

Registered number: 03229737

Chatham Maritime Estate Limited

Directors' report and financial statements

for the year ended 31 March 2013

Chatham Maritime Estate Limited

Company Information

Directors

Mr S Harriott (Chairman)
Mr A W Clayton (resigned 7 December 2012)
Mr V Towell
Mr D J Taylor
Mr A B Horwood
Prof D J Maguire (appointed 7 December 2012)
Mr J Perry
Mr A Sutton
Prof N Garrod (resigned 29 August 2012)
Cllr G D Griffiths
Mr A G Sneller (resigned 11 September 2012)
Dr R E Muid (appointed 7 December 2012)
Cllr A Mackness

Company secretary Mrs A Yusuf

Registered number 03229737

Registered office

The Coach House
Pembroke
Chatham Maritime
Kent
ME4 4EU

Independent auditor

Reeves & Co LLP
Statutory Auditor & Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers

HSBC Bank Plc
South Commercial Centre
Lakeview West
Crossways Business Park
Dartford
DA2 6QE

Chatham Maritime Estate Limited

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Chatham Maritime Estate Limited

Directors' report for the year ended 31 March 2013

The directors present their report and the financial statements for the year ended 31 March 2013.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The company's principal activity is acting as an estate management company for Chatham Maritime Estate.

Directors

The directors who served during the year were:

Mr S Harriott (Chairman)
Mr A W Clayton (resigned 7 December 2012)
Mr V Towell
Mr D J Taylor
Mr A B Horwood
Mr J Perry
Mr A Sutton
Prof N Garrod (resigned 29 August 2012)
Cllr G D Griffiths
Mr A G Sneller (resigned 11 September 2012)
Dr R E Muid (appointed 7 December 2012)
Cllr A Mackness

Chatham Maritime Estate Limited

Directors' report for the year ended 31 March 2013

Further aims and objectives

Chatham Maritime Estate Ltd is a wholly-owned subsidiary of Chatham Maritime Trust. The Trust is the long-term landowner and guardian of the Chatham Maritime Estate, which comprises the major part of the former Chatham Naval Dockyard which is now a major urban regeneration site.

Chatham Maritime Estate Ltd ("the Company") acts as an estate management company for the Estate. It collects service and rent charges from the Estate's occupiers, enters into maintenance and service contracts for the benefit of the Estate, and arranges payments under such contracts. It also employs the staff required for management of the Estate.

The Company does not own Estate assets, which are vested in the Trust. The assets the Company does own are minor items such as office equipment used in the management of the Estate.

The Company draws income from three main sources:

- St Marys' Island is the northern part of the Estate, and is a residential development. Homeowners pay an annual rent charge, and this is secured against the property, in that a property cannot be sold without the rentcharge account being clear.
- South Maritime is the southern part of the Estate, and contains commercial offices, leisure and retail facilities, and the campus for the Universities at Medway. More recently, flat blocks have been developed, introducing a residential element. Developments here are on long leaseholds – typically c. 150 years – at peppercorn rents. Headlessees pay an annual service charge in two half-yearly installments, and there are year end balancing charges.

In both the above cases the Homes and Communities Agency (HCA, formerly South East England Development Agency), which is the body responsible for developing the Estate, makes contributions in respect of currently undeveloped areas.

- The third source of income is receipts from Chatham Maritime Trust. The Trust makes an annual grant to the Company in respect of the maintenance of certain elements of key infrastructure, such as flood defences, which are not met from the rent charge and service charge income. The Trust holds endowment funds for this purpose.

In principle, therefore, the Company runs two main service charge structures, which balance at year end and produce nil surplus.

In fact, the Company does make a small annual surplus which it remits up to Chatham Maritime Trust under Gift Aid provisions. This surplus comprises four specific elements:

- "Water Service Charge" – an additional sum over and above service charge paid by some South Maritime headlessees. This is not tied to specific expenditure, but serves in effect as a long-term non-specific reserve fund contribution which is kept with the Trust's endowments and which will be "granted" back to the Company at some future date to assist with major infrastructure works. This is consistent with the long-term nature of the South Maritime leaseholds.
- "Medium-Term Allowance" – an additional payment made by HCA over and above rentcharge support contributions, which serves in effect as a reserve fund for St Marys' Island periodic maintenance costs.
- Interest – from bank accounts and charges on late payments. The Trust's policy is not to credit interest to the relevant service charge or rentcharge account. Rather it is remitted up to the Trust where it forms the basis of the Trust's Community Fund, which is used to support charities, groups and events which support the growing Chatham Maritime community and the immediately surrounding area.
- Sundry income - are receipts collected by the Company on behalf of the Trust and which are due to the Trust in relation to its role as a landowner and reversionary freeholder, rather than arising out of the estate management function.

