there will be an outflow of resources or the amount cannot be reliably measured at the reporting date.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

*Financial instruments*

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The charity has elected to apply the provisions of Section 11 Basic Financial Instruments' and Section 12 'Other Financial instruments Issues' of FRS 102 to all of its financial instruments.

*Funds*

Designated funds are unrestricted funds which the Trustees have ring-fenced for a particular purpose. Transfers to and from the designated funds are recognised as and when decided by the Trustees.

Restricted funds are funds subject to specific restrictions imposed by donors, the nature of the appeal or other reasons.

Unrestricted funds comprise the accumulated surplus or deficit or recognised in income and expenditure after transfers to other reserves.

## 3 Key judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

**Critical judgements**

In preparing the financial statements, the following judgements which have, or could have, a material impact on the financial statements were made:

*Classification of property expenditure*

Expenditure on properties is analysed as either giving rise to an asset or expenditure which is written off as an expense when incurred, depending on whether the expenditure results in an incremental benefit, or not. The assessment of whether there is future benefit requires judgement. A key aspect of the judgement is whether the expenditure enables the Trust to gain greater use of the properties.

*Classification of properties as investment properties*

Investment properties are properties which are held to generate income or capital appreciation rather than for their contribution to culture or for the provision of services. As all of the Group's properties are within the boundary of the historic 80 acre site and are accessible to a certain extent to the visitors to the site; therefore the categorisation of any property as an investment property requires the exercise of judgement. The Trustees consider that the reversionary freeholds of the residential estate should be classed as investment properties as the Trust has no rights to use the properties and the freehold reversions are held to provide an income stream.

*Property components*

The Group accounts for its expenditure on property, plant and equipment using component accounting. Under component accounting, the property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components and in determining the useful lives of each component. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge.

**3 Key judgements and sources of estimation uncertainty (continued)**

*Property impairments*
It is necessary to undertake an impairment assessment if there are any indicators of impairment, the identification of such indicators requires judgement. The Trustees consider that for properties used for charitable purposes, the key indicators of impairment are the extent to which the property continues to be used for its intended use, any forecast future reductions in use, and the physical condition of the property. During the year, the Trustees judged that there were no indicators of impairment and so no requirement to undertake an impairment review.

*Initial gift to the Trust*
The initial gift to the Trust has not been valued as, in the Trustees' judgement, the cost of obtaining such a valuation, which would be subjective and possibly unreliable, would outweigh the benefit of such a valuation.

*Recognition of grant income*
Grant income is recognised, inter alia, when the Trust has met any criteria of substance required of it under the relevant grant agreement. In the case of Heritage Lottery Funding, the Trustees consider that the receipt of permission to start is the only criteria of substance and therefore recognise grant income once that permission has been received. The DCMS provides funding for specific years; in the judgement of the Trustees, the terms of the grant are such that the Trust does not have prior entitlement to the funding.

*Contingent assets and liabilities*
The classification of assets and liabilities as contingent requires the exercise of judgement as to the probability of future cash flows. In the case of the contingent liabilities, in the Trustees' judgement any future cash flows would arise from actions of third parties over which the Trust has no or limited influence, and as such no provision is needed.

*Restricted funds relating to capitalised expenditure*
Restricted funds received to fund capital expenditure are transferred to general funds once the expenditure has been incurred unless the resultant asset is restricted as to its use, in which case the funds remain as restricted. The assessment of whether an asset is restricted as to its use requires the exercise of judgement in assessing whether the terms of the donation(s) which funded the asset prevent the Trust from using the asset for any of its general purposes. Where the Trustees consider that this to be the case, the entire cost of the asset is classed as restricted and all of the related funds are retained as restricted funds. The corollary of this is that the subsequent depreciation of the assets is deemed to be a restricted cost.

**Critical estimates**

*Investment property valuations*
Investment properties are recognised at their fair value, which is estimated as being the anticipated proceeds from future disposals, based on the immediate past history property sales. The timing and actual proceeds of any future sales are uncertain and may not reflect the past history.

## 3 Key judgements and sources of estimation uncertainty (continued)

*Useful lives*

Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The useful lives of property components (for example roofs) are estimated based on relevant construction data.

*Carrying values*

The carrying amount of the assets and liabilities affected by the above judgements and estimates are set out in the following notes.

## 4 Income from donations, including grants

| | Unrestricted £ | Restricted £ | **Total 2023 £** | Total 2022 £ |
|---|---|---|---|---|
| Government grants | | | | |
| - Department for Digital, Culture, Media & Sport | - | 196,000 | **196,000** | 196,000 |
| - Medway Council | | 1,808,657 | **1,808,657** | - |
| - Arts Council England (ACE) | - | 249,508 | **249,508** | 633,652 |
| Other grants | 3,833 | 24,712 | **28,545** | 174,889 |
| Garfield Weston | - | 100,000 | **100,000** | - |
| Donations | 19,002 | - | **19,002** | 11,501 |
| Legacies | 50,000 | - | **50,000** | - |
| | 72,835 | 2,378,877 | **2,451,712** | 1,016,042 |

## 5 Income from charitable activities

| | 2023 £ | 2022 £ |
|---|---|---|
| Preservation - rent & service charges | 4,331,495 | 3,339,318 |
| Education - visitor admissions | 1,359,712 | 1,051,932 |
| | 5,691,207 | 4,391,250 |

Income from charitable activities arises from the provision of services and is fully unrestricted.

## 6 Income from other trading activities

| | 2023 £ | 2022 £ |
|---|---|---|
| Income from sale of goods | | |
| Retail - gift shop | 151,199 | 90,361 |
| Sales of rope products | 476,098 | 479,362 |
| Catering | 599,904 | 457,113 |
| Income from provision of services | | |
| Weddings & other functions | 282,079 | 210,436 |
| Property income | 168,558 | 158,847 |
| Other miscellaneous income | - | 1,317 |
| | 1,677,838 | 1,397,436 |

## 7 Income from investments

| | 2023 £ | 2022 £ |
|---|---|---|
| Fixed interest on cash deposits | 1,371 | 2,506 |

## 8 Other income

| | 2023 £ | 2022 £ |
|---|---|---|
| (Loss)/Profit on disposal of fixed asset | - | (900) |

## Future income from non-cancellable operating leases

| | 2023 £ | 2022 £ |
|---|---|---|
| The Group is due to receive the following amounts under non-cancellable operating leases: | | |
| Due next year | 1,461,305 | 1,719,841 |
| Due in 2 to 5 years | 5,004,023 | 5,428,072 |
| Due after more than 5 years | 10,063,162 | 11,107,588 |
| | 16,528,491 | 18,255,501 |

Under the terms of the leases, the rental income is subject to periodic review. The leases give the tenants no right of acquisition.

## 9 Expenditure on raising funds

| | 2023 £ | 2022 £ |
|---|---|---|
| Incurred by the Trust | 630,534 | 488,702 |
| Incurred by the trading subsidiaries | 892,733 | 627,300 |
| Depreciation | 4,456 | 4,076 |
| | 1,527,723 | 1,120,078 |
| Support costs allocated to raising funds (see note 12) | 176,657 | 350,129 |
| | 1,704,380 | 1,470,207 |

## 10 Expenditure on preservation

| | 2023 £ | 2022 £ |
|---|---|---|
| Staff and associated costs | 431,521 | 330,402 |
| Maintenance costs | 724,437 | 805,436 |
| Fitted Rigging House preliminary expenditure | 920 | - |
| Utilities | 912,578 | 445,193 |
| Other direct costs | 417,259 | 476,525 |
| Depreciation | 150,671 | 151,657 |
| Allocated support costs (see note 12) | 699,602 | 666,378 |
| | 3,336,988 | 2,875,591 |

Preservation comprises the cost of repair, maintenance and restoration of the historic buildings and ships of the Dockyard and other maintenance.

## 11 Expenditure on education

| | 2023 £ | 2022 £ |
|---|---|---|
| Staff and associated costs | 1,353,100 | 999,408 |
| Other direct costs | 873,523 | 1,467,907 |
| Depreciation | 650,090 | 673,366 |
| Other project expenditure | 57,129 | 22,888 |
| Maintenance | 222,833 | 186,339 |
| Allocated support costs (see note 12) | 387,854 | 152,672 |
| | 3,544,529 | 3,502,580 |

Education expenditure comprises the cost of the maintenance and operation of the galleries and exhibits within the Dockyard.

## 12 Support costs

| | 2023 £ | 2022 £ |
|---|---|---|
| Staff and associated costs | 878,514 | 786,994 |
| Office costs | 83,357 | 89,622 |
| Professional fees | 26,859 | 25,233 |
| Insurances | 202,818 | 221,222 |
| Other costs | 52,485 | 23,832 |
| Governance costs | 20,080 | 22,276 |
| | 1,264,113 | 1,169,179 |

| Support costs are allocated as follows: | 2023 £ | 2022 £ |
|---|---|---|
| Raising funds | 176,657 | 350,129 |
| Preservation | 699,602 | 666,378 |
| Education | 387,854 | 152,672 |
| | 1,264,113 | 1,169,179 |

Support costs comprise the management costs of the Trust and its charitable subsidiaries and site security costs. Management costs comprise the Senior Executive and Finance functions (including Personnel and IT support). Site security comprises staff and other costs in respect of the provision of 24-hour security for the site for the benefit of the Trust, its tenants and residents.

The bases of apportionment utilised are as follows:

- Trustee expenses and security – equally between the two charitable activities.
- Management costs – in accordance with staff numbers.

## 13 Wages and salaries

| **Group** | 2023 £ | 2022 £ |
|---|---|---|
| Wages and salaries | 2,793,095 | 2,372,952 |
| Social security costs | 227,591 | 188,590 |
| Pension scheme – defined contribution scheme | 155,420 | 139,206 |
| | 3,176,106 | 2,700,748 |

| **Trust** | 2023 £ | 2022 £ |
|---|---|---|
| Wages and salaries | 2,469,471 | 2,145,671 |
| Social security costs | 202,933 | 168,157 |
| Pension scheme – defined contribution scheme | 135,016 | 120,931 |
| | 2,807,419 | 2,434,759 |

**13 Wages and salaries (continued)**

| Average no. of persons employed: | Group 2023 Number | 2022 Number | Trust 2023 Number | 2022 Number |
|---|---|---|---|---|
| Preservation | 21 | 20 | 21 | 20 |
| Education | 81 | 78 | 81 | 78 |
| Ropemaking | 6 | 7 | 6 | 7 |
| Catering & retail | 25 | 20 | 25 | - |
| Support | 9 | 8 | 9 | 8 |
| | 142 | 133 | 142 | 113 |

In addition, volunteers assist the Trust in undertaking its activities; details are provided in the Trustees' Annual Report.

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

| | 2023 Number | 2022 Number |
|---|---|---|
| £60,001 - £70,000 | 2 | 1 |
| £70,001 - £80,000 | 1 | 1 |
| £80,001 - £90,000 | - | 1 |
| £90,001 - £100,000 | 1 | - |

Contributions in the year for the provision of money purchase benefits to higher paid employees totalled £26,679 (2022: £20,661).

The Chairman of the Trustees is entitled to receive remuneration from the Trust for services provided, as permitted by the Memorandum and Articles and approved by the Charity Commission. The Chairman's emoluments for the year were £34,912 for Sir Trevor (2022 - £30,721 for Sir Trevor); this remuneration is not pensionable. The Trust chooses to pay the Chairman as the role significantly exceeds that of other Trustees. No other Trustees received emoluments. Expenses reimbursed to 3 (2022 - 3) Trustees in respect of the cost of attending meetings and other reimbursed expenses amounted to £2,724 (2022 - £289).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, including any Trustee. In the opinion of the Trust key management personnel are the Trustees and the senior managers.

Key management remuneration was as follows:

| | 2023 £ | 2022 £ |
|---|---|---|
| Key management remuneration | 530,043 | 455,926 |

## 14 Net income/(expenditure)

| Net income/(expenditure) is stated after charging: | 2023 £ | 2022 £ |
|---|---|---|
| Depreciation of tangible assets: | | |
| - Property, plant and equipment | 250,152 | 534,465 |
| - Heritage assets | 555,065 | 294,454 |
| Auditor's remuneration: | | |
| - Audit (Trust) | 17,400 | 13,750 |
| - Audit underprovision | (70) | (1,224) |
| - Audit (Subsidiaries) | 12,325 | 9,750 |
| - Non audit services paid to companies associated with the auditors | 2,750 | 6,000 |
| Income received under non-cancellable operating leases | 1,565,388 | 1,336,113 |
| Operating lease charges | 907 | 907 |

## 15 Tangible fixed assets - Property plant and equipment

| Group | Fixtures, fittings and equipment | Galleries | Assets under construction | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| 1 April 2022 | 7,611,311 | 6,938,882 | - | 14,550,193 |
| Additions | 10,630 | 138,474 | 1,306,904 | 1,455,008 |
| **31 March 2023** | 7,621,941 | 6,077,356 | 1,306,904 | 16,006,201 |
| **Depreciation** | | | | |
| 1 April 2022 | 6,957,604 | 6,327,971 | - | 13,285,575 |
| Charge for year | 103,808 | 146,344 | - | 250,152 |
| **31 March 2023** | 7,061,412 | 6,474,315 | - | 13,535,727 |
| **Net book value** | | | | |
| **31 March 2023** | 560,529 | 603,041 | 1,306,904 | 2,470,474 |
| 31 March 2022 | 653,707 | 610,911 | - | 1,264,618 |

## 15 Tangible fixed assets – Property plant and equipment (continued)

| Trust | Fixtures, fittings and equipment | Galleries | Assets under construction | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| 1 April 2022 | 7,475,685 | 6,938,882 | - | 14,414,567 |
| Additions | 4,630 | 138,474 | 1,306,904 | 1,450,008 |
| **31 March 2023** | 7,480,315 | 7,077,356 | 1,306,904 | 15,864,575 |
| **Depreciation** | | | | |
| 1 April 2022 | 6,830,129 | 6,327,971 | - | 13,158,100 |
| Charge for year | 99,261 | 146,344 | - | 245,605 |
| **31 March 2023** | 6,929,390 | 6,474,315 | - | 13,403,705 |
| **Net book value** | | | | |
| **31 March 2023** | 550,925 | 603,041 | 1,306,904 | 2,460,870 |
| 31 March 2022 | 645,556 | 610,911 | - | 1,256,467 |

As part of the terms of the heritage lottery grant, there is a charge in place over the fitted rigging house.

## 16 Heritage assets

| Group and Trust | Freehold land and buildings | Ships | Collections and artefacts | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| 1 April 2022 | 21,389,779 | 3,344,642 | 144,000 | 24,878,241 |
| **31 March 2023** | 21,389,779 | 3,344,642 | 144,000 | 24,878,421 |
| **Depreciation** | | | | |
| 1 April 2022 | 5,965,557 | 3,344,642 | - | 15,798,215 |
| Charge for year | 555,065 | - | - | 555,065 |
| **31 March 2023** | 6,520,622 | 3,344,642 | - | 9,865,264 |
| **Net book value** | | | | |
| **31 March 2023** | 14,869,157 | - | 144,000 | 15,013,157 |
| 31 March 2022 | 15,424,222 | - | 144,000 | 15,568,222 |

**16 Heritage assets (continued)**

No value was attributed to the assets transferred to the Trust on its creation as the cost of obtaining such valuations would not be commensurate with the benefits to the users of the accounts and, in any event, given the uniqueness of many of the assets transferred, a reliable valuation may be impossible to obtain.

The heritage assets comprise the Trust's freehold land and buildings, the ships, items of historic plant and equipment, the museum collections, art and photographs and the archives. The heritage assets recognised comprise capitalised expenditure on enhancing the utility of the historic properties and expenditure on assets which have been purchased since the inception of the Trust.

The assets include:

- 47 structures designated as Scheduled Ancient Monuments and 54 listed buildings;
- two ships and one submarine;
- large plant and equipment, including the rope manufacturing machines, cranes and metal working plant;
- over 100,000 items connected to the history of Chatham Dockyard and the Royal Navy at Chatham. They range from small items of personal ephemera - a dockyard matey's old cigarette box - to HMS Cavalier, the Royal Navy's last Second World War destroyer;
- over 20,000 photographs dating from the very earliest years of photography, mainly depicting Chatham Dockyard at work and ships of the Royal Navy on the River Medway;
- over 150 works of art including oil paintings, watercolours and prints. Their content ranges from topographical views of the dockyard to portraits of naval personnel;
- 50 models, mainly of naval ships;
- over 100 machine tools all of which were originally used in the dockyard for shipbuilding and repair;
- over 100 items of naval ordnance dating from the seventeenth to the twentieth centuries and includes guns, torpedoes, mines and mortars; and
- over 10,000 items in the archive collection, mainly documents relating to naval and dockyard correspondence and to individuals' naval service.

Whilst the Trust would like to acquire further assets to add to its collections, the main focus of the Trust's efforts has been – and will be for the foreseeable future – preserving the various buildings. To this end, the Trust has a long term maintenance plan for its buildings and a shorter term plan for bringing unused buildings into use through appropriate refurbishment work. However, in the year, the Trust was able to acquire a model submarine and a white ensign; the cost of these new assets was less than the de minimis capitalisation threshold.

All assets have been catalogued in order that they can be properly managed and all collections are stored in such a manner to prevent any deterioration in their condition and to ensure that they are physically secure. The buildings, the ships, structures and heavy plant are all accessible to visitors to the Dockyard (although the public cannot obtain access to the interior of certain buildings as they are in use). The collections are accessible to the public through the Trust's museum and those items not on show are made accessible to researchers on request.

The Trust does not expect to dispose of any of its heritage assets.

**17 Investment Properties**

| Group | 2023 £ | 2022 £ |
|---|---|---|
| 1 April | 310,554 | 331,704 |
| Disposals | - | (21,150) |
| 31 March | 310,554 | 310,554 |

The investment properties are valued by reference to the rental yield established by recent sales of properties as determined by independent valuers and applying that yield to the rental income stream from ongoing investment properties. The directors have carried out that valuation at 31st March 2023 and the revaluation is £310,554.

**18 Investments – shares in subsidiary companies – Trust**

| Group | Share capital £ | Total £ |
|---|---|---|
| 1 April | 1,100 | 1,100 |
| Reversal of impairment | 25,000 | 25,000 |
| 31 March | 26,100 | 26,100 |

The subsidiary companies at 31 March 2023 were wholly owned and registered in England & Wales and are as follows:

| Name | Company number | Activity |
|---|---|---|
| Master Ropemakers (Trading) Limited | 02651660 | Non-traditional rope sales |
| Chatham Historic Dockyard (Trading) Limited | 01983754 | Retail & catering |
| Historic Dockyard Property Limited | 02331347 | Residential property management |
| Historic Dockyard Property (2005) Limited | 05538093 | Property development |
| Historic Dockyard Property (2010) Limited | 07232729 | Dormant |
| Master Ropemakers Limited | 07232492 | Dormant |

The registered office of the above subsidiaries is The Fitted Rigging House, The Historic Dockyard, Chatham, Kent, England, ME4 4TZ.

The shareholding in Master Ropemakers (Trading Limited had previously been impaired to £Nil. However as the company is now profitable the value of the share capital has been reinstated.

**18 Investments – shares in subsidiary companies – Trust (continued)**

**Results of active subsidiaries**

| | Master Ropemakers (Trading) Limited £ | Historic Dockyard Property Limited £ | Historic Dockyard Property 2005 Limited £ | Chatham Historic Dockyard (Trading) Limited £ |
|---|---|---|---|---|
| **Year ended 31 March 2023** | | | | |
| Turnover | 403,950 | 15,249 | 120,703 | 915,047 |
| Expenditure | (337,469) | (13,630) | (16,260) | (824,771) |
| Transfer from revaluation reserve | - | - | - | - |
| Distribution to the Trust | (66,481) | (1,619) | (104,433) | (90,276) |
| Result for the year | - | - | - | - |
| **As at 31 March 2023** | | | | |
| Assets | 129,573 | 338,755 | 103,032 | 210,925 |
| Creditors and provisions | (104,573) | (91,434) | (102,932) | (190,825) |
| Net assets | 25,000 | 247,321 | 100 | 20,100 |
| **Year ended 31 March 2022** | | | | |
| Turnover | 429,953 | 16,242 | 118,426 | 695,545 |
| Expenditure | (317,321) | (18,348) | (23,680) | (596,337) |
| Taxation | - | 7,336 | - | - |
| Transfer from revaluation reserve | - | 18,044 | - | - |
| Distribution to the Trust | (112,632) | (23,274) | (94,746) | (94,153) |
| Result for the year | - | - | - | 5,055 |
| **As at 31 March 2022** | | | | |
| Assets | 169,612 | 349,928 | 152,703 | 177,329 |
| Creditors and provisions | (144,612) | (102,607) | (152,603) | (157,229) |
| Net assets | 25,000 | 247,321 | 100 | 20,100 |

**19 Investments**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| **Listed investments – common investment funds** | | | | |
| As at 1 April 2022 | 655,516 | 438,136 | 655,516 | 438,136 |
| Additions | - | 150,000 | - | 150,000 |
| Unrealised gain/(loss) | (23,194) | 67,380 | (23,194) | 67,380 |
| As at 31 March 2023 | 632,322 | 655,516 | 632,322 | 655,516 |

**19 Investments (continued)**

Listed investments comprise

| | Group | | Trust | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Investment Fund | 269,435 | 271,755 | 269,435 | 271,755 |
| Property Fund | 138,324 | 157,284 | 128,324 | 157,284 |
| Global Equity Fund | 224,563 | 226,477 | 224,563 | 226,477 |
| | 632,322 | 655,516 | 632,332 | 655,516 |
| Historical cost | 400,000 | 400,000 | 400,000 | 400,000 |

**20 Inventories**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Raw materials and consumables | 155,284 | 118,310 | 155,284 | 118,310 |
| Goods for resale | 170,211 | 151,947 | 82,515 | 93,313 |
| | 325,495 | 270,257 | 237,799 | 211,623 |

There is no significant difference between the replacement cost of the inventories and their carrying amount. Inventories are stated after provisions for impairment of £14,871 (2022 - £19,238).

**21 Debtors**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Trade debtors | 424,212 | 301,614 | 423,264 | 300,033 |
| Amount owed by subsidiary undertakings | - | - | 121,095 | 100,837 |
| Amounts due to parent undertaking – Gift Aid | - | - | 262,809 | 324,826 |
| Other debtors | 315,746 | 162,009 | 213,818 | 107,417 |
| Prepayments and accrued income | 560,279 | 546,958 | 557,101 | 517,388 |
| | 1,300,237 | 1,010,581 | 1,578,087 | 1,350,501 |

Amounts above owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**22 Creditors: amounts falling due within one year**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Other loan | 100,000 | - | 100,000 | - |
| Trade creditors | 357,608 | 474,838 | 333,916 | 442,075 |
| Taxation and social security | 55,144 | 47,301 | 55,144 | 47,301 |
| Other creditors | 359,443 | 338,514 | 357,288 | 335,488 |
| Accruals and deferred income (see note 24) | 953,282 | 551,842 | 932,273 | 515,142 |
| | 1,825,477 | 1,412,495 | 1,778,621 | 1,340,006 |

**23 Creditors: amounts falling due after more than one year**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Other loan | 350,000 | 450,000 | 350,000 | 450,000 |
| Due within one year | 100,000 | - | 100,000 | - |
| Due within 1 - 2 years | 150,000 | 250,000 | 150,000 | 250,000 |
| Due within 2 - 5 years | 200,000 | 200,000 | 200,000 | 200,000 |
| | 450,000 | 450,000 | 450,000 | 450,000 |

The South East Local Enterprise Partnership (SELEP) loan is repayable by March 2026.

**24 Deferred income**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Balance at 1 April | 32,139 | 10,565 | 32,139 | 10,565 |
| Amount released to SOFA | (32,139) | (10,565) | (32,139) | (10,565) |
| Amount deferred in the period | 125,839 | 32,139 | 125,839 | 32,139 |
| Balance at 31 March | 125,839 | 32,139 | 125,839 | 32,139 |

Deferred income principally relates to advance event ticket sales and pre-billed rents.

**25 Deferred tax**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Arising on property revaluations: | £ | £ | £ | £ |
| At 1 April | 59,005 | 66,341 | 59,005 | 66,341 |
| Credit to profit & loss | - | (4,230) | - | (4,230) |
| Tax on revaluation | - | (3,106) | - | (3,106) |
| At 31 March | 59,005 | 59,005 | - | 59,005 |

Deferred tax is calculated at a rate of 19% (2022 - 19%).

**26 Contingent liabilities**

Within the Historic Dockyard there are 47 structures designated as Scheduled Ancient Monuments and 54 Listed Buildings. The Trust has a responsibility and liability to remedy any state of disrepair of the Listed Buildings under the Planning (Listed Buildings & Conservation Areas) Act 1990. Whilst the Trust continues to maintain these structures, it may have insufficient funds to carry out the full-scale repair of all the structures should the appropriate notice be served upon the Trustees. To date, no such notice has been served.

Certain grants received by the Trust for capital works within the Historic Dockyard may, under the provisions of the respective grant contracts, become repayable under certain circumstances. In the opinion of the Trustees such circumstances are unlikely to arise and accordingly no provision has been made in the accounts.

If fixed assets are disposed of then under certain circumstances any related grant funding in respect of these properties may be repayable. The Trustees have no intention of disposing of any grant funded assets.

## 27 Capital commitments

As at the year end, the Group and Trust had contracted for capital commitments totalling £1,543,877 (2022: £79,470).

The capital commitment relates to the work on Fitted Rigging House South. Of the commitment detailed above £658,905 will be contributed by the Trust and £884,972 by the DCMS Levelling Up Fund, managed by Medway Council.

## 28 Analysis of funds

| | | Unrestricted | | | | Group |
|---|---|---|---|---|---|---|
| **Group - as at 31 March 2023** | Restricted | Designated | Revaluation | General | Total | Total |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 2,074,094 | 213,828 | - | 182,552 | 396,380 | 2,470,474 |
| Heritage assets | 14,766,036 | 247,121 | - | - | 247,121 | 15,013,157 |
| Investment properties | - | - | 246,321 | 64,233 | 310,554 | 310,554 |
| Investments | - | - | - | 632,322 | 632,322 | 632,222 |
| Inventories | - | - | - | 325,495 | 325,495 | 325,495 |
| Debtors | - | - | - | 1,300,237 | 1,300,237 | 1,300,237 |
| Cash and cash equivalents | 812,842 | 869,710 | - | 373,544 | 1,243,254 | 2,056,096 |
| Creditors | - | - | - | (2,175,477) | (2,175,477) | (2,175,477) |
| Deferred tax | - | - | - | (59,005) | (59,005) | (59,005) |
| | 17,652,972 | 1,330,659 | 246,321 | 643,901 | 2,220,881 | 19,873,853 |

| | | Unrestricted | | | | Group |
|---|---|---|---|---|---|---|
| **Group - as at 31 March 2022** | Restricted | Designated | Revaluation | General | Total | Total |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 1,110,559 | 145,908 | - | 8,151 | 154,059 | 1,264,618 |
| Heritage assets | 15,327,354 | 240,868 | - | - | 240,868 | 15,568,222 |
| Investment properties | - | - | 246,321 | 64,233 | 310,554 | 310,554 |
| Inventories | - | - | - | 270,257 | 270,257 | 270,257 |
| Debtors | 76,872 | - | - | 951,657 | 951,657 | 1,028,529 |
| Investments | - | - | - | 655,516 | 655,516 | 655,516 |
| Cash and cash equivalents | - | 732,707 | - | 769,861 | 1,502,568 | 1,502,568 |
| Creditors | - | - | - | (1,880,443) | (1,880,443) | (1,880,443) |
| Deferred tax | - | - | - | (59,005) | (59,005) | (59,005) |
| | 16,514,785 | 1,119,483 | 246,321 | 780,227 | 2,146,031 | 18,660,816 |

**28 Analysis of funds (continued)**

| Trust - as at 31 March 2023 | Restricted | Unrestricted | | | | Trust Total |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 2,074,094 | 213,828 | - | 172,948 | 386,776 | 2,460,870 |
| Heritage assets | 14,766,036 | 247,121 | - | - | 247,121 | 15,013,157 |
| Inventories | - | - | - | 237,799 | 237,799 | 237,799 |
| Investment in subsidiaries | - | - | - | 26,100 | 26,100 | 26,100 |
| Debtors | - | - | - | 1,578,087 | 1,578,087 | 1,578,087 |
| Investments | - | - | - | 632,322 | 632,322 | 632,322 |
| Cash and cash equivalents | 812,842 | 869,710 | - | 105,165 | 974,873 | 1,787,717 |
| Creditors | - | - | - | (2,128,621) | (2,128,621) | (2,128,621) |
| | 17,652,972 | 1,330,659 | - | 623,800 | 1,954,459 | 19,607,431 |

| Trust - as at 31 March 2022 | Restricted | Unrestricted | | | | Trust Total |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 1,355,662 | 142,327 | - | - | 142,327 | 1,497,989 |
| Heritage assets | 15,821,976 | 270,693 | - | - | 270,693 | 16,092,669 |
| Inventories | - | - | - | 190,880 | 190,880 | 190,880 |
| Investment in subsidiaries | - | - | - | 1,100 | 1,100 | 1,100 |
| Debtors | 336,961 | - | - | 915,857 | 915,857 | 1,252,818 |
| Investments | - | - | - | 438,136 | 438,136 | 438,136 |
| Cash and cash equivalents | - | 664,649 | - | 647,622 | 1,312,271 | 1,312,271 |
| Creditors | - | - | - | (1,433,638) | (1,433,638) | (1,433,638) |
| | 17,514,599 | 1,077,669 | - | 759,957 | 1,837,626 | 19,352,225 |

**29 Restricted funds**

| Year ended 31 March 2023<br>Group and Trust | At 1 April 2022<br>£ | Transfers 2023<br>£ | Income 2023<br>£ | Expend-iture 2023<br>£ | At 31 March 2023<br>£ |
|---|---|---|---|---|---|
| Fixed asset funds | 9,802,672 | - | - | (512,158) | 9,290,514 |
| Fitted Rigging House | 6,631,846 | - | - | (219,672) | 6,412,174 |
| Arts Council England – NPO | 53,292 | - | 249,508 | (296,300) | 6,500 |
| No 1 Smithery | - | - | 100,000 | - | 100,000 |
| Other | 26,975 | - | 24,712 | (16,560) | 35,127 |
| DCMS | - | - | 196,000 | (196,000) | - |
| Fitted Rigging House (South) | - | - | 1,808,657 | - | 1,808,657 |
| | 16,514,785 | - | 2,378,877 | (1,240,690) | 17,652,972 |

| Year ended 31 March 2022<br>Group and Trust | At 1 April 2021<br>£ | Transfers 2022<br>£ | Income 2022<br>£ | Expend-iture 2021<br>£ | At 31 March 2022<br>£ |
|---|---|---|---|---|---|
| Fixed asset funds | 10,356,760 | - | - | (554,088) | 9,802,672 |
| Education programmes | 37,851 | - | - | (37,851) | - |
| Arts Council England | - | - | 381,144 | (384,144) | - |
| Arts Council England – NPO | 121,307 | - | 249,508 | (317,523) | 53,292 |
| DCMS | - | - | 196,000 | (196,000) | - |
| Other | 177,803 | - | 8,339 | (159,167) | 26,975 |
| Fitted Rigging House | 6,820,878 | - | - | (189,032) | 6,631,846 |
| | 17,514,599 | - | 837,991 | (1,837,805) | 16,514,785 |

**29 Restricted funds (continued)**

The fixed asset funds represent the donations and grants received in previous years to fund capital expenditure; the balance of the funds represents the net book value of the related assets and the resources expended represents the annual depreciation of the related assets.

The Education programmes relate to various activities, designed to provide school children with educational activities relevant to the dockyard and its contribution to naval history.

The Fitted Rigging House project is to preserve the fitted rigging house, this being the last major building within the dockyard which has yet to be refurbished, to allow it to be used more productively.

No 1 Smithery - The Trust has been pledged £100,000 from the DCMS Wolfson Museums and Galleries Improvement Fund followed by an additional £100,000 received in 2022/23 from the Garfield Weston Foundation to support the refurbishment of the existing No.1 Smithery gallery space which was first developed in 2010 and is in need of uplift and improvement.

DCMS - The Trust acknowledges the continuing support from DCMS of £196k for FY 2022/23 which has been utilised to support a variety of preservation and learning projects across the organisation.

Other Grants - Grant funding to celebrate the 60th Anniversary of HMS Ocelot

### 33 Operating lease commitments

At 31 March 2023 the Group was committed to making the following payments under non-cancellable operating leases in the coming years

| | 2023 £ | 2022 £ |
|---|---|---|
| Due next year | 2,954 | 2,954 |
| Due in the next 2 to 5 years | 4,431 | 7,385 |
| | 7,385 | 10,339 |

### 34 Related Party Transactions

The Trust has a number of transactions with its subsidiaries. The Trust provides accommodation, management, IT and other services to its subsidiaries, details of these are as follows:

| | Chatham Historic Dockyard (Trading) Ltd £ | Master Ropemakers Trading Ltd £ | Historic Dockyard Property Ltd £ | Historic Dockyard Property(2005) Ltd £ | Total 2023 £ |
|---|---|---|---|---|---|
| **From the Trust:** | | | | | |
| Employment recharges | 334,470 | 33,606 | - | - | 368,076 |
| Rent | 19,000 | - | - | - | 19,000 |
| Utilities | 3,633 | - | - | - | 3,633 |
| Rope purchases | - | 278,870 | - | - | 278,870 |
| Finance and insurance costs | - | - | 5,340 | - | 5,340 |
| | 357,103 | 312,476 | 5,340 | - | 674,918 |
| Amounts owed from/(to): | 64,048 | 30,888 | 29,245 | (3,086) | 121,095 |

**34 Related Party Transactions (continued)**

| | Chatham Historic Dockyard (Trading) Ltd | Master Ropemakers Trading Ltd | Historic Dockyard Property Ltd | Historic Dockyard Property(2005) Ltd | Total 2022 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **From the Trust:** | | | | | |
| Employment recharges | 247,482 | 24,114 | - | - | 271,596 |
| Rent | 19,000 | - | - | - | 19,000 |
| Audit fee recharges | 3,750 | 3,500 | 1,250 | 1,250 | 9,750 |
| Postage costs | - | - | 1,500 | - | 1,500 |
| Utilities | - | - | - | - | - |
| Rope purchases | - | 265,123 | - | - | 265,123 |
| Finance and insurance costs | - | - | 3,779 | - | 3,779 |
| | 270,232 | 292,737 | 6,529 | 1,250 | 570,749 |
| Amounts owed from/(to): | 1,470 | 25,312 | 18,428 | 55,627 | 100,837 |

The subsidiaries have committed to distribute any profits made, by way of charitable donation, to the Trust on an annual basis (see note 18).

The balances due from the subsidiaries are shown in note 21.

**35 Financial instruments**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Financial assets at fair value through profit or loss | 632,322 | 655,516 | 632,322 | 655,516 |
| (Loss)/Gain on financial assets at fair value through profit or loss | (23,194) | 67,380 | (23,194) | 67,380 |

Financial assets at fair value through profit or loss are valued using quoted market prices in an active market.

The risk from financial instruments primarily arises from its bank deposits, where the Trust is exposed to credit risk. The Trust seeks to minimise this risk as far as possible risks by using a number of different banks each of which must each have a good credit rating. The Trust is also exposed to credit risk from the trade debtors of its subsidiaries, which it seeks to minimise by undertaking credits checks and restricting sales to customers in default.

The financial assets at fair value through profit or loss also give rise to market risks, which are managed by investing in common investment funds and by having a mix of listed investments and cash deposits.

