Registered number: 02913375
Charity number: 1055710

CHATHAM MARITIME TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

CHATHAM MARITIME TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Chairman's statement	2
Trustees' report	3-8
Independent auditors' report	9-10
Consolidated statement of financial activities	11
Consolidated income and expenditure account	12
Consolidated balance sheet	13
Company balance sheet	14
Consolidated statement of cash flows	15
Notes to the financial statements	16-36

CHATHAM MARITIME TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2017

Trustees

Mr A Mackness (Chair)	*Independent*
Mr S Harriott (3)	*Independent*
Mr A B Horwood (1)(2)	*Independent*
Cllr V Maple (1)	*Medway Council*
Dr RE Muid	*St Mary's Island Residents Association Limited*
Mr JR Perry (1)	*Homes and Communities Agency*
Mr RG Russell (appointed 6 May 2016)	*South Maritime Residents Limited*
Mr JWK Sadler (resigned 22 April 2016)	*Independent*
Mrs DJ Sims (2)	*Independent*
Mr AP Sutton (2)(3)	*South Maritime Residents Limited*
Mr DJ Taylor (1)(2)(3)	*St Mary's Island Residents Association Limited*
Cllr KJ Tolhurst MP	*Medway Council*
Mr VG Towell (1)	*Independent*

(1) Denotes member of Finance Group
(2) Denotes member of Charitable Objectives Group
(3) Denotes member of Covenants Group

Company registered number
02913375

Charity registered number
1055710

Registered Office
The Observatory, Brunel, Dock Road, Chatham Maritime, Kent, ME4 4AF

Chief Executive Officer
Mrs DHM Halpern-Matthews (resigned 1 June 2016)
Mr JWK Sadler (appointed 1 June 2016)

Company Secretary
Mr P A Hall

Independent auditors
MHA MacIntyre Hudson, Victoria Court, 17-21 Ashford Road, Maidstone, Kent, ME14 5FA

Bankers
HSBC Bank PLC, South Commercial Centre, Lakeview West, Crossways Business Park, Dartford, Kent, DA2 6QE

Solicitors
Thomson Snell & Passmore, 3 Lonsdale Gardens, Tunbridge Wells, Kent, TN1 1NX

Investment Manager
Rathbone Investment Management Ltd, 8 Finsbury Circus, London, EC2M 7AZ

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

The chairman presents his statement for the year under review.

2016-17 has been a year of further progress at Chatham Maritime Trust, as the Chatham Maritime Estate continues to develop and flourish. The commercial buildings South of Basins are close to full capacity with the opening of the Copper Rivet Distillery in Pump House No.5 and a number of new retail businesses have been attracted to the Dockside area. House building activity on St Mary's Island continues with work commencing in sectors 10 and 11 as well as continuing in sector 13. The residential estate is expected to be largely complete by 2020. The Universities at Medway continue their unique collaboration and celebrated the opening of their new multi million pound Student Hub in January 2017. The Trust continues to manage its estate prudently and further land assets have been transferred from the Homes and Communities Agency ("HCA"). Our long term strategic plan is kept under review and enables us to plan successfully for the future of the Estate.

Throughout the year the Trust has continued to maintain its focus on its key service delivery to residents and occupiers. We have driven up value and quality of provision while simultaneously bringing costs down. Our security and land management contracts continue to deliver significant efficiencies. The community bulb planting day in support of Help the Heroes was very well received, as have the improvements to service delivery within the Community Centre. We were also delighted to provide funding for a Youth Leader to help re-launch the St. Mary's Island Youth Club. 2016 was the third year we hosted a very successful Chatham Maritime Food and Drink Festival and I am delighted to see it developing into a great community and charitable fund raising event which will continue in 2017 and 2018. At the end of the year HCA transferred to us the lease on Basin 2 and we reached agreement with Shaftesbury Homes & Arethusa and Medway Water Sports Trust for the re-launch of water sports activities on the Basin.