Chatham Maritime Estate Limited

**Directors' report
for the year ended 31 March 2013
Provision of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Reeves & Co LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 13 September 2013 and signed on its behalf.



Mrs A Yusuf
Secretary

Independent auditor's report to the shareholders of Chatham Maritime Estate Limited

We have audited the financial statements of Chatham Maritime Estate Limited for the year ended 31 March 2013, set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

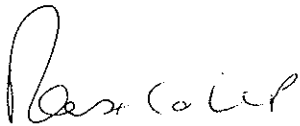
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the shareholders of Chatham Maritime Estate Limited

Matters on which we are required to report by exception

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

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



Susan Robinson BA FCA FCIE DChA MCMI (Senior statutory auditor)

for and on behalf of
Reeves & Co LLP

Statutory Auditor
Chartered Accountants

Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

13 September 2013

Chatham Maritime Estate Limited

Income and expenditure account
for the year ended 31 March 2013

	Note	2013 £	2012 £
Turnover	1	777,753	841,488
Administrative expenses		(777,753)	(841,488)
Other operating income	2	44,171	45,665
		<hr/>	<hr/>
Operating surplus	3	44,171	45,665
Interest receivable		1,337	3,024
		<hr/>	<hr/>
Surplus brought forward		45,508	48,689
Tax on surplus on ordinary activities	4	-	-
		<hr/>	<hr/>
Surplus on ordinary activities after taxation		45,508	48,689
Gift aid payment		(45,508)	(48,689)
		<hr/>	<hr/>
Surplus for the financial year		-	-
Surplus brought forward		-	-
		<hr/>	<hr/>
Retained surplus carried forward		-	-
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 11 form part of these financial statements.

Chatham Maritime Estate Limited
Registered number: 03229737

Balance sheet
as at 31 March 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	5		43,113		52,378
Current assets					
Debtors	6	63,347		155,235	
Cash at bank and in hand		86,488		111,020	
		<u>149,835</u>		<u>266,255</u>	
Creditors: amounts falling due within one year	7	<u>(192,947)</u>		<u>(318,632)</u>	
Net current liabilities			<u>(43,112)</u>		<u>(52,377)</u>
Net assets			<u>1</u>		<u>1</u>
Capital and reserves					
Called up share capital	8		1		1
Shareholders' funds			<u>1</u>		<u>1</u>

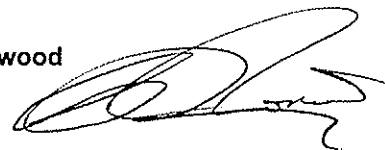
The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 September 2013.

Mr S Harriott (Chairman)
Director



Mr A B Horwood
Director



The notes on pages 8 to 11 form part of these financial statements.

Notes to the financial statements
for the year ended 31 March 2013

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Turnover

Turnover comprises rent and service charges, revenue is recognised on an accruals basis.

1.3 Tangible fixed assets and depreciation

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

Plant & Machinery	-	10% straight line
Motor Vehicles	-	25% straight line
Fixtures & Fittings	-	25% reducing balance
Computer equipment	-	25% reducing balance

1.4 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Other operating income

	2013	2012
	£	£
Other operating income	18,918	20,405
Reserve fund (MTA)	25,253	25,260
	<u>44,171</u>	<u>45,665</u>

Notes to the financial statements
for the year ended 31 March 2013

3. Operating surplus

The operating surplus is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets: - owned by the company	14,303	14,724
Auditors' remuneration	4,600	4,500
	<u>14,303</u>	<u>14,724</u>
	<u>4,600</u>	<u>4,500</u>

During the year, no director received any emoluments (2012 - £NIL).

4. Taxation

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2012 - 20%).

There were no factors that may affect future tax charges.

5. Tangible fixed assets

	Plant & Machinery £	Motor Vehicles £	Fixtures & Fittings £	Office Equipment £	Total £
Cost					
At 1 April 2012	13,555	22,262	21,842	74,126	131,785
Additions	-	-	-	5,427	5,427
Disposals	-	-	-	(1,812)	(1,812)
At 31 March 2013	<u>13,555</u>	<u>22,262</u>	<u>21,842</u>	<u>77,741</u>	<u>135,400</u>
Depreciation					
At 1 April 2012	1,980	5,565	17,778	54,084	79,407
Charge for the year	1,355	5,566	1,015	6,367	14,303
On disposals	-	-	-	(1,423)	(1,423)
At 31 March 2013	<u>3,335</u>	<u>11,131</u>	<u>18,793</u>	<u>59,028</u>	<u>92,287</u>
Net book value					
At 31 March 2013	<u>10,220</u>	<u>11,131</u>	<u>3,049</u>	<u>18,713</u>	<u>43,113</u>
At 31 March 2012	<u>11,575</u>	<u>16,697</u>	<u>4,064</u>	<u>20,042</u>	<u>52,378</u>