**30 Unrestricted funds**

| Year ended 31 March 2023<br>Group | At 1 April 2022 £ | Gains/ Transfers 2023 £ | Income in 2023 £ | Expend-iture in 2023 £ | At 31 March 2023 £ |
|---|---|---|---|---|---|
| Designated funds | | | | | |
| - Fixed assets | 386,776 | 143,104 | - | (68,931) | 460,949 |
| - Maintenance and development | 732,707 | 92,867 | 44,136 | - | 869,710 |
| Revaluation | 246,321 | - | - | - | 246,321 |
| General | 780,227 | (259,165) | 7,399,115 | (7,276,276) | 643,901 |
| | 2,146,031 | (23,194) | 7,443,251 | (7,541,207) | 2,220,881 |

| Year ended 31 March 2022<br>Group | At 1 April 2021 £ | Gains/ Transfers 2022 £ | Income in 2022 £ | Expend-iture in 2022 £ | At 31 March 2022 £ |
|---|---|---|---|---|---|
| Designated funds | | | | | |
| - Fixed assets | 413,020 | 55,659 | - | (81,903) | 386,776 |
| - Maintenance and development | 664,649 | 56,985 | 47,880 | (36,807) | 732,707 |
| Revaluation | 264,365 | (18,044) | - | - | 246,321 |
| General | 799,997 | (45,264) | 5,920,463 | (5,894,969) | 780,227 |
| | 2,142,031 | 49,336 | 5,968,343 | (6,013,679) | 2,146,031 |

| Year ended 31 March 2023<br>Trust | At 1 April 2022 £ | Gains/ Transfers 2023 £ | Income in 2023 £ | Expend-iture in 2023 £ | At 31 March 2023 £ |
|---|---|---|---|---|---|
| Designated funds | | | | | |
| - Fixed assets | 386,776 | 143,104 | - | (68,931) | 460,949 |
| - Maintenance and development | 732,707 | 92,867 | 44,136 | - | 869,710 |
| General | 735,125 | (259,165) | 6,526,925 | (6,379,085) | 623,800 |
| | 1,854,608 | (23,194) | 6,571,061 | (6,448,016) | 1,954,459 |

| Year ended 31 March 2022<br>Trust | At 1 April 2021 £ | Gains/ Transfers 2022 £ | Income in 2022 £ | Expend-iture in 2022 £ | At 31 March 2022 £ |
|---|---|---|---|---|---|
| Designated funds | | | | | |
| - Fixed assets | 413,020 | 55,659 | - | (81,903) | 386,776 |
| - Maintenance and development | 664,649 | 56,985 | 47,880 | (36,807) | 732,707 |
| General | 759,957 | (45,264) | 5,083,234 | (5,062,802) | 735,125 |
| | 1,837,626 | 67,380 | 5,131,114 | (5,181,512) | 1,854,608 |

**30 Unrestricted funds (continued)**

The fixed assets fund presents funds used to acquire fixed assets and which are therefore not available for funding the Trust's day to day activities.

The Maintenance and Development Fund represents sums set aside for planned preventive maintenance and building refurbishment expenditure in future periods.

The transfer to the general reserve from the revaluation reserve arises on disposals and represents the realisation of previously recognised revaluation surpluses.

**31 Reconciliation of net income to net cash outflow from operating activities**

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Net income/(expenditure) | 1,213,037 | (995,814) |
| Depreciation of property, plant and equipment | 250,152 | 304,652 |
| Depreciation of heritage assets | 555,065 | 524,447 |
| Profit on disposal of tangible fixed assets | - | - |
| Loss on disposal of investment properties | - | - |
| Rental income | (15,249) | (16,226) |
| Revaluation of investment property | - | - |
| Net (loss)/gain on investments | 23,194 | (67,380) |
| (Increase) in inventories | (55,238) | (29,093) |
| (Increase) in debtors | (289,656) | (90,896) |
| Increase in creditors | 312,982 | 502,391 |
| Movement in deferred tax provision | - | (7,336) |
| **Net cash provided by from operating activities** | 1,993,287 | 124,745 |

**32 Analysis of net debt**

| | At 1 April 2022<br>£ | Cash flows<br>£ | At 31 March 2023<br>£ |
|---|---|---|---|
| Cash at bank and in hand | 1,502,568 | 553,528 | 2,056,096 |
| Loans | (450,000) | - | (450,000) |
| **Net cash inflow from operating activities** | 1,052,568 | 553,528 | 1,606,096 |

### 33 Operating lease commitments

At 31 March 2023 the Group was committed to making the following payments under non-cancellable operating leases in the coming years

| | 2023 £ | 2022 £ |
|---|---|---|
| Due next year | 2,954 | 2,954 |
| Due in the next 2 to 5 years | 4,431 | 7,385 |
| | 7,385 | 10,339 |

### 34 Related Party Transactions

The Trust has a number of transactions with its subsidiaries. The Trust provides accommodation, management, IT and other services to its subsidiaries, details of these are as follows:

| | Chatham Historic Dockyard (Trading) Ltd £ | Master Ropemakers Trading Ltd £ | Historic Dockyard Property Ltd £ | Historic Dockyard Property(2005) Ltd £ | Total 2023 £ |
|---|---|---|---|---|---|
| **From the Trust:** | | | | | |
| Employment recharges | 334,470 | 33,606 | - | - | 368,076 |
| Rent | 19,000 | - | - | - | 19,000 |
| Utilities | 3,633 | - | - | - | 3,633 |
| Rope purchases | - | 278,870 | - | - | 278,870 |
| Finance and insurance costs | - | - | 5,340 | - | 5,340 |
| | 357,103 | 312,476 | 5,340 | - | 674,918 |
| Amounts owed from/(to): | 64,048 | 30,888 | 29,245 | (3,086) | 121,095 |

**34 Related Party Transactions (continued)**

| | Chatham Historic Dockyard (Trading) Ltd | Master Ropemakers Trading Ltd | Historic Dockyard Property Ltd | Historic Dockyard Property(2005) Ltd | Total 2022 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **From the Trust:** | | | | | |
| Employment recharges | 247,482 | 24,114 | - | - | 271,596 |
| Rent | 19,000 | - | - | - | 19,000 |
| Audit fee recharges | 3,750 | 3,500 | 1,250 | 1,250 | 9,750 |
| Postage costs | - | - | 1,500 | - | 1,500 |
| Utilities | - | - | - | - | - |
| Rope purchases | - | 265,123 | - | - | 265,123 |
| Finance and insurance costs | - | - | 3,779 | - | 3,779 |
| | 270,232 | 292,737 | 6,529 | 1,250 | 570,749 |
| Amounts owed from/(to): | 1,470 | 25,312 | 18,428 | 55,627 | 100,837 |

The subsidiaries have committed to distribute any profits made, by way of charitable donation, to the Trust on an annual basis (see note 18).

The balances due from the subsidiaries are shown in note 21.

**35 Financial instruments**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Financial assets at fair value through profit or loss | 632,322 | 655,516 | 632,322 | 655,516 |
| (Loss)/Gain on financial assets at fair value through profit or loss | (23,194) | 67,380 | (23,194) | 67,380 |

Financial assets at fair value through profit or loss are valued using quoted market prices in an active market.

The risk from financial instruments primarily arises from its bank deposits, where the Trust is exposed to credit risk. The Trust seeks to minimise this risk as far as possible risks by using a number of different banks each of which must each have a good credit rating. The Trust is also exposed to credit risk from the trade debtors of its subsidiaries, which it seeks to minimise by undertaking credits checks and restricting sales to customers in default.

The financial assets at fair value through profit or loss also give rise to market risks, which are managed by investing in common investment funds and by having a mix of listed investments and cash deposits.

**THE CHATHAM HISTORIC DOCKYARD TRUST**

England & Wales - Charity number 292101

# Accounts

# The Chatham Historic Dockyard Trust

## Trustees' Report and Financial Statements

## for the year ended 31 March 2022

Company number 01804108

Registered Charity number: 292101

# Vision

The most complete and best-preserved Dockyard of the Age of Sail will increase its impact through innovative reuses of our heritage assets making it ever more relevant to all users, providing excellent experiences for all and inspirational learning for the widest audiences.

# Our Strategic Objectives

**Preservation**

To set the benchmark in maintaining excellence in the sympathetic preservation and use of The Historic Dockyard, its buildings, ships and collections through diverse re-use. Excellence in management of the heritage environment and building use will remain essential in preserving the unique, award-winning, historic character of the site.

**Learning**

To engage the widest audiences in learning about the significance and role of the former Royal Dockyard at Chatham and its people in supporting the Royal Navy from sail to steam to nuclear power over a 400 year period.

Utilising on-site heritage assets as the foundation for an industry leading museum and heritage site, we will maximise our reach and capacity whilst maintaining quality in delivering inspirational programmes and engaging activities which will incorporate the best use of digital technology and outreach activities.

**Excellence**

Providing excellence in everything we do, we will deliver an unmatched, inspirational and memorable experience for all users of The Historic Dockyard – whether visitors, tenants, residents or students – that exceed their expectations and maintains a balanced ecology of uses.

In setting and pursuing these objectives the Trustees have had regard to the Charity Commission's guidance on public benefit.

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**Patron**

HRH The Prince of Wales

**Vice Patrons at 31 March 2022**

Admiral of the Fleet Lord Boyce KG GCB OBE DL
Admiral Sir Ian Garnett KCB
The Rt. Hon Sir Timothy Sainsbury Kt PC

**Trustees and Board Members**

Admiral Sir Trevor Soar KCB OBE DL (Chairman)
Mr R Allison (Appointed 25/11/2021)
Sir Ian Andrews CBE, TD
Councillor Rodney Chambers OBE
Mr W A Corbett
Mr M Hallam (Resigned 25/11/2021)
Mr P D Hudson
Mr P Jackson OBE
Mrs S Matthews-Marsh MBE (Resigned 24/02/2022)
Miss S E Roots
Mr P K Sarwal
Mr D Wilson OBE
Mrs D Wells OBE (Appointed 24/05/2022)

**Secretary**

Mr C Langridge

**Company members**

The Trustees and Board Members (as above)
The Rt. Hon. The Secretary of State for Defence
The Rt. Hon. The Secretary of State for Digital, Culture, Media and Sport
Mr John Spence OBE DL

**Key Management**

| | |
|---|---|
| Mr R Morsley | Chief Executive |
| Mr P Barnard | Chief Operating Officer |
| Ms L Crisp | Director of Communications and Public Engagement (Appointed 01/04/2021) |
| Mr R M Holdsworth MBE | Director of Heritage, Public Engagement and Learning (Retired 30/06/2021) |
| Mr N Howard | Director of the Historic Environment and Buildings |
| Mr C Knott | Financial Controller |

**Bankers**

Barclays Bank PLC
13 Fremlin Walk
Maidstone
Kent ME14 1QG

**Auditor**

Azets Audit Services
Greytown House
Orpington, Kent BR6 0NZ

**Solicitors**

Cripps LLP
22 Mount Ephraim
Tunbridge Wells
Kent TN4 8AS

**Registered Office**

1st Floor North
Fitted Rigging House
The Historic Dockyard
Chatham
Kent
ME4 4TZ
Tel: 01634 823800 /www.thedockyard.co.uk

The Trust gratefully acknowledges the financial and other support during 2021/22 of its Dockyard Ambassadors, and of its many stakeholders and funders, so essential to its successful operation.

Major Donors and Supporters during 2021/2022 (in alphabetical order):

Arts Council England
BAE Systems
DCMS Wolfson Museums and Galleries Improvements Fund
The Department for Digital, Culture, Media and Sport (DCMS)
The Garfield Weston Foundation
Historic England
Marsh Christian Trust
Medway Council
The Michael Uren Foundation
National Lottery Heritage Fund
South East LEP

We would like to thank all of the individuals and organisations that have supported the Historic Dockyard through this year, including those who have generously left gifts in the form of a legacy. Their support is hugely appreciated and makes a real difference to the valuable work we do.

In addition, we would like to thank, in particular, the Department for Digital, Culture, Media & Sport and Medway Council for their continued valuable support.

The Chatham Historic Dockyard Trust is a registered charity (Charity No. 292101) and registered company (Company No. 01804108).

Gifts and donations made by UK taxpayers under gift aid substantially increase the value of donations made.

The Trust is a Fully Accredited Museum.

## Chairman's Introduction

It seems almost unimaginable that I am writing my third annual review through a lens of COVID. A third year where a global pandemic has hugely impacted our business.

This document reports against the period 1 April 2021 to 31 March 2022. Normally by the time a new financial year begins, our visitor attraction and museum has been open and trading for two months. On 1 April 2021 we were amid a national lockdown with cases of COVID rising around us. Whilst the lockdowns of 2021 were more relaxed than those initial restriction periods of 2020, we were not able to open our doors to paying visitors until 17 May - almost 4 months late and missing the crucial peak Easter holiday trading period.

### *Achieving the Learning Purpose*

When we were finally able to open to visitors, we did so with the launch of a new temporary exhibition, Hidden Heroines: the untold stories of the women of the Dockyard. The exhibition was researched and developed entirely by our in-house team and marked the first time in the Trust's history that the stories of the Dockyard have been told through the voices of women.

Visitors returned but still exercised a degree of caution. As per 2020, we placed COVID safety messaging at the forefront of our communications and the work of our teams in delivering a safe but enjoyable day out continued to be reflected through positive TripAdvisor, Google and Facebook reviews.

In February, the 2022 visitor season began with a visit from our Patron, His Royal Highness The Prince of Wales. It was an honour to welcome him to the Dockyard and highlight the many developments across the estate since his last visit in 2013. Ever since he become Patron His Royal Highness has taken significant interest in the work of the Trust and has been very supportive throughout the pandemic. We were especially pleased that he chose to visit just two days in advance of our season opening as the visit attracted significant attention from both the national and local media.

### *New Exhibitions*

Diving Deep: HMS Invincible 1744 tells the story of the Invincible, her sinking and subsequent fascinating discovery over 260 years later. The exhibition has been developed in partnership with the National Museum of the Royal Navy, Bournemouth University and Maritime Archaeology Sea Trust (MAST) with funding from the National Lottery Heritage Fund. Originally due to open in Chatham in 2020 but postponed due to COVID restrictions, the exhibition was officially opened by our research volunteers who worked tirelessly during the national lockdown periods developing content for the exhibition with our partners in Portsmouth.

Not content with one gallery opening, we unveiled a brand new Ropery Gallery in March. The new exhibition experience uses immersive film, hands-on interactives, and displays, to tell the story of rope and its place in British history, with over 400 years rooted in Chatham. It also houses one of the best collections of rope in the world thanks to the Trust acquiring Des Pawson MBE's vast collection of rope-making and rope related objects from his Museum of Knots & Sailor's Ropework in Ipswich.

### *Achieving the Preservation Purpose*

With over 100 buildings and structures, including 47 ancient monuments, preservation on our historic estate can never stand still. Our strategy of 'preservation through reuse' remains effective and our commercial estate sustains an enviable rate of occupation.

This year our Historic Buildings team has refurbished The Old Surgery and carried out a major redecoration of Commissioner's House. Work on The Officer's Reading Room and former Guard House are ongoing with potential tenants already identified. The George III coat of arms on Main Gate has been cleaned and repainted using a staggering 100 books of 23.ct gold leaf. The team has painstakingly cleaned, reset loose and dislodged paving, and regrouted The

Queen's Stairs, one of our Scheduled Ancient Monuments and the stairs a young Nelson used when joining his first commission at Chatham.

We are in the process of acquiring our 48th Scheduled Ancient Monument. In a partnership between Medway Council, the University of Kent's Institute of Cultural and Creative Industries and the Trust, the Police Section House, a Grade II listed Scheduled Ancient Monument will be developed into innovative new creative space called The Docking Station. This new development will become a high-quality international creative digital hub that provides cutting edge technologies, performance and training opportunities. Construction is planned for 2024.

Our trophy cabinet received some additional awards this year with the Fitted Rigging House wining The Royal Institute of British Architects (RIBA) South East Sustainability Award 2021 and the Trust being named overall regional winner as well as Client of the Year.

**External Support**

Support through third-party sources has been imperative to the Trust's survival. During this period, we have been fortunate to receive significant grant support from the Arts Council England, the second round of the Department for Digital, Culture, Media and Sport (DCMS) Culture Recovery Fund, DCMS Wolfson Museums and Galleries Improvements Fund and the Garfield Weston Culture Fund, all of which have provided vital funding towards reopening costs, gallery development, essential maintenance and the continued delivery of our preservation charitable objective.

During this financial year we also received funding from the Levelling Up Fund to the value of £2.2m to develop the remainder of the Fitted Rigging House into c. 20,000 sqft of commercial office space.

**Succession Planning**

I reported in my previous review that after nearly twenty years, long-standing Chief Executive, Bill Ferris CBE DL stood down at the end of August 2020. This year marked another significant departure from the senior team, with Director of Heritage, Visitor Experience and Learning, Richard Holdsworth MBE, retiring after a staggering 36 years' service. Richard joined Chatham Historic Dockyard Trust as its first Curator in 1985 and over the past three and a half decades, Richard has taken the Dockyard through periods of great change.

Whilst Richard has retired from day-to-day operational involvement, I am pleased to report that he remains with us in the position of Curator Emeritus and we continue to utilise his vast knowledge and expertise. Richard's announcement formed part of a managed succession programme for the Trust which has seen Richard Morsley appointed as Chief Executive (appointed September 2020) and Paul Barnard as Chief Operating Officer (appointed October 2020).

**Looking to the Future**

As I write, we appear to be over the worst of the global pandemic with the impact of the virus largely mitigated through the defence provided by the vaccination programme. This year we are facing a whole new set of challenges and a cost-of-living crisis. Our success is underpinned by our people and, as Chairman, I am very proud of their remarkable achievements but as the purse strings tighten for many, we must remain relevant and appealing to all our audiences in an ever-changing economic landscape. We look to the future with a cautious confidence, during what we hope will be our first full season opening for 3 years. We have much to celebrate in the coming year, including HM Submarine Ocelot's 60th anniversary and, for the first time, we are making plans to open the Historic Dockyard for Christmas.

Admiral Sir Trevor Soar KCB OBE DL

Chairman



## Strategic Report - Vision & Objectives

### Vision

The most complete and best-preserved Dockyard of the Age of Sail will increase its impact through innovative reuses of our heritage assets making it ever more relevant to all users, providing excellent experiences for all and inspirational learning for the widest audiences.

### Our Core Charitable Objectives

The preservation of the Historic Dockyard Chatham, the most complete 18th Century dockyard in the world and;
The education of the public in its historical, architectural and archaeological importance.

### Our Strategic Objectives

**Preservation**
To set the benchmark in maintaining excellence in the sympathetic preservation and use of The Historic Dockyard, its buildings, ships and collections through diverse re-use. Excellence in management of the heritage environment and building use will remain essential in preserving the unique, award-winning, historic character of the site.

**Learning**
To engage the widest audiences in learning about the significance and role of the former Royal Dockyard at Chatham and its people in supporting the Royal Navy from sail to steam to nuclear power over a 400 year period.

Utilising on-site heritage assets as the foundation for an industry leading museum and heritage site, we will maximise our reach and capacity whilst maintaining quality in delivering inspirational programmes and engaging activities which will incorporate the best use of digital technology and outreach activities.

**Excellence**
Providing excellence in everything we do, we will deliver an unmatched, inspirational and memorable experience for all users of The Historic Dockyard – whether visitors, tenants, residents or students – that exceed their expectations and maintains a balanced ecology of uses.

### Achieving the Vision and Objectives

**Learning**

The Trust has traditionally operated its ships, collections, open spaces, museums, galleries and programmes as a visitor attraction to meet the majority of its Learning objectives.

Before the pandemic there was an ambition to grow visitor numbers to 225-250K but with a fundamentally different operating environment and shifts in consumer behaviour, reaching such targets will not be achievable for several years.

Maintaining a connection with our audience via digital interaction was incredibly successful during 2020. This work proved that high quality digital engagement has a long-term role to play both in delivery of our charitable objectives and as a tool for promotion of on-site visits, so even when the visitor attraction and museum opened to visitors in May, digital engagement remained an integral part of the delivering the Learning objective.

The 2021 season ran from 17 May to 21 November and 58,013 visitors were welcomed through the doors. From 5th February to 31st March 2022, 21,733 visitors spent the day with us, resulting in 79,746 visitors for this reporting period.

*Unveiling Untold Stories*

Hidden Heroines: the untold stories of the women of the Dockyard opened to visitors in No.1 Smithery in May 2021. The exhibition, conceived entirely by the in-house team, challenged preconceptions of all naval heroes being male and revealed the variety of fascinating roles women played on land and at sea.

Photographs, archive materials, extraordinary objects and soundscapes revealed previously untold stories from the Spinning Room and Sail and Colour Loft to tales of stowaways, transvestism, and the extraordinary women whose impact left a lasting legacy. The exhibition explored what women did during times of war and highlighted many colourful characters - including Jane Austen's sister-in-law Fanny, and Zandra Bradley, the first female apprentice.

*Community Collaboration*

In partnership with the Mess Room, Kent Association for the Blind, Peer Arts and Deaf Peer Arts, we opened a new, temporary exhibition entitled "Hidden Heroines: by the Mess Room and Friends." The exhibition of artworks by local sight impaired, blind, deaf or hard of hearing artists was developed in response to 'Hidden Heroines: the untold stories of women of the Dockyard'. COVID-19 pandemic restrictions meant the art group were unable to meet for over a year and this project was developed to give local artists the opportunity to reconnect with each other and their local history. Every artist rose to the challenge of 'art homework' and as a result created an incredible exhibition.

*Brand Partnership*

Announced on 'Talk Like a Pirate' day, we developed a brand partnership with Bloomsbury Children's Books to celebrate the paperback publication of the bestselling piratical adventure Pirate Stew, written by award-winning storyteller Neil Gaiman and illustrated by Chris Riddell. Throughout October families could join Long John McRon, Ship's Cook, on a new discovery trail around the Historic Dockyard, to locate his missing pirate crew and their unusual stew ingredients. Over 7,500 families enjoyed the discovery trail, joined storytelling sessions onboard HMS Gannet and tucked into doughnuts from Sally's Little Donut Shop.

*Festivals in Full Swing*

The UK's premier wartime ensemble, The D-Day Darlings, headlined Salute to the '40s in September. After being postponed in 2020, the annual vintage festival returned with a packed programme of performances, dance workshops and military displays, all brought to life by incredible re-enactors. At 5,200, visitor numbers were lower than in previous years, but set against a backdrop of uncertainty around whether the event would be able to go ahead (rules around "mass gatherings" were constantly changing), the priority was to deliver a safe event for our visitors and our teams. Excellent feedback was received and plans for 2022 are already well underway.

The Trust was also delighted to host the inaugural Medway Gaming and Creative Festival on 3rd and 4th July 2021. This event was held in partnership with Medway Council and was one of the first major events to take place following the lifting of restrictions following COVID-19 lockdowns earlier in the year. The event welcomed 3,000 people (limited capacity for safety reasons) and was regarded as success leading to the further development of this event in 2022. The weekend welcomed a range of new audiences to the Historic Dockyard, further helping to delivery against our Learning objective.

*Access Tours*

With thanks to funding from Arts Council England we were able pilot a series of access tours during 2021.

Two audio described tours took place, one focussing on Hidden Heroines: the untold stories of the women of the Dockyard and the second, covering Diving Deep: HMS Invincible 1744. The specially tailored events for blind and visually impaired audiences and their families were delivered by local artist Wendy Daws of the MESS ROOM, a community arts studio based at Sun Pier House, Chatham, who works closely with Kent Association for the Blind. Both tours were fully booked, and valuable feedback was gathered to inform a programme of tours for the 2022/23 season.

Led by a deaf British Sign Language (BSL) user and BSL tour-guide, we ran two BSL tours focussing on the Dockyard's buildings, ships, and the people who worked at Chatham. These tours were well received by the participants and further sessions are planned for 2022.

Working in partnership with Kent Autistic Trust and local charity, Club Ausome, we held our first relaxed opening afternoon during October half term. The afternoon was designed for visitors with autism, learning disabilities or sensory and communication needs, along with their families. The free to access afternoon ensured fewer visitors across the Dockyard and provided a quieter atmosphere. The inaugural relaxed afternoon sold out within 12 hours of the session being put online, clearly demonstrating a high demand for this type of experience. Feedback from visitors was overwhelmingly positive and we ran a further session during the Easter school holiday.

*Diving Deep: HMS Invincible 1744*

In February we opened new, temporary exhibition Diving Deep: HMS Invincible 1744, an exciting maritime archaeological exhibition developed in partnership with the National Museum of the Royal Navy, Bournemouth University and the Maritime Archaeology Sea Trust (MAST) with funding from the National Lottery Heritage Fund. The exhibition allows visitors to tread the seabed virtually and investigate the exciting finds from HMS Invincible - an important 18th century battleship that ran aground on a sand bank over 260 years ago.

The exhibition was officially opened by our research volunteers who worked with our partners in Portsmouth to develop the exhibition content during the national lockdown periods. The work of the volunteers and their outstanding contribution to the exhibition was recognised with a prestigious Marsh Award for Museum Learning. The exhibition is showing in Chatham until November 2022.

*New Permanent Ropery Gallery*

On 26 March we officially 'cut the rope' and opened a new Ropery Gallery tying together the amazing stories of the people whose lives are intertwined with the production of rope at Chatham. With thanks to funding via DCMS Wolfson Museums and Galleries Improvements Fund and the Garfield Weston Culture Fund, visitor capacity to this important gallery has now been doubled. The new exhibition uses immersive film, hands-on interactives, and displays, to tell the story of rope and its place in British history. It also houses one of the best collections of rope in the world thanks to the acquisition of Des Pawson MBE's vast collection of rope-making and rope related objects from his Museum of Knots & Sailor's Ropework in Ipswich. Produced by Brona Martin and Aki Pasoulas of the University of Kent and Andrew Knight-Hill from the University of Greenwich, a unique screen made of rope shows photographs as an audio soundscape play giving a sense of the sounds heard in the working Ropery.

Visitors see history brought to life in the immersive exhibition and take part in rope making before exiting on to our incredible ¼ mile long Rope Walk.

**Preservation**

With over 100 buildings and structures, including 47 ancient monuments, preservation on our historic estate can never stand still. We achieve our charitable purpose of 'preservation' through our long-term 'Preservation through Reuse' strategy.

*Caring for Scheduled Ancient Monuments*

This year our Historic Buildings team has refurbished The Old Surgery and carried out a major redecoration of Commissioner's House. Funded by the Historic England Heritage Recovery Fund, Scheduled Ancient Monument consent was granted for works to replace the defective stairway to the Commissioner's House balcony and to increase the height of the balustrade to meet building regulations.

The Queen's Stairs, the stairs a young Nelson used when joining his first commission at Chatham, have been stabilised and grouted, returning them to their former glory all whilst perfectly timing the work around the tide times for the River Medway.

Another Scheduled Ancient Monument, the Crew's Quarters Office, was four small offices with a narrow passage linking them. The team has refurbished the space to form one large open plan office, a meeting room and a small office for a total of 1100 sq ft accommodation.

The railings and lantern around the front of the Commissioner's House (Scheduled) were unfortunately hit by a vehicle which resulted in significant damage. A new Portland stone base block had been laid, the iron work cleaned and straightened and the lantern replaced incorporating parts from the original. The iron work has been set in lead using traditional methods and the whole assemble decorated.

We are in the process of acquiring our 48th Scheduled Ancient Monument. In a partnership between Medway Council, the University of Kent's Institute of Cultural and Creative Industries and the Trust, the Police Section House, a Grade II listed Scheduled Ancient Monument will be developed into innovative new creative space called The Docking Station. This new development will become a high-quality international creative digital hub that provides cutting edge technologies, performance and training opportunities. Construction is planned for 2024.

*Historic Ship Maintenance*

The preservation of our historic ships is a huge part of what we do. Rot was discovered on a routine inspection of HMS Gannet so our historic ships team has been working with specialist TS Rigging. The team has uninstalled the spars, bringing them down in order so they can be serviced and repairs, using traditional methods, can be carried out to them. Gannet's mast will be reinstalled later in 2022.

*Caring for Ancient Objects*

In 1811, George III commissioned a coat of arms on Coade stone to hang on the Main Gate (1720). During the summer our Historic Environment and Buildings team cleaned, painted and re-gilded the arms using almost 100 books of 24k Carat gold leaf. Before the metal finish was applied, years of dirt, grease and debris from every crease and corner of the heraldic crest was carefully removed. The restoration project took six weeks. The gate itself still requires further decoration and repair but the results showcase the team's expert craftmanship. The gilding is expected to last until at least 2041.

**Achieving Excellence**

As an independent charity our aim is to provide excellence in everything we do. We strive to deliver unmatched, inspirational and memorable experiences for all users of the Historic Dockyard - whether visitors, tenants, residents or students - that exceed their expectations.

Developing excellence is the key to unlocking income and creative development across a number of areas.

*Quality Assured*

We believe that benchmarking against others and using external judgement through accredited schemes is the best way to assess achievement. We participate in the VisitEngland Visitor Attraction Quality Assurance Scheme (VAQAS) and we're pleased to report that for 2022 we received a score of 93 out of 100.

**Travellers' Choice**

We are delighted to have been awarded the 2022 Tripadvisor Travellers' Choice Award, which recognises outstanding visitor experiences, for the 11th year running.

**Investing in our people**

Investment in our staff and volunteers as an educational charity is fundamental to our culture and essential for our future success.

The challenges of operating the business over the last two years has placed a huge amount of strain on our teams. The Board of Trustees and Executive team worked hard to ensure all teams, whether on furlough, returning from furlough or in continuous employment, remained engaged and in touch with the organisation. Getting back to a sense of

normality and, for many, adjusting to the return to a physical workplace has not been easy. A series of new working practices, particularly around flexible working, were introduced to help aid the transition and to reflect the changing nature of the working environment, brought about by COVID. Despite these challenges, our teams have shown remarkable resilience and motivation, continuing to strive for excellence across all areas of our operation. We thank them for their continued support and energy shown during this difficult period.

We continue to manage talent within our organisation. Following the retirement of some long-standing members of the team, a succession planning process has engaged people at different levels of the Trust.

In addition to a new Executive team, a number of other key appointments were made to support development within the organisation, including:

James Morgan, Heritage Engineering and Historic Ships Manager (new appointment) - appointed June 2021

Nick Ball, Collections, Galleries and Interpretation Manager (new appointment) - appointed August 2021

Jessica Hopkins, Estate Manager (new appointment) - appointed September 2021

Karoline-Sofie Hennum, Conservator (new appointment) - appointed January 2022

Antonio Di Benedetto, Visitor Experience Manager (internal promotion) - appointed December 2021

In addition to the team, Professor Robert Allison CBE, the recently retired Vice Chancellor and President of Loughborough University, was appointed to the Board of Trustees in November 2021.

We have policies in place to encourage good relationships with staff and managers, and to promote a happy and productive working environment. The areas covered include training in health and safety, GDPR, equal opportunities, technology and safeguarding. A comprehensive staff handbook is issued to all new staff during induction and is available through internal systems.

Engaging diverse audiences and ensuring everyone has access to The Historic Dockyard Chatham is a priority. In February the Board of Trustees adopted a new Equality, Diversity and Inclusion strategy putting the importance of this work stream at the highest level. The strategy documents how we aim to better understand our barriers to entry and make The Historic Dockyard Chatham welcoming and inclusive for everyone.

Staff Complement

Permanent 73

Seasonal 60

Volunteers

The year saw the long-awaited return of our volunteer teams, after all volunteering activity was stopped during 2020. All volunteer groups returned by May 2021 and recruitment for new volunteers began shortly after. From railway operators to ship-keepers and conservators to researchers, volunteers are crucial to the operation of the Historic Dockyard and the Trust is forever grateful for the time and expertise our volunteers bring to the organisation.

**Trading activity**

As an organisation we are committed to being entrepreneurial, dynamic and proactive whilst remaining focussed on activity that maximises charitable purpose. We use trading activity to generate income to further our core purpose.

*Visitor Trading*

With the visitor attraction and museum closed to visitors, our Commercial Operations team had a challenging year but, when the full range of hospitality services were able to resume it was 'all hands on deck.'

Our consolidated trading result generated a net profit of £99k, with 'spend per head' hitting a record breaking high. We saw a positive return to weddings and corporate hire with the year-end income position being ahead of budget at £148,000.

*Call the Midwife*

Call the Midwife location tours remain a popular choice for visitors and our costumed midwife guides took over 5600 fans through our official tour and gallery.

*Filming*

We remain a popular choice for location managers with our filming business having a good year, generating over £296,000 in income.

*Rope Sales*

Rope sales were £430k for the year versus £288k in 2020/21, an encouraging increase but still below pre-Covid volumes.

**Governance**

In accordance with the articles of association there are eleven trustees, all of whom are the Directors and also members of the Trust, which is a company limited by guarantee. The Secretary of State for Digital, Culture, Media & Sport, the Secretary of State for Defence and Mr John Spence OBE DL are also members of the Trust company.

The Trust Board retains ultimate responsibility for strategic decision-making, but ordinary management of the activities and business of the Trust is delegated to the Chief Executive, who in turn delegates specific management areas to appropriate member of his executive team. Specific and defined expenditure and contractual limits are in place and operate effectively. The Chief Executive and key members of the Executive team report regularly to Board committees and to the Trust Board itself.

As vacancies in the Trust Board from time to time arise, it is Trust policy to ensure that new appointments reflect specific skill sets seen as important for a charity of this nature. In accordance with an established protocol, nominations for new Trustees are invited from existing Board members, and considered by a Nominations Committee, comprising the Chairman of the Trust and the Chairman of the Remuneration Committee, who consult and invite representations from appropriate Board members. After an interview process, a formal proposal is put to the full Board for decision. Once appointed, new Trustees are given a full day's induction at the Historic Dockyard which includes a full site tour and time spent understanding the business with the Chairman, Chief Executive and other senior managers of the Trust with on-going training provided as necessary.

The Trust Board, Committees of the Board and wholly owned subsidiaries (see below), with their separate boards, have all operated effectively during the year, providing strategic guidance to the Executive team and all important oversight and scrutiny of delivery against objectives set. Following best practice the Trust Board has effective Audit, Finance & General Purposes and Remuneration Committees as well as specially formed groups start-finish Committees, such as the Interface Land Committee, to focus particular scrutiny on areas considered to carry special significance and potential risk. The Audit Sub-Committee is comprised of 6 members (Pommy Sarwal, Tony Corbett, Paul Hudson, Sir Ian Andrews, David Philip and Sir Trevor Soar). The Committee meets twice a year (February and October).

The Remuneration Committee is comprised of 6 members (Tony Corbett, Sir Ian Andrews, Pommy Sarwal, Paul Hudson, David Philip and Sir Trevor Soar). The Committee meets at least twice a year (April and September) to consider pay conditions, any annual increases and performance related pay (where applicable).

**Financial Management Policies**

Management of the finances of the Trust remains the immediate responsibility of the Financial Controller who prepares detailed monthly financial and management accounting information for review by the Chief Executive. A summary of the financial position of the Trust and its subsidiaries is also presented for quarterly review and approval to the Finance and General Purposes Committee, and then to the Board itself.

**Trust Net Expenditure**

The consolidated Statement of Financial Activities for the year ending 31st March 2022 shows significant deficit of £999k on Net Expenditure but it should be noted that this deficit is due to a depreciation charge of £825k (£743k of which relates to depreciation of restricted assets) and restricted expenditure on projects for which the grant income was received in the prior year.

**Reserves Policy**

The policy of the Trust is to hold a general reserve in a minimum sum of £800k. This reserve is to cover various contingencies such as a significant uninsured loss, a significant event which damages the Trust's reputation leading to a reduction in visitor income and a reduction in the Trust's rental income. The general reserve can also be used to cover temporary cash flow shortfalls in receiving grant payments relating to major capital projects. At 31 March 2022 this reserve stood at £780k due to charitable reserves being required to support the operation of the charity.

The Trust also maintains a designated development reserve of at least £400k (£732k at 31 March 2022), use of which is only to be made when considered appropriate against a conscious review of future risks occurring over a project's /payback period. This reserve can be re-designated to general reserve following the review process should perceived risks have changed. The Trust also has a designated planned preventative maintenance reserve of £57k for future maintenance expenditure.

This will provide a minimum reserve of £800k but rising to a cash maximum of £1.4m when the development reserve is replenished by rentals received post project completion. The total free reserves at 31 March 2022 were £2,146k.

This policy is reviewed annually by the Trust Board.

**Investment Policy**

Following the Trust's policy review in 2014/15, £400k, as part of the general reserve, has been placed in medium term low risk investments through CCLA. These investments have now increased to £656k on 31 March 2022.

**Risk**

The Trust has an active risk register, which is reviewed by the Board twice in each year. The register covers identified strategic risks and monitors movement in risk as a key indicator of progress. Key risks are generally stable and considered manageable.