During the year we have continued to develop our relationships with the HCA, Medway Council, our other partners on Chatham Maritime Estate, and residential and commercial occupiers and we will continue to enhance these links.

The Trust's direct investments in commercial property on the Chatham Maritime estate continue to perform well, generally out performing our other investments. By going for a diverse range of uses including offices, doctor's surgery and a children's nursery we have reduced our exposure to any one sector of the market. The Trust will look for other suitable opportunities for direct property investment over the coming 12 to 18 months.

Elsewhere on the estate we continue to generate fee income from the issue of consents and licences for alterations to properties, in particular the Trust granted a Deed of Variation which not only enabled a derelict building to be redeveloped for 250 new homes it produced a substantial premium for the Trust.

There have been few changes in Trustees during the year. Independent trustee Jonathan Sadler stepped down in April 2016, however his extensive knowledge of Chatham Maritime Estate subsequently made him the ideal candidate to become our new Chief Executive. In May 2016 South Maritime Residents Limited nominated Bob Russell as one of their representative trustees, and his business acumen is a welcome addition to the Board. The Board continue to operate a number of sub groups for the efficient and effective management of the Trust.

Overall it has been a year of good progress and my thanks go to the staff at the Observatory and the Community Centre who continue to work in such a dedicated way to manage the Trust's business on a day to day basis to maintain the estate for the benefit of those who live, work, study and play on Chatham Maritime Estate.

Mr A Mackness
Chairman
Date 6 October 2017

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The Trustees (who are also directors of the charity for the purposes of the Companies Act) submit their annual report together with the audited financial statements of Chatham Maritime Trust (the company) for the year ended 31 March 2017. The Trustees confirm that the annual report and financial statements of the company and the group comply with the current statutory requirements, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in January 2015.

Since the company and the group qualify as small under section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. CONSTITUTION

The Trust was incorporated under the name of Chatham Medway Limited on 28 March 1994. By a special resolution dated 25 March 1997 its name was changed to Chatham Maritime Trust. The charity was set up by a Memorandum of Association. Registration with the Charity Commission was obtained on 30 May 1996.

b. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Trust has four member organisations, who each have a significant interest in the future of the Chatham Maritime Estate: Medway Council, the Homes and Communities Agency ("HCA"), St Mary's Island Residents Association Lmited ("SMIRA") and South Maritime Residents Limited ("Southco") which represents investors in and businesses on the Estate.

The four member organisations have the right to appoint seven Trustees: two each from Medway Council, SMIRA, Southco, and one from HCA. In addition, there are a number of independent Trustee appointees who are not nominated by the member organisations, and have strong local connections and/or professional skills valuable to the Trust. There are currently five such independent Trustees.

By way of induction, new Trustees are provided with a comprehensive Handbook and introductory meetings are arranged with the Chief Executive and senior management team. If they do not have experience of working with charities, they are offered additional training and support.

The Board usually meets six times during the year and also has sub-committees which meet separately to consider such matters as charitable objectives, restrictive covenants and financial regulation, and to make recommendations thereon to the Board.

The Chief Executive is appointed by the Trustees to advise on strategy and development, and manage the day to day operations of the charity. The Chief Executive has delegated authority for all operational matters, within terms of delegation approved by the Trustees, and is supported by a senior management team who deal with the day to day management of the Chatham Maritime Estate, including collection of rent charges and service charges, arranging infrastructure maintenance and services, and dealing with covenant and landlord matters.

c. RISK MANAGEMENT

The charity maintains a risk register which is updated by the Chief Executive on a regular basis and reviewed by the Trustees at every Board meeting. The major risks faced by the Trust are :-

- the accidental death or serious injury of a member of the public on Trust land
- the accidental death or serious injury of an employee or contractor
- Physical damage to or collapse of flood defences
- Failure of basin walls

To mitigate these risks the Trust implements a range of Health and Safety procedures and regular physical inspections across the Chatham Maritime Estate, continuously monitors the Estate via closed circuit television cameras and only employs approved contractors that can demonstrate satisfactory quality assurance procedures.