Notes to the financial statements
for the year ended 31 March 2013

6. Debtors

	2013 £	2012 £
Trade debtors	25,522	26,115
Amounts owed by group undertakings	-	100,705
Other debtors	37,825	28,415
	<u>63,347</u>	<u>155,235</u>

7. Creditors:
Amounts falling due within one year

	2013 £	2012 £
Trade creditors	20,574	48,418
Social security and other taxes	-	6,198
Other creditors	172,373	264,016
	<u>192,947</u>	<u>318,632</u>

Other creditors includes:

- £48,003 (2012 - £21,223) refunds due to Estate occupiers (including HCA where appropriate) arising from an underspend against South Maritime estate management budgets upon which advance charges were raised.
- £66,113 (2012 - £21,993) for refunds due to HCA, arising from an underspend against St. Marys' Island estate management budgets upon which advance charges were raised.

8. Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

**Notes to the financial statements
for the year ended 31 March 2013**

9. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £Nil (2012 - £236) were payable to the fund at the balance sheet date and are included in creditors.

10. Ultimate parent undertaking and controlling party

The ultimate parent company is Chatham Maritime Trust, a company limited by guarantee and a registered charity.

Chatham Maritime Estate Limited

Detailed income and expenditure account
for the year ended 31 March 2013

	Page	2013 £	2012 £
Turnover	13	777,753	841,488
Other operating income	13	44,171	45,665
		<u>821,924</u>	<u>887,153</u>
Less: Overheads			
Administrative expenses	13	(777,753)	(841,488)
		<u>44,171</u>	<u>45,665</u>
Operating surplus		44,171	45,665
Interest receivable	14	1,337	3,024
		<u>45,508</u>	<u>48,689</u>
Surplus for the year		45,508	48,689

Chatham Maritime Estate Limited

Schedule to the detailed accounts
for the year ended 31 March 2013

	2013 £	2012 £
Turnover		
Service charges	399,984	436,944
Rent charges	377,769	404,544
	<u>777,753</u>	<u>841,488</u>

	2013 £	2012 £
Other operating income		
Water surcharge	18,918	20,405
Reserve fund (MTA)	25,253	25,260
	<u>44,171</u>	<u>45,665</u>

	2013 £	2012 £
Administrative expenses		
Service charge expenses	399,984	436,944
Rent charge expenses	377,769	404,544
	<u>777,753</u>	<u>841,488</u>

Breakdown of service charge expenses

	2013 £	2012 £
Landscape maintenance	35,467	68,332
Street furniture	5,401	18,091
Road cleaning	7,960	9,549
Road and pathway maintenance	22,263	30,154
Street lighting	5,778	8,734
Water safety	1,953	860
Features and monuments	1,241	5,755
General maintenance	17,816	6,729
Professional fees	11,406	5,687
Communication and miscellaneous	1,426	1,204
Infrastructure insurance	10,325	13,712
Security	162,500	160,096
Management costs	83,902	66,118
Premises and vehicle	27,186	34,727
Corporate expenses	7,150	9,746
SOB income credited back to cost centre:		
Parking control income	(1,080)	(1,800)
Other (including consent fee income)	(710)	(750)
	<u>399,984</u>	<u>436,944</u>
Total		

Chatham Maritime Estate Limited

Schedule to the detailed accounts
for the year ended 31 March 2013

Breakdown of rent charge expenses

	2013 £	2012 £
Landscape maintenance (parks)	49,885	45,637
Street furniture	2,804	5,928
Road cleansing	677	-
Path maintenance (parks)	20,067	15,796
Lifting bridge - maintenance	9,219	58,497
Water safety	550	860
General maintenance	10,908	4,044
Professional fees	14,306	9,100
Communications and miscellaneous	6,581	6,819
Infrastructure insurance	15,933	15,988
Security	108,333	106,731
Management costs	103,076	80,811
Premises and vehicle	33,400	42,444
Corporate expenses	8,784	11,912
SML income credited back to cost centre:		
Peace of mind	-	-
Other	(6,754)	(23)
	<u>377,769</u>	<u>404,544</u>
Total	<u>377,769</u>	<u>404,544</u>
	2013 £	2012 £
Interest receivable		
Interest receivable from late payments	<u>1,337</u>	<u>3,024</u>