Chatham Historic Dockyard Trust holds a business risk register which is reviewed on a regular basis by the Board of Trustees. The register identifies key risks and at the point of reporting, these are listed as the following:

1. A substantial reduction in the resources required to meet the Trust's operational and development needs.
2. The occurrence of significant physical damage to the property, historic character or fabric of the Dockyard.
3. A failure in the strategic or operational management of the Trust.
4. A failure to maintain/manage our IT data-holding and related systems appropriately to meet statutory operational and security imperatives.
5. The loss of key staff or damage to morale within the workforce or volunteer community.
6. Failure to maintain a safe and healthy environment.
7. The loss of a key partner or relationship.
8. Inappropriate development or change of use of property adjoining or near to the Dockyard.
9. A change in government policy or professional standards which is incompatible with the charitable purposes of the Trust.

Each of these risks is scored and appropriate mitigating actions are taken to ensure both likelihood and impact are reduced where possible.

In light of the Covid 19 pandemic, a COVID-19 specific risk register was created specifically to address this emerging crisis. This was reviewed on a regular basis by the Board of Management and the Finance and General Purposes Sub-Committee but is now integrated into the wider risk register.

To enhance internal controls a member of the finance team provides an internal audit function as a substantial part of his role, reporting directly to the Chief Executive, and thence to the audit and compliance committee of the Trust Board.

A number of internal audits have been undertaken in designated areas, to ensure compliance with statutory and internal Trust requirements.

**Fundraising,**

Support through third-party sources has been imperative to the Trust's survival. During this period, we have been fortunate to receive significant grant support from the Arts Council England, the DCMS Culture Recovery Fund, DCMS Wolfson Museums and Galleries Improvements Fund and the Garfield Weston Culture Fund.

*Culture Recovery Fund*

We received grant of £384,144 from the Government's £1.57 billion Culture Recovery Fund to help reopen to visitors and support recovery from the pandemic. The award helped achieve our reopening plans, supporting our day to day visitor operations, as well as an enhanced family programme, digital engagement, and collection care.

The grant also allowed wider promotion of a temporary exhibition, Hidden Heroines: the untold stories of the women of the Dockyard, helping to stimulate visits through the summer.

*DCMS*

We were awarded £194,000 from DCMS to support a range of Planned Preventative Maintenance projects.

*Business Interruption Grants*

We successfully secured £15,215 in Business Interruption Grants and a further £24,907 for Chatham Historic Dockyard Trading. These grants will continue until the point we reopen the Museum and Visitor Attraction w/c 17th May 2021.

*Business Restart Grants*

As part of the reopening process for the Museum and Visitor Attraction, we received a grant of £18,000 with an additional £8,000 for CHD Trading from Medway Council as part of a Government backed scheme.

*Coronavirus Job Retention Scheme*

We made use of the Government Coronavirus Job Retention Scheme. Our seasonal team remained on full time furlough until the point of reopening the Museum and Visitor Attraction (w/c 17th May) and a number of our permanent teams remained on flexible furlough until the end of September 2021.

*DCMS/Wolfson Museums and Galleries Improvements Fund and Garfield Weston Culture Fund*

The new Ropery Gallery project brought in external funding totalling c£250k from the DCMS/Wolfson Museums and Galleries Improvements Fund and the Garfield Weston Foundation Culture Fund.

*Individual Fundraising Activity*

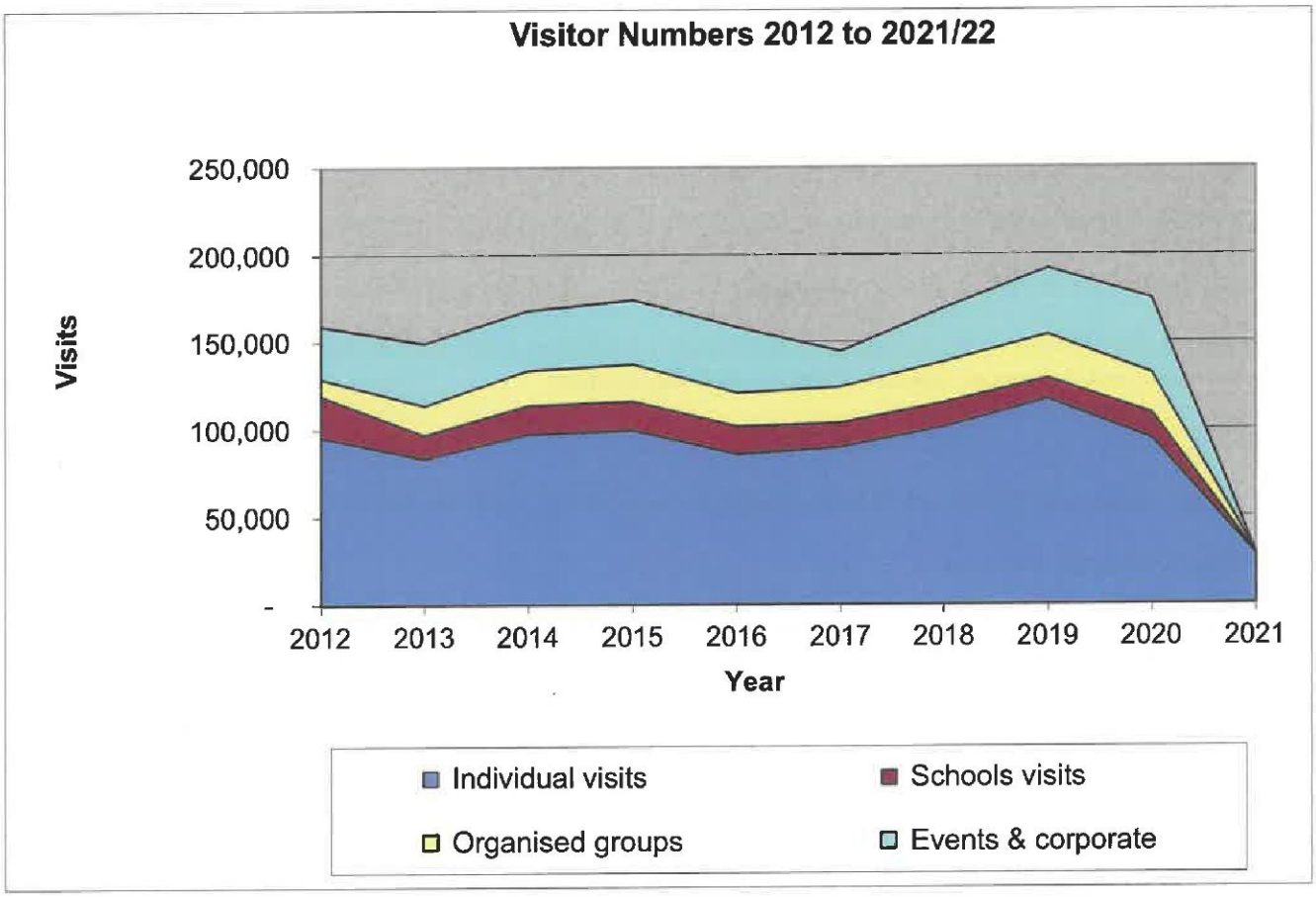
Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts received are presented in our accounts as "income from donations, including grants".

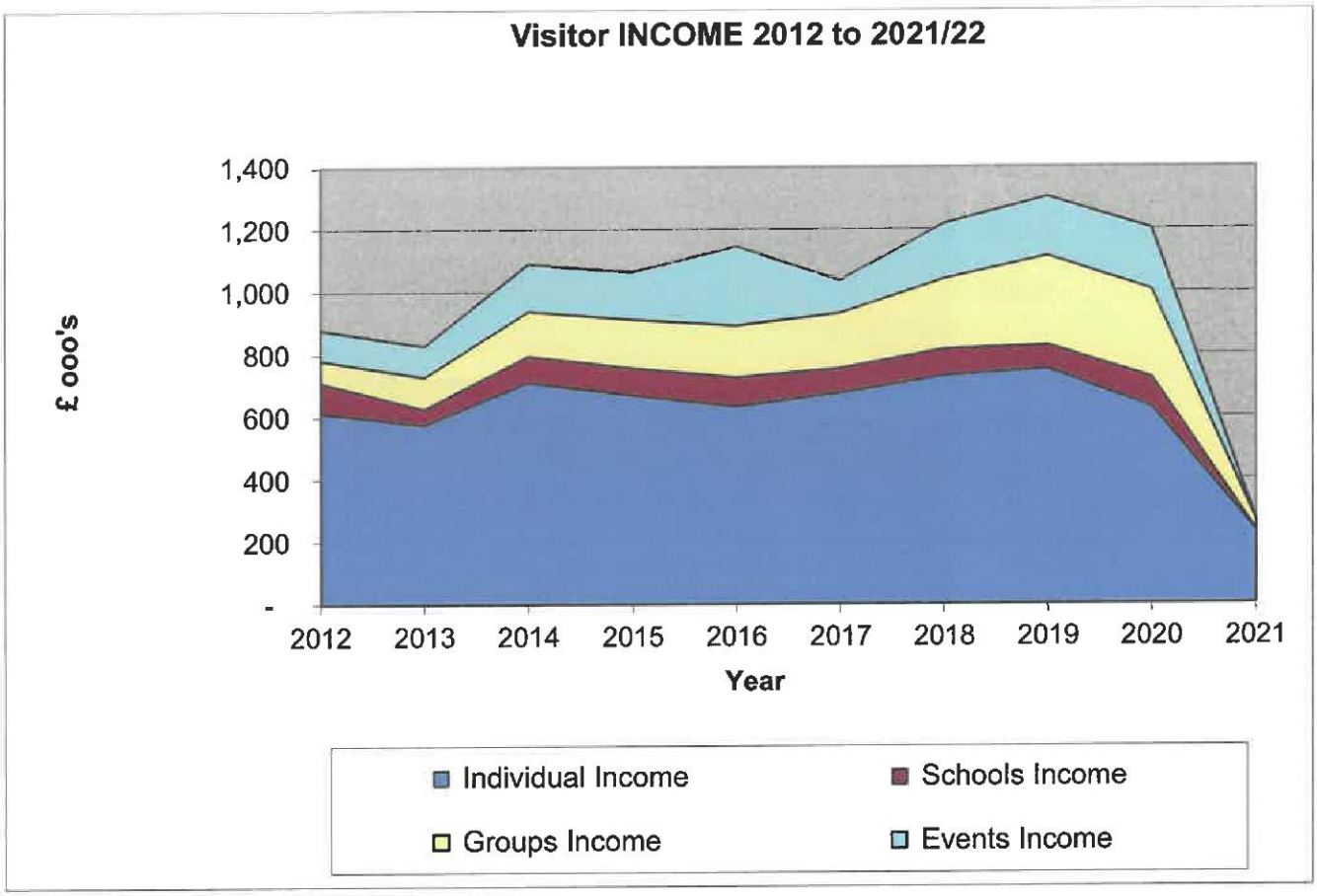
In relation to the above, we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees.

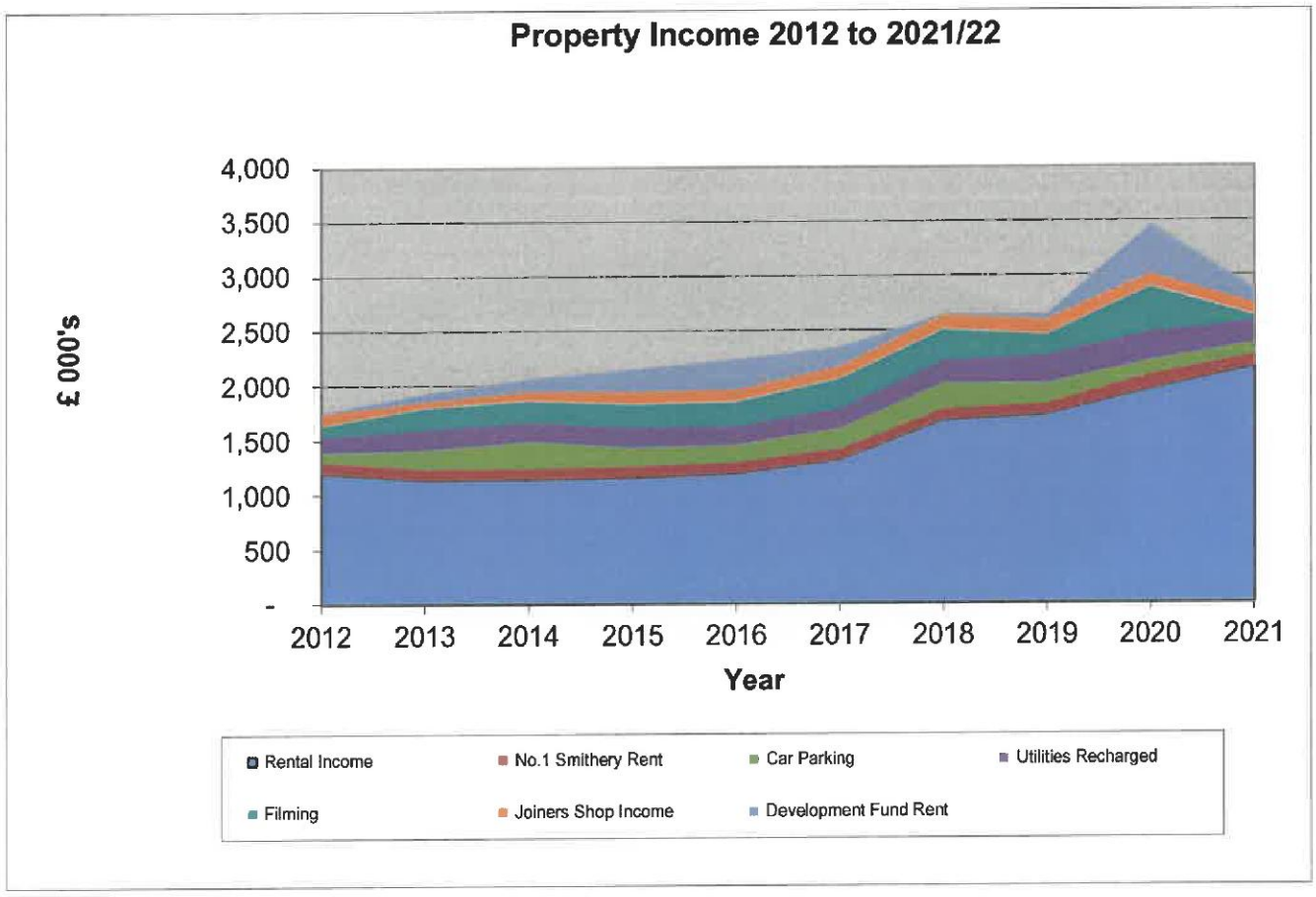
The charity is not bound by any undertaking to be bound by any Regulatory Scheme but any fundraising that does take place with individuals is in line with guidance set by the Fundraising Regulator.

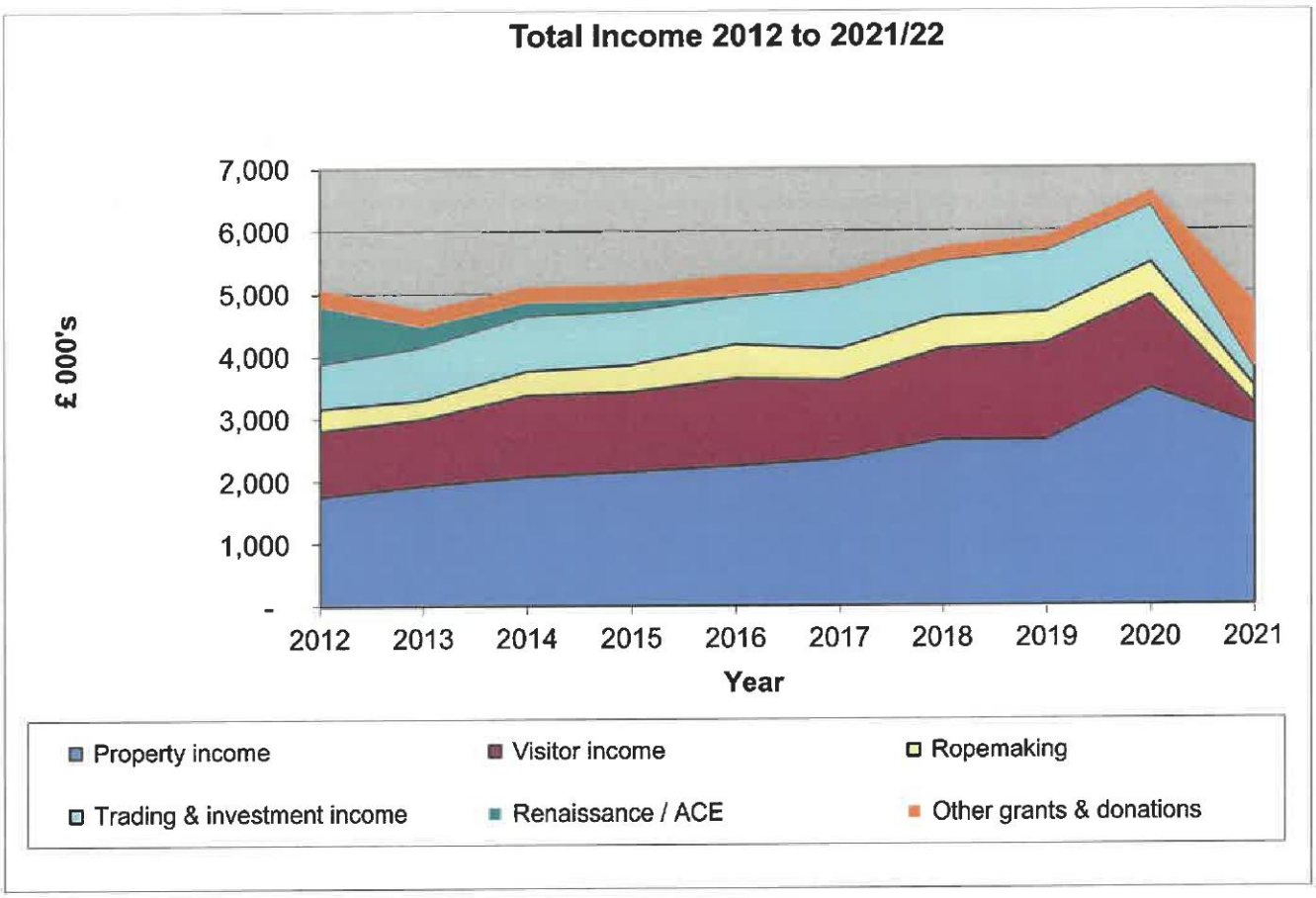
We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds we do not particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

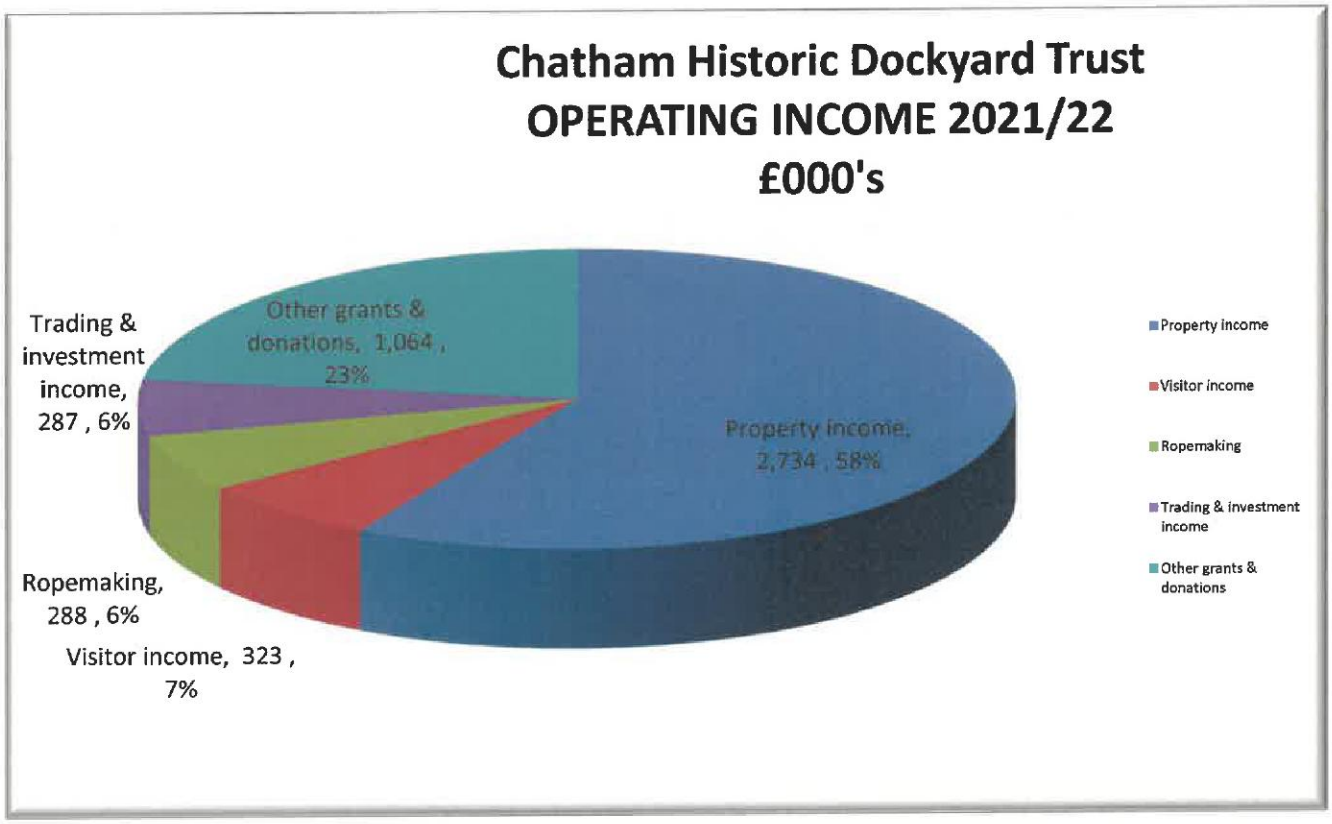
**Financial Statistics**

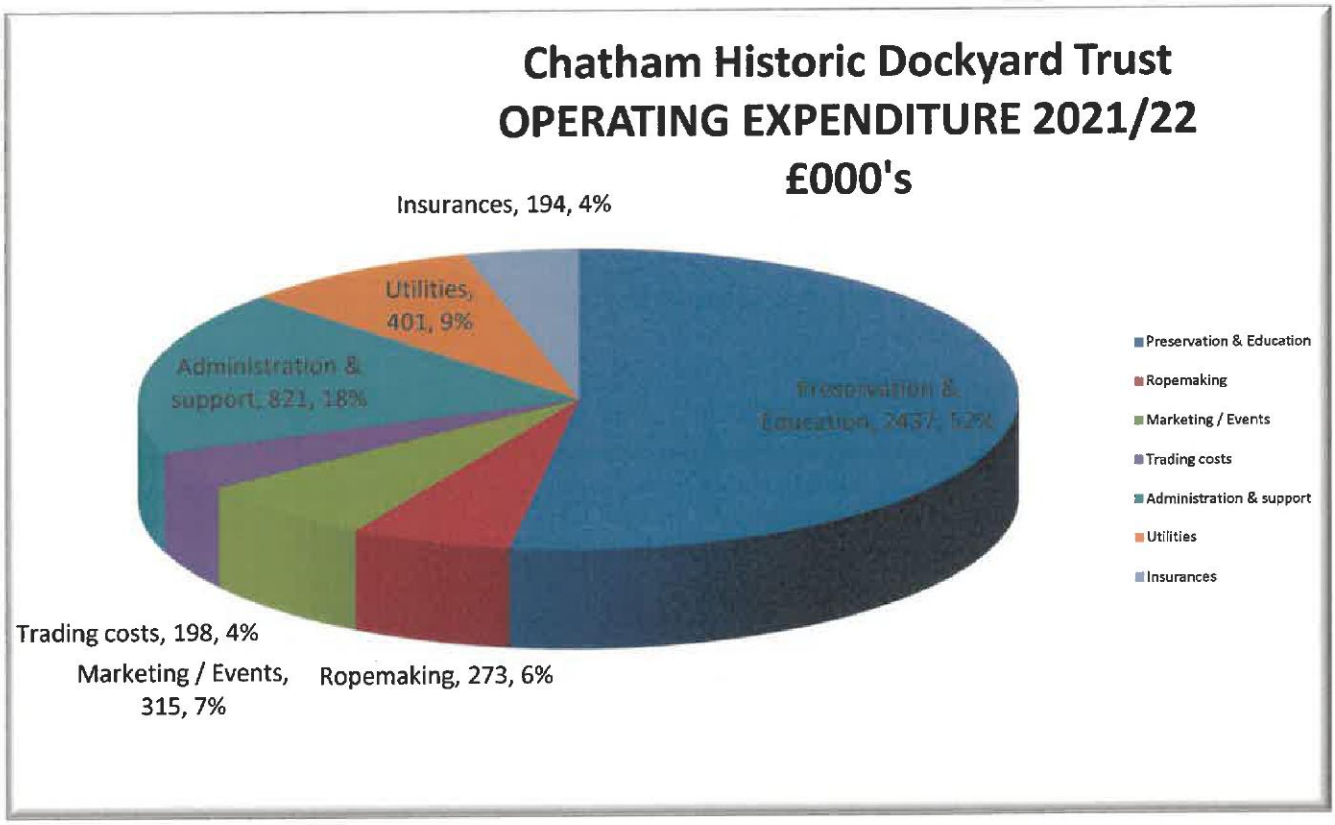



Visitor INCOME 2012 to 2021/22
£ 000's
1,400
1,200
1,000
800
600
400
200
-
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Year
Individual Income
Schools Income
Groups Income
Events Income


Property Income 2012 to 2021/22
£ 000's
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Year
Rental Income
No.1 Smithery Rent
Car Parking
Utilities Recharged
Filming
Joiners Shop Income
Development Fund Rent


Total Income 2012 to 2021/22
£ 000's
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Year
Property income
Visitor income
Ropemaking
Trading & investment income
Renaissance / ACE
Other grants & donations


Chatham Historic Dockyard Trust
OPERATING INCOME 2021/22
£000's
Trading & investment income, 287 , 6%
Other grants & donations, 1,064 , 23%
Property income, 2,734 , 58%
Ropemaking, 288 , 6%
Visitor income, 323 , 7%
Property income
Visitor income
Ropemaking
Trading & investment income
Other grants & donations




**Subsidiaries**

The Trust has four wholly owned trading subsidiaries which manage activities designed to create related income streams for the charity that do not arise from its primary purposes of preservation by re-use of its heritage assets and education.

In each case net profits are transferred to the Trust with the benefit of gift aid as a qualifying charitable donation.

The subsidiaries are:

*Chatham Historic Dockyard (Trading) Limited*

This subsidiary undertakes retail, catering and similar operations at the Historic Dockyard. The results for the year were:

| | **Retail** | **Catering** |
|---|---|---|
| Turnover | £145k | £503k |
| Net Profit/(Loss) | £22k | £77k |
| Spend per visitor | £2.08 | £6.07 |

*Property Companies*

The Trust has two wholly owned subsidiary property holding companies that manage the residential and potential development land on the Trust's estate:

*Net Profit for the Year*

| | |
|---|---|
| Historic Dockyard Property Ltd (HDPL) | £19k |
| Historic Dockyard Property (2005) Ltd (HDPL 2005) | £95k |

HDPL provides management and a range of maintenance services to the residential estate at the Historic Dockyard. It works closely with a formal Residents' Association. The time and commitment devoted by that Association is very valuable in helping to provide a well maintained and harmonious environment as part of the Trust's strategy of excellent service to all users of the estate.

HDPL 2005 owns and manages an area of potential development land within the estate, known as The Interface Land, currently let on commercial leases.

*Master Ropemakers (Trading) Ltd (MRL)*

The Trust recognises that the Ropery is one of its strongest visitor attractions. The combination of a guided tour and the traditional manufacturing process provide a highly enjoyable and educational experience. The manufacturing process, because of its educational value, is now undertaken by the Trust as part of its core activities, but the sale of manufactured rope and rope products continues as a commercial activity, undertaken by MRL.

The year saw the annual turnover for MRL reach £430k. There was a Net Profit of £112k which has been Gift Aided to Chatham Historic Dockyard Trust. Products made from manufactured rope for the retail market continue to grow in importance within the business of MRL. The encouraging results of the company are founded on principles of excellent customer service, quality production and diversification of product and markets.

**Energy Carbon Reporting**

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the 2018 Regulations) implement the government's policy on Streamlined Energy and Carbon Reporting (SECR). Although Chatham Historic Dockyard Trust currently falls outside of the SECR remit, the Trust commission a SECR report in order to voluntarily disclose Scope 1 and Scope 2 energy and carbon emissions for the 2021/21 fiscal year against a 2019/20 baseline.

The Trust fully acknowledges the climate change emergency and the urgency required to adapt and mitigate the effects of climate change. As a large multi operation estate with over 100 buildings, the Historic Dockyard Chatham is a large emitter of carbon through energy, water consumption, generated waste, purchase of supplier goods and transportation fuel. The Trust seeks to address the estate's carbon footprint by reducing operational energy within its buildings through adoption of green technologies, but equally through engagement with stakeholders to reduce energy demand. Moreover, the Trust seeks to assess current waste streams and energy drainers within operational activity in order to mitigate and reduce GHG emissions. Furthermore, the Trust recognises biodiversity loss from land development and human activity and will seek to restore and preserve natural ecosystems within the heritage estate.

| Electricity | Streamlined Energy and Carbon Reporting Baseline Year 1st April 2019 – 31st March 2020 | Streamlined Energy and Carbon Reporting Current Year 1st April 2021 – 31st March 2022 |
|---|---|---|
| kWh | 2,832,095 | 2,860,215 |
| GHG Conversions Factors | 0.25560 | 0.21233 |
| kg CO2e | 723,883 | 607,309 |
| Emissions from purchased electricity tCO2e (Scope 2, Location Based) | 724 | 607 |

| Gas | Streamlined Energy and Carbon Reporting Baseline Year 1st April 2019 – 31st March 2020 | Streamlined Energy and Carbon Reporting Current Year 1st April 2021 – 31st March 2022 |
|---|---|---|
| kWh | 3,397,532 | 3,403,479 |

| GHG Conversions Factors | 0.18385 | 0.18316 |
|---|---|---|
| kg CO2e | 624,636 | 623,381 |
| Emissions from combustion of gas tCO2e (Scope 1) | 625 | 623 |

*Methodology and Estimates*
**Baseline Year: 1 April 2019 to 31 March 2020**

*Scope 1: Emissions from combustion of gas tCO2e*
Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the invoiced gas consumption in kWh during the previous reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting 9version 1.3) for 'Natural Gas'.

*Scope 2: Location based: Emissions from purchased electricity tCO2e*
Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the above stated electricity consumption in kWh during the previous reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting 9version 1.3) for 'Electricity Generated/Electricity: UK'.

*Scope 2, Market based: Emissions from purchased electricity tCO2e*
Market based emissions are reported as 0 due to the fuel mix of the electricity purchased, as defined by the suppliers' fuel mix. Haven Power fuel mix: 1005 REGO Backed Renewable Electricity.

*Intensity ratio:*
The intensity ratio stated above has been calculated as Tonnes of CO2e per total square metres of property owned for Chatham Historic Dockyard as a whole (113,918m2)

**Current Year: 1 April 2021 to 31 March 2022**

*Scope 1: Emissions from combustion of gas tCO2e*
Location Based Tonnes of CO2 equivalent ( tCO2e) are calculated from the product of the invoiced gas consumption in kWh during the prvious reporting period and the 2021 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Natural Gas'. Since 1 October 2020 CHDT has purchased Carbon Neutral Natural Gas as part of their Gas supply contract provided by Brook Green Supply Limited. For more information please visit https://www.brookgreensupply.com/fuel-mix.

*Scope 2: Location based: Emissions from purchased electricity tCO2e*
Location Based Tonnes of CO2 equivalent ( tCO2e) are calculated from the product of the above stated electricity consumption in kWh during the current reporting period and the 2021 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Electricity Generated/Electricity: UK'

*Scope 2, Market based: Emissions from purchased electricity tCO2e*
Market Based Emmissions are reported as 0 due to the fuel mix of the electricity purchased, as defined by the suppliers' fuel mix. Haven Power fuel mix: 100% REGO Backed Renewable Electricity.

*Intensity ratio:*
The intensity ratio stated above has been calculated as Tonnes of CO2e per total square metres of property owned for Chatham Historic Dockyard as a whole (113,918m2).

**Provision of Information to the Auditor**
In accordance with company law, as Trustees we confirm that:

- So far as we are aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- As the Trustees of the Trust we have taken all the steps that we ought to have taken in order to make ourselves aware of that information and to establish that the Trust's auditor is aware of that information.

The Trustees' Annual Report, incorporating the Strategic Report, is approved by the Board of Trustees and signed on 21st September 2022 behalf of the Trustees.



**Admiral Sir Trevor Soar KCB OBE DL**
Chairman
Date:

The Historic Dockyard
Chatham
Kent ME4 4TZ

# Statement of Responsibilities of the Trustees

For the year ended 31 March 2022

The Trustees are responsible for preparing the Strategic Report, the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## Opinion

We have audited the financial statements of Chatham Historic Dockyard Trust (the parent charitable company) and its subsidiaries (the group) for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2022, and of the group's 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 of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report , other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 trustees' report (incorporating the [strategic report and the] directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 13, 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 group's and 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 group or charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 an auditor's report 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azet Audit Services

**Michelle Wilkes (Senior Statutory Auditor)**
For and on behalf of Azets Audit Services
Greytown House
221 - 227 High Street
Kent, BR6 0NZ
Date: 7/10/22

# Consolidated Statement of Financial Activities

(Incorporating the income and expenditure account)

For the year ended 31 March 2022

| | Notes | Unrestricted funds | Restricted Funds: Fitted Rigging House | Restricted Funds: Other | Total 2022 | Total 2021 |
|---|---|---|---|---|---|---|
| **Income from:** | | £ | £ | £ | £ | £ |
| Donations and grants | 4 | 178,051 | - | 837,991 | **1,016,042** | 1,994,557 |
| Charitable activities | 5 | 4,391,250 | - | - | **4,391,250** | 3,253,910 |
| Other trading activities | 6 | 1,397,436 | - | - | **1,397,436** | 928,895 |
| Investments | 7 | 2,506 | - | - | **2,506** | 3,646 |
| Other income | 8 | (900) | - | - | **(900)** | 3,190 |
| Total income | | 5,968,343 | - | 837,991 | **6,806,334** | 6,184,198 |
| **Expenditure on:** | | | | | | |
| Raising funds | 9 | 1,470,207 | - | - | **1,470,207** | 1,020,090 |
| Charitable activities | | | | | | |
| Preservation | 10 | 2,501,721 | 189,032 | 184,838 | **2,875,591** | 2,105,594 |
| Education | 11 | 2,038,645 | - | 1,463,935 | **3,502,580** | 3,633,228 |
| Total charitable activities | | 4,540,366 | 189,032 | 1,648,773 | **6,378,171** | 5,738,822 |
| Total expenditure | | 6,010,573 | 189,032 | 1,648,773 | **7,848,378** | 6,758,912 |
| **Net expenditure before gains and losses** | | (42,230) | (189,032) | (810,782) | **(1,042,044)** | (574,714) |
| Net gains on investments | | 67,380 | - | - | **67,380** | 86,347 |
| Net gains on investment property | | (21,150) | - | - | **(21,150)** | 72,668 |
| **Net expenditure** | 14 | 4,000 | (189,032) | (810,782) | **(995,814)** | (415,699) |
| Transfers between funds | 29 | - | - | - | **-** | - |
| **Net movement in funds** | | 4,000 | (189,032) | (810,782) | **(995,814)** | (415,699) |
| Funds as at 1 April 2021 | | 2,142,031 | 6,820,878 | 10,693,721 | **19,656,630** | 20,072,329 |
| **Funds as at 31 March 2022** | 29,30 | **2,146,031** | **6,631,846** | **9,882,939** | **18,660,816** | 19,656,630 |

All amounts relate to continuing activities.

The notes on pages 30 to 57 form part of these financial statements.