Objectives and activities

a. POLICIES AND OBJECTIVES

The Trust's objects are set out in its Memorandum of Association and are primarily to provide or to assist in the provision of amenities for the benefit of the citizens of the Medway Towns and generally for the benefit of the public, the site being part of the former Chatham Dockyard ("the Development").

These amenities include the following:

- Planting trees and undertaking landscaping and other environmental improvements to such part or parts of the Development site as is or are in public ownership, or the freehold which (unencumbered by any leasehold interest) is for the time being vested in HCA, or the freehold which is for the time being vested in the Trust and is or are accessible by the public at large.
- Repair and maintain the bridges and flood protection wall within the Development.
- Control and maintain the appliances and amenities of the Development and to construct, maintain and repair landscaping, parks and other public areas, roads, lighting installations, walls, gates, barriers, landscaped areas, bridges and draining installations and other appurtenances and amenities on the Development and to keep the same in good order and condition.
- To provide or to assist in providing facilities to the public at large, including those that may need special facilities, for recreation or other leisure time occupation in, or in connection with, the Development and its neighbourhood.
- To educate and assist young persons and other members of the community of Medway and its neighbourhood through their leisure time activities so as to develop their physical, mental and spiritual capacities and so that their conditions of life may be improved and in furtherance of that objective to provide, at the facilities to be provided by the trust, lectures, classes and training facilities which will be made available to the public using such facilities.
- To undertake such other charitable purposes which are exclusively charitable according to the law of England and Wales as the Trustees may from time to time determine.

Achievements and performance

a. REVIEW OF ACTIVITIES

The Trust continues to operate in a challenging environment, with financial constraints on future public sector funding still very apparent. HCA, the government agency responsible for the development of the Chatham Maritime Estate, are aiming to complete developments, infrastructure, and facilities by 2020. These are being transferred to the Trust in phases, for long-term guardianship, and the Trust continues to press the case for the Chatham Maritime Estate to be built out as originally envisaged: that is as a premier business, residential, leisure and educational location, a "jewel in the crown" of the Medway Towns.

During the year HCA transferred various areas of the Estate to the Trust, including the long leasehold interest in Basin 2 together with an £80,000 contribution towards the installation costs of a water aeration system; an area of land known as the Northern Bullnose; and Finsborough Ness Slip. HCA also transferred areas of land subject to soft landscaping around Island Way East, Island Way West, Central East Bund, Central West Bund, The Avenue and Central Walk, together with an expendable endowment sum of £1,680,000 from Countryside Maritime Limited to provide for the maintenance of those areas in perpetuity.

The Trust also acquired a 15 year licence from Medway Council to take over maintenance of the soft landscaped margins of Leviathan Way and Western Avenue, together with an expendable endowment sum of £75,000.

At the end of the year HCA transferred to us the lease on Basin 2 and we reached agreement with Shaftesbury Homes & Arethusa and Medway Water Sports Trust for the re-launch of water sports activities on the Basin.

On St Mary's Island notable projects completed were the opening of the Caisson Bridge for pedestrians in May, replacement of the French drains in Central Walk, revetment repairs to the River Walk between points F16 and F20 and the community bulb planting day on Central East Bund in October, in colours associated with the charity Help for Heroes. There was also extensive landscaping works, including tree reduction works, to bring the areas recently transferred from HCA up to the same standard as the rest of St Mary's Island.

In the South of Basins part of the Estate the heritage pathways and cobbled areas around Dock Square were repointed and the dished channels were replaced along North Road together with repointing the speed humps.

Fencing was installed at the rear of the St Mary's Island Community Centre to create an enclosed outdoor space for safe play and other activities.