# Consolidated Statement of Financial Activities

(Incorporating the income and expenditure account)

For the year ended 31 March 2022

| | Notes | Unrestricted funds £ | Restricted Funds: Fitted Rigging House £ | Restricted Funds: Other £ | Total 2021 £ | Total 2020 £ |
|---|---|---|---|---|---|---|
| **Income from:** | | | | | | |
| Donations and grants | 4 | 1,102,712 | - | 891,845 | **1,994,557** | 1,522,611 |
| Charitable activities | 5 | 3,253,910 | - | - | **3,253,910** | 4,823,380 |
| Other trading activities | 6 | 928,895 | - | - | **928,895** | 2,275,203 |
| Investments | 7 | 3,646 | - | - | **3,646** | 39 |
| Other income | 8 | 3,190 | - | - | **3,190** | 4,000 |
| Total income | | 5,292,353 | - | 891,845 | **6,184,198** | 8,625,233 |
| **Expenditure on:** | | | | | | |
| Raising funds | 9 | 1,020,090 | - | - | **1,020,090** | 2,215,749 |
| Charitable activities | | | | | | |
| Preservation | 10 | 1,768,622 | 189,032 | 147,940 | **2,105,594** | 2,609,012 |
| Education | 11 | 2,282527 | - | 1,350,701 | **3,633,228** | 3,867,609 |
| Total charitable activities | | 4,051,149 | 189,032 | 1,498,641 | **5,738,822** | 6,476,621 |
| Total expenditure | | 5,071,239 | 189,032 | 1,498,641 | **6,758,912** | 8,692,370 |
| **Net income/(expenditure) before gains and losses** | | 221,114 | (189,032) | (606,796) | **(574,714)** | (67,137) |
| Net gains on investments | | 86,347 | - | - | **86,347** | 14,517 |
| Net gains on investment property | | 72,668 | - | - | **72,668** | - |
| **Net income (expenditure)** | 14 | 380,129 | (189,032) | (606,796) | **(415,699)** | (52,620) |
| Transfers between funds | 29 | (216,706) | 200,000 | 16,706 | **-** | - |
| **Net movement in funds** | | 163,423 | 10,968 | (590,090) | **(415,699)** | (52,620) |
| Funds as at 1 April 2020 | | 1,978,608 | 6,809,910 | 11,283,811 | **20,072,329** | 20,124,949 |
| **Funds as at 31 March 2021** | 29,30 | **2,142,031** | **6,820,878** | **10,693,721** | **19,656,630** | 20,072,329 |

All amounts relate to continuing activities.

The notes on pages 30 to 57 form part of these financial statements.

# Consolidated and Trust Balance Sheets

As at 31 March 2022

| | Notes | Consolidated 2022 £ | Consolidated 2021 £ | Trust 2022 £ | Trust 2021 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Property plant and equipment | 15 | **1,264,618** | 1,508,274 | **1,256,467** | 1,497,989 |
| Heritage assets | 16 | **15,568,222** | 16,092,669 | **15,568,222** | 16,092,669 |
| Investment properties | 17 | **310,554** | 331,704 | **-** | - |
| Investments in subsidiaries | 18 | **-** | - | **1,100** | 1,100 |
| Listed investments | 19 | **655,516** | 438,136 | **655,516** | 438,136 |
| | | **17,798,910** | 18,370,783 | **17,481,305** | 18,029,894 |
| **Current assets** | | | | | |
| Inventories | 20 | **270,257** | 241,164 | **211,623** | 190,880 |
| Debtors | 21 | **1,010,581** | 919,685 | **1,350,501** | 1,252,818 |
| Cash and cash equivalents | | **1,502,568** | 1,651,443 | **1,115,970** | 1,312,271 |
| | | **2,783,406** | 2,812,292 | **2,678,094** | 2,755,969 |
| **Creditors:** amounts falling due within one year | 22 | **(1,412,495)** | (1,010,104) | **(1,340,006)** | (983,638) |
| **Net current assets** | | **1,370,911** | 1,802,188 | **1,338,088** | 1,772,331 |
| **Total assets less current liabilities** | | **19,169,821** | 20,172,971 | **18,819,393** | 19,802,225 |
| **Creditors:** amounts falling due after more than one year | 23 | **(450,000)** | (450,000) | **(450,000)** | (450,000) |
| Provision for deferred tax | 25 | **(59,005)** | (66,341) | **-** | - |
| **Net assets** | 28 | **18,660,816** | 19,656,630 | **18,369,393** | 19,352,225 |
| **Funds employed** | | | | | |
| Restricted funds | | | | | |
| Fitted Rigging House | | **6,631,846** | 6,820,878 | **6,631,846** | 6,820,878 |
| Other | | **9,882,939** | 10,693,721 | **9,882,939** | 10,693,721 |
| Total restricted funds | 29 | **16,514,785** | 17,514,599 | **16,514,785** | 17,514,599 |
| Unrestricted funds | | | | | |
| Designated funds | 30 | **1,119,483** | 1,077,669 | **1,119,483** | 1,077,669 |
| Revaluation reserve | 30 | **246,321** | 264,365 | **-** | - |
| General | 30 | **780,227** | 799,997 | **735,125** | 759,957 |
| | 30 | **2,146,031** | 2,142,031 | **1,854,608** | 1,837,626 |
| | | **18,660,816** | 19,656,630 | **18,369,393** | 19,352,225 |

# Consolidated and Trust Balance Sheets

As at 31 March 2022

The financial statements were approved and authorised for issue by the Trustees on 21st September 2022. In accordance with section 408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity has not been presented. The deficit attributable to the Trust for the year was £ 998,920 (2021- deficit of £415,669). Income attributable to the Trust for the year was £ 6,151,768 (2021- £5,712,051).



**Admiral Sir Trevor Soar**
Chairman

Company number 01804108

The notes on pages 30 to 57 form part of these financial statements

# Consolidated statement of cash flows

For the year ended 31 March 2022

| | Notes | 2022<br>£ | 2021<br>£ |
|---|---|---|---|
| **Net cash from operating activities** | 31 | 124,745 | 491,814 |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment | | (60,996) | (27,968) |
| Proceeds from the disposal of property, plant and equipment | | - | - |
| Proceeds from the disposal of investment properties | | 21,150 | 40,680 |
| Net gain on investments | | - | - |
| Purchase of investments | | (150,000) | - |
| Income from investment property | | 16,242 | 15,799 |
| | | (173,620) | 28,511 |
| **Cash flow from financing activities** | | | |
| Loan repayments | | (100,000) | - |
| | | (100,000) | - |
| **Net increase in cash and cash equivalents** | | (148,875) | 520,325 |
| Cash and cash equivalents at the beginning of the year | | 1,651,443 | 1,131,118 |
| **Cash and cash equivalents at the end of the year** | | 1,502,568 | 1,651,443 |
| **Cash and cash equivalents at the end of the year** | | | |
| Restricted fund | | - | 25,033 |
| Unrestricted funds | | 1,502,568 | 1,626,410 |
| Cash and cash equivalents at the end of the year | | 1,502,568 | 1,651,443 |

Cash and cash equivalents comprise cash at bank and in hand.

The notes on pages 30 to 57 form part of these financial statements.

## 1 Status

The Chatham Historic Dockyard Trust ("the Trust") is an independent charitable trust, incorporated in England and Wales, formed for the purpose of preserving The Historic Dockyard for the public benefit and to promote a wide knowledge of its archaeological, historical and architectural importance. The Trust was set up in 1984 under the terms of a Memorandum of Understanding with the Department of the Environment, under which a grant of £11,350,000 was received to be applied to the principal activities of the Trust. The Trust's constitution is set out in its Memorandum and Articles of Association, as amended by Special Resolution on 27 February 2013.

The Trust is a company limited by guarantee, registered in England, not having a share capital, and has a licence to dispense with the word "limited" in its title. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member. The members of the Trust are the Secretary of State for Defence, the Secretary of State for Digital, Culture, Media and Sport, Mr John Spence OBE DL and the Trustees. The Trust's registered office is: The Fitted Rigging House, The Historic Dockyard, Chatham, Kent, England, ME4 4TZ, and its registered number is 01804108.

Details of the principal activities of the Trust is given in the accompanying narrative reporting.

## 2 Accounting policies

The principal accounting policies are summarised below.

*Basis of preparation*

These financial statements are prepared in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2nd Edition) applicable to charities preparing their accounts in accordance with FRS 102 . The financial statements are also prepared in accordance with the Companies Act 2006 and, in the case of the parent charity and consolidated financial statements, the Charities Act 2011.

The Trust is a public benefit entity and the Group is a public benefit group, as defined by FRS 102.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and listed investments.

*Going concern*

As a charity the Trustees of Chatham Historic Dockyard Trust (CHDT) and its trading subsidiaries have a duty to consider the future resilience of all parts of the organisation. The Trust holds necessary reserves should there be a need to undertake an orderly wind down of operations caused by financial challenges or a change in the need for charitable services making the charity's role redundant. CHDT reviews this situation on a monthly rolling basis through cash flow management based on evidence-based business planning.

Review of the Trust's ongoing financial resilience is considered for 12 months from the date of review and beyond through regular reviews (at board level) of the strategic risk register and changes to it. The impact of internal and external factors likely to have a significant effect on income and expenditure are key elements of ongoing cash flow management and by implication the Going Concern status.

**2. Accounting policies (continued)**

*Going concern (continued)*
The Trustees will continue to review plans with the CHDT Executive Team to make the necessary changes to remain within the free reserves level over the coming two years and indeed the life of the current Corporate Plan. The Trust has a strong balance sheet, so the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as required. As such, they remain satisfied that the Chatham Historic Dockyard Trust can continue operating for the next 12 months and accounts have been prepared in the knowledge that the Chatham Historic Dockyard Trust is a financially viable organisation.

*Disclosure exemptions for qualifying entities under FRS 102*
The Trust is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the following exemptions:

- presenting a statement of entity cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements;
- presenting certain financial instruments disclosures on the grounds that the relevant information is included within the consolidated information presented within these financial statements; and
- presenting information concerning key management personnel compensations.

*Basis of consolidation*
The Group consolidated financial statements include the financial statements of the Trust and all of its subsidiary undertakings.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Any entities which either become, or cease being, subsidiary undertakings during the year are included up to, or from, the dates of change of control, respectively. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

*Income recognition*
Income is measured at the fair value of the consideration received or receivable and represents property rental and service income, admissions income from visitors, grants and donations, income from the sale of goods and services, and interest.

Income is recognised as follows:

- Property rental – on a time apportioned basis, over the life of the lease.
- Services – as the services are provided.
- Retail sales of goods – when the sale is made.
- Other sales of goods – when the risk of ownership passes to the customer.
- Grants – when the group has met the relevant performance criteria, and the grant can be measured reliably and receipt is probable.
- Donations – when the Group has entitlement, the donation or grant can be measured reliably and receipt is probable.
- Interest – as it is earned.

Any income received prior to recognition is deferred.

**2. Accounting policies (continued)**

*Grants*

Grants are recognised in the statement of financial activities as described above, with any grants received prior to recognition being deferred. In certain circumstance grants may become repayable (for example, if the grant funded property ceases to be used for a charitable purposes). A creditor is established whenever it becomes probable that a grant will become repayable.

Restricted grants received to fund capital expenditure are transferred to general funds once the expenditure has been incurred unless the resultant asset is restricted as to its use, in which case the funds remain as restricted. Depreciation on restricted assets is charged to the appropriate restricted fund.

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

*Donated assets*

Donated assets and services which would otherwise have been purchased are included at the estimated expenditure which has been avoided as a result of the gift. No value is attributed to volunteer time donated to the Trust. Except for the initial gift to the Trust, other donated assets and services are recognised at the fair value of the asset or service received. The initial gift to the Trust is recognised at £1 (being the nominal consideration paid) as the cost of valuing the assets outweighs the benefit of such a valuation.

*Employee benefits*

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits, including compensation for loss of employment, holiday pay and other non-monetary benefits, are recognised as an expense in the period in which the service is received.

The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

*Expenditure*

Expenditure is accounted for in the period in which it is incurred. Expenditure includes any VAT which cannot be fully recovered which is reported as part of the expenditure to which it relates.

Expenditure relating directly to a particular activity is allocated to that activity. Indirect costs are classified as support costs, and these are allocated to activities on a basis consistent with use of the resources.

Expenditure includes the estimated value of donations in kind.

**2. Accounting policies (continued)**

*Operating leases*

Operating leases are leases that do not transfer all the risks and rewards of ownership. Payments made by the Group under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease, including payments which are not required to be made on a straight-line basis. Lease incentives given or received are similarly spread on a straight-line basis over the relevant lease term.

*Taxation*

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date. The Trust's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Trust is not liable to tax. In addition, its subsidiaries incur no current tax charge as all their profits, which would otherwise be taxable, are distributed to the Trust by way of Gift Aid and thus no tax liability arises.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Whilst the tax expense is immaterial, it is recognised as a part of the cost of the relevant activity, rather than being disclosed separately in the Statement of Financial Activities.

*Property expenditure*

The Trust has a substantial property portfolio which includes a significant number of scheduled ancient monuments, listed properties and other historic properties. On the inception of the Trust, many of the properties were in a state of disrepair and were not functional. The Trust is pursuing a programme of works to bring all properties into productive use which results in significant expenditure on the properties.

Expenditure on the existing properties is capitalised (as either part of property, plant and equipment or heritage assets, as appropriate) when the expenditure results in incremental future benefits to the Trust or replaces a previously identified component. Incremental benefits may arise through bringing a property into use (or back into use), through reduced future maintenance expenditure, or through the ability to generate additional income, directly or indirectly, in the future.

Expenditure which does not meet this criteria is written off as incurred.

**2 Accounting policies (continued)**

*Property, plant and equipment*

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. Cost comprises the original purchase price, subsequent expenditure capitalised in accordance with the policy on *Property expenditure*, and expenditure directly attributable in bringing the asset to its working condition for its intended use. As noted above, the assets transferred to the Trust on its formation are recorded at £1, this being the nominal cost of these assets. Assets costing less than £500 are written off in the period of acquisition.

Land and assets under construction are not depreciated. Other assets are depreciated on a straight line basis so as to write off their cost over their expected useful lives, using the straight line method. The component categories and annual rates used are as follows:

| | | | |
|---|---|---|---|
| Structural works to buildings | 2% | Computer/AV equipment | 20% |
| Roofs | 4% | Other fixtures and fittings | 10% |
| Ships refurbishments | 10% | Plant and machinery | 10% |
| Exhibition equipment | 6.67% | Motor vehicles | 20% |
| Galleries | 10% | | |

Subsequent expenditure which relates to either the replacement of previously capitalised component or part of a component or the enhancement of the asset which results in incremental future benefits, is capitalised and the carrying amount of any replaced part of the asset is derecognised.

*Heritage Assets*

Heritage assets are tangible and intangible assets with historic, artistic, scientific, technological, geophysical, or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. As a charity with preservation as one of its objects, in accordance with the SORP, the Trust's heritage assets may include assets which are not accessible to the public.

The Trust classifies the following classes of assets as heritage assets:

- The land and building acquired from the Ministry of Defence on the inception of the Trust.
- Capital works to the structure of its historic buildings.
- Its various collections of artefacts, exhibits and historical archives.
- Items of plant and machinery of historic importance, notably the two ships.

Currently, all the Trust's heritage assets are tangible assets and are accounted for in accordance with the accounting policy for property, plant and equipment as detailed in the policy on *Property expenditure*. The Trustees consider the cost of obtaining a valuation of donated heritage assets would outweigh the benefit of such a valuation.

**2 Accounting policies (continued)**

*Impairment*
At each period end date, non-financial assets (comprising property, plant and equipment and heritage assets) are assessed to determine if there are indicators that the assets may be impaired in value; if there are such indicators of impairment, then a comparison of the asset's carrying value to its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Financial Activities; the carrying value of the asset is reduced appropriately.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use for the Trust's properties and other non-financial assets held for charitable purposes and which are fulfilling the charitable purpose for which they were acquired, is based on the depreciated replacement cost of the asset. For other assets, value in use is defined as the net present value of the future cash flows before interest expected to be generated from the assets.

For financial assets (comprising trade and other debtors) carried at cost less impairment, the impairment loss is the difference between the assets carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

If an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of their recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

*Investment properties*
Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently at fair value. Revaluation surpluses and deficits are recognised in net income.

*Investments*
Investments in subsidiaries are stated at cost less accumulated impairment losses. Other investments are stated at fair value with movements through income and expenditure.

*Inventories*
Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment is recognised immediately in profit or loss.

*Cash and cash equivalents*
Cash and cash equivalents comprise cash in hand, cash at bank and bank deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

**2 Accounting policies (continued)**

*Provisions and contingencies*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Currently, the Group has no provisions.

Contingent liabilities arise from past events when either:

- It is only possible that an obligation will arise and when the existence or otherwise of the obligation will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control; or.
- An obligation has arisen, but a provision is not recognised because either it is not probable that there will be an outflow of resources or the amount cannot be reliably measured at the reporting date.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

*Financial instruments*

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The charity has elected to apply the provisions of Section 11 Basic Financial Instruments' and Section 12 'Other Financial instruments Issues' of FRS 102 to all of its financial instruments.

*Funds*

Designated funds are unrestricted funds which the Trustees have ring-fenced for a particular purpose. Transfers to and from the designated funds are recognised as and when decided by the Trustees.

Restricted funds are funds subject to specific restrictions imposed by donors, the nature of the appeal or other reasons.

Unrestricted funds comprise the accumulated surplus or deficit or recognised in income and expenditure after transfers to other reserves.

## 3 Key judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

**Critical judgements**

In preparing the financial statements, the following judgements which have, or could have, a material impact on the financial statements were made:

*Classification of property expenditure*

Expenditure on properties is analysed as either giving rise to an asset or expenditure which is written off as an expense when incurred, depending on whether the expenditure results in an incremental benefit, or not. The assessment of whether there is future benefit requires judgement. A key aspect of the judgement is whether the expenditure enables the Trust to gain greater use of the properties.

*Classification of properties as investment properties*

Investment properties are properties which are held to generate income or capital appreciation rather than for their contribution to culture or for the provision of services. As all of the Group's properties are within the boundary of the historic 80 acre site and are accessible to a certain extent to the visitors to the site; therefore the categorisation of any property as an investment property requires the exercise of judgement. The Trustees consider that the reversionary freeholds of the residential estate should be classed as investment properties as the Trust has no rights to use the properties and the freehold reversions are held to provide an income stream.

*Property components*

The Group accounts for its expenditure on property, plant and equipment using component accounting. Under component accounting, the property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components and in determining the useful lives of each component. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge.

**3 Key judgements and sources of estimation uncertainty (continued)**

*Property impairments*

It is necessary to undertake an impairment assessment if there are any indicators of impairment, the identification of such indicators requires judgement. The Trustees consider that for properties used for charitable purposes, the key indicators of impairment are the extent to which the property continues to be used for its intended use, any forecast future reductions in use, and the physical condition of the property. During the year, the Trustees judged that there were no indicators of impairment and so no requirement to undertake an impairment review.

*Initial gift to the Trust*

The initial gift to the Trust has not been valued as, in the Trustees' judgement, the cost of obtaining such a valuation, which would be subjective and possibly unreliable, would outweigh the benefit of such a valuation.

*Recognition of grant income*

Grant income is recognised, inter alia, when the Trust has met any criteria of substance required of it under the relevant grant agreement. In the case of Heritage Lottery Funding, the Trustees consider that the receipt of permission to start is the only criteria of substance and therefore recognise grant income once that permission has been received. The DCMS provides funding for specific years; in the judgement of the Trustees, the terms of the grant are such that the Trust does not have prior entitlement to the funding.

*Contingent assets and liabilities*

The classification of assets and liabilities as contingent requires the exercise of judgement as to the probability of future cash flows. In the case of the contingent liabilities, in the Trustees' judgement any future cash flows would arise from actions of third parties over which the Trust has no or limited influence, and as such no provision is needed.

*Restricted funds relating to capitalised expenditure*

Restricted funds received to fund capital expenditure are transferred to general funds once the expenditure has been incurred unless the resultant asset is restricted as to its use, in which case the funds remain as restricted. The assessment of whether an asset is restricted as to its use requires the exercise of judgement in assessing whether the terms of the donation(s) which funded the asset prevent the Trust from using the asset for any of its general purposes. Where the Trustees consider that this to be the case, the entire cost of the asset is classed as restricted and all of the related funds are retained as restricted funds. The corollary of this is that the subsequent depreciation of the assets is deemed to be a restricted cost.

**Critical estimates**

*Investment property valuations*

Investment properties are recognised at their fair value, which is estimated as being the anticipated proceeds from future disposals, based on the immediate past history property sales. The timing and actual proceeds of any future sales are uncertain and may not reflect the past history.

## 3 Key judgements and sources of estimation uncertainty (continued)

*Useful lives*

Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The useful lives of property components (for example roofs) are estimated based on relevant construction data.

*Carrying values*

The carrying amount of the assets and liabilities affected by the above judgements and estimates are set out in the following notes.

## 4 Income from donations, including grants

| | Unrestricted £ | Restricted £ | **Total 2022 £** | Total 2021 £ |
|---|---|---|---|---|
| Government grants | | | | |
| - Department for Digital, Culture, Media & Sport | - | 196,000 | **196,000** | 198,381 |
| - Arts Council England (ACE) | - | 633,652 | **633,652** | 492,508 |
| Other grants | 166,550 | 8,339 | **174,889** | 1,239,259 |
| Donations | 11,501 | - | **11,501** | 64,409 |
| | 178,051 | 837,991 | **1,016,042** | 1,994,557 |

In addition to the reliefs from taxation advanced to all charities, government support included income via the CJRS scheme. This is included above in the subtotal 'other grants'.

The Trust gratefully acknowledges the support of the National Lottery Heritage Fund, the John Swire 1989 Charitable Trust, Historic England, Royal Opera House Learning and the Arts Council England.

## 5 Income from charitable activities

| | 2022 £ | 2021 £ |
|---|---|---|
| Preservation - rent & service charges | 3,339,318 | 2,970,187 |
| Education - visitor admissions | 1,051,932 | 283,723 |
| | 4,391,250 | 3,253,910 |

Income from charitable activities arises from the provision of services and is fully unrestricted.

## 6 Income from other trading activities

| | 2022 £ | 2021 £ |
|---|---|---|
| Income from sale of goods | | |
| Retail - gift shop | 90,361 | 46,640 |
| Sales of rope products | 479,362 | 277,161 |
| Catering | 457,113 | 135,549 |
| Income from provision of services | | |
| Weddings & other functions | 210,436 | 26,066 |
| Property income | 158,847 | 205,425 |
| Other miscellaneous income | 1,317 | 238,054 |
| | 1,397,436 | 928,895 |

## 7 Income from investments

| | 2022 £ | 2021 £ |
|---|---|---|
| Fixed interest on cash deposits | 2,506 | 3,646 |

## 8 Other income

| | 2022 £ | 2021 £ |
|---|---|---|
| (Loss) / Profit on disposal of fixed asset | (900) | 3,190 |

## Future income from non-cancellable operating leases

| | 2022 £ | 2021 £ |
|---|---|---|
| The Group is due to receive the following amounts under non-cancellable operating leases: | | |
| Due next year | 1,719,841 | 1,215,328 |
| Due in 2 to 5 years | 5,428,072 | 4,547,691 |
| Due after more than 5 years | 11,107,588 | 10,820,088 |
| | 18,255,501 | 16,583,107 |

Under the terms of the leases, the rental income is subject to periodic review. The leases give the tenants no right of acquisition.

## 9 Expenditure on raising funds

| | 2022 £ | 2021 £ |
|---|---|---|
| Incurred by the Trust | 488,702 | 335,255 |
| Incurred by the trading subsidiaries | 627,300 | 524,766 |
| Depreciation | 4,076 | 5,463 |
| | 1,120,078 | 865,484 |
| Support costs allocated to raising funds (see note 12) | 350,129 | 154,606 |
| | 1,470,207 | 1,020,090 |

Included in expenditure incurred by the trading subsidiaries are wages costs amounting to £244,058 + £24,144 (2021: £288,627).

## 10 Expenditure on preservation

| | 2022 £ | 2021 £ |
|---|---|---|
| Staff and associated costs | 330,402 | 257,009 |
| Maintenance costs | 805,436 | 441,285 |
| Utilities | 445,193 | 401,363 |
| Other direct costs | 476,525 | 335,350 |
| Depreciation | 151,657 | 336,972 |
| Allocated support costs (see note 12) | 666,378 | 333,615 |
| | 2,875,591 | 2,105,594 |

Preservation comprises the cost of repair, maintenance and restoration of the historic buildings and ships of the Dockyard and other maintenance.

## 11 Expenditure on education

| | 2022 £ | 2021 £ |
|---|---|---|
| Staff and associated costs | 999,408 | 1,312,747 |
| Other direct costs | 1,467,907 | 970,252 |
| Depreciation | 673,366 | 613,388 |
| Other project expenditure | 22,888 | 28,754 |
| Maintenance | 186,339 | 75,572 |
| Allocated support costs (see note 12) | 152,672 | 632,515 |
| | 3,502,580 | 3,633,228 |

Education expenditure comprises the cost of the maintenance and operation of the galleries and exhibits within the Dockyard.

## 12 Support costs

| | 2022 £ | 2021 £ |
|---|---|---|
| Staff and associated costs | 786,994 | 797,903 |
| Office costs | 89,622 | 61,271 |
| Professional fees | 25,233 | 20,845 |
| Insurances | 221,222 | 194,435 |
| Other costs | 23,832 | 1,307 |
| Governance costs | 22,276 | 44,975 |
| | 1,169,179 | 1,120,736 |

| Support costs are allocated as follows: | 2022 £ | 2021 £ |
|---|---|---|
| Raising funds | 350,129 | 154,606 |
| Education | 152,672 | 632,518 |
| Preservation | 666,378 | 333,615 |
| | 1,169,179 | 1,120,736 |

Support costs comprise the management costs of the Trust and its charitable subsidiaries and site security costs. Management costs comprise the Senior Executive and Finance functions (including Personnel and IT support). Site security comprises staff and other costs in respect of the provision of 24-hour security for the site for the benefit of the Trust, its tenants and residents.

The bases of apportionment utilised are as follows:

- Trustee expenses and security – equally between the two charitable activities.
- Management costs – in accordance with staff numbers.

## 13 Wages and salaries

| Group | 2022 £ | 2021 £ |
|---|---|---|
| Wages and salaries | 2,372,952 | 2,445,973 |
| Social security costs | 188,590 | 193,723 |
| Pension scheme – defined contribution scheme | 139,206 | 154,097 |
| | 2,700,748 | 2,793,793 |

| Trust | 2022 £ | 2021 £ |
|---|---|---|
| Wages and salaries | 2,145,671 | 2,180,563 |
| Social security costs | 168,157 | 176,993 |
| Pension scheme – defined contribution scheme | 120,931 | 142,227 |
| | 2,434,759 | 2,499,783 |

**13 Wages and salaries (continued)**

| Average no. of persons employed: | Group 2022 Number | 2021 Number | Trust 2022 Number | 2021 Number |
|---|---|---|---|---|
| Preservation | 20 | 22 | 20 | 22 |
| Education | 78 | 80 | 78 | 80 |
| Ropemaking | 7 | 8 | 7 | 8 |
| Catering & retail | 20 | 19 | - | - |
| Support | 8 | 11 | 8 | 11 |
| | 133 | 140 | 113 | 121 |

In addition, volunteers assist the Trust in undertaking its activities; details are provided in the Trustees' Annual Report.

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

| | 2022 Number | 2021 Number |
|---|---|---|
| £60,001 - £70,000 | 1 | - |
| £70,001 - £80,000 | 1 | 2 |
| £80,001 - £90,000 | 1 | - |

Contributions in the year for the provision of money purchase benefits to higher paid employees totalled £20,661 (2021: £13,157).

During the year statutory redundancy payments of £ nil (2021 - £44,613) were paid. An ex-gratia payment of £nil (2021 - £nil) was made to the Trust's secretary in recognition of services provided.

The Chairman of the Trustees is entitled to receive remuneration from the Trust for services provided, as permitted by the Memorandum and Articles and approved by the Charity Commission. The Chairman's emoluments for the year were £30,721 for Sir Trevor (2021 - £29,177 for Sir Trevor); this remuneration is not pensionable. The Trust chooses to pay the Chairman as the role significantly exceeds that of other Trustees. No other Trustees received emoluments. Expenses reimbursed to 3 (2021 – £nil) Trustees in respect of the cost of attending meetings amounted to £289 (2021 – £Nil).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, including any Trustee. In the opinion of the Trust key management personnel are the Trustees and the senior managers.

Key management remuneration was as follows:

| | 2022 £ | 2021 £ |
|---|---|---|
| Key management remuneration (2022: 6 people; 2021 9) | 455,926 | 570,202 |

## 14 Net income

| Net income is stated after charging: | 2022 £ | 2021 £ |
|---|---|---|
| Depreciation of tangible assets: | | |
| - Property, plant and equipment | 534,465 | 431,010 |
| - Heritage assets | 294,454 | 524,813 |
| Auditor's remuneration: | | |
| - Audit (Trust) | 13,750 | 38,565 |
| - Audit underprovision | (1,224) | - |
| - Audit (Subsidiaries) | 9,750 | 7,400 |
| - Non audit services paid to companies associated with the auditors | 6,000 | 6,410 |
| Income received under non-cancellable operating leases | 1,336,113 | 1,403,496 |
| Operating lease charges | 907 | 907 |

## 15 Tangible fixed assets – Property plant and equipment

| Group | Fixtures, fittings and equipment £ | Galleries £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| 1 April 2021 | 7,553,692 | 6,935,505 | 14,489,197 |
| Additions | 57,619 | 3,377 | 60,996 |
| **31 March 2022** | 7,611,311 | 6,938,882 | 14,550,193 |
| **Depreciation** | | | |
| 1 April 2021 | 6,805,117 | 6,175,806 | 12,980,923 |
| Charge for year | 152,487 | 152,165 | 304,652 |
| **31 March 2022** | 6,957,604 | 6,327,971 | 13,285,575 |
| **Net book value** | | | |
| **31 March 2022** | 653,707 | 610,911 | 1,264,618 |
| 31 March 2021 | 748,575 | 759,699 | 1,508,274 |

**15 Tangible fixed assets – Property plant and equipment (continued)**

| Trust | Fixtures, fittings and equipment £ | Galleries £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| 1 April 2021 | 7,420,006 | 6,935,505 | 14,355,511 |
| Additions | 55,679 | 3,377 | 59,056 |
| **31 March 2022** | 7,475,685 | 6,938,882 | 14,414,567 |
| **Depreciation** | | | |
| 1 April 2021 | 6,681,716 | 6,175,806 | 12,857,522 |
| Charge for year | 148,413 | 152,165 | 300,578 |
| **31 March 2022** | 6,830,129 | 6,327,971 | 13,158,100 |
| **Net book value** | | | |
| **31 March 2022** | 645,556 | 610,911 | 1,256,467 |
| 31 March 2021 | 738,290 | 759,699 | 1,497,989 |

As part of the terms of the heritage lottery grant, there is a charge in place over the fitted rigging house.

**16 Heritage assets**

| Group and Trust | Freehold land and buildings £ | Ships £ | Collections and artefacts £ | Total £ |
|---|---|---|---|---|
| **Cost** | | | | |
| 1 April 2021 | 21,389,779 | 3,344,642 | 144,000 | 24,878,421 |
| **31 March 2022** | 21,389,779 | 3,344,642 | 144,000 | 24,878,241 |
| **Depreciation** | | | | |
| 1 April 2021 | 5,441,110 | 3,344,642 | - | 8,785,752 |
| Charge for year | 524,447 | - | - | 524,447 |
| **31 March 2022** | 5,965,557 | 3,344,642 | - | 9,310,199 |
| **Net book value** | | | | |
| **31 March 2022** | 15,424,222 | - | 144,000 | 15,568,222 |
| 31 March 2021 | 15,948,669 | - | 144,000 | 16,092,669 |

**16 Heritage assets (continued)**

No value was attributed to the assets transferred to the Trust on its creation as the cost of obtaining such valuations would not be commensurate with the benefits to the users of the accounts and, in any event, given the uniqueness of many of the assets transferred, a reliable valuation may be impossible to obtain.

The heritage assets comprise the Trust's freehold land and buildings, the ships, items of historic plant and equipment, the museum collections, art and photographs and the archives. The heritage assets recognised comprise capitalised expenditure on enhancing the utility of the historic properties and expenditure on assets which have been purchased since the inception of the Trust.

The assets include:

- 47 structures designated as Scheduled Ancient Monuments and 54 listed buildings;
- two ships and one submarine;
- large plant and equipment, including the rope manufacturing machines, cranes and metal working plant;
- over 100,000 items connected to the history of Chatham Dockyard and the Royal Navy at Chatham. They range from small items of personal ephemera - a dockyard matey's old cigarette box - to HMS Cavalier, the Royal Navy's last Second World War destroyer;
- over 20,000 photographs dating from the very earliest years of photography, mainly depicting Chatham Dockyard at work and ships of the Royal Navy on the River Medway;
- over 150 works of art including oil paintings, watercolours and prints. Their content ranges from topographical views of the dockyard to portraits of naval personnel;
- 50 models, mainly of naval ships;
- over 100 machine tools all of which were originally used in the dockyard for shipbuilding and repair;
- over 100 items of naval ordnance dating from the seventeenth to the twentieth centuries and includes guns, torpedoes, mines and mortars; and
- over 10,000 items in the archive collection, mainly documents relating to naval and dockyard correspondence and to individuals' naval service.

Whilst the Trust would like to acquire further assets to add to its collections, the main focus of the Trust's efforts has been – and will be for the foreseeable future – preserving the various buildings. To this end, the Trust has a long term maintenance plan for its buildings and a shorter term plan for bringing unused buildings into use through appropriate refurbishment work. However, in the year, the Trust was able to acquire a model submarine and a white ensign; the cost of these new assets was less than the de minimis capitalisation threshold.

All assets have been catalogued in order that they can be properly managed and all collections are stored in such a manner to prevent any deterioration in their condition and to ensure that they are physically secure. The buildings, the ships, structures and heavy plant are all accessible to visitors to the Dockyard (although the public cannot obtain access to the interior of certain buildings as they are in use). The collections are accessible to the public through the Trust's museum and those items not on show are made accessible to researchers on request.

The Trust does not expect to dispose of any of its heritage assets.

**17 Investment Properties**

| Group | 2022 £ | 2021 £ |
|---|---|---|
| 1 April | 331,704 | 330,313 |
| Disposals | (21,150) | (43,870) |
| Revaluation | - | 45,261 |
| 31 March | 310,554 | 331,704 |

The investment properties are valued by reference to the rental yield established by recent sales of properties as determined by independent valuers and applying that yield to the rental income stream from ongoing investment properties. The directors have carried out that valuation at 31st March 2022 and the revaluation is £21,150.

**18 Investments – shares in subsidiary companies – Trust**

| | Share Capital £ | Total £ |
|---|---|---|
| At 31 March 2021 and 31 March 2022 | 1,100 | 1,100 |

The subsidiary companies at 31 March 2022 were wholly owned and registered in England & Wales and are as follows:

| Name | Company number | Activity |
|---|---|---|
| Master Ropemakers (Trading) Limited | 02651660 | Non-traditional rope sales |
| Chatham Historic Dockyard (Trading) Limited | 01983754 | Retail & catering |
| Historic Dockyard Property Limited | 02331347 | Residential property management |
| Historic Dockyard Property (2005) Limited | 05538093 | Property development |
| Historic Dockyard Property (2010) Limited | 07232729 | Dormant |
| Master Ropemakers Limited | 07232492 | Dormant |

The registered office of the above subsidiaries is The Fitted Rigging House, The Historic Dockyard, Chatham, Kent, England, ME4 4TZ.