Our investment property assets continue to generate good and steady rental incomes, and we generate fee income from the issue of consents and licences for alterations to properties and such like. In particular, in February 2017 the Trust received a substantial premium for a deed of variation permitting the redevelopment of Colonial House for residential purposes. The value of our professionally managed investment portfolios has increased substantially in line with the rise in world stock markets.

There have been few changes in Trustees during the year. Jonathan Sadler, one of our independent trustees, stepped down in April 2016, however his extensive knowledge of Chatham Maritime Estate subsequently made him the ideal candidate become our new Chief Executive. In May 2016 South Maritime Residents Limited nominated Bob Russell to fill a vacancy as one of their representative trustees. The Board continue to operate a number of sub groups for the efficient and effective management of the Trust.

Achievements and performance (continued)

b. PUBLIC BENEFIT STATEMENT

Chatham Maritime Trust undertakes the maintenance and guardianship of the 350-acre Chatham Maritime Estate. This activity is directly for the benefit of the residents, students, businesses and workers who reside at or use the Estate. The Estate is also open to the general public – there are public highways, and footpaths with public rights of access, and visitors are free to use estate roads, public areas and parks. The Estate is continuously monitored via closed circuit television cameras and the security provision also includes a fully funded Police Community Support Officer and out-of-hours mobile patrols by a private security contractor.

In particular, the Trust maintains three large parkland areas on St Mary's Island, a riverside walk around the Island perimeter, three children's play areas, and various other open spaces used by residents and the public in general. The Trust also maintains two large dock basins which form a valuable amenity and which are used for water based activities. There are generally no charges or restrictions on access by the public. The Trust provides and manages a Community Centre on St. Mary's Island for the benefit of the local residents with two halls and a meeting room.

The Chatham Maritime Estate is also used to host community events at no cost to the Trust, such as the annual Food and Drink festival, which completed its third successful year in May 2016. This facilitates fund raising opportunities for other local charities, for example Medway Sunlight Rotary Club.

The Trust operates a Community Fund from which it gives grants to support community events and activities. Whilst this fund represents only a small proportion of the Trust's expenditure, Trustees recognise that relatively small sums can make a significant difference within the community.

During the year, funding was made available for a Youth Leader for Island Castaways, the re-launched St Mary's Island Youth Club, and a number of other organisations including St Mary's Island History Group, Chatham Royal Marines Cadet Unit, Lordswood U13 football team, Rainham Cricket Club and the Morning Star Trust.

c. INVESTMENT POLICY AND PERFORMANCE

The Trust's investment objective is to maximise growth for future expenditure subject to generating sufficient income to meet immediate revenue needs. The Trust's funds are managed by professional investment advisors in accordance with these objectives and their performance is measured against a range of stock market indices.

Financial review

a. RESERVES POLICY

The Trust is responsible for the maintenance and management of extensive areas of park and public access land, and significant items of infrastructure including two Victorian dock basins and two bridges, well into the twenty second century, with little expectation of additional funds beyond current assets. The funds available to the Trust upon its inauguration in 1997 were determined to be adequate to meet these future responsibilities. Income from these investments is expected to be adequate to meet expenditure in most years, although occasional capital withdrawals are anticipated for periodic major replacement works.

In the light of the uncertainties in quantum and timing of anticipated future maintenance expenditure, the Trustees continue to seek to follow a prudent policy to seek to ensure that the funding available to future Trustees will remain adequate. In current market conditions, this is a challenge. It is part of this policy that, subject to minor exceptions, surplus funds will continue to be reinvested for growth to provide for future maintenance.

Financial review (continued)

b. RESULTS FOR THE YEAR

The results for the year are set out in the Statement of Financial Activities on page 11. This shows net income from restricted and unrestricted funds amounting to £3,133,432 (2016 As restated: net income £881,307).

Due to rising world stock markets the Trust has benefited from gains on the revaluation of it share portfolios, resulting in realised and unrealised gains for the year of £2,218,912 (2016: losses of £793,936).

A net movement of funds of £5,352,344 has been added to reserves (2016 As restated: added to reserves £87,371). Total reserves at 31 March 2017 were £19,992,268 compared with £14,639,924 at 31 March 2016 (As restated).

Plans for the future

a. FUTURE DEVELOPMENTS

There are a number of further transfers from the HCA already being planned and the Trust is also looking at opportunities both within and outside of the estate that may contribute to both the charitable objectives and also the financial health of the Trust in the future.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Chatham Maritime Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 charitable group will continue in operation.

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

AUDITORS

At the Annual General Meeting in December 2016 the Trustees re-appointed MHA MacIntyre Hudson as auditors.

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

This report was approved by the Trustees on 6 October 2017 and signed on their behalf by:

Mr A Mackness
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATHAM MARITIME TRUST

We have audited the financial statements of Chatham Maritime Trust for the year ended 31 March 2017 set out on pages 11 to 36. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, 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.

We have been appointed as auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report to you in accordance with those Acts. 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and the parent charitable company's affairs as at 31 March 2017 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 and the Charities Act 2011.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATHAM MARITIME TRUST (continued)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group strategic report.

Colin G Mills ACA (Senior statutory auditor)

For and on behalf of

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

Victoria Court
17-21 Ashford Road
Maidstone
Kent
ME14 5FA

Date: 8/12/2017

MHA MacIntyre Hudson are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CHATHAM MARITIME TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	As Restated Total Funds 2016 £
INCOME FROM:					
Donations and legacies	2	-	**1,772,000**	**1,772,000**	775,000
Investments	3	**629,177**	**21,053**	**650,230**	631,506
Charitable activities	4	**909,404**	**55,776**	**965,180**	926,479
Other income	5	**1,035,053**	-	**1,035,053**	18,449
TOTAL INCOME		**2,573,634**	**1,848,829**	**4,422,463**	2,351,434
EXPENDITURE ON:					
Raising funds	6	**(27,060)**	**(1,359)**	**(28,419)**	62,283
Other charitable activities	8	**1,256,598**	**60,852**	**1,317,450**	1,407,844
TOTAL EXPENDITURE	11	**1,229,538**	**59,493**	**1,289,031**	1,470,127
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		**1,344,096**	**1,789,336**	**3,133,432**	881,307
Net gains/(losses) on investments	20	**2,109,927**	**108,985**	**2,218,912**	(793,936)
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		**3,454,023**	**1,898,321**	**5,352,344**	87,371
Transfers between Funds	24	**(14,224)**	**14,224**	-	-
NET INCOME/(EXPENDITURE)		**3,439,799**	**1,912,545**	**5,352,344**	87,371
Total funds at 1 April 2016 As Restated		**14,146,934**	**492,990**	**14,639,924**	14,552,553
TOTAL FUNDS AT 31 MARCH 2017		**17,586,733**	**2,405,535**	**19,992,268**	14,639,924

All activities relate to continuing operations

The notes on pages 16 to 36 form part of these financial statements

CHATHAM MARITIME TRUST
(A company limited by guarantee)

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	As Restated Total Funds 2016 £
Income		**2,573,634**	**1,848,829**	**4,422,463**	2,351,434
Gains/(Losses) on investments	18,19	**2,109,927**	**108,985**	**2,218,912**	(793,936)
GROSS INCOME/(EXPENDITURE) IN THE REPORTING PERIOD		**4,683,561**	**1,957,814**	**6,641,375**	1,557,498
Less: Total expenditure	11	**1,229,538**	**59,493**	**1,289,031**	1,470,127
NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS		**3,454,023**	**1,898,321**	**5,352,344**	87,371
Transfers between Funds	23	**(14,224)**	**14,224**	**-**	-
Net income/(expenditure) for the year after transfers		**3,439,799**	**1,912,545**	**5,308,811**	87,371
NET INCOME/(EXPENDITURE) FOR THE FINANCIAL YEAR		**3,439,799**	**1,912,545**	**5,308,811**	87,371