**18 Investments – shares in subsidiary companies – Trust (continued)**

**Results of active subsidiaries**

| | Master Ropemakers (Trading) Limited £ | Historic Dockyard Property Limited £ | Historic Dockyard Property 2005 Limited £ | Chatham Historic Dockyard (Trading) Limited £ |
|---|---|---|---|---|
| **Year ended 31 March 2022** | | | | |
| Turnover | 429,953 | 16,242 | 118,426 | 695,545 |
| Expenditure | (317,321) | (18,348) | (23,680) | (596,337) |
| Taxation | - | 7,336 | - | - |
| Transfer from revaluation reserve | - | 18,044 | - | - |
| Distribution to the Trust | (112,632) | (23,274) | (94,746) | (94,153) |
| Result for the year | - | - | - | 5,055 |
| **As at 31 March 2022** | | | | |
| Assets | 169,612 | 349,928 | 152,703 | 177,329 |
| Creditors and provisions | (144,612) | (102,607) | (152,603) | (157,229) |
| Net assets | 25,000 | 247,321 | 100 | 20,100 |
| **Year ended 31 March 2021** | | | | |
| Turnover | 315,272 | 19,016 | 166,266 | 369,831 |
| Expenditure | (300,312) | (11,929) | (14,804) | (374,886) |
| Taxation | - | 360 | - | - |
| Transfer from revaluation reserve | - | 43,510 | - | - |
| Distribution to the Trust | (14,960) | (50,957) | (151,462) | - |
| Result for the year | - | - | - | (5,055) |
| **As at 31 March 2021** | | | | |
| Assets | 63,886 | 417,908 | 204,614 | 147,463 |
| Creditors and provisions | (38,886) | (152,543) | (204,514) | (132,418) |
| Net assets | 25,000 | 265,365 | 100 | 15,045 |

**19 Investments**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| **Listed investments** | | | | |
| As at 1 April 2021 | 438,136 | 351,789 | 438,136 | 351,789 |
| Additions | 150,000 | - | 150,000 | - |
| Unrealised gain/(loss) | 67,380 | 86,347 | 67,380 | 86,347 |
| As at 31 March 2022 | 655,516 | 438,136 | 655,516 | 438,136 |

**19 Investments (continued)**

| Listed investments comprise | Group | | Trust | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Investment Fund | 271,755 | 172,683 | 271,755 | 172,683 |
| Property Fund | 157,284 | 61,657 | 157,284 | 61,657 |
| Global Equity Fund | 226,477 | 203,796 | 226,477 | 203,796 |
| | 655,516 | 438,136 | 655,516 | 438,136 |
| Historical cost | 400,000 | 400,000 | 250,000 | 250,000 |

**20 Inventories**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Raw materials and consumables | 118,310 | 117,327 | 118,310 | 117,327 |
| Goods for resale | 151,947 | 123,837 | 93,313 | 73,553 |
| | 270,257 | 241,164 | 211,623 | 190,880 |

There is no significant difference between the replacement cost of the inventories and their carrying amount. Inventories are stated after provisions for impairment of £19,238 (2021 - £22,124).

**21 Debtors**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Trade debtors | 301,614 | 189,412 | 300,033 | 149,026 |
| Amount owed by subsidiary undertakings | - | - | 100,837 | 205,543 |
| Amounts due to parent undertaking - Gift Aid | - | - | 324,826 | 217,379 |
| Other debtors | 162,009 | 125,383 | 107,417 | 97,398 |
| Prepayments and accrued income | 546,958 | 604,890 | 517,388 | 583,472 |
| | 1,010,581 | 919,685 | 1,350,501 | 1,252,818 |

Amounts above owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**22 Creditors: amounts falling due within one year**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Other loan | - | 100,000 | - | 100,000 |
| Trade creditors | 474,838 | 183,643 | 442,075 | 188,994 |
| Taxation and social security | 47,301 | 40,852 | 47,301 | 40,852 |
| Other creditors | 338,514 | 313,296 | 335,488 | 297,774 |
| Accruals and deferred income (see note 25) | 551,842 | 372,313 | 515,142 | 356,018 |
| | 1,412,495 | 1,010,104 | 1,340,006 | 983,638 |

**23 Creditors: amounts falling due after more than one year**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Other loan | 450,000 | 450,000 | 450,000 | 450,000 |
| Due within one year | - | 100,000 | - | 100,000 |
| Due within 1 - 2 years | 250,000 | 350,000 | 250,000 | 350,000 |
| Due within 2 - 5 years | 200,000 | - | 200,000 | - |
| | 450,000 | 450,000 | 450,000 | 450,000 |

The South East Local Enterprise Partnership (SELEP) loan is repayable by March 2026.

**24 Deferred income**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Balance at 1 April | 10,565 | 455,016 | 10,565 | 455,016 |
| Amount released to SOFA | (10,565) | (455,016) | (10,565) | (455,016) |
| Amount deferred in the period | 32,139 | 10,565 | 32,139 | 34,771 |
| Balance at 31 March | 32,139 | 10,565 | 32,139 | 34,771 |

Deferred income principally relates to advance event ticket sales and pre-billed rents.

**25 Deferred tax**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Arising on property revaluations: | £ | £ | £ | £ |
| At 1 April | 66,341 | 84,696 | - | - |
| Credit to profit & loss | (4,230) | (27,407) | - | - |
| Tax on revaluation | (3,106) | 9,052 | - | - |
| At 31 March | 59,005 | 66,341 | - | - |

Deferred tax is calculated at a rate of 19% (2021 - 19%).

**26 Contingent liabilities**

Within the Historic Dockyard there are 47 structures designated as Scheduled Ancient Monuments and 54 Listed Buildings. The Trust has a responsibility and liability to remedy any state of disrepair of the Listed Buildings under the Planning (Listed Buildings & Conservation Areas) Act 1990. Whilst the Trust continues to maintain these structures, it may have insufficient funds to carry out the full scale repair of all the structures should the appropriate notice be served upon the Trustees. To date, no such notice has been served.

Certain grants received by the Trust for capital works within the Historic Dockyard may, under the provisions of the respective grant contracts, become repayable under certain circumstances. In the opinion of the Trustees such circumstances are unlikely to arise and accordingly no provision has been made in the accounts.

If fixed assets are disposed of then under certain circumstances any related grant funding in respect of these properties may be repayable. The Trustees have no intention of disposing of any grant funded assets.

### 27 Capital commitments

As at the year end, the Group and Trust had contracted for capital commitments totalling £79,470 (2021: £Nil).

### 28 Analysis of funds

| Group – as at 31 March 2022 | Restricted | Unrestricted | | | | Group |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | Total |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 1,110,559 | 145,908 | - | 8,151 | 154,059 | 1,264,618 |
| Heritage assets | 15,327,354 | 240,868 | - | - | 240,868 | 15,568,222 |
| Investment properties | - | - | 246,321 | 64,233 | 310,554 | 310,554 |
| Inventories | - | - | - | 270,257 | 270,257 | 270,257 |
| Debtors | 76,872 | - | - | 951,657 | 951,657 | 1,028,529 |
| Investments | - | - | - | 655,516 | 655,516 | 655,516 |
| Cash and cash equivalents | - | 732,707 | - | 769,861 | 1,502,568 | 1,502,568 |
| Creditors | - | - | - | (1,880,443) | (1,880,443) | (1,880,443) |
| Deferred tax | - | - | - | (59,005) | (59,005) | (59,005) |
| | 16,514,785 | 1,119,483 | 246,321 | 780,227 | 2,146,031 | 18,660,816 |

| Group – as at 31 March 2021 | Restricted | Unrestricted | | | | Group |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | Total |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 1,355,662 | 142,327 | - | 10,285 | 152,612 | 1,508,274 |
| Heritage assets | 15,821,976 | 270,693 | - | - | 270,693 | 16,092,669 |
| Investment properties | - | - | 264,365 | 67,339 | 331,704 | 331,704 |
| Inventories | - | - | - | 241,164 | 241,164 | 241,164 |
| Debtors | 336,961 | - | - | 595,361 | 595,361 | 932,322 |
| Investments | - | - | - | 438,136 | 438,136 | 438,136 |
| Cash and cash equivalents | - | 664,649 | - | 986,794 | 1,651,443 | 1,651,443 |
| Creditors | - | - | - | (1,472,741) | (1,472,741) | (1,472,741) |
| Deferred tax | - | - | - | (66,341) | (66,341) | (66,341) |
| | 17,514,599 | 1,077,669 | 264,365 | 799,997 | 2,142,031 | 19,656,630 |

## 28 Analysis of funds

| Trust - as at 31 March 2022 | Restricted | Unrestricted | | | | Trust Total |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 1,110,559 | 145,908 | - | - | 145,908 | 1,256,467 |
| Heritage assets | 15,327,354 | 240,868 | - | - | 240,868 | 15,568,222 |
| Inventories | - | - | - | 211,623 | 211,623 | 211,623 |
| Investment in subsidiaries | - | - | - | 1,100 | 1,100 | 1,100 |
| Debtors | 76,872 | - | - | 1,273,629 | 1,273,629 | 1,350,501 |
| Investments | - | - | - | 655,516 | 655,516 | 655,516 |
| Cash and cash equivalents | - | 732,707 | - | 383,263 | 1,115,970 | 1,115,970 |
| Creditors | - | - | - | (1,790,006) | (1,790,006) | (1,790,006) |
| | 16,514,785 | 1,119,483 | - | 735,125 | 1,854,608 | 18,369,393 |

## 28 Analysis of funds (continued)

| Trust - as at 31 March 2021 | Restricted | Unrestricted | | | | Trust Total |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 1,355,662 | 142,327 | - | - | 142,327 | 1,497,989 |
| Heritage assets | 15,821,976 | 270,693 | - | - | 270,693 | 16,092,669 |
| Inventories | - | - | - | 190,880 | 190,880 | 190,880 |
| Investment in subsidiaries | - | - | - | 1,100 | 1,100 | 1,100 |
| Debtors | 336,961 | - | - | 915,857 | 915,857 | 1,252,818 |
| Investments | - | - | - | 438,136 | 438,136 | 438,136 |
| Cash and cash equivalents | - | 664,649 | - | 647,622 | 1,312,271 | 1,312,271 |
| Creditors | - | - | - | (1,433,638) | (1,433,638) | (1,433,638) |
| | 17,514,599 | 1,077,669 | - | 759,957 | 1,837,626 | 19,352,225 |

**29 Restricted funds**

| Year ended 31 March 2022<br>Group and Trust | At 1 April 2021<br>£ | Transfers 2022<br>£ | Income 2022<br>£ | Expend-iture 2022<br>£ | At 31 March 2022<br>£ |
|---|---|---|---|---|---|
| Fixed asset funds | 10,356,760 | - | - | (554,088) | 9,802,672 |
| Education programmes | 37,851 | - | - | (37,851) | - |
| Arts Council England | - | - | 384,144 | (384,144) | - |
| Arts Council England - NPO | 121,307 | - | 249,508 | (317,523) | 53,292 |
| DCMS | - | - | 196,000 | (196,000) | - |
| Other | 177,803 | - | 8,339 | (159,167) | 26,975 |
| Fitted Rigging House | 6,820,878 | - | - | (189,032) | 6,631,846 |
| | 17,514,599 | - | 837,991 | (1,837,805) | 16,514,785 |

| Year ended 31 March 2021<br>Group and Trust | At 1 April 2020<br>£ | Transfers 2021<br>£ | Income 2021<br>£ | Expend-iture 2021<br>£ | At 31 March 2021<br>£ |
|---|---|---|---|---|---|
| Fixed asset funds | 11,051,882 | (9,217) | - | (685,905) | 10,356,760 |
| Education programmes | 25,033 | 9,974 | 5,910 | (3,066) | 37,851 |
| Arts Council England | - | - | 243,000 | (243,000) | - |
| Arts Council England - NPO | 206,896 | 15,949 | 249,508 | (351,046) | 121,307 |
| Other | - | - | 393,427 | (215,624) | 177,803 |
| Fitted Rigging House | 6,809,910 | 200,000 | - | (189,032) | 6,820,878 |
| | 18,093,721 | 216,706 | 891,845 | (1,687,673) | 17,514,599 |

The fixed asset funds represent the donations and grants received in previous years to fund capital expenditure; the balance of the funds represents the net book value of the related assets and the resources expended represents the annual depreciation of the related assets.

The Education programmes relate to various activities, designed to provide school children with educational activities relevant to the dockyard and its contribution to naval history.

The Fitted Rigging House project is to preserve the fitted rigging house, this being the last major building within the dockyard which has yet to be refurbished, to allow it to be used more productively.

**30 Unrestricted funds**

| Year ended 31 March 2022<br>Group | At 1 April 2021 £ | Gains/ Transfers 2022 £ | Income in 2022 £ | Expend-iture in 2022 £ | At 31 March 2022 £ |
|---|---|---|---|---|---|
| Designated funds | | | | | |
| - Fixed assets | 413,020 | 55,659 | - | (81,903) | 386,776 |
| - Maintenance and development | 664,649 | 56,985 | 47,880 | (36,807) | 732,707 |
| Revaluation | 264,365 | (18,044) | - | - | 246,321 |
| General | 799,997 | (45,264) | 5,920,463 | (5,894,969) | 780,227 |
| | 2,142,031 | 49,336 | 5,968,343 | (6,013,679) | 2,146,031 |

| Year ended 31 March 2021<br>Group | At 1 April 2020 £ | Gains/ Transfers 2021 £ | Income in 2021 £ | Expend-iture in 2021 £ | At 31 March 2021 £ |
|---|---|---|---|---|---|
| Designated funds | | | | | |
| - Fixed assets | 486,778 | 1,666 | - | (75,424) | 413,020 |
| - Maintenance and development | 485,826 | (200,000) | 378,823 | - | 664,649 |
| Revaluation | 251,410 | 12,955 | - | - | 264,365 |
| General | 754,594 | 127,688 | 4,655,179 | (4,737,464) | 799,997 |
| | 1,978,608 | (57,691) | 5,034,002 | (4,812,888) | 2,142,031 |

| Year ended 31 March 2022<br>Trust | At 1 April 2021 £ | Gains/ Transfers 2022 £ | Income in 2022 £ | Expend-iture in 2022 £ | At 31 March 2022 £ |
|---|---|---|---|---|---|
| Designated funds | | | | | |
| - Fixed assets | 413,020 | 55,659 | - | (81,903) | 386,776 |
| - Maintenance and development | 664,649 | 56,985 | 47,880 | (36,807) | 732,707 |
| General | 759,957 | (45,264) | 5,083,234 | (5,062,802) | 735,125 |
| | 1,837,626 | 67,380 | 5,131,114 | (5,181,512) | 1,854,608 |

| Year ended 31 March 2021<br>Trust | At 1 April 2020 £ | Gains/ Transfers 2021 £ | Income in 2021 £ | Expend-iture in 2021 £ | At 31 March 2021 £ |
|---|---|---|---|---|---|
| Designated funds | | | | | |
| - Fixed assets | 486,778 | 1,666 | - | (75,424) | 413,020 |
| - Maintenance and development | 485,826 | (200,000) | 378,823 | - | 664,649 |
| General | 716,290 | 67,975 | 4,441,383 | (4,465,691) | 759,957 |
| | 1,688,894 | (130,359) | 4,820,206 | (4,541,115) | 1,837,626 |

**30 Unrestricted funds (continued)**

The fixed assets fund presents funds used to acquire fixed assets and which are therefore not available for funding the Trust's day to day activities.

The Maintenance and Development Fund represents sums set aside for planned preventive maintenance and building refurbishment expenditure in future periods.

The transfer to the general reserve from the revaluation reserve arises on disposals and represents the realisation of previously recognised revaluation surpluses.

**31 Reconciliation of net income to net cash outflow from operating activities**

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Net expenditure | (995,814) | (415,699) |
| Depreciation of property, plant and equipment | 304,652 | 431,010 |
| Depreciation of heritage assets | 524,447 | 524,813 |
| Loss on disposal of investment properties | - | 3,190 |
| Rental income | (16,226) | (15,799) |
| Revaluation of investment property | - | (45,261) |
| Net gain on investments | (67,380) | (86,347) |
| (Decrease) / Increase in inventories | (29,093) | 68,768 |
| Decrease/(Increase) in debtors | (90,896) | 781,684 |
| (Decrease)/Increase in creditors | 502,391 | (736,190) |
| Movement in deferred tax provision | (7,336) | (18,355) |
| **Net cash provided by from operating activities** | 124,745 | 491,814 |

**32 Analysis of net debt**

| | At 1 April 2021<br>£ | Cash flows<br>£ | At 31 March 2022<br>£ |
|---|---|---|---|
| Cash at bank and in hand | 1,651,443 | (148,875) | 1,502,568 |
| Loans | (550,000) | 100,000 | (450,000) |
| **Net cash inflow from operating activities** | 1,101,443 | (48,475) | 1,052,568 |

### 33 Operating lease commitments

At 31 March 2022 the Group was committed to making the following payments under non-cancellable operating leases in the coming years

| | 2022 £ | 2021 £ |
|---|---|---|
| Due next year | 2,954 | 2,954 |
| Due in the Next 2 to 5 years | 7,385 | 10,339 |
| | 10,339 | 13,293 |

### 34 Related Party Transactions

The Trust has a number of transactions with its subsidiaries. The Trust provides accommodation, management, IT and other services to its subsidiaries, details of these are as follows:

| | Chatham Historic Dockyard (Trading) Ltd £ | Master Ropemakers Trading Ltd £ | Historic Dockyard Property Ltd £ | Historic Dockyard Property(2005) Ltd £ | Total 2022 £ |
|---|---|---|---|---|---|
| **From the Trust:** | | | | | |
| Employment recharges | 247,482 | 24,114 | - | - | 271,596 |
| Rent | 19,000 | - | - | - | 19,000 |
| Audit fee recharges | 3,750 | 3,500 | 1,250 | 1,250 | 9,750 |
| Postage costs | - | - | 1,500 | - | 1,500 |
| Utilities | - | - | - | - | - |
| Rope purchases | - | 265,123 | - | - | 265,123 |
| Finance and Insurance costs | - | - | 3,779 | - | 3,779 |
| | 270,232 | 292,737 | 6,529 | 1,250 | 570,749 |
| Amounts owed from/(to): | 1,470 | 25,312 | 18,428 | 55,627 | 100,837 |

**34 Related Party Transactions (continued)**

| | Chatham Historic Dockyard (Trading) Ltd | Master Ropemakers Trading Ltd | Historic Dockyard Property Ltd | Historic Dockyard Property(2005) Ltd | Total 2021 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **From the Trust:** | | | | | |
| Employment recharges | 85,703 | 37,044 | - | - | 122,747 |
| Rent | 19,000 | - | - | - | 19,000 |
| Audit fee recharges | 3,000 | 3,600 | 1,660 | 720 | 8,980 |
| Postage costs | - | 840 | - | - | 840 |
| Utilities | 618 | - | - | - | 618 |
| Rope purchases | - | 222,265 | - | - | 222,265 |
| Finance and insurance costs | - | - | 4,320 | - | 4,320 |
| | 108,321 | 263,749 | 5,980 | 720 | 378,770 |
| Amounts owed from/(to): | 129,218 | 18,275 | 21,808 | 36,242 | 205,543 |

The subsidiaries have committed to distribute any profits made, by way of charitable donation, to the Trust on an annual basis (see note 18).

The balances due from the subsidiaries are shown in note 21.

**35 Financial instruments**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Financial assets at fair value through profit or loss | 655,516 | 438,136 | 655,516 | 438,136 |
| Gain on financial assets at fair value through profit or loss | 67,380 | 86,347 | 67,380 | 86,347 |

Financial assets at fair value through profit or loss are valued using quoted market prices in an active market.

The risk from financial instruments primarily arises from its bank deposits, where the Trust is exposed to credit risk. The Trust seeks to minimise this risk as far as possible risks by using a number of different banks each of which must each have a good credit rating. The Trust is also exposed to credit risk from the trade debtors of its subsidiaries, which it seeks to minimise by undertaking credits checks and restricting sales to customers in default.

The financial assets at fair value through profit or loss also give rise to market risks, which are managed by investing in common investment funds and by having a mix of listed investments and cash deposits.

**THE CHATHAM HISTORIC DOCKYARD TRUST**

England & Wales - Charity number 292101

# Accounts

# The Chatham Historic Dockyard Trust

## Trustees' Report and Financial Statements

## for the year ended 31 March 2021

Company number 01804108

Registered Charity number: 292101

# Vision

The most complete and best-preserved Dockyard of the Age of Sail will increase its impact through innovative reuses of our heritage assets making it ever more relevant to all users, providing excellent experiences for all and inspirational learning for the widest audiences.

# Our Strategic Objectives

**Preservation**

To set the benchmark in maintaining excellence in the sympathetic preservation and use of The Historic Dockyard, its buildings, ships and collections through diverse re-use. Excellence in management of the heritage environment and building use will remain essential in preserving the unique, award-winning, historic character of the site.

**Learning**

To engage the widest audiences in learning about the significance and role of the former Royal Dockyard at Chatham and its people in supporting the Royal Navy from sail to steam to nuclear power over a 400 year period.

Utilising on-site heritage assets as the foundation for an industry leading museum and heritage site, we will maximise our reach and capacity whilst maintaining quality in delivering inspirational programmes and engaging activities which will incorporate the best use of digital technology and outreach activities.

**Excellence**

Providing excellence in everything we do, we will deliver an unmatched, inspirational and memorable experience for all users of The Historic Dockyard – whether visitors, tenants, residents or students – that exceed their expectations and maintains a balanced ecology of uses.

In setting and pursuing these objectives the Trustees have had regard to the Charity Commission's guidance on public benefit.

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# Patrons, Trustees, senior managers team and advisors

**Patron**
HRH The Prince of Wales

**Vice Patrons at 31 March 2021**
Admiral of the Fleet Lord Boyce KG GCB OBE DL
Admiral Sir Ian Garnett KCB
The Rt. Hon Sir Timothy Sainsbury Kt PC

**Trustees and Board Members**
Admiral Sir Trevor Soar KCB OBE DL (Chairman)
Sir Ian Andrews CBE, TD
Councillor Rodney Chambers OBE
Mr W A Corbett
Mr M Hallam
Mr P D Hudson
Mr P Jackson OBE
Mrs S Matthews-Marsh MBE
Miss S E Roots
Mr P K Sarwal
Mr Duncan Wilson OBE

**Secretary**
Mr A P L Fermor (Resigned 31/03/2021)
Mr C Langridge (Appointed 01/04/2021)

**Company members**
The Trustees and Board Members (as above)
The Rt. Hon. The Secretary of State for Defence
The Rt. Hon. The Secretary of State for Digital, Culture, Media and Sport
Mr John Spence OBE DL

**Key Management**

| | |
|---|---|
| Mr W S Ferris CBE, OBE, DL | Chief Executive (Retired 31/08/2020) |
| Mr R Morsley | Chief Executive (Appointed 01/09/2020) |
| Mr P Barnard | Chief Operating Officer |
| Ms L Crisp | Director of Communications and Public Engagement (Appointed 01/04/2020) |
| Mr R M Holdsworth MBE | Director of Heritage, Public Engagement and Learning (Retired 30/06/2021) |
| Mr N Howard | Director of the Historic Environment and Buildings |

**Bankers**
Barclays Bank PLC
30 Tower View
Kings Hill, West Malling
Kent ME19 4UY

**Auditor**
BDO LLP
55 Baker Street
London W1U 7EU

**Solicitors**
Cripps LLP
22 Mount Ephraim
Tunbridge Wells
Kent TN4 8AS

**Registered Office**
1st Floor North
Fitted Rigging House
The Historic Dockyard
Chatham
Kent
ME4 4TZ
Tel: 01634 823800 /www.thedockyard.co.uk

# Patrons, Trustees, senior managers team and advisors

The Trust gratefully acknowledges the financial and other support during 2020/21 of its Dockyard Ambassadors, and of its many stakeholders and funders, so essential to its successful operation.

Major Donors and Supporters during 2020/2021 (in alphabetical order):

Arts Council England
The Association for Industrial Archaeology
BAE Systems
DCMS Wolfson Museums and Galleries Improvements Fund
The Department for Digital, Culture, Media and Sport (DCMS)
The Garfield Weston Foundation
Historic England
John Swire 1989 Charitable Trust
Marsh Christian Trust
Medway Council
The Michael Uren Foundation
National Lottery Heritage Fund
South East LEP

We would like to thank all of the individuals and organisations that have supported the Historic Dockyard through this year, including those who have generously left gifts in the form of a legacy. Their support is hugely appreciated and makes a real difference to the valuable work we do.

In addition, we would like to thank, in particular, the Department for Digital, Culture, Media & Sport and Medway Council for their continued valuable support.

The Chatham Historic Dockyard Trust is a registered charity (Charity No. 292101) and registered company (Company No. 01804108).

Gifts and donations made by UK taxpayers under gift aid substantially increase the value of donations made.

The Trust is a Fully Accredited Museum.

**Chairman's Introduction**

In my last Annual Review, I reported that Chatham Historic Dockyard Trust had reached a significant point in its history, we had launched a new Corporate Plan and were about to embark on an exciting new chapter in the Trust's history.

However, In March 2020 the world changed irrevocably in the wake of the global COVID-19 pandemic, and whilst the Trust's strategy and broad ambition remain largely unaltered from that published in our Corporate Plan, the crisis fundamentally changed the operating environment of The Historic Dockyard Chatham.

In an unprecedented move, we were forced to close our museum and heritage attraction on 17 March 2020. Whilst the site continued to operate to support the estate's residents and commercial businesses, paying visitors were not allowed back through the doors until 21 July 2020, making for an incredibly short season.

This document reports against the period 1 April 2020 to 31 March 2021, a year where seven of the Trust's nine income streams ceased, unplanned, for 4 months.

**Managing a Crisis**

Government measures taken to combat the spread of COVID-19 created a potential existential crisis for the Trust, requiring us to take urgent and far-reaching action to secure our immediate future and ability to meet charitable objectives. Our previously enviable move towards financial independence suddenly became our greatest potential weakness. The diversification of income streams across nine principle sources was designed to minimise public subsidy and risk. An almost inconceivable consequence of the pandemic was that, of these nine income sources, which included visitor admissions, visitor-related trading and corporate hospitality; seven ceased completely without warning and without any understanding of the future period of impact. We were faced with a significant challenge.

Chatham Historic Dockyard Trust has always been an adaptable, resilient organisation. 2020/21 tested this to unimaginable limits but, despite a global pandemic, our focus on our charitable purpose remained unchanged.

As an immediate response to the crisis, we quickly instigated dramatic responses to mitigate its impact and stopped all but essential expenditure necessary for the delivery of our charitable objectives. However, the costs of operating the Dockyard, with its 115 residential properties and 100 plus business tenants, remained high even with visitor operations suspended. Our response was (and continues to be) carefully managed to focus on the health, safety and security of our teams and the Dockyard community, our site and collection, and taking decisions to ensure, as far as possible, the financial health of the Trust. We suspended all but non-essential preservation and maintenance plans for the site, our buildings and our ships, and approximately 80% of our staff were furloughed under the Government's Coronavirus Job Retention Scheme (CJRS).

The pandemic forced a comprehensive review of the operation and management of Chatham Historic Dockyard Trust. The outcome of the review was a focused operating model to safeguard the Trust's medium and long-term financial sustainability, while safeguarding the twin charitable purposes of Preservation and Education. The new model presented a robust, financially secure, efficient and cost-effective operating structure based firmly on thorough analysis of risk and opportunity. This however required changes to the existing organisational structure and savings against fixed-term staffing, resulting in a number of redundancies, alongside the creation of new roles in the revised structure. This has also led the Trust to revise its Corporate Plan (relaunched in March 2021) to reflect the changing external operating environment.

The impact of the crisis on the tourism and hospitality sector has been profound and will be long lasting. The sector has been disproportionately hit, with no clear prospect for short-term recovery. International markets have been devasted; global tourism will take many years to recover from the shock, whilst domestic markets continue to be impacted by restrictions and visitor sentiment impacted by concerns around safety and the management of social distancing in busy places.

**Digital Engagement**

With visitors not able to physically connect with our site, our public engagement and public benefit activity was quickly adapted and a new programme of digital experiences developed, thus allowing our core educational charitable purpose to continue to be met in the only way possible. This has led to new ways of working embracing digital technology that will continue to form part of our charitable delivery for years to come.

**Excellent Experiences**

The realities of operating a museum and heritage attraction in the COVID-19 world have proven particularly challenging but the drive for excellence remained front and centre of everything we do – whether that be through digital experiences or physical visits.

Government lockdown restrictions relaxed in July, allowing us to reopen to visitors but within very tight guidelines. Audiences remained highly cautious, with visitors waiting to see how well attractions handled the re-opening phase before committing to visits. Pre-visit communications became key and our messaging focused on visitor safety to create "comfort" for those considering a visit. In true Dockyard style, this took a nautical approach as we asked our visitors to 'chart new waters' and 'learn the ropes' with us. I am pleased to report that despite the restricted operating environment and some of our key assets, such as HM Submarine Ocelot and HMS Cavalier remaining closed, we had a successful (albeit short) summer period, welcoming around 30,000 visitors. We received incredibly positive visitor feedback, complimenting our safety measures and our team's ability to still deliver a memorable experience, rating our overall measure of safety as 89/100 (research undertaken by ALVA BRDC – Visitor Benchmarking).

We were awarded the TripAdvisor Traveller's Choice and shortlisted for the Kids in Museums Museum from Home award; recognising our digital engagement with families during the first lockdown. We continued to hold a leadership role in the South East of England, demonstrating best practice in heritage, museum and tourism sectors, as Lead Partner of an Arts Council museum-based NPO.

**Funding**

Support through third-party sources has been imperative to the Trust's survival. During this period, we have been fortunate to receive significant grant support from the CJRS, Arts Council England, Garfield Weston Foundation Culture Fund, Historic England and the Government's Culture Recovery Fund, all of which have provided essential funding towards reopening costs and essential maintenance.

**Succession**

I announced in my previous report that after nearly twenty years at the helm, long-standing Chief Executive, Bill Ferris CBE DL would retire in 2020. COVID-19 halted our original succession planning timeframe and Bill kindly agreed to extend his service to help steer the Trust through the initial phases of the crisis. Bill stood down at the end of August and we appointed Mr Richard Morsley as successor to the role of Chief Executive on 1 September 2020.

**Our Community**

This year has brought social change to the forefront of all our minds. Museums, heritage sites and memorials have an important role to play in supporting an inclusive, diverse and equal society. Our vision demonstrates how the organisation will use its heritage assets to 'make it ever more relevant to all users, providing excellent experiences for an inspirational learning for the widest audiences'. We acknowledge that we have a great deal of work to do and we are at the start of this journey to bring about the change we want to see.

The Dockyard has weathered many storms and whilst this has been a year none of us would like to repeat, the Trust finished the year in a strong position and can look to the future with optimism. We have a clear ambition to be an organisation that emerges from the pandemic both financially resilient and with a focus on the delivery of our charitable objectives. Our success is underpinned by our people and, as Chairman, I am very proud of their remarkable achievements in an incredibly challenging year. COVID-19 has impacted each of us on a personal level and the accomplishments, resilience, and creativity of our team has shone through, allowing us to emerge ever more confident in our position as a benchmark for preservation and education in the heritage sector.



**Sir Trevor Soar**

**Chairman**

**Strategic Report - Vision & Objectives**

**Vision**

The most complete and best-preserved Dockyard of the Age of Sail will increase its impact through innovative reuses of our heritage assets making it ever more relevant to all users, providing excellent experiences for all and inspirational learning for the widest audiences.

**Our Core Charitable Objectives**

The preservation of the Historic Dockyard Chatham, the most complete 18th Century dockyard in the world and;
The education of the public in its historical, architectural and archaeological importance.

**Our Strategic Objectives**

**Preservation**
To set the benchmark in maintaining excellence in the sympathetic preservation and use of The Historic Dockyard, its buildings, ships and collections through diverse re-use. Excellence in management of the heritage environment and building use will remain essential in preserving the unique, award-winning, historic character of the site.

**Learning**
To engage the widest audiences in learning about the significance and role of the former Royal Dockyard at Chatham and its people in supporting the Royal Navy from sail to steam to nuclear power over a 400 year period.

Utilising on-site heritage assets as the foundation for an industry leading museum and heritage site, we will maximise our reach and capacity whilst maintaining quality in delivering inspirational programmes and engaging activities which will incorporate the best use of digital technology and outreach activities.

**Excellence**
Providing excellence in everything we do, we will deliver an unmatched, inspirational and memorable experience for all users of The Historic Dockyard – whether visitors, tenants, residents or students – that exceed their expectations and maintains a balanced ecology of uses.

**Achieving the Vision and Objectives**

**The Education Purpose**
**A year of adaptation to maximise our educational benefit**

The Trust has traditionally operated its ships, collections, open spaces, museums, galleries and programmes as a visitor attraction to meet the majority of its education objectives. Before the pandemic there was an ambition to grow visitor numbers to 225-250K through formal and informal learning programmes. COVID-19 and the subsequent closure of the museum and heritage attraction made physical interaction with the site impossible for a large proportion of the reporting year.

To fulfil our Educational objective, we embarked upon an ambitious programme of innovative digital engagement, allowing us to maintain a connection with our audiences whilst onsite activity remained locked down. This has allowed us to explore our digital communications and outreach further than ever before, enhancing our ambition for all forms of digital engagement.

The digital engagement programme was delivered by a core team of non-furloughed staff, from across Marketing and Communications, Learning and Collections (funded as part of the Arts Council England NPO). The activity, brought together under the brand of Museum at Home, included a variety of family friendly, history and social history, as well as behind the scenes content which was delivered across the range of Trust's digital platforms, including website and social media. During the reporting period, the Trust's website received 708k page views (as determined through google analytics) and social media reached over 35k direct users (supported by very minimal marketing spend). This

programme of activity led national acclaim and the Trust becoming a finalist in the Kids in Museums Museum at Home Awards 2020 for best website activity.

The impact of the enhanced digital content was well received, particularly by existing visitors, with 97% of respondents to a feedback survey rating the content as good or very good. This work also proved that high quality digital engagement has a long-term role to play both in delivery of our Education objective and also as a tool for promotion of on-site visits going forward.

Overall, the implementation of digital outreach as a result of the COVID-19 pandemic has led the Trust to significantly review its digital output and engagement. This will lead to the development of a formal digital engagement strategy in 2021/22.

***Tattoo: British Tattoo Art Revealed***

Tattoo: British Tattoo Art Revealed was due to open as a temporary exhibition in No.1 Smithery in March 2020, the week the country went into national lockdown and The Historic Dockyard closed to visitors.

With the exhibition already installed, a digital exhibition was quickly developed and Tattoo: Online went live at the end of April, showcasing the work featured in the exhibition through a combination of imagery, audio and video content and allowing visitors to experience the exhibition through digital means rather than physical visits. The digital exhibition was featured as part of the national BBC Culture in Quarantine campaign, with a dedicated programme featured on BBC Arts.

The exhibition was able to open to the public when the Dockyard reopened in July and ran through to the end of October. c.29,000 visitors experienced the physical exhibition. A further 7,000 visitors experienced the digital companion exhibition created (as determined through google analytics).

***A short season***

With the relaxation of some Government restrictions in summer, the museum and heritage attraction was able to open to visitors between 25 July and 1 November.

Working alongside national tourism bodies and industry associations, we launched our re-opening campaign under the headline "We're Good To Go" and provided our essential pre-visit information under the nationally recognised "Know Before You Go" tagline. To stand out from other attractions we took a nautical-themed approach to our safety messaging, advising visitors that we were "Charting New Waters" and that everyone needed to "Learn the Ropes" and help us keep things "shipshape".

Extensive safety guidelines, including site-wide visitor capacity, pre-booked tickets only, social distancing, rigorous cleaning regimes and the closure of some internal spaces, significantly restricted visitor numbers and visitor-related trading income. During the short opening season, we welcomed 29,357 visitors.

***Digital tour of HM Submarine Ocelot***

With visits inside HM Submarine Ocelot restricted for the foreseeable future, a new digital tour of our Cold War submarine was created to replace the physical experience. The tour, activated by QR code technology via personal mobile device, tells Ocelot's story through a combination of imagery, audio and video content hosted on our website and includes first-hand accounts of life onboard from Trust Chairman, Admiral Sir Trevor Soar. Between August and October, c.750 visitors interacted with the digital tour (as determined through google analytics).

***Virtual programmes***

Salute to the '40s was not able to go ahead as a physical event. To maintain interest in our annual festival, encourage ticket transfers rather than refunds and drive new ticket sales for 2021, we hosted a virtual event over the scheduled weekend on Facebook and Instagram. Content included a programme of special appearances and performances from festival favourites including a Facebook take-over and live performance at the Dockyard from Adam Hoffman (main stage host), live performances from Miss Holiday Swing and The Knightingales, a pre-recorded message from The Dolly Girls and 'how to' videos on how to make a cake with liquid paraffin and learn to jive. This was supplemented with photos and memories of festivals in previous years. The content reached over 67,000 users during the weekend.