The notes on pages 16 to 36 form part of these financial statements

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2017

	Note	£	2017 £	£	As Restated 2016 £
FIXED ASSETS					
Tangible assets	17	**368,645**		381,923	
Heritage assets	18	**-**		-	
Investment property	19	**1,900,000**		1,900,000	
Total tangible assets			**2,268,645**		2,281,923
Investments	20		**18,530,413**		14,318,898
			20,799,058		16,600,821
CURRENT ASSETS					
Debtors	21	**1,699,916**		567,390	
Cash at bank and in hand		**2,013,259**		1,832,876	
		3,713,175		2,400,266	
CREDITORS: amounts falling due within one year	22	**(1,684,308)**		(1,483,973)	
NET CURRENT ASSETS			**2,028,867**		916,293
TOTAL ASSETS LESS CURRENT LIABILITIES			**22,827,925**		17,517,114
CREDITORS: amounts falling due after more than one year	23		**(2,829,657)**		(2,873,190)
PROVISIONS FOR LIABILITIES					
Other provisions	24		**(6,000)**		(4,000)
NET ASSETS			**19,992,268**		14,639,924
CHARITY FUNDS					
Restricted funds	25		**2,405,535**		492,990
Unrestricted funds	25		**17,586,733**		14,146,934
TOTAL FUNDS AT 31 MARCH 2017			**19,992,268**		14,639,924

The financial statements were approved by the Trustees on 6 October 2017 and signed on their behalf, by:

Mr A Mackness (Chair) **Mr A B Horwood**

The notes on pages 16 to 36 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 MARCH 2017

	Note	£	2017 £	£	As Restated 2016 £
FIXED ASSETS					
Tangible assets	17	**368,645**		381,923	
Heritage assets	18	**-**		-	
Investment property	19	**1,900,000**		1,900,000	
			2,268,645		2,281,923
Investments	20		**18,530,414**		14,318,899
			20,799,059		16,600,822
CURRENT ASSETS					
Debtors	21	**1,699,916**		567,390	
Cash at bank and in hand		**2,013,258**		1,832,875	
		3,713,174		2,400,265	
CREDITORS: amounts falling due within one year	22	**(1,684,308)**		(1,483,973)	
NET CURRENT ASSETS			**2,028,866**		916,292
TOTAL ASSETS LESS CURRENT LIABILITIES			**22,827,925**		17,517,114
CREDITORS: amounts falling due after more than one year	23		**(2,829,657)**		(2,873,190)
PROVISIONS FOR LIABILITIES					
Other provisions	24		**(6,000)**		(4,000)
NET ASSETS			**19,992,268**		14,639,924
CHARITY FUNDS					
Restricted funds	25		**2,405,535**		492,990
Unrestricted funds	25		**17,586,733**		14,146,934
TOTAL FUNDS AT 31 MARCH 2017			**19,992,268**		14,639,924

The financial statements were approved by the Trustees on 6 October 2017 and signed on their behalf, by:

Mr A Mackness (Chair) **Mr A B Horwood**

The notes on pages 16 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	Restated 2016 £
Cash flows from operating activities			
Net cash provided by operating activities	28	**2,192,640**	1,121,555
Cash flows from investing activities:			
Proceeds from the sale of property, plant and equipment		**1,602**	2,403
Purchase of property, plant and equipment		**(21,257)**	(1,893)
Proceeds from sale of investments		**326,680**	1,737,941
Purchase of investments		**(2,319,283)**	(1,819,934)
Net cash used in investing activities		**(2,012,258)**	(81,483)
Change in cash and cash equivalents in the year		**180,382**	1,040,072
Cash and cash equivalents brought forward		**1,832,877**	792,804
Cash and cash equivalents carried forward	29	**2,013,259**	1,832,876

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements.