COVID-19 restrictions did not allow us to hold our annual Armistice Day Commemoration event at HMS Cavalier. It was important to mark the occasion and therefore, for the first time, the full service was live-streamed via Facebook. 253 users watched the service live and beyond the live event, the content reached over 62,200 users. The service was very well received, with many people thanking the Trust for bringing the service to people at home. Coverage from the service was also featured on BBC South East News, ITV Meridian News and Kent Messenger.

Restrictions also did not allow for our annual Christmas Wreath Making Workshops to take place in Commissioner's House. We developed a virtual workshop and invited people to participate in a live session (via Zoom). There were just over 30 participants in the session. This workshop was our first experience of monetising a digital experience, it was very well received by the 30 participants.

***Diversified programme***

Diversity of our offering does not always pertain to The Historic Dockyard and its history but it helps achieve the primary goal of reaching wider audiences through engagement with the site. Examples of this are our ever-popular Call the Midwife Official Location Tours, attracting 1,864 visitors.

Maximising PR and digital engagement opportunities around popular themes have proven popular in this reporting period, examples include NHS 'Light it Blue' campaign, Netflix's hit-series, Bridgerton and ITV's Saturday Night Takeaway (live broadcast in February 2021).

Family programming was driven during October through a partnership with Kids in Museums and Walker Books, featuring a Where's Wally? Spooky Museum Search activity. October was a very successful month in terms of visitor numbers (almost 9,000) and 49.6% of respondents to a post visit survey stated the Where's Wally? activity was the main motivator to visit.

***Formal learning visits***

Following the closure of schools in March, onsite international and domestic school visits ceased entirely. New digital content to support schools carrying out online lessons was developed and included resources on VE Day, the Second World War, River Medway and the History of the Dockyard.

Royal Opera House (ROH) Bridge funding was secured to support the development of digital platforms when working directly with schools and the Learning Team received training in delivering online sessions to schools, including digital safeguarding. Bespoke online sessions were developed with high schools in the local community, linked to a new, temporary exhibition, Hidden Heroines: the untold stories of the women of the Dockyard (opening May 2021).

***Arts Award Discover***

Accredited by Trinity College London, Arts Award is a scheme that provides a variety of unique qualifications achievable by anyone aged 5-25, which helps them grow as artists. We are an Arts Award Centre, offering the Arts Award Discover programme with a focus on content inspired by the Historic Dockyard. Delivery of our programme was carried out predominately through digital means during this reporting period and was a popular element in our 'Museum from Home' campaign.

In addition to the core programme, we received a grant from the Let's Craft project to develop art packs for young carers at home. The content was developed based on the Arts Award programme and was well received by participants in the local community.

***Outreach***

Physical outreach via our "Mobile Dockyard" was severely impacted in 2020-21, with all face-to-face contact stopped.

**The Preservation Purpose**

We achieve our charitable purpose of 'Preservation' through our long-term 'Preservation through Reuse' strategy.

The ongoing and sustainable preservation of the 80-acre estate and its 47 Scheduled Ancient Monuments and Listed Buildings remains of crucial importance. We aim to be an entrepreneurial charity and the eclectic and innovative re-use strategy now supports an income of approximately c.£2,734k from our property estate.

The COVID crisis has inevitably impacted income streams and throughout the crisis we have worked hard to reach solutions with each of our business tenants to ensure their viability in the marketplace, being mindful that their sustainability is vital to the future success of The Historic Dockyard. Our plans have adapted to create greater financial resilience, whilst still allowing us to be ambitious. This approach has enabled the Trust to ensure the long-term future of its business community and enable risk contingencies to be reduced.

With the museum and heritage attraction closed to visitors, maintaining the security and safety of the site and its facilities for our 115 residents and 100 businesses has been a key focus for the core onsite team.

Planned preventative maintenance has been restricted during this reporting period but boosted by generous support from third party funding sources. Preservation work has included timber replacements for both the Royal Dockyard Church and No.3 Slip, and bowsprit replacement for HMS Gannet.

Climate change remains the single greatest challenge that we will face over the coming years. Careful consideration is always given to ensure that our organisation is aware of its environment impact and we are developing an approach to reduce this, whilst always recognising the significant challenges a 400-year-old historic estate presents.

**Investing in our people**

Investment in our staff and volunteers as an educational charity is fundamental to our culture and essential for our future success.

The outbreak of COVID-19 in March 2020 and the subsequent lockdowns and restrictions that followed have placed a huge amount of stress and strain on our teams, both physically and mentally. Throughout the period, we worked tirelessly to ensure teams, whether furloughed or working, remained engaged through a range of formal and informal initiatives designed to keep everyone in touch with the organisation. Despite the obvious impacts on wellbeing, our teams have shown remarkable resilience and motivation, continuing to strive for excellence across all areas of our operation. We thank them for their continued support and energy shown during this difficult period.

We continue to manage talent within our organisation, alongside a strategic succession planning process that has engaged people at different levels of the Trust. The Trustees appointed a new Chief Executive, Richard Morsley, in September 2020 following the retirement of the former long-standing Chief Executive, Bill Ferris CBE OBE DL. Bill continues to have an involvement with the organisation as a Non-Executive Director of Master Ropemakers (Trading) Ltd.

A number of other key appointments have been made to support succession and development within the organisation including:

- Paul Barnard (Chief Operating Officer – Appointed in October 2020)
- Stephen Billington (Head of Lifelong Learning – Appointed in November 2020)
- Lynnette Crisp (Director of Communication and Public Engagement – (Appointed in April 2021)
- Olivia Horner (Head of Visitor Enterprise – Appointed in November 2020)

We have policies in place to encourage good relationships with staff and managers, and to promote a happy and productive working environment. The areas covered include training in health and safety, GDPR, equal opportunities,

technology and safeguarding. A comprehensive staff handbook is issued to all new staff during induction and is available through internal systems.

We remain committed to increasing the diversity of our workforce and Governance structures (both staff and volunteer). Similar to our interpretation and audience development work in this field, diversity and inclusion of our workforce will continue to be high priorities for the future, ensuring that as a charity we are representative of the communities and audiences that we serve.

Staff Complement

Permanent 76

Seasonal 64

Volunteers

Active volunteer numbers have been severely restricted due to the COVID-19 pandemic. Recognising the safety and well-being of all our volunteer teams, all but essential volunteering ceased from 19 March 2020 through to 31 March 2021 with only essential maintenance activities taking place with our dedicated Railway Volunteers. A small number of volunteers have supported the Trust from home helping with research and collections enquires and we are extremely grateful for their continued support.

**Exceptional Experiences**

An ethos of excellence underpins everything we do. We have always been an entrepreneurial charity and developing excellence is the key to unlocking income and creative development across a number of areas. Our core objective is to provide exceptional experiences for all users of the site, whether visitors, residents, tenants, staff or volunteers.

We believe that benchmarking against others and using external judgement through accredited schemes is the best way to assess achievement. Traditionally we would participate in the Visit England Visitor Attraction Quality Assurance Scheme (VAQAS) however, due to the national lockdown restrictions and limited season opening, Visit England assessments did not take place during this reporting period.

As an alternative to the VAQAS scheme, we joined with the Association of Leading Visitor Attractions (ALVA) and conducted post-visit online surveys with our visitors with the prime aim of benchmarking our COVID safety measures and monitoring visitor sentiment.

In addition, we received the national accreditation "We're Good to Go" from the national tourism bodies in advance of our public opening.

**Trading activity**

As an organisation we are committed to being entrepreneurial, dynamic and proactive but to remain focussed on activity that maximises charitable purpose. We use trading activity to generate income to further our core purpose.

*Visitor Trading*
The closure of the museum and heritage attraction resulted in the loss of all visitor retail and catering trading income for most of the year, which traditionally contributes approximately £100,000 surplus annually to help fund our charitable purposes.

On reopening, visitor trading commenced but tight restrictions, because of capped site visitation and social distancing measures, impacted normal operations.

The impact on the wider hospitality sector was profound and is still expected to be one of the last sectors to recover alongside tourism. A small number of weddings and events took place during the year but within very tight restrictions, with very few guests. Christmas parties were not able to take place.

In the reporting period, our trading functions have generated a net profit of £212,324.

*Filming*
The crisis prevented the filming industry from operating through the first half of the year, but film and television production was permitted to restart before the visitor economy reopened, with appropriate operational and safety constraints. Due to the ongoing COVID-19 concerns and operational restrictions, the industry was slow to return to normal levels of operation. Filming income generated £51,322 with very little overhead cost – all of which has been directed into support our core charitable objectives.

*Call the Midwife*
In partnership with Neal Street Productions (producers of Call the Midwife), we run incredibly popular Call the Midwife Official Location Tours. Capitalising on the huge fan base for the show, the location tours allow us to attract an audience to the Historic Dockyard that may not traditionally engage with the site. 1,864 visitors enjoyed the location tours during the short operating season in 2020.

*Rope Sales*

Rope making is a key element of our education delivery. We make rope as a way of demonstrating a trade which was vital to the support of the ships of the Royal Navy and to preserve the traditional skills associated with the work of a Royal Dockyard. We sell rope to clients through our trading company, Master Ropemakers Ltd.

Master Ropemakers closed for production on 17 March and reopened, in line with the release of restrictions on the manufacturing sector in June to fulfil commercial rope orders. In the reporting period, we generated £288,343 in rope sales.

**Governance**

In accordance with the articles of association there are eleven trustees, all of whom are the Directors and also members of the Trust, which is a company limited by guarantee. The Secretary of State for Digital, Culture, Media & Sport, the Secretary of State for Defence and Mr John Spence OBE DL are also members of the Trust company.

The Trust Board retains ultimate responsibility for strategic decision-making, but ordinary management of the activities and business of the Trust is delegated to the Chief Executive, who in turn delegates specific management areas to appropriate member of his executive team. Specific and defined expenditure and contractual limits are in place and operate effectively. The Chief Executive and key members of the Executive team report regularly to Board committees and to the Trust Board itself.

As vacancies in the Trust Board from time to time arise, it is Trust policy to ensure that new appointments reflect specific skill sets seen as important for a charity of this nature. In accordance with an established protocol, nominations for new Trustees are invited from existing Board members, and considered by a Nominations Committee, comprising the Chairman of the Trust and the Chairman of the Remuneration Committee, who consult and invite representations from appropriate Board members. After an interview process, a formal proposal is put to the full Board for decision. Once appointed, new Trustees are given a full day's induction at the Historic Dockyard which includes a full site tour and time spent understanding the business with the Chairman, Chief Executive and other senior managers of the Trust with on-going training provided as necessary.

The Trust Board, Committees of the Board and wholly owned subsidiaries (see below), with their separate boards, have all operated effectively during the year, providing strategic guidance to the Executive team and all important oversight and scrutiny of delivery against objectives set. Following best practice the Trust Board has effective Audit, Finance and Remuneration Committees as well as specially formed groups start-finish Committees, such as the Interface Land Committee, to focus particular scrutiny on areas considered to carry special significance and potential risk. The Audit Sub-Committee is comprised of 7 members (Mr P Sarwal, Mr T Corbett, Mr P Hudson, Mr M Hallam, Sir Ian Andrews, Mr D Philip, Sir Trevor Soar. The Committee meets twice a year (February and October).

The Remuneration Committee is comprised of 6 members (Tony Corbett, Sir Ian Andrews, Pommy Sarwal, Paul Hudson, David Philip, Sir Trevor Soar). The Committee meets at least twice a year (April and September) to consider pay conditions, any annual increases and performance related pay (where applicable).

**Financial Management Policies**

Management of the finances of the Trust remains the immediate responsibility of the Financial Controller who prepares detailed monthly financial and management accounting information for review by the Chief Executive. A summary of the financial position of the Trust and its subsidiaries is also presented for quarterly review and approval to the Finance and General Purposes Committee of the Board of Trustees, and then to the Board itself.

**Reserves Policy**

The policy of the Trust is to hold a general reserve in a minimum sum of £800k. This reserve is to cover various contingencies such as a significant uninsured loss, a significant event which damages the Trust's reputation leading to a reduction in visitor income and a reduction in the Trust's rental income. The general reserve can also be used to cover temporary cash flow shortfalls in receiving grant payments relating to major capital projects. At 31 March 2021 this reserve stood at c.£750k due to charitable reserves being required to support the operation of the charity. A planned process of rebuilding charitable reserves will be undertaken from 2021/22 onwards.

The Trust also maintains a designated development reserve of at least £400k (£665k at 31 March 2021), use of which is only to be made when considered appropriate against a conscious review of future risks occurring over a project's /payback period. This reserve can be re-designated to general reserve following the review process should perceived risks have changed.

This will provide a minimum reserve of £800k but rising to a cash maximum of £1.2m when the development reserve is replenished by rentals received post project completion. The total free reserves at 31 March 2021 were £1,415k.

This policy is reviewed annually by the Trust Board.

**Investment Policy**

Following the Trust's policy review in 2014/15, £250k, as part of the general reserve, has been placed in medium term low risk investments through CCLA. These investments have now increased to £438k at 31 March 2021.

**Risk**

The Trust has an active risk register, which is reviewed by the Board twice in each year. The register covers identified strategic risks and monitors movement in risk as a key indicator of progress. The most important risk during the year was the delivery of the Fitted Rigging House project, which has now been fully funded. Other key risks are generally stable and considered manageable.

Chatham Historic Dockyard Trust holds a business risk register which is reviewed on a regular basis by the Board of Trustees. The register identifies key risks and at the point of reporting, these are listed as the following:

1. A substantial reduction in the resources required to meet the Trust's operational and development needs.
2. The COVID-19 pandemic leads to significant reduction in property, visitor and hospitality related income in short to medium term as a direct result of lockdowns and restrictions with potential for long lasting impact resulting from strategic changes to commercial property market impacting on the Trust's ability to meet its core charitable purposes
3. The loss of key tenants due to impact of changing business models or impact of external factors eg COVID-19 leading to a significant reduction in income impacting on the Trust's ability to meet its core charitable purposes
4. The occurrence of significant physical damage to the property, historic character or fabric of the Dockyard.
5. A failure in the strategic or operational management of the Trust.
6. A failure to maintain/manage our IT data-holding and related systems appropriately to meet statutory operational and security imperatives.
7. The loss of key staff or damage to morale within the workforce or volunteer community.
8. Failure to maintain a safe and healthy environment.
9. The loss of a key partner or relationship.
10. Inappropriate development or change of use of property adjoining or near to the Dockyard.
11. A change in government policy or professional standards which is incompatible with the charitable purposes of the Trust.

Each of these risks is scored and appropriate mitigating actions are taken to ensure both likelihood and impact are reduced where possible.

In light of the Covid 19 pandemic, a COVID-19 specific risk register has been created specifically to address this emerging crisis. This is reviewed on a regular basis by the Board of Management and the Finance and General Purposes Sub-Committee.

It is the Board's general policy to appoint a small committee of its members to oversee important projects. This measure has proved particularly effective in mitigating risks to the Fitted Rigging House project. In the reporting period, additional start-finish Sub Committees were set up for an Organisational Effectiveness Review (OER) and for the future use of the Interface Land (land adjacent to the Historic Dockyard site owned by third party organisations).

To enhance internal controls a member of the finance team provides an internal audit function as a substantial part of his role, reporting directly to the Chief Executive, and thence to the audit and compliance committee of the Trust Board.

A number of internal audits have been undertaken in designated areas, to ensure compliance with statutory and internal Trust requirements.

**Fundraising, Partnerships and the Future**

The pandemic has presented numerous challenges to the long-term sustainability of Chatham Historic Dockyard Trust. The strength of our relationships with partners and external funders has provided critical support to enable us to weather the storm and emerge as a strong and resilient organisation.

We were fortunate to receive £243,000 in emergency support from Arts Council England in May 2020. This provided funding for essential maintenance works and reopening costs, allowing the museum and heritage site to reopen to the public in July 2020. We also awarded £384,000 in Round 2 of the DCMS Culture Recovery Fund (administered by Arts Council England) to support the costs of reopening the museum and heritage site in May 2021.

Funding from central Government has been critical to our survival during 2020/21. We took the opportunity to utilise the Government Coronavirus Job Retention Scheme (CJRS) extensively, recognising the downturn in a number of our operating areas. This provided over £775k to support the salaries and wages of a significant number of our workforce who were furloughed over the period.

We have received funding from the Garfield Weston Foundation Culture Fund of £177k to support the costs of developing a new temporary exhibition for 2021 (Hidden Heroines: the untold story of the women of the Dockyard) and capital funding to secure the completion of a revised Ropery gallery, due to be launched in early 2022.

The Department for Digital, Culture, Media and Sport (DCMS) have provided key support to assist in the delivery of our key charitable objectives of c.£196k.

We have secured £23k from Historic England to support essential maintenance works to the balcony and staircase at the rear of Commissioner's House (1703-4).

Chatham Historic Dockyard Trust would like to express its thanks to all its funders and partners for their continued and highly value support throughout the COVID-19 pandemic.

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts received are presented in our accounts as "income from donations, including grants".

In relation to the above, we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustees.

The charity is not bound by any undertaking to be bound by any Regulatory Scheme but any fundraising that does take place with individuals is in line with guidance set by the Fundraising Regulator.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds we do not particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

**The Future**

Following the original launch of the Trust's Corporate Plan in February 2020, the COVID-19 global pandemic fundamentally changed our operating environment and the Board of Management felt it appropriate to recognise this, revisit and republish this plan to reflect the revised ambitions and goals over the coming four years.

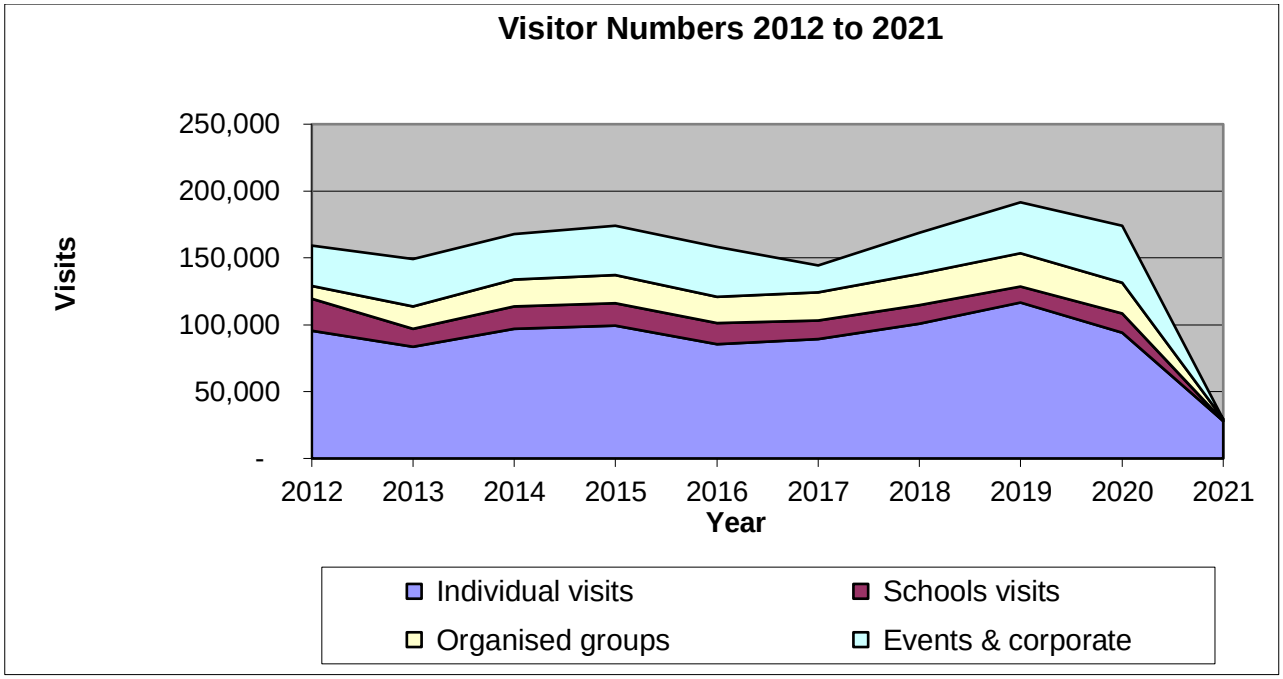
Whilst COVID-19 has altered the operating environment, the Trust's strategy and broad ambition remain largely unaltered. The strategy outlined in the Corporate Plan is based on evolution not revolution and has a central supporting theme, underlying larger proposals that will engage everyone involved with the Historic Dockyard. This is best summed up as a constant striving for improvement. "1,000 small improvements that collectively make a big impact".

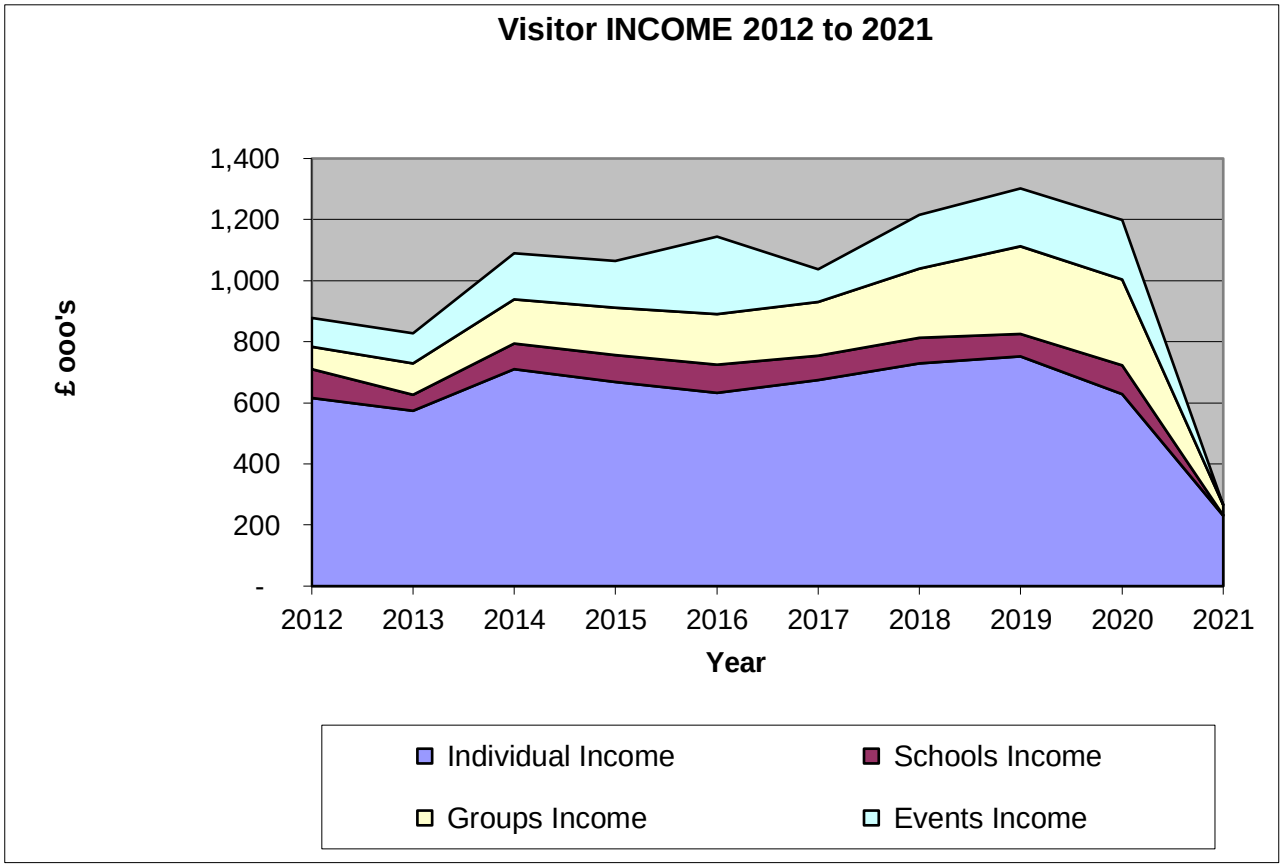
At the point of publishing the original Corporate Plan 2020-25, the Trust had reached a pivotal point in its lifecycle – for the first time it was in a position of achieving its charitable objectives through choice of direction rather than direction being dictated by need (i.e. the need to repair key buildings on site). Support from the Department for Digital, Culture, Media and Sport (DCMS), Medway Council, Historic England and the National Lottery Heritage Fund (NLHF), along with many other stakeholders and funders, enabled the Trust to reach this position of choice.

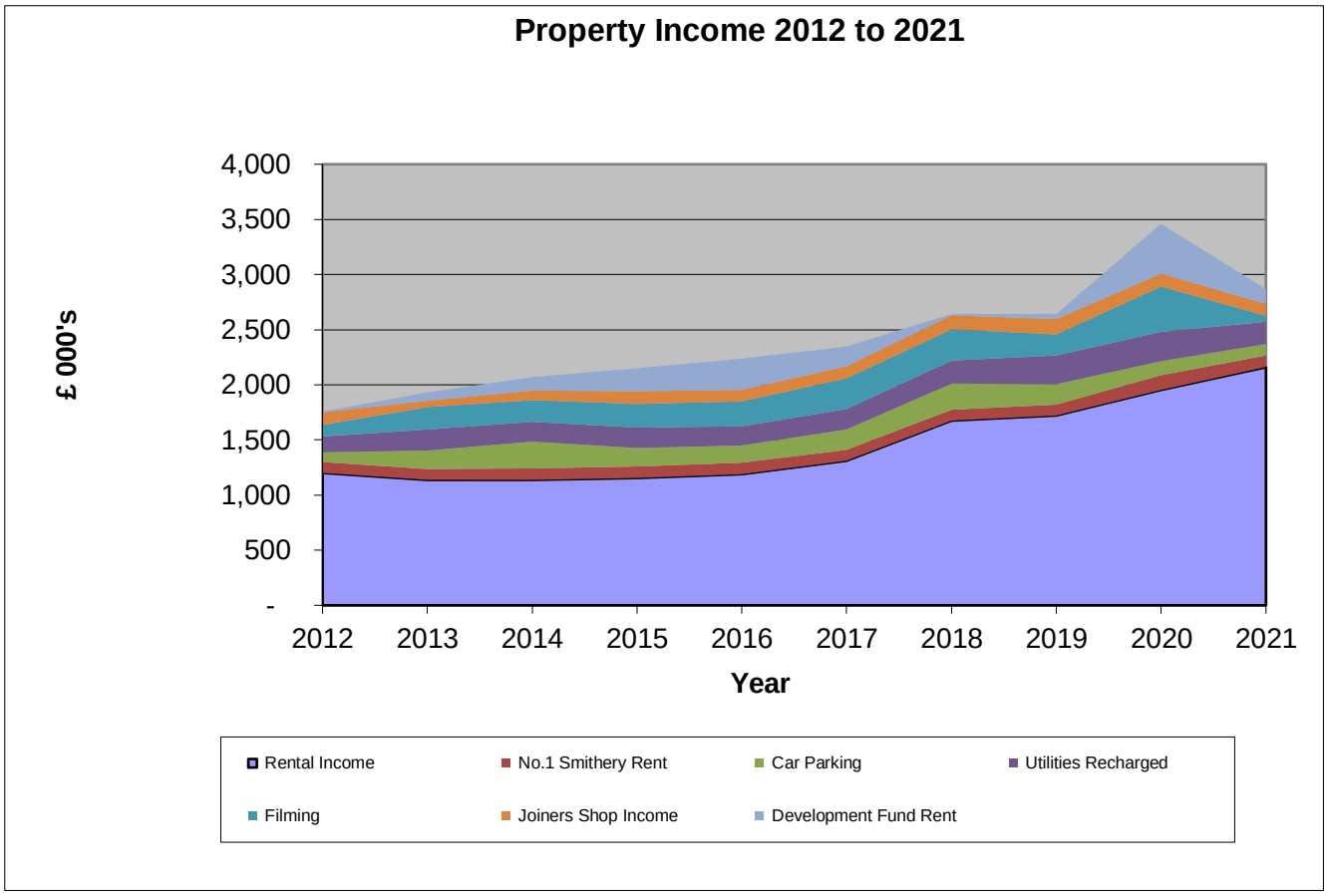
The impact of COVID-19 has been significant. The Trust has taken the opportunity to revisit its Corporate Plan, ensuring the need to balance its ambitions carefully over the coming years to ensure this resilience is maintained, enabling the Trust to continue to prioritise choices based on long-term benefit not short-term gain. The overall ambition for the Trust remains largely unchanged but the direction of travel has been adjusted to recognise the changes to the external operating environment.

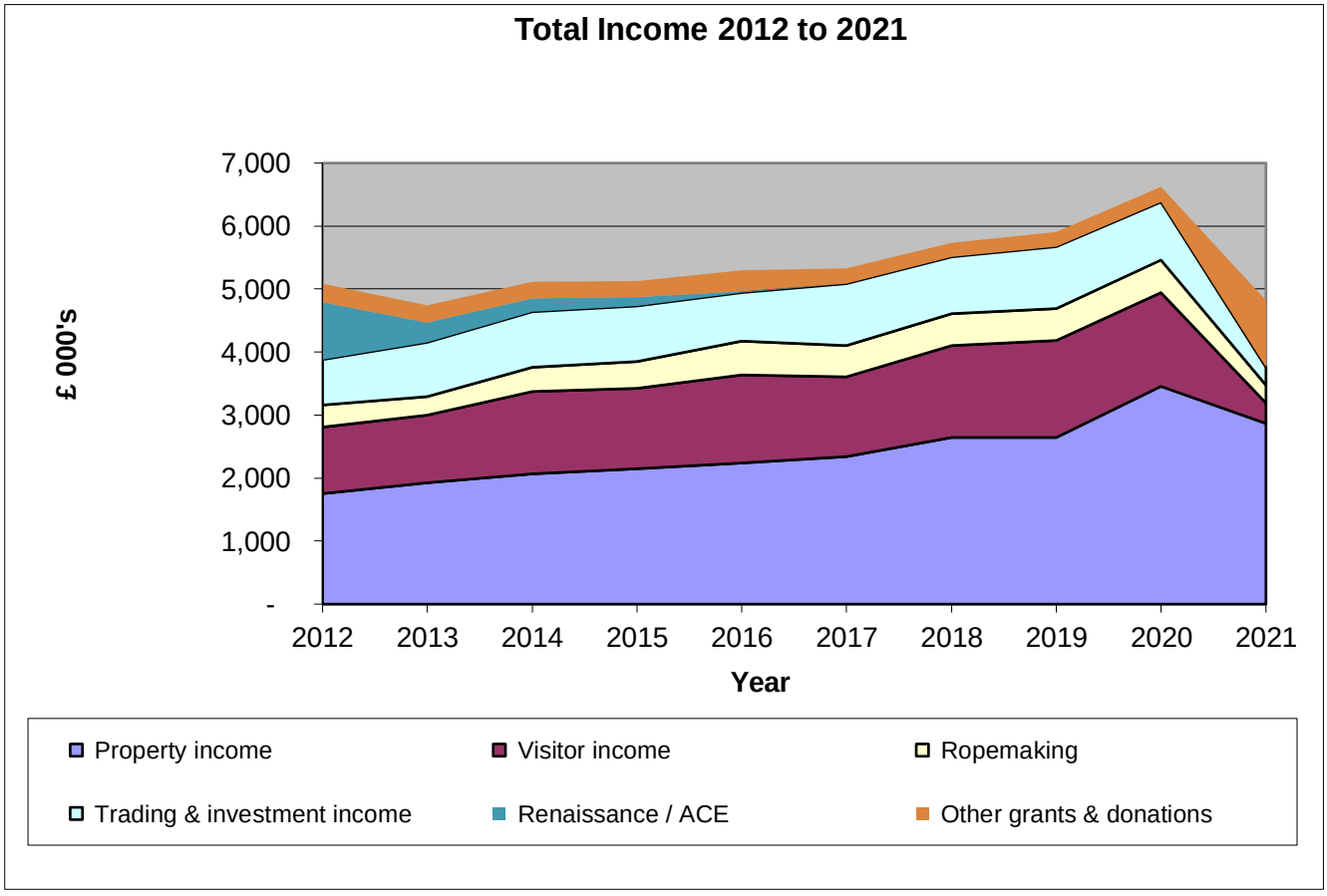
Trustees had already taken the opportunity to pause briefly in terms of capital development of the Historic Dockyard estate, in the knowledge that the most urgent capital projects have now been effectively completed – although Trustees recognise there is still much more to be done if the Historic Dockyard is to maintain standards of preservation, reach its audiences and market potential. This has given time to review how we, as a 21st Century charity, can best meet our charitable objectives going into the long-term future whilst also acknowledging the challenging operating environment that lies ahead.

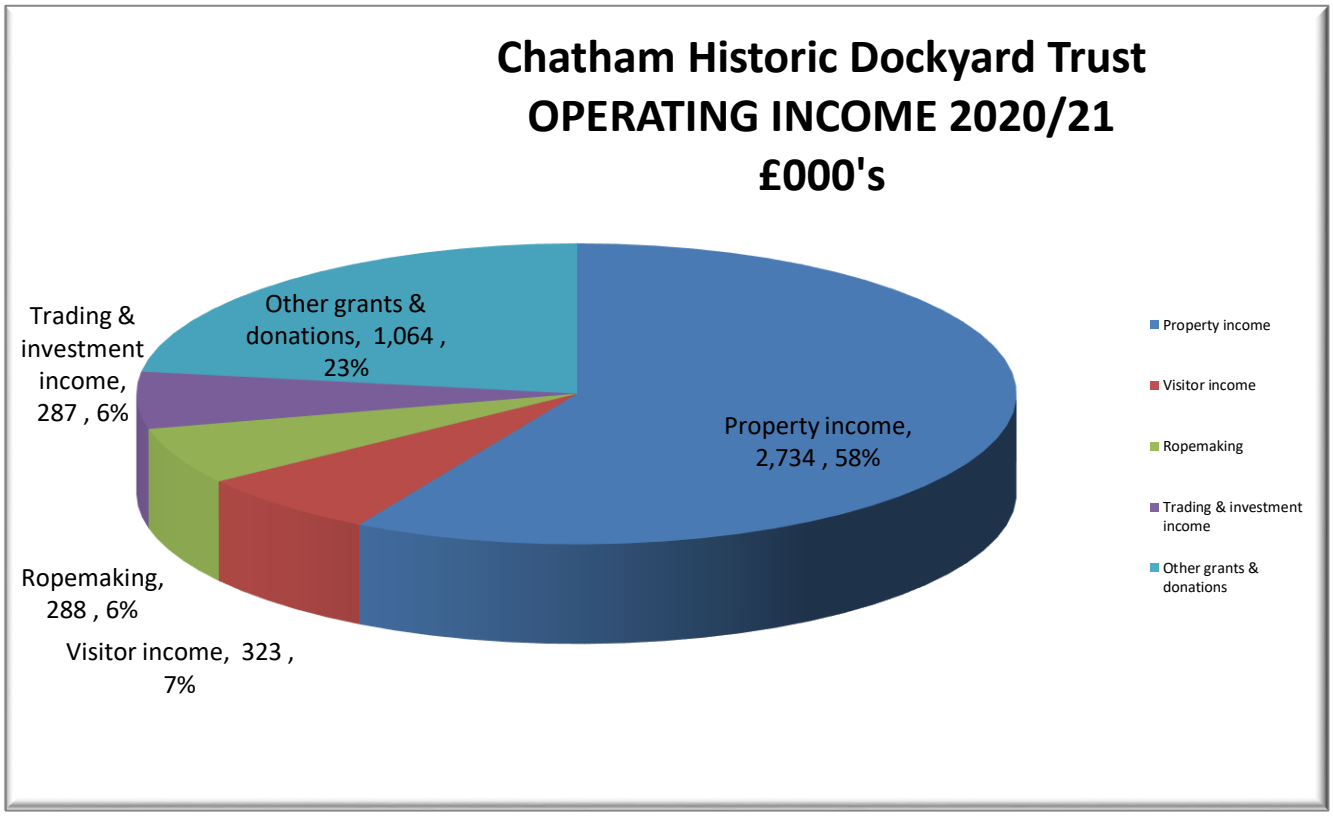
**Financial Statistics**

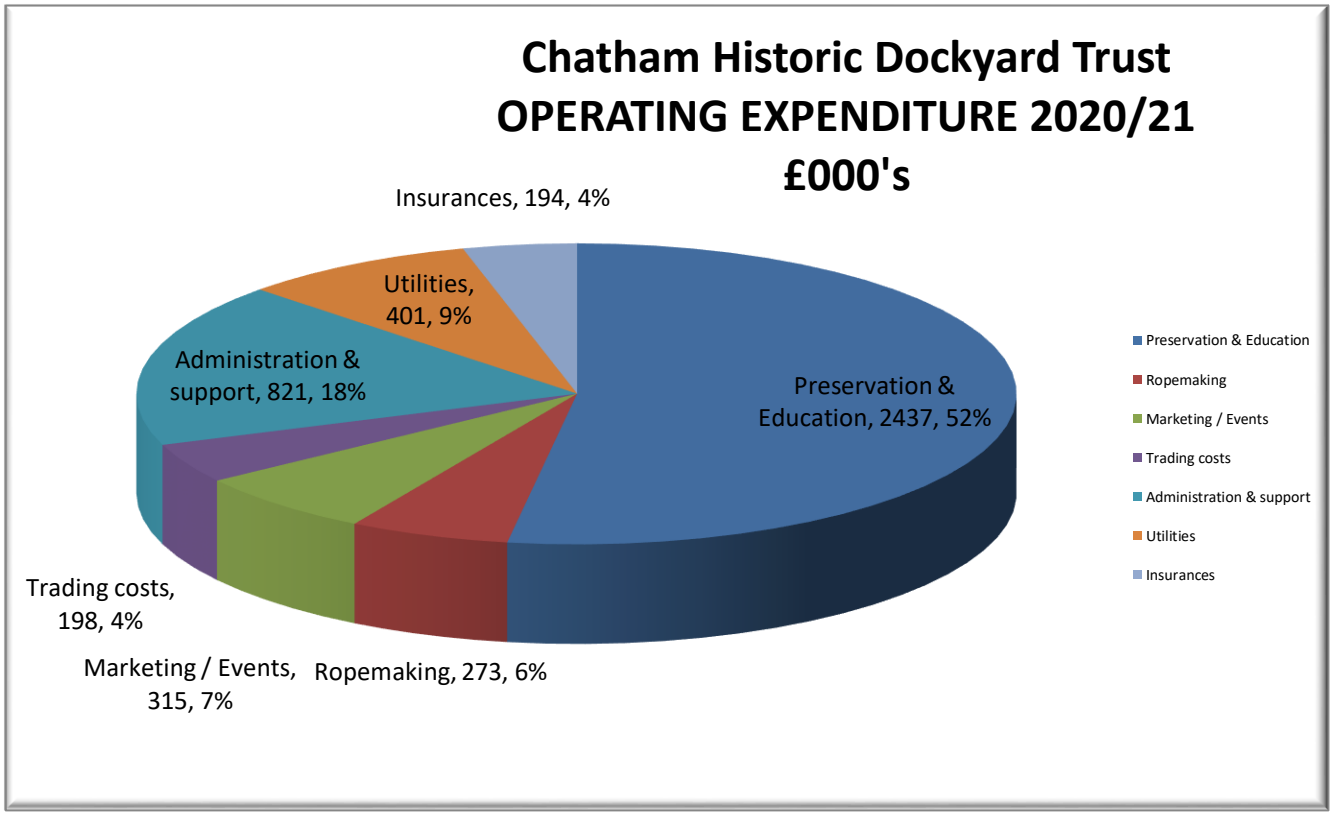



Property Income 2012 to 2021
£ 000's
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Year
Rental Income
No.1 Smithery Rent
Car Parking
Utilities Recharged
Filming
Joiners Shop Income
Development Fund Rent


Total Income 2012 to 2021
£ 000's
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Year
Property income
Visitor income
Ropemaking
Trading & investment income
Renaissance / ACE
Other grants & donations


Chatham Historic Dockyard Trust
OPERATING INCOME 2020/21
£000's
Trading & investment income, 287 , 6%
Other grants & donations, 1,064 , 23%
Property income, 2,734 , 58%
Ropemaking, 288 , 6%
Visitor income, 323 , 7%
Property income
Visitor income
Ropemaking
Trading & investment income
Other grants & donations


Chatham Historic Dockyard Trust
OPERATING EXPENDITURE 2020/21
£000's
Insurances, 194, 4%
Utilities, 401, 9%
Administration & support, 821, 18%
Preservation & Education, 2437, 52%
Trading costs, 198, 4%
Marketing / Events, 315, 7%
Ropemaking, 273, 6%
Preservation & Education
Ropemaking
Marketing / Events
Trading costs
Administration & support
Utilities
Insurances

**Subsidiaries**

The Trust has four wholly owned trading subsidiaries which manage activities designed to create related income streams for the charity that do not arise from its primary purposes of preservation by re-use of its heritage assets and education.

In each case net profits are transferred to the Trust with the benefit of gift aid as a qualifying charitable donation.

The subsidiaries are:

*Chatham Historic Dockyard (Trading) Limited*

This subsidiary undertakes retail, catering and similar operations at the Historic Dockyard. The results for the year were:

| | **Retail** | **Catering** |
|---|---|---|
| Turnover | £47k | £134k |
| Net Profit/(Loss) | £3k | (£8k) |
| Spend per visitor | £1.70 | £4.68 |

*Property Companies*

The Trust has two wholly owned subsidiary property holding companies that manage the residential and potential development land on the Trust's estate:

| Net Profit for the Year | |
|---|---|
| Historic Dockyard Property Ltd (HDPL) | £51k |
| Historic Dockyard Property (2005) Ltd (HDPL 2005) | £151k |

HDPL provides management and a range of maintenance services to the residential estate at the Historic Dockyard. It works closely with a formal Residents' Association. The time and commitment devoted by that Association is very valuable in helping to provide a well maintained and harmonious environment as part of the Trust's strategy of excellent service to all users of the estate.

HDPL 2005 owns and manages an area of potential development land within the estate, known as The Interface Land, currently let on commercial leases.

*Master Ropemakers (Trading) Ltd (MRL)*

The Trust recognises that the Ropery is one of its strongest visitor attractions. The combination of a guided tour and the traditional manufacturing process provide a highly enjoyable and educational experience. The manufacturing process, because of its educational value, is now undertaken by the Trust as part of its core activities, but the sale of manufactured rope and rope products continues as a commercial activity, undertaken by MRL.

The year saw the annual turnover for MRL reach £288k. There was a Net Profit of £15k which has been Gift Aided to Chatham Historic Dockyard Trust. Products made from manufactured rope for the retail market continue to grow in importance within the business of MRL. The encouraging results of the company are founded on principles of excellent customer service, quality production and diversification of product and markets.

**Energy Carbon Reporting**

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the 2018 Regulations) implement the government's policy on Streamlined Energy and Carbon Reporting (SECR). Although, Chatham Historic Dockyard Trust currently falls outside of the SECR remit, the Trust has commissioned a SECR report in order to voluntarily disclose Scope 1 and Scope 2 energy and carbon emissions for the 2020/21 fiscal year against a 2019/20 baseline.

| Streamlined Energy and Carbon Reporting | Baseline Year<br><br>1st Apr 2019 – 31st Mar 2020 | Current Year<br><br>1st Apr 2020 – 31st Mar 2021 |
|---|---|---|
| **Energy consumption used to calculate emissions/ kWh** | Electricity<br>2,832,095 | Electricity<br>2,492,399 |
| | Gas<br>3,397,532 | Gas<br>4,140,603 |
| **Scope 1**<br><br>**Emissions from combustion of gas tCO2e** | 625 | 761 |
| **Scope 2, Location Based**<br><br>**Emissions from purchased electricity tCO2e** | 724 | 581 |
| **Scope 2, Market Based**<br><br>**Emissions from purchased electricity tCO2e** | - | - |
| **Carbon Emissions**<br><br>**tCO2e** | 1,349 | 1,342 |
| **Carbon Intensity**<br><br>**tCO2e/m2** | 0.01183 | 0.01178 |

*Methodology and Estimates*

**Baseline Year: 1st April 2019 – 31st March 2020**

*Scope 1: Emissions from combustion of gas tCO2e*
Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the invoiced gas consumption in kWh during the previous reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Natural Gas'.

*Scope 2, Location Based: Emissions from purchased electricity tCO2e*
Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the above stated electricity consumption in kWh during the previous reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Electricity Generated/Electricity: UK'.

*Scope 2, Market Based: Emissions from purchased electricity tCO2e*
Market Based Emissions are reported as 0 due to the fuel mix of the electricity purchased, as defined by the suppliers' fuel mix. Haven Power fuel mix: 100% REGO Backed Renewable Electricity.

*Intensity ratio:*
The intensity ratio stated above has been calculated as Tonnes of CO2e per total square metres of property owned for Chatham Historic Dockyard as a whole (113,918m2).

**Current Year: 1st April 2020 – 31st March 2021**

*Scope 1: Emissions from combustion of gas tCO2e*
Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the in-voiced gas consumption in kWh during the previous reporting period and the 2020 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Natural Gas'

From 1st October 2020, CHDT has purchased Carbon Neutral Natural Gas as part of their Gas supply contract provided by Brook Green Supply Limited.

*Scope 2, Location Based: Emissions from purchased electricity tCO2e*
Location Based Tonnes of CO2 equivalent (tCO2e) are calculated from the product of the above stated electricity consumption in kWh during the current reporting period and the 2020 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Electricity Generated/Electricity: UK'.

*Scope 2, Market Based: Emissions from purchased electricity tCO2e*
Market Based Emissions are reported as 0 due to the fuel mix of the electricity purchased, as defined by the suppliers' fuel mix. Haven Power fuel mix: 100% REGO Backed Renewable Electricity.

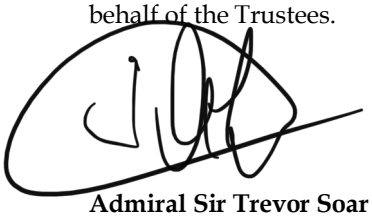
*Intensity ratio:*
The intensity ratio stated above has been calculated as Tonnes of CO2e per total square metres of property owned for Chatham Historic Dockyard as a whole (113,918m2).

**Provision of Information to the Auditor**

In accordance with company law, as Trustees we confirm that:

- So far as we are aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- As the Trustees of the Trust we have taken all the steps that we ought to have taken in order to make ourselves aware of that information and to establish that the Trust's auditor is aware of that information.

The Trustees' Annual Report, incorporating the Strategic Report, is approved by the Board of Trustees and signed on behalf of the Trustees.



**Admiral Sir Trevor Soar KCB, OBE, DL**
Chairman
Date: 22/11/21
The Historic Dockyard
Chatham
Kent ME4 4TE

# Statement of Responsibilities of the Trustees

For the year ended 31 March 2021

The Trustees are responsible for preparing the Strategic Report, the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHATHAM HISTORIC DOCKYARD TRUST

**Opinion on the financial statements**
In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources 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.

We have audited the financial statements of The Chatham Historic Dockyard Trust ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and trust Balance Sheet, the Consolidated Statement of cash flows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

**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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remain independent of the Group and Parent 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.

**Conclusions related 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 Group and the Parent 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 auditor's report thereon. The other information comprises: the Trustees' Annual Report (incorporating the strategic report). 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. 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 course of 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.

**Other Companies Act 2006 reporting**

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the Statement of Responsibilities of the Trustees, 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 determines 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 Group's and the Parent 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 Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report 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.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We made enquiries of management, and the Board, including:

- how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
- their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity. These include, but are not limited to, compliance with the Companies Act 2006, Charities Act 2011, UK GAAP, Charities SORP, fundraising regulations and tax legislation.
- In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, health and safety laws and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.
- We also communicated relevant identified laws and regulations, potential fraud risks and that fact that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Audit response to risks identified

- The Senior Statutory Auditor has assessed and concluded that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulation
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Board and management;
- We read minutes of meetings of those charged with governance, and reviewed correspondence with HMRC;
- We reviewed if any Serious Incident Reports submitted to the Charity Commission and performed an assessment of any Whistleblowing matters and
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the allocation of costs including apportionment of support costs, stock provisions, bad debt provisions, depreciation rates for assets, valuation of fixed assets and impairment considerations.
- We compared the result of estimates made in prior years and ensured that the basis of estimation was reasonable and did not lead to material differences to actuals.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:
https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Stephen Corrall
E4A9BFA9CEA6449...

**Stephen Corrall (Senior Statutory Auditor)**
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: 22 November 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Consolidated Statement of Financial Activities

(Incorporating the income and expenditure account)

For the year ended 31 March 2021

| | Notes | Unrestricted funds £ | Restricted Funds: Fitted Rigging House £ | Restricted Funds: Other £ | Total 2021 £ | Restated Total 2020 £ |
|---|---|---|---|---|---|---|
| **Income from:** | | | | | | |
| Donations and grants | 4 | 1,102,712 | - | 891,845 | **1,994,557** | 1,522,611 |
| Charitable activities | 5 | 3,234,910 | - | - | **3,234,910** | 4,804,380 |
| Other trading activities | 6 | 689,544 | - | - | **689,544** | 1,874,247 |
| Investments | 7 | 3,646 | - | - | **3,646** | 39 |
| Other income | 8 | 3,190 | - | - | **3,190** | 4,000 |
| Total income | | 5,034,002 | - | 891,845 | **5,925,847** | 8,205,277 |
| **Expenditure on:** | | | | | | |
| Raising funds | 9 | 761,740 | - | - | **761,740** | 1,795,793 |
| Charitable activities | | | | | | |
| Preservation | 10 | 1,768,620 | 189,032 | 147,940 | **2,105,592** | 2,609,012 |
| Education | 11 | 2,282,528 | - | 1,350,701 | **3,633,229** | 3,867,609 |
| Total charitable activities | | 4,051,148 | 189,032 | 1,498,641 | **5,738,821** | 6,476,621 |
| Total expenditure | | 4,812,888 | 189,032 | 1,498,641 | **6,500,561** | 8,272,414 |
| **Net income/(expenditure) before gains and losses** | | 221,114 | (189,032) | (606,796) | **(574,714)** | (67,137) |
| Net gains on investments | | 86,347 | - | - | **86,347** | 14,517 |
| Net gains on investment property | | 72,668 | - | - | **72,668** | - |
| **Net income/(expenditure)** | 14 | 380,129 | (189,032) | (606,796) | **(415,699)** | (52,620) |
| Transfers between funds | 30 | (216,706) | 200,000 | 16,706 | **-** | - |
| **Net movement in funds** | | 163,423 | 10,968 | (590,090) | **(415,699)** | (52,620) |
| Funds as at 1 April 2020 | | 1,978,608 | 6,809,910 | 11,283,811 | **20,072,329** | 20,124,949 |
| **Funds as at 31 March 2021** | 29,30 | **2,142,031** | **6,820,878** | **10,693,721** | **19,656,630** | 20,072,329 |

For details of the prior year restatement see note 36.

All amounts relate to continuing activities.

The notes on pages 31 to 59 form part of these financial statements.

# Consolidated Statement of Financial Activities

(Incorporating the income statement)

Full comparative information the year ended 31 March 2020

| | Notes | Restated Unrestricted funds £ | Restricted Funds: Fitted Rigging House £ | Restricted Funds: Other £ | Restated Total 2020 £ |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and grants | 4 | 525,870 | 633,537 | 363,204 | 1,522,611 |
| Charitable activities | 5 | 4,804,380 | - | - | 4,823,380 |
| Other trading activities | 6 | 1,874,247 | - | - | 2,275,203 |
| Investments | 7 | 39 | - | - | 39 |
| Other income | 8 | 4,000 | - | - | 4,000 |
| Total income | | 7,208,536 | 633,537 | 363,204 | 8,625,233 |
| **Expenditure on:** | | | | | |
| Raising funds | 9 | 1,795,793 | - | - | 2,215,749 |
| Charitable activities | | | | | |
| Preservation | 10 | 2,155,645 | 70,856 | 382,511 | 2,609,012 |
| Education | 11 | 2,768,513 | - | 1,099,096 | 3,867,609 |
| | | 4,924,158 | 70,856 | 1,481,607 | 6,476,621 |
| Total expenditure | | 6,719,951 | 70,856 | 1,481,607 | 8,692,370 |
| **Net income/(expenditure) before gains and losses** | | 488,585 | 562,681 | (1,118,403) | (67,137) |
| Net gains on investments | | 14,517 | - | - | 14,517 |
| Net loss on investment property | | - | - | - | - |
| **Net income/(expenditure)** | 14 | 503,102 | 562,681 | (1,118,403) | (52,620) |
| Transfers between funds | 29,30 | (887,659) | 887,659 | - | - |
| **Net movement in funds** | | (384,557) | 1,450,340 | (1,118,403) | (52,620) |
| Funds as at 1 April 2019 | | 2,363,165 | 5,359,570 | 12,402,214 | 20,124,949 |
| **Funds as at 31 March 2020** | 29,30 | **1,978,608** | **6,809,910** | **11,283,811** | 20,072,329 |

For details of the prior year restatement see note 36.

All amounts relate to continuing activities.

The notes on pages 31 to 59 form part of these financial statements.

# Consolidated and Trust Balance Sheets

As at 31 March 2021

| | Notes | Consolidated | | Trust | |
|---|---|---|---|---|---|
| | | **2021** | 2020 | **2021** | 2020 |
| | | **£** | £ | **£** | £ |
| **Fixed assets** | | | | | |
| Property plant and equipment | 15 | **1,508,274** | 1,958,276 | **1,497,989** | 1,944,229 |
| Heritage assets | 16 | **16,092,669** | 16,570,522 | **16,092,669** | 16,570,522 |
| Investment properties | 17 | **331,704** | 330,313 | **-** | - |
| Investments in subsidiaries | 18 | **-** | - | **1,100** | 1,100 |
| Listed investments | 19 | **438,136** | 351,789 | **438,136** | 351,789 |
| | | **18,370,783** | 19,210,900 | **18,029,894** | 18,867,640 |
| **Current assets** | | | | | |
| Inventories | 20 | **241,164** | 309,932 | **190,880** | 231,477 |
| Debtors | 21 | **932,322** | 1,701,369 | **1,252,818** | 2,021,639 |
| Cash and cash equivalents | | **1,651,443** | 1,131,118 | **1,312,271** | 809,385 |
| | | **2,824,929** | 3,142,419 | **2,755,969** | 3,062,501 |
| **Creditors:** amounts falling due within one year | 22 | **(1,022,741)** | (1,646,294) | **(983,638)** | (1,597,526) |
| **Net current assets** | | **1,802,188** | 1,496,125 | **1,772,331** | 1,464,975 |
| **Total assets less current liabilities** | | **20,172,971** | 20,707,025 | **19,802,225** | 20,332,615 |
| **Creditors:** amounts falling due after more than one year | 23 | **(450,000)** | (550,000) | **(450,000)** | (550,000) |
| Provision for deferred tax | 25 | **(66,341)** | (84,696) | **-** | - |
| **Net assets** | 28 | **19,656,630** | 20,072,329 | **19,352,225** | 19,782,615 |
| **Funds employed** | | | | | |
| Restricted funds | | | | | |
| Fitted Rigging House | | **6,820,878** | 6,809,910 | **6,820,878** | 6,809,910 |
| Other | | **10,693,721** | 11,283,811 | **10,693,721** | 11,283,811 |
| Total restricted funds | 29 | **17,514,599** | 18,093,721 | **17,514,599** | 18,093,721 |
| Unrestricted funds | | | | | |
| Designated funds | 30 | **1,077,669** | 972,604 | **1,077,669** | 972,604 |
| Revaluation reserve | 30 | **264,365** | 251,410 | **-** | - |
| General | 30 | **799,997** | 754,594 | **759,957** | 716,290 |
| | 30 | **2,142,031** | 1,978,608 | **1,837,626** | 1,688,894 |
| | | **19,656,630** | 20,072,329 | **19,352,225** | 19,782,615 |

# Consolidated and Trust Balance Sheets

As at 31 March 2021

The financial statements were approved and authorised for issue by the Trustees on 22 November 2021. In accordance with section 408 of the Companies Act 2006, a separate Statement of Financial Activities for the charity has not been presented. The deficit attributable to the Trust for the year was £430,390 (2020- surplus of £21,854). Income attributable to the Trust for the year was £ 5,712,051 (2020- £7,338,349).



**Admiral Sir Trevor Soar**
Chairman

Company number 01804108

The notes on pages 31 to 59 form part of these financial statements

# Consolidated statement of cash flows

For the year ended 31 March 2021

| | Notes | 2021<br>£ | 2020<br>£ |
|---|---|---|---|
| **Net cash from operating activities** | 31 | 491,814 | 1,438,902 |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment | 15 | (27,968) | (850,678) |
| Proceeds from the disposal of property, plant and equipment | | - | 4,000 |
| Proceeds from the disposal of investment properties | | 40,680 | 70,784 |
| Net gain on investments | | - | 14,517 |
| (Purchase) of investments | | - | (8,710) |
| Income from investment property | | 15,799 | 15,764 |
| | | 28,511 | (754,323) |
| **Cash flow from financing activities** | | | |
| Proceeds from new loans | | - | - |
| | | - | - |
| **Net increase in cash and cash equivalents** | | 520,325 | 684,579 |
| Cash and cash equivalents at the beginning of the year | | 1,131,118 | 446,539 |
| **Cash and cash equivalents at the end of the year** | | 1,651,443 | 1,131,118 |
| **Cash and cash equivalents at the end of the year** | | | |
| Restricted fund | | 25,033 | 25,033 |
| Unrestricted funds | | 1,626,410 | 421,506 |
| Cash and cash equivalents at the end of the year | | 1,651,443 | 446,539 |

Cash and cash equivalents comprise cash at bank and in hand.

The notes on pages 31 to 59 form part of these financial statements.

**1 Status**

The Chatham Historic Dockyard Trust ("the Trust") is an independent charitable trust, incorporated in England and Wales, formed for the purpose of preserving The Historic Dockyard for the public benefit and to promote a wide knowledge of its archaeological, historical and architectural importance. The Trust was set up in 1984 under the terms of a Memorandum of Understanding with the Department of the Environment, under which a grant of £11,350,000 was received to be applied to the principal activities of the Trust. The Trust's constitution is set out in its Memorandum and Articles of Association, as amended by Special Resolution on 27 February 2013.

The Trust is a company limited by guarantee, registered in England, not having a share capital, and has a licence to dispense with the word "limited" in its title. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member. The members of the Trust are the Secretary of State for Defence, the Secretary of State for Digital, Culture, Media and Sport, Mr John Spence OBE DL and the Trustees. The Trust's registered office is: The Fitted Rigging House, The Historic Dockyard, Chatham, Kent, England, ME4 4TZ, and its registered number is 01804108.

Details of the principal activities of the Trust is given in the accompanying narrative reporting.

**2 Accounting policies**

The principal accounting policies are summarised below.

*Basis of preparation*

These financial statements are prepared in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2nd Edition) applicable to charities preparing their accounts in accordance with FRS 102 . The financial statements are also prepared in accordance with the Companies Act 2006 and, in the case of the parent charity and consolidated financial statements, the Charities Act 2011.

The Trust is a public benefit entity and the Group is a public benefit group, as defined by FRS 102.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and listed investments.

*Going concern*

As a charity the Trustees of Chatham Historic Dockyard Trust (CHDT) and its trading subsidiaries have a duty to consider the future resilience of all parts of the organisation. The Trust holds necessary reserves should there be a need to undertake an orderly wind down of operations caused by financial challenges or a change in the need for charitable services making the charity's role redundant. CHDT reviews this situation on a monthly rolling basis through cash flow management based on evidence-based business planning.

Review of the Trust's ongoing financial resilience is considered for 12 months from the date of review and beyond through regular reviews (at board level) of the strategic risk register and changes to it. The impact of internal and external factors likely to have a significant effect on income and expenditure are key elements of ongoing cash flow management and by implication the Going Concern status.

**2. Accounting policies (continued)**

*Going concern (continued)*
The Trustees will continue to review plans with the CHDT Executive Team to make the necessary changes to remain within the free reserves level over the coming two years and indeed the life of the current Corporate Plan. The Trust has a strong balance sheet, so the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as required. As such, they remain satisfied that the Chatham Historic Dockyard Trust can continue operating for the next 12 months and accounts have been prepared in the knowledge that the Chatham Historic Dockyard Trust is a financially viable organisation.

*Disclosure exemptions for qualifying entities under FRS 102*
The Trust is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the following exemptions:

- presenting a statement of entity cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements;
- presenting certain financial instruments disclosures on the grounds that the relevant information is included within the consolidated information presented within these financial statements; and
- presenting information concerning key management personnel compensations.

*Basis of consolidation*
The Group consolidated financial statements include the financial statements of the Trust and all of its subsidiary undertakings.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Any entities which either become, or cease being, subsidiary undertakings during the year are included up to, or from, the dates of change of control, respectively. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

*Income recognition*
Income is measured at the fair value of the consideration received or receivable and represents property rental and service income, admissions income from visitors, grants and donations, income from the sale of goods and services, and interest.

Income is recognised as follows:

- Property rental – on a time apportioned basis, over the life of the lease.
- Services – as the services are provided.
- Retail sales of goods – when the sale is made.
- Other sales of goods – when the risk of ownership passes to the customer.
- Grants – when the group has met the relevant performance criteria, and the grant can be measured reliably and receipt is probable.
- Donations – when the Group has entitlement, the donation or grant can be measured reliably and receipt is probable.
- Interest – as it is earned.

Any income received prior to recognition is deferred.

**2. Accounting policies (continued)**

*Grants*
Grants are recognised in the statement of financial activities as described above, with any grants received prior to recognition being deferred. In certain circumstance grants may become repayable (for example, if the grant funded property ceases to be used for a charitable purposes). A creditor is established whenever it becomes probable that a grant will become repayable.

Restricted grants received to fund capital expenditure are transferred to general funds once the expenditure has been incurred unless the resultant asset is restricted as to its use, in which case the funds remain as restricted. Depreciation on restricted assets is charged to the appropriate restricted fund.

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

*Donated assets*
Donated assets and services which would otherwise have been purchased are included at the estimated expenditure which has been avoided as a result of the gift. No value is attributed to volunteer time donated to the Trust. Except for the initial gift to the Trust, other donated assets and services are recognised at the fair value of the asset or service received. The initial gift to the Trust is recognised at £1 (being the nominal consideration paid) as the cost of valuing the assets outweighs the benefit of such a valuation.

*Employee benefits*
The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits, including compensation for loss of employment, holiday pay and other non-monetary benefits, are recognised as an expense in the period in which the service is received.

The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

*Expenditure*
Expenditure is accounted for in the period in which it is incurred. Expenditure includes any VAT which cannot be fully recovered which is reported as part of the expenditure to which it relates.

Expenditure relating directly to a particular activity is allocated to that activity. Indirect costs are classified as support costs and these are allocated to activities on a basis consistent with use of the resources.

Expenditure includes the estimated value of donations in kind.

**2. Accounting policies (continued)**

*Operating leases*
Operating leases are leases that do not transfer all the risks and rewards of ownership. Payments made by the Group under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease, including payments which are not required to be made on a straight line basis. Lease incentives given or received are similarly spread on a straight line basis over the relevant lease term.

*Taxation*
The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date. The Trust's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Trust is not liable to tax. In addition, its subsidiaries incur no current tax charge as all their profits, which would otherwise be taxable, are distributed to the Trust by way of Gift Aid and thus no tax liability arises.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Whilst the tax expense is immaterial, it is recognised as a part of the cost of the relevant activity, rather than being disclosed separately in the Statement of Financial Activities.

*Property expenditure*
The Trust has a substantial property portfolio which includes a significant number of scheduled ancient monuments, listed properties and other historic properties. On the inception of the Trust, many of the properties were in a state of disrepair and were not functional. The Trust is pursuing a programme of works to bring all properties into productive use which results in significant expenditure on the properties.

Expenditure on the existing properties is capitalised (as either part of property, plant and equipment or heritage assets, as appropriate) when the expenditure results in incremental future benefits to the Trust or replaces a previously identified component. Incremental benefits may arise through bringing a property into use (or back into use), through reduced future maintenance expenditure, or through the ability to generate additional income, directly or indirectly, in the future.

Expenditure which does not meet this criteria is written off as incurred.

**2 Accounting policies (continued)**

*Property, plant and equipment*

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. Cost comprises the original purchase price, subsequent expenditure capitalised in accordance with the policy on *Property expenditure*, and expenditure directly attributable in bringing the asset to its working condition for its intended use. As noted above, the assets transferred to the Trust on its formation are recorded at £1, this being the nominal cost of these assets.

Land and assets under construction are not depreciated. Other assets are depreciated on a straight line basis so as to write off their cost over their expected useful lives, using the straight line method. The component categories and annual rates used are as follows:

| | | | |
|---|---|---|---|
| Structural works to buildings | 2% | Computer/AV equipment | 20% |
| Roofs | 4% | Other fixtures and fittings | 10% |
| Ships refurbishments | 10% | Plant and machinery | 10% |
| Exhibition equipment | 6.67% | Motor vehicles | 20% |
| Galleries | 10% | | |

Subsequent expenditure which relates to either the replacement of previously capitalised component or part of a component or the enhancement of the asset which results in incremental future benefits, is capitalised and the carrying amount of any replaced part of the asset is derecognised.

*Heritage Assets*

Heritage assets are tangible and intangible assets with historic, artistic, scientific, technological, geophysical, or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. As a charity with preservation as one of its objects, in accordance with the SORP, the Trust's heritage assets may include assets which are not accessible to the public.

The Trust classifies the following classes of assets as heritage assets:

- The land and building acquired from the Ministry of Defence on the inception of the Trust.
- Capital works to the structure of its historic buildings.
- Its various collections of artefacts, exhibits and historical archives.
- Items of plant and machinery of historic importance, notably the two ships.

Currently, all the Trust's heritage assets are tangible assets and are accounted for in accordance with the accounting policy for property, plant and equipment as detailed in the policy on *Property expenditure*. The Trustees consider the cost of obtaining a valuation of donated heritage assets would outweigh the benefit of such a valuation.

**2 Accounting policies (continued)**

*Impairment*
At each period end date, non-financial assets (comprising property, plant and equipment and heritage assets) are assessed to determine if there are indicators that the assets may be impaired in value; if there are such indicators of impairment, then a comparison of the asset's carrying value to its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Financial Activities; the carrying value of the asset is reduced appropriately.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use for the Trust's properties and other non-financial assets held for charitable purposes and which are fulfilling the charitable purpose for which they were acquired, is based on the depreciated replacement cost of the asset. For other assets, value in use is defined as the net present value of the future cash flows before interest expected to be generated from the assets.

For financial assets (comprising trade and other debtors) carried at cost less impairment, the impairment loss is the difference between the assets carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

If an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of their recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

*Investment properties*
Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently at fair value. Revaluation surpluses and deficits are recognised in net income.

*Investments*
Investments in subsidiaries are stated at cost less accumulated impairment losses. Other investments are stated at fair value with movements through income and expenditure.

*Inventories*
Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment is recognised immediately in profit or loss.

*Cash and cash equivalents*
Cash and cash equivalents comprise cash in hand, cash at bank and bank deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

**2 Accounting policies (continued)**

*Provisions and contingencies*
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Currently, the Group has no provisions.

Contingent liabilities arise from past events when either:

- It is only possible that an obligation will arise and when the existence or otherwise of the obligation will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control; or.
- An obligation has arisen, but a provision is not recognised because either it is not probable that there will be an outflow of resources or the amount cannot be reliably measured at the reporting date.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

*Financial instruments*
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The charity has elected to apply the provisions of Section 11 Basic Financial Instruments' and Section 12 'Other Financial instruments Issues' of FRS 102 to all of its financial instruments.

*Funds*
Designated funds are unrestricted funds which the Trustees have ring-fenced for a particular purpose. Transfers to and from the designated funds are recognised as and when decided by the Trustees.

Restricted funds are funds subject to specific restrictions imposed by donors, the nature of the appeal or other reasons.

Unrestricted funds comprise the accumulated surplus or deficit or recognised in income and expenditure after transfers to other reserves.

## 3 Key judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

**Critical judgements**

In preparing the financial statements, the following judgements which have, or could have, a material impact on the financial statements were made:

*Classification of property expenditure*

Expenditure on properties is analysed as either giving rise to an asset or expenditure which is written off as an expense when incurred, depending on whether the expenditure results in an incremental benefit, or not. The assessment of whether there is future benefit requires judgement. A key aspect of the judgement is whether the expenditure enables the Trust to gain greater use of the properties.

*Classification of properties as investment properties*

Investment properties are properties which are held to generate income or capital appreciation rather than for their contribution to culture or for the provision of services. As all of the Group's properties are within the boundary of the historic 80 acre site and are accessible to a certain extent to the visitors to the site; therefore the categorisation of any property as an investment property requires the exercise of judgement. The Trustees consider that the reversionary freeholds of the residential estate should be classed as investment properties as the Trust has no rights to use the properties and the freehold reversions are held to provide an income stream.

*Property components*

The Group accounts for its expenditure on property, plant and equipment using component accounting. Under component accounting, the property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components and in determining the useful lives of each component. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge.

**3 Key judgements and sources of estimation uncertainty (continued)**

*Property impairments*
It is necessary to undertake an impairment assessment if there are any indicators of impairment, the identification of such indicators requires judgement. The Trustees consider that for properties used for charitable purposes, the key indicators of impairment are the extent to which the property continues to be used for its intended use, any forecast future reductions in use, and the physical condition of the property. During the year, the Trustees judged that there were no indicators of impairment and so no requirement to undertake an impairment review.

*Initial gift to the Trust*
The initial gift to the Trust has not been valued as, in the Trustees' judgement, the cost of obtaining such a valuation, which would be subjective and possibly unreliable, would outweigh the benefit of such a valuation.

*Recognition of grant income*
Grant income is recognised, inter alia, when the Trust has met any criteria of substance required of it under the relevant grant agreement. In the case of Heritage Lottery Funding, the Trustees consider that the receipt of permission to start is the only criteria of substance and therefore recognise grant income once that permission has been received. The DCMS provides funding for specific years; in the judgement of the Trustees, the terms of the grant are such that the Trust does not have prior entitlement to the funding.

*Contingent assets and liabilities*
The classification of assets and liabilities as contingent requires the exercise of judgement as to the probability of future cash flows. In the case of the contingent liabilities, in the Trustees' judgement any future cash flows would arise from actions of third parties over which the Trust has no or limited influence, and as such no provision is needed.

*Restricted funds relating to capitalised expenditure*
Restricted funds received to fund capital expenditure are transferred to general funds once the expenditure has been incurred unless the resultant asset is restricted as to its use, in which case the funds remain as restricted. The assessment of whether an asset is restricted as to its use requires the exercise of judgement in assessing whether the terms of the donation(s) which funded the asset prevent the Trust from using the asset for any of its general purposes. Where the Trustees consider that this to be the case, the entire cost of the asset is classed as restricted and all of the related funds are retained as restricted funds. The corollary of this is that the subsequent depreciation of the assets is deemed to be a restricted cost.

**Critical estimates**

*Investment property valuations*
Investment properties are recognised at their fair value, which is estimated as being the anticipated proceeds from future disposals, based on the immediate past history property sales. The timing and actual proceeds of any future sales are uncertain and may not reflect the past history.

**3 Key judgements and sources of estimation uncertainty (continued)**

*Useful lives*
Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The useful lives of property components (for example roofs) are estimated based on relevant construction data.

*Carrying values*
The carrying amount of the assets and liabilities affected by the above judgements and estimates are set out in the following notes.

**4 Income from donations, including grants**

| | Unrestricted £ | Restricted £ | **Total 2021 £** | Total 2020 £ |
|---|---|---|---|---|
| Government grants | | | | |
| - Department for Digital, Culture, Media & Sport | - | 198,381 | **198,381** | 294,192 |
| - Arts Council England (ACE) | - | 243,000 | **243,000** | - |
| - Arts Council England - NPO | - | 249,508 | **249,508** | 245,000 |
| Other grants | 1,038,303 | 200,956 | **1,239,259** | 879,537 |
| Donations | 64,409 | - | **64,409** | 103,882 |
| | 1,102,712 | 891,845 | **1,994,557** | 1,522,611 |

In addition to the reliefs from taxation advanced to all charities, government support included income via the CJRS scheme. This is included above in the subtotal 'other grants'.

The Trust gratefully acknowledges the support of the National Lottery Heritage Fund, The Michael Uren Foundation, the John Swire 1989 Charitable Trust and the Arts Council England.

**5 Income from charitable activities**

| | 2021 £ | As restated 2020 £ |
|---|---|---|
| Preservation - rent & service charges | 2,951,187 | 3,389,907 |
| Education - visitor admissions | 283,723 | 1,414,473 |
| | 3,234,910 | 4,804,380 |

Income from charitable activities arises from the provision of services and is fully unrestricted.

For details of the prior year restatement see note 36.

## 6 Income from other trading activities

| | 2021 £ | As restated 2020 £ |
|---|---|---|
| Income from sale of goods | | |
| Retail – gift shop | 46,640 | 182,466 |
| Sales of rope products | 277,161 | 490,730 |
| Catering | 135,549 | 631,393 |
| Income from provision of services | | |
| Weddings & other functions | 24,769 | 306,659 |
| Property income | 205,425 | 262,999 |
| | 689,544 | 1,874,247 |

Of the income from other trading activities, £Nil (2020 - £Nil), was restricted.

For details of the prior year restatement see note 36.

## 7 Income from investments

| | 2021 £ | 2020 £ |
|---|---|---|
| Fixed interest on cash deposits | 3,646 | 39 |

## 8 Other income

| | 2021 £ | 2020 £ |
|---|---|---|
| Profit on disposal of fixed asset | 3,190 | 4,000 |

Of the other income, £Nil (2020 - £Nil), was restricted.

**Future income from non-cancellable operating leases**

| | 2021 £ | 2020 £ |
|---|---|---|
| The Group is due to receive the following amounts under non-cancellable operating leases: | | |
| Due next year | 1,201,445 | 1,221,431 |
| Due in 2 to 5 years | 4,504,530 | 5,418,959 |
| Due after more than 5 years | 10,820,088 | 17,308,018 |
| | 16,526,063 | 23,948,408 |

Under the terms of the leases, the rental income is subject to periodic review. The leases give the tenants no right of acquisition.

**9 Expenditure on raising funds**

| | 2021 £ | As restated 2020 £ |
|---|---|---|
| Incurred by the Trust | 335,255 | 625,515 |
| Incurred by the trading subsidiaries | 271,879 | 971,192 |
| | 607,134 | 1,596,707 |
| Support costs allocated to raising funds (see note 12) | 154,606 | 199,086 |
| | 761,740 | 1,795,793 |

Of the expenditure on raising funds £Nil (2020 - £Nil) was restricted.
For details of the prior year restatement see note 36.

**10 Expenditure on preservation**

| | 2021 £ | 2020 £ |
|---|---|---|
| Staff and associated costs | 257,009 | 360,007 |
| Maintenance costs | 441,285 | 651,276 |
| Fitted Rigging House preliminary expenditure | - | 70,856 |
| Utilities | 401,363 | 451,678 |
| Other direct costs | 335,350 | 333,934 |
| Depreciation | 336,972 | 382,511 |
| Allocated support costs (see note 12) | 333,613 | 358,750 |
| | 2,105,592 | 2,609,012 |

Preservation comprises the cost of repair, maintenance and restoration of the historic buildings and ships of the Dockyard and other maintenance.

Of the expenditure on preservation £336,972 (2020 - £453,367) was restricted.

**11 Expenditure on education**

| | 2021 £ | 2020 £ |
|---|---|---|
| Staff and associated costs | 1,312,747 | 1,240,456 |
| Other direct costs | 970,251 | 849,006 |
| Depreciation | 613,388 | 892,527 |
| Other project expenditure | 28,754 | 59,512 |
| Maintenance | 75,572 | 149,896 |
| Allocated support costs (see note 12) | 632,517 | 676,212 |
| | 3,633,229 | 3,867,609 |

Education expenditure comprises the cost of the maintenance and operation of the galleries and exhibits within the Dockyard.

Of the expenditure on education £1,350,701 (2020 - £1,099,096) was restricted.

**12 Support costs**

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Staff and associated costs | 797,903 | 902,289 |
| Office costs | 61,271 | 70,844 |
| Professional fees | 20,845 | 19,352 |
| Insurances | 194,435 | 194,670 |
| Other costs | 1,307 | 27,039 |
| Governance costs | 44,975 | 19,854 |
| | 1,120,736 | 1,234,048 |

| Support costs are allocated as follows: | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Raising funds | 154,606 | 199,086 |
| Education | 632,517 | 676,212 |
| Preservation | 333,613 | 358,750 |
| | 1,120,736 | 1,234,048 |

Support costs comprise the management costs of the Trust and its charitable subsidiaries and site security costs. Management costs comprise the Senior Executive and Finance functions (including Personnel and IT support). Site security comprises staff and other costs in respect of the provision of 24-hour security for the site for the benefit of the Trust, its tenants and residents.

The bases of apportionment utilised are as follows:

- Trustee expenses and security – equally between the two charitable activities.
- Management costs – in accordance with staff numbers.

**13 Wages and salaries**

| **Group** | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Wages and salaries | 2,445,973 | 2,665,526 |
| Social security costs | 193,723 | 197,819 |
| Pension scheme – defined contribution scheme | 154,097 | 193,623 |
| | 2,793,793 | 3,056,968 |

| **Trust** | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Wages and salaries | 2,180,563 | 2,322,986 |
| Social security costs | 176,993 | 172,346 |
| Pension scheme – defined contribution scheme | 142,227 | 176,265 |
| | 2,499,783 | 2,671,597 |

**13 Wages and salaries (continued)**

| Average no. of persons employed: | Group 2021 Number | 2020 Number | Trust 2021 Number | 2020 Number |
|---|---|---|---|---|
| Preservation | 22 | 25 | 22 | 25 |
| Education | 80 | 84 | 80 | 84 |
| Ropemaking | 8 | 7 | 8 | 7 |
| Catering & retail | 19 | 26 | - | - |
| Support | 11 | 11 | 11 | 11 |
| | 140 | 153 | 121 | 127 |

In addition, volunteers assist the Trust in undertaking its activities; details are provided in the Trustees' Annual Report.

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

| | 2021 Number | 2020 Number |
|---|---|---|
| £60,001 - £70,000 | - | 1 |
| £70,001 - £80,000 | 2 | 1 |
| £100,001 - £110,000 | - | 1 |

Contributions in the year for the provision of money purchase benefits to higher paid employees totalled £13,157 (2020: £66,148).

During the year statutory redundancy payments of £44,613 (2020 - £Nil) were paid. An ex-gratia payment of £Nil (2020 - £1,250) was made to the Trust's secretary in recognition of services provided.

The Chairman of the Trustees is entitled to receive remuneration from the Trust for services provided, as permitted by the Memorandum and Articles and approved by the Charity Commission. The Chairman's emoluments for the year were £29,177 for Sir Trevor (2020 - £27,113 for Sir Trevor); this remuneration is not pensionable. The Trust chooses to pay the Chairman as the role significantly exceeds that of other Trustees. No other Trustees received emoluments. Expenses reimbursed to no (2020 – three) Trustees in respect of the cost of attending meetings amounted to £Nil (2020 – £484).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, including any Trustee. In the opinion of the Trust key management personnel are the Trustees and the senior managers.

Key management remuneration was as follows:

| | 2021 £ | 2020 £ |
|---|---|---|
| Key management remuneration | 570,202 | 610,014 |

## 14 Net expenditure

| Net expenditure is stated after charging: | 2021 £ | 2020 £ |
|---|---|---|
| Depreciation of tangible assets: | | |
| - Property, plant and equipment | 431,010 | 772,011 |
| - Heritage assets | 524,813 | 503,181 |
| Auditor's remuneration: | | |
| - Audit (Trust) | 38,565 | 13,854 |
| - Audit (Subsidiaries) | 8,120 | 8,120 |
| - Non audit services paid to companies associated with the auditors | 6,410 | 6,000 |
| Income received under non-cancellable operating leases | 1,403,496 | 1,284,909 |
| Inventory recognised as an expense | 316,330 | 778,400 |
| Impairment of inventory | 6,000 | 27,190 |
| Operating lease charges | 907 | - |

## 15 Tangible fixed assets – Property plant and equipment

| Group | Fixtures, fittings and equipment £ | Galleries £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| 1 April 2020 | 7,577,780 | 6,916,356 | 14,494,136 |
| Additions | 27,968 | - | 27,968 |
| Transfer | (52,056) | 19,149 | (32,907) |
| **31 March 2021** | 7,553,692 | 6,935,505 | 14,489,197 |
| **Depreciation** | | | |
| 1 April 2020 | 6,510,259 | 6,025,601 | 12,535,860 |
| Charge for year | 282,822 | 148,188 | 431,010 |
| Transfer | 12,036 | 2,017 | 14,053 |
| **31 March 2021** | 6,805,117 | 6,175,806 | 12,980,923 |
| **Net book value** | | | |
| **31 March 2021** | 748,575 | 759,699 | 1,508,274 |
| 31 March 2020 | 1,067,521 | 890,755 | 1,958,276 |

The transfer in the year in the Trust and Charity is due to an overstatement of cost and depreciation in the prior year note. The net effect on the net book value of the assets in both years is £nil.

**15 Tangible fixed assets – Property plant and equipment (continued)**

| Trust | Fixtures, fittings and equipment £ | Galleries £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| 1 April 2020 | 7,444,094 | 6,916,356 | 14,360,450 |
| Additions | 27,968 | - | 27,968 |
| Transfers | (52,056) | 19,149 | (32,907) |
| **31 March 2021** | 7,420,006 | 6,935,505 | 14,355,511 |
| **Depreciation** | | | |
| 1 April 2020 | 6,390,620 | 6,025,601 | 12,416,221 |
| Charge for year | 279,060 | 148,188 | 427,248 |
| Transfers | 12,036 | 2,017 | 14,053 |
| **31 March 2021** | 6,681,716 | 6,175,806 | 12,857,522 |
| **Net book value** | | | |
| **31 March 2021** | 738,290 | 759,699 | 1,497,989 |
| 31 March 2020 | 1,053,474 | 890,755 | 1,944,229 |

As part of the terms of the heritage lottery grant, there is a charge in place over the fitted rigging house.

**16 Heritage assets**

| Group and Trust | Freehold land and buildings £ | Ships £ | Collections and artefacts £ | Total £ |
|---|---|---|---|---|
| **Cost** | | | | |
| 1 April 2020 | 22,430,252 | 3,344,642 | 144,000 | 25,918,894 |
| Transfers | (1,040,473) | - | - | (1,040,473) |
| **31 March 2021** | 21,389,779 | 3,344,642 | 144,000 | 24,878,421 |
| **Depreciation** | | | | |
| 1 April 2020 (restated) | 6,003,730 | 3,344,642 | - | 9,348,372 |
| Charge for year | 524,813 | - | - | 524,813 |
| Transfers | (1,087,433) | | | (1,087,433) |
| **31 March 2021** | 5,441,110 | 3,344,642 | - | 8,785,752 |
| **Net book value** | | | | |
| **31 March 2021** | 15,948,669 | - | 144,000 | 16,092,669 |
| 31 March 2020 (restated) | 16,426,522 | - | 144,000 | 16,570,522 |

The transfer in the year in relation to Heritage assets of £1,040,473 is due to an overstatement of cost and depreciation in the prior year note. The net effect on the net book value of the assets in both years is £nil.

**16 Heritage assets (continued)**

No value was attributed to the assets transferred to the Trust on its creation as the cost of obtaining such valuations would not be commensurate with the benefits to the users of the accounts and, in any event, given the uniqueness of many of the assets transferred, a reliable valuation may be impossible to obtain.

The heritage assets comprise the Trust's freehold land and buildings, the ships, items of historic plant and equipment, the museum collections, art and photographs and the archives. The heritage assets recognised comprise capitalised expenditure on enhancing the utility of the historic properties and expenditure on assets which have been purchased since the inception of the Trust.

The assets include:

- 47 structures designated as Scheduled Ancient Monuments and 54 listed buildings;
- two ships and one submarine;
- large plant and equipment, including the rope manufacturing machines, cranes and metal working plant;
- over 100,000 items connected to the history of Chatham Dockyard and the Royal Navy at Chatham. They range from small items of personal ephemera - a dockyard matey's old cigarette box - to HMS Cavalier, the Royal Navy's last Second World War destroyer;
- over 20,000 photographs dating from the very earliest years of photography, mainly depicting Chatham Dockyard at work and ships of the Royal Navy on the River Medway;
- over 150 works of art including oil paintings, watercolours and prints. Their content ranges from topographical views of the dockyard to portraits of naval personnel;
- 50 models, mainly of naval ships;
- over 100 machine tools all of which were originally used in the dockyard for shipbuilding and repair;
- over 100 items of naval ordnance dating from the seventeenth to the twentieth centuries and includes guns, torpedoes, mines and mortars; and
- over 10,000 items in the archive collection, mainly documents relating to naval and dockyard correspondence and to individuals' naval service.

Whilst the Trust would like to acquire further assets to add to its collections, the main focus of the Trust's efforts has been – and will be for the foreseeable future – preserving the various buildings. To this end, the Trust has a long term maintenance plan for its buildings and a shorter term plan for bringing unused buildings into use through appropriate refurbishment work. However, in the year, the Trust was able to acquire a model submarine and a white ensign; the cost of these new assets was less than the de minimis capitalisation threshold.

All assets have been catalogued in order that they can be properly managed and all collections are stored in such a manner to prevent any deterioration in their condition and to ensure that they are physically secure. The buildings, the ships, structures and heavy plant are all accessible to visitors to the Dockyard (although the public cannot obtain access to the interior of certain buildings as they are in use). The collections are accessible to the public through the Trust's museum and those items not on show are made accessible to researchers on request.

The Trust does not expect to dispose of any of its heritage assets.

**Historical record of movements in heritage assets – Group and Trust**

There were no additions, disposals or impairments in the last five years other than the transfer of the Fitted Rigging House upon completion in the year ended 31 March 2020. The value of this was £6,550,100.

**17 Investment Properties**

| Group | 2021<br>£ | 2020<br>£ |
|---|---|---|
| 1 April | 330,313 | 405,142 |
| Disposals | (43,870) | (74,829) |
| Revaluation | 45,261 | - |
| 31 March | 331,704 | 330,313 |

The investment properties are valued by reference to the rental yield established by recent sales of properties as determined by independent valuers and applying that yield to the rental income stream from ongoing investment properties. The directors have carried out that valuation at 31st March 2021 and the revaluation is £45,261.

**18 Investments – shares in subsidiary companies – Trust**

| | Share Capital<br>£ | Total<br>£ |
|---|---|---|
| At 31 March 2020 and 31 March 2021 | 1,100 | 1,100 |

The subsidiary companies at 31 March 2021 were wholly owned and registered in England & Wales and are as follows:

| Name | Company number | Activity |
|---|---|---|
| Master Ropemakers (Trading) Limited | 02651660 | Non-traditional rope sales |
| Chatham Historic Dockyard (Trading) Limited | 01983754 | Retail & catering |
| Historic Dockyard Property Limited | 02331347 | Residential property management |
| Historic Dockyard Property (2005) Limited | 05538093 | Property development |
| Historic Dockyard Property (2010) Limited | 07232729 | Dormant |
| Master Ropemakers Limited | 07232492 | Dormant |

The registered office of the above subsidiaries is The Fitted Rigging House, The Historic Dockyard, Chatham, Kent, England, ME4 4TZ.

**18 Investments – shares in subsidiary companies – Trust (continued)**

**Results of active subsidiaries**

| | Master Ropemakers (Trading) Limited £ | Historic Dockyard Property Limited £ | Historic Dockyard Property 2005 Limited £ | Chatham Historic Dockyard (Trading) Limited £ |
|---|---|---|---|---|
| **Year ended 31 March 2021** | | | | |
| Turnover | 315,272 | 19,016 | 166,266 | 369,831 |
| Expenditure | (300,312) | (11,929) | (14,804) | (374,886) |
| Taxation | - | (9,052) | - | - |
| Other movements in profit and loss reserve | - | 52,922 | - | - |
| Distribution to the Trust | (14,960) | (50,957) | (151,462) | - |
| Movement in profit and loss reserve | - | - | - | (5,055) |
| **As at 31 March 2021** | | | | |
| Assets | 63,886 | 417,908 | 204,614 | 147,463 |
| Creditors and provisions | (38,886) | (152,543) | (204,514) | (132,418) |
| Net assets | 25,000 | 265,365 | 100 | 15,045 |
| **Year ended 31 March 2020** | | | | |
| Turnover | 520,726 | 15,803 | 185,464 | 902,814 |
| Expenditure | (514,578) | (22,740) | (66,125) | (817,701) |
| Taxation | - | - | - | - |
| Transfer from revaluation reserve | - | 74,829 | - | - |
| Distribution to the Trust | (6,148) | (67,892) | (119,339) | (85,113) |
| Movement in profit and loss reserve | - | - | - | - |
| **As at 31 March 2020** | | | | |
| Assets | 77,927 | 424,438 | 125,779 | 203,179 |
| Creditors and provisions | (52,927) | (178,819) | (125,679) | (183,079) |
| Net assets | 25,000 | 245,619 | 100 | 20,100 |

**19 Investments**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| **Listed investments – common investments funds** | | | | |
| 1 April | 351,789 | 343,079 | 351,789 | 343,079 |
| Change in market value | 86,347 | 8,710 | 86,347 | 8,710 |
| 31 March | 438,136 | 351,789 | 438,136 | 351,789 |

**20 Inventories**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Raw materials and consumables | 117,327 | 134,557 | 117,327 | 134,557 |
| Goods for resale | 123,837 | 175,375 | 73,553 | 96,920 |
| | 241,164 | 309,932 | 190,880 | 231,477 |

There is no significant difference between the replacement cost of the inventories and their carrying amount. Inventories are stated after provisions for impairment of £22,124 (2020 - £27,190).

**21 Debtors**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade debtors | 222,276 | 638,233 | 149,026 | 620,893 |
| Grants receivable | - | 356,331 | - | 356,331 |
| Amount owed by subsidiary undertakings | - | - | 422,922 | 426,156 |
| Other debtors | 105,156 | 198,463 | 97,398 | 124,928 |
| Prepayments and accrued income | 604,890 | 508,342 | 583,472 | 493,331 |
| | 932,322 | 1,701,369 | 1,252,818 | 2,021,639 |

Amounts above owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**22 Creditors: amounts falling due within one year**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Other loan | 100,000 | - | 100,000 | - |
| Trade creditors | 196,280 | 191,733 | 188,994 | 185,975 |
| Taxation and social security | 40,852 | 52,245 | 40,852 | 52,245 |
| Other creditors | 313,296 | 432,751 | 297,774 | 430,852 |
| Accruals and deferred income (see note 25) | 372,313 | 969,565 | 356,018 | 928,454 |
| | 1,022,741 | 1,646,294 | 983,638 | 1,597,526 |

**23 Creditors: amounts falling due after more than one year**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Other loan | 450,000 | 550,000 | 450,000 | 550,000 |

The South East Local Enterprise Partnership (SELEP) loan, at 0% interest, is repayable by March 2024.

**24 Deferred income**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Balance at 1 April | 455,016 | 32,633 | 455,016 | 32,633 |
| Amount released to SOFA | (455,016) | (32,633) | (455,016) | (32,633) |
| Amount deferred in the period | 10,565 | 455,016 | 34,771 | 455,016 |
| Balance at 31 March | 10,565 | 455,016 | 34,771 | 455,016 |

Deferred income principally relates to advance event ticket sales and pre-billed rents.

**25 Deferred tax**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Arising on property revaluations: | £ | £ | £ | £ |
| At 1 April | 84,696 | 84,696 | - | - |
| Credit to profit & loss | (27,407) | - | - | - |
| Tax on revaluation | 9,052 | - | - | - |
| At 31 March | 66,341 | 84,696 | - | - |

Deferred tax is calculated at a rate of 25% (2020 – 20%).

**26 Contingent liabilities**

Within the Historic Dockyard there are 47 structures designated as Scheduled Ancient Monuments and 54 Listed Buildings. The Trust has a responsibility and liability to remedy any state of disrepair of the Listed Buildings under the Planning (Listed Buildings & Conservation Areas) Act 1990. Whilst the Trust continues to maintain these structures, it may have insufficient funds to carry out the full scale repair of all the structures should the appropriate notice be served upon the Trustees. To date, no such notice has been served.

Certain grants received by the Trust for capital works within the Historic Dockyard may, under the provisions of the respective grant contracts, become repayable under certain circumstances. In the opinion of the Trustees such circumstances are unlikely to arise and accordingly no provision has been made in the accounts.

If fixed assets are disposed of then under certain circumstances any related grant funding in respect of these properties may be repayable. The Trustees have no intention of disposing of any grant funded assets.

**27 Capital commitments**

As at the year end, the Group and Trust had contracted for capital commitments totalling £Nil (2020: £Nil).

**28 Analysis of funds**

| Group – as at 31 March 2021 | Restricted | Unrestricted Designated | Revaluation | General | Total unreserved | Group Total |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 1,355,662 | 142,327 | - | 10,285 | 152,612 | 1,508,274 |
| Heritage assets | 15,821,976 | 270,693 | - | - | 270,693 | 16,092,669 |
| Investment properties | - | - | 264,365 | 67,339 | 331,704 | 331,704 |
| Inventories | - | - | - | 241,164 | 241,164 | 241,164 |
| Debtors | 336,961 | - | - | 595,361 | 595,361 | 932,322 |
| Investments | - | - | - | 438,136 | 438,136 | 438,136 |
| Cash and cash equivalents | - | 664,649 | - | 986,794 | 1,651,443 | 1,651,443 |
| Creditors | - | - | - | (1,472,741) | (1,472,741) | (1,472,741) |
| Deferred tax | - | - | - | (66,341) | (66,341) | (66,341) |
| | 17,514,599 | 1,077,669 | 264,365 | 799,997 | 2,142,031 | 19,656,630 |

| Group – as at 31 March 2020 | Restricted | Unrestricted Designated | Revaluation | General | Total unreserved | Group Total |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 1,498,166 | 486,778 | - | (26,668) | 460,110 | 1,958,276 |
| Heritage assets | 16,570,522 | - | - | - | - | 16,570,522 |
| Investment properties | - | - | 336,106 | (5,793) | 330,313 | 330,313 |
| Inventories | - | - | - | 309,932 | 309,932 | 309,932 |
| Debtors | - | 485,826 | - | 1,215,543 | 1,701,369 | 1,701,369 |
| Investments | - | - | - | 351,789 | 351,789 | 351,789 |
| Cash and cash equivalents | 25,033 | - | - | 1,106,085 | 1,106,085 | 1,131,118 |
| Creditors | - | - | - | (2,196,294) | (2,196,294) | (2,196,294) |
| Deferred tax | - | - | (84,696) | - | (84,696) | (84,696) |
| | 18,093,721 | 972,604 | 251,410 | 754,594 | 1,978,608 | 20,072,329 |

| Trust - as at 31 March 2021 | Restricted | Unrestricted Designated | Revaluation | General | Total | Trust Total |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 1,355,662 | 142,327 | - | - | 142,327 | 1,497,989 |
| Heritage assets | 15,821,976 | 270,693 | - | - | 270,693 | 16,092,669 |
| Inventories | - | - | - | 190,880 | 190,880 | 190,880 |
| Investment in subsidiaries | - | - | - | 1,100 | 1,100 | 1,100 |
| Debtors | 336,961 | | - | 915,857 | 915,857 | 1,252,818 |
| Investments | - | - | - | 438,136 | 438,136 | 438,136 |
| Cash and cash equivalents | - | 664,649 | - | 647,622 | 1,312,271 | 1,312,271 |
| Creditors | - | - | - | (1,433,638) | (1,433,638) | (1,433,638) |
| | 17,514,599 | 1,077,669 | - | 759,957 | 1,837,626 | 19,352,225 |

**28 Analysis of funds (continued)**

| Trust - as at 31 March 2020 | Restricted | Unrestricted | | | | Trust |
|---|---|---|---|---|---|---|
| | | Designated | Revaluation | General | Total | Total |
| | £ | £ | £ | £ | £ | £ |
| Property, plant and equipment | 1,498,166 | 486,778 | - | (40,715) | 446,063 | 1,944,229 |
| Heritage assets | 16,570,522 | - | - | - | - | 16,570,522 |
| Inventories | - | - | - | 231,477 | 231,477 | 231,477 |
| Investment in subsidiaries | - | - | - | 1,100 | 1,100 | 1,100 |
| Debtors | - | 485,826 | - | 1,535,813 | 2,021,639 | 2,021,639 |
| Investments | - | - | - | 351,789 | 351,789 | 351,789 |
| Cash and cash equivalents | 25,033 | - | - | 784,352 | 784,352 | 809,385 |
| Creditors | - | - | - | (2,147,526) | (2,147,526) | (2,147,526) |
| | 18,093,721 | 972,604 | - | 716,290 | 1,688,894 | 19,782,615 |

**29 Restricted funds**

| Year ended 31 March 2021 | At 1 April 2020 | Transfers 2021 | Gains 2021 | Income 2021 | Expend-iture 2021 | At 31 March 2021 |
|---|---|---|---|---|---|---|
| **Group and Trust** | £ | £ | £ | £ | £ | £ |
| Fixed asset funds | 11,051,882 | (9,217) | - | - | (685,905) | 10,356,760 |
| Education programmes | 25,033 | 9,974 | - | 5,910 | (3,066) | 37,851 |
| Arts Council England | - | - | - | 243,000 | (243,000) | - |
| Arts Council England – NPO | 206,896 | 15,949 | - | 249,508 | (351,046) | 121,307 |
| Other | - | - | - | 393,427 | (215,624) | 177,803 |
| Fitted Rigging House | 6,809,910 | 200,000 | - | - | (189,032) | 6,820,878 |
| | 18,093,721 | 216,706 | - | 891,845 | (1,687,673) | 17,514,599 |

| Year ended 31 March 2020 | At 1 April 2019 | Transfers 2020 | Gains 2020 | Income 2020 | Expend-iture 2020 | At 31 March 2020 |
|---|---|---|---|---|---|---|
| **Group and Trust** | £ | £ | £ | £ | £ | £ |
| Fixed asset funds | 12,253,730 | - | - | - | (1,201,848) | 11,051,882 |
| Education programmes | 25,033 | - | - | - | - | 25,033 |
| Other/NPO | 123,451 | - | - | 363,204 | (279,759) | 206,896 |
| Fitted Rigging House | 5,359,570 | 887,659 | - | 633,537 | (70,856) | 6,809,910 |
| | 17,761,784 | 887,659 | - | 996,741 | (1,552,463) | 18,093,721 |

**29 Restricted funds (continued)**

The fixed asset funds represent the donations and grants received in previous years to fund capital expenditure; the balance of the funds represents the net book value of the related assets and the resources expended represents the annual depreciation of the related assets.

In the current year the allocation of fixed assets between restricted and unrestricted funds has been reviewed and corrected. There is no restatement of reserves in total.

The Education programmes relate to various activities, designed to provide school children with educational activities relevant to the dockyard and its contribution to naval history.

The Fitted Rigging House project is to preserve the fitted rigging house, this being the last major building within the dockyard which has yet to be refurbished, to allow it to be used more productively.

100 Objects project was funded by Arts Council England with the objective of bringing curators and learning officers together with schools and teachers in Kent to develop an integrated, yet differentiated, museum and learning offer for the new national curriculum.

Culture of Kent was a project with Turner Contemporary and Culture Kent to use art as a platform to increase the Trust's engagement with wider audiences.

The Command of the Oceans project is a major project which involved the construction of a new visitor entrance, a Discovery Centre and the preservation of the timbers from HMS Namur. On completion of the project the funds represented by capital assets were transferred to the fixed asset funds.

Transfers in the year represent immaterial reallocations between reserves, as well as a £200,000 transfer into the Fitted Rigging House restricted reserve from general funds.

**30 Unrestricted funds**

| **Year ended 31 March 2021** | At 1 April 2020 | Transfers 2021 | Gains 2021 | Income in 2021 | Expend-iture in 2021 | At 31 March 2021 |
|---|---|---|---|---|---|---|
| **Group** | £ | £ | £ | £ | £ | £ |
| Designated funds | | | | | | |
| - Fixed assets | 486,778 | 1,666 | - | - | (75,424) | 413,020 |
| - Maintenance and development | 485,826 | (200,000) | - | 378,823 | - | 664,649 |
| Revaluation | 251,410 | (59,713) | 72,668 | - | - | 264,365 |
| General | 754,594 | 41,341 | 86,347 | 4,655,179 | (4,737,464) | 799,997 |
| | 1,978,608 | (216,706) | 159,015 | 5,034,002 | (4,812,888) | 2,142,031 |

| **Year ended 31 March 2020** | At 1 April 2019 | Transfers 2020 | Gains 2020 | As restated Income in 2020 | As restated Expend-iture in 2020 | At 31 March 2020 |
|---|---|---|---|---|---|---|
| **Group** | £ | £ | £ | £ | £ | £ |
| Designated funds | | | | | | |
| - Fixed assets | 477,515 | 82,453 | - | - | (73,190) | 486,778 |
| - Maintenance and development | 674,214 | (672,604) | - | 720,809 | (236,593) | 485,826 |
| Revaluation | 326,239 | (74,829) | - | - | - | 251,410 |
| General | 885,197 | (222,679) | 14,517 | 6,907,683 | (6,830,124) | 754,594 |
| | 2,363,165 | (887,659) | 14,517 | 7,628,492 | (7,139,907) | 1,978,608 |

For details of the prior year restatement see note 36.

| **Year ended 31 March 2021** | At 1 April 2020 | Transfers 2021 | Gains 2021 | Income in 2021 | Expend-iture in 2021 | At 31 March 2021 |
|---|---|---|---|---|---|---|
| **Trust** | £ | £ | £ | £ | £ | £ |
| Designated funds | | | | | | |
| - Fixed assets | 486,778 | 1,666 | - | - | (75,424) | 413,020 |
| - Maintenance and development | 485,826 | (200,000) | - | 378,823 | - | 664,649 |
| General | 716,290 | (18,372) | 86,347 | 4,441,383 | (4,465,691) | 759,957 |
| | 1,688,894 | (216,706) | 86,347 | 4,820,206 | (4,541,115) | 1,837,626 |

| **Year ended 31 March 2020** | At 1 April 2019 | Transfers 2020 | Gains 2020 | Income in 2020 | Expend-iture in 2020 | At 31 March 2020 |
|---|---|---|---|---|---|---|
| **Trust** | £ | £ | £ | £ | £ | £ |
| Designated funds | | | | | | |
| - Fixed assets | 477,515 | 82,453 | - | - | (73,190) | 486,778 |
| - Maintenance and development | 674,214 | (672,604) | - | 720,809 | (236,593) | 485,826 |
| General | 847,248 | (297,508) | 14,517 | 5,606,282 | (5,454,249) | 716,290 |
| | 1,998,977 | (887,659) | 14,517 | 6,327,091 | (5,764,032) | 1,688,894 |

**30 Unrestricted funds (continued)**

The fixed assets fund presents funds used to acquire fixed assets and which are therefore not available for funding the Trust's day to day activities. In the current year the allocation of fixed assets between restricted and unrestricted funds has been reviewed and corrected. There is no restatement of reserves in total.

The Maintenance and Development Fund represents sums set aside for planned preventive maintenance and building refurbishment expenditure in future periods. The Trust's policy is to invest any surplus on unrestricted funds generated each year back into the core activities of the Trust and to that end any surplus generated less unrestricted capital expenditure up to £100,000 will be designated to fund planned preventive maintenance and building refurbishment. The transfer in the year represents the expenditure of funds designated in previous years net of the 2021 transfer into the fund. The amount transferred in the year is expected to be utilised in the coming year.

The transfer to the general reserve from the revaluation reserve arises on disposals and represents the realisation of previously recognised revaluation surpluses. Other transfers in the year represent immaterial reallocations between reserves, as well as a £200,000 transfer into the Fitted Rigging House restricted reserve from general funds.

**31 Reconciliation of net income to net cash outflow from operating activities**

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Net (expenditure) | (415,699) | (52,620) |
| Depreciation of property, plant and equipment | 431,010 | 772,011 |
| Depreciation of heritage assets | 524,813 | 503,181 |
| Profit on disposal of tangible fixed assets | - | 4,090 |
| Loss on disposal of investment properties | 3,190 | (4,045) |
| Rental income | (15,799) | (15,764) |
| Revaluation of investment property | (45,261) | - |
| Net gain on investments | (86,347) | (14,517) |
| (Decrease) in inventories | 68,768 | 64,215 |
| Decrease/(Increase) in debtors | 769,047 | (476,102) |
| (Decrease)/Increase in creditors | (723,553) | 658,453 |
| Movement in deferred tax provision | (18,355) | - |
| **Net cash provided by from operating activities** | 491,814 | 1,438,902 |

**32 Analysis of net debt**

| | At 1 April 2020<br>£ | Cash flows<br>£ | At 31 March 2021<br>£ |
|---|---|---|---|
| Cash at bank and in hand | 1,131,118 | 520,325 | 1,651,443 |
| Loans | (550,000) | - | (550,000) |
| **Net cash inflow from operating activities** | 581,118 | 520,325 | 1,101,443 |

**33 Operating lease commitments**

At 31 March 2021 the Group was committed to making the following payments under non-cancellable operating leases in the coming years

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Due next year | 2,954 | - |
| | 2,954 | - |

**34 Related Party Transactions**

The Trust has a number of transactions with its subsidiaries. The Trust provides accommodation, management, IT and other services to its subsidiaries, details of these are as follows:

| | Chatham Historic Dockyard (Trading) Ltd<br>£ | Master Ropemakers Trading Ltd<br>£ | Historic Dockyard Property Ltd<br>£ | Historic Dockyard Property(2005) Ltd<br>£ | Total 2021<br>£ |
|---|---|---|---|---|---|
| **From the Trust:** | | | | | |
| Employment recharges | 249,526 | 47,869 | - | - | 297,395 |
| Rent | 19,000 | - | - | - | 19,000 |
| Audit fee recharges | 3,000 | 3,600 | 800 | 720 | 8,120 |
| Postage costs | - | 840 | - | - | 840 |
| Utilities | 618 | - | - | - | 618 |
| Rope purchases | - | 228,169 | - | - | 228,169 |
| Finance and insurance costs | - | - | 4,320 | - | 4,320 |
| | 272,144 | 280,478 | 5,120 | 720 | 558,462 |
| Amounts owed from/(to): | 129,218 | 33,235 | 72,766 | 187,704 | 422,923 |

**34 Related Party Transactions (continued)**

| | Chatham Historic Dockyard (Trading) Ltd | Master Ropemakers Trading Ltd | Historic Dockyard Property Ltd | Historic Dockyard Property(2005) Ltd | Total 2020 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **From the Trust:** | | | | | |
| Employment recharges | 329,110 | 67,726 | - | - | 396,836 |
| Rent | 19,000 | - | - | - | 19,000 |
| Audit fee recharges | 3,000 | 3,600 | 800 | 720 | 8,120 |
| Postage costs | - | 840 | - | - | 840 |
| Utilities | 3,705 | - | - | - | 3,705 |
| Rope purchases | - | 400,956 | - | - | 400,956 |
| Finance and insurance costs | - | - | 4,420 | - | 4,420 |
| | 354,815 | 473,122 | 5,220 | 720 | 833,877 |
| Amounts owed from/(to): | 168,166 | 47,050 | 87,581 | 123,359 | 426,156 |

The subsidiaries have committed to distribute any profits made, by way of charitable donation, to the Trust on an annual basis (see note 18).

The balances due from the subsidiaries are shown in note 21.

**35 Financial instruments**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Financial assets at fair value through profit or loss | 438,136 | 351,789 | 438,136 | 351,789 |
| Gain on financial assets at fair value through profit or loss | 86,347 | 14,517 | 86,347 | 14,517 |

Financial assets at fair value through profit or loss are valued using quoted market prices in an active market.

The risk from financial instruments primarily arises from its bank deposits, where the Trust is exposed to credit risk. The Trust seeks to minimise this risk as far as possible risks by using a number of different banks each of which must each have a good credit rating. The Trust is also exposed to credit risk from the trade debtors of its subsidiaries, which it seeks to minimise by undertaking credits checks and restricting sales to customers in default.

The financial assets at fair value through profit or loss also give rise to market risks, which are managed by investing in common investment funds and by having a mix of listed investments and cash deposits.

**36 Prior year adjustment**

There has been a prior year adjustment in respect of intercompany trading not previously eliminated on consolidation in the year ended 31 March 2020. This has reduced income and expenditure for that year by £419,956 but it had no impact upon the deficit for the year ended 31 March 2020. It does not have any impact upon the reported net assets as at 31 March 2020.