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 (FRS 102) (effective 1 January 2015) and the Companies Act 2006.

Chatham Maritime Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

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

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the four member organisations set out in the Trustees Report on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included in unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income, gains and losses are allocated to the appropriate fund.

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Cost of raising funds includes investment manager fees.

Support costs are those costs incurred directly in support of expenditure on the objects of the company including project management.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.7 Tangible fixed assets and depreciation

(i) Heritage assets

Heritage assets are the tangible assets of the charity that are of historical, artistic, scientific, technological, geophysical or environmental importance and are held and maintained principally for their contribution to the knowledge and culture of the Medway Towns and generally for the benefit of the public in accordance with the Trust's objectives.

Acquisitions of heritage assets only arise when included in land transferred to the Trust from the Homes and Communities Agency. Once acquired, they will be held for the foreseeable future and maintained to the same condition to ensure their contribution to knowledge and culture. All the assets are located in public areas of the Chatham Maritime Estate and are freely accessible to the public at all times for viewing and/or research.

1. ACCOUNTING POLICIES (continued)

1.8 Tangible fixed assets and depreciation (continued)

(i) Heritage assets (continued)

Heritage assets are not recognised on the balance sheet because the cost of providing information on their cost or valuation significantly outweighs any benefit to the users of the accounts.

(ii) Other tangible fixed assets

Other tangible fixed assets are those tangible fixed assets which are used for charitable purposes but are not considered to be heritage assets. All tangible fixed assets over £1,000 are capitalised.

Other 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:

Freehold property	-	2% straight line
Freehold improvements	-	10% straight line
Plant and machinery	-	10% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	16.67% straight line
Office equipment	-	16.67% straight line

1.9 Investment properties

Investment properties are included in the balance sheet at their open market value and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is necessary, in the opinion of the Trustees, in order to give a true and fair view of the financial position of the company and the group.

1.10 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

(i) Subsidiary undertakings:
Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1. ACCOUNTING POLICIES (continued)

1.14 Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 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.

1.16 Operating leases

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

1.17 Judgement and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements:

- The carrying value of investment properties remains unchanged from the prior year financial statements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- The depreciation rates used are appropriate

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Restated Total Funds 2016
	£	£	£	£
Dowry endowment	-	-	-	750,000
Island Way Loop Road commuted capital sum	-	**1,680,000**	**1,680,000**	-
Shark Park endowment	-	**20,000**	**20,000**	25,000
Leviathan Way/Western Ave commuted capital sum	-	**72,000**	**72,000**	-
Total donations and legacies	-	**1,772,000**	**1,772,000**	775,000

In 2016, of the total income from donations and legacies, £750,000 was to unrestricted funds and £25,000 was to restricted funds.

3. INVESTMENT INCOME

	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Restated Total Funds 2016
	£	£	£	£
Deposit interest on advance payments	**4,747**	-	**4,747**	5,780
Investment income:				
Dowry fund	**296,133**	-	**296,133**	303,827
Pembroke fund	**151,048**	-	**151,048**	153,909
Starfish Play Area fund	-	**6,622**	**6,622**	-
Community Centre endowment fund	-	**4,434**	**4,434**	-
Shark Park Play area fund	-	**1,579**	**1,579**	-
Marine Infrastructure reserve fund	**3,362**	-	**3,362**	-
SMI Medium Term reserve fund	**7,212**	-	**7,212**	-
Tadpole Play Area fund	-	**1,827**	**1,827**	-
Island Way Loop Road endowment fund	-	**6,591**	**6,591**	-
Rents from investment properties	**166,675**	-	**166,675**	167,990
	629,177	**21,053**	**650,230**	631,506

In 2016 (As restated), of the total investment income, £631,506 was to unrestricted funds and £Nil was to restricted funds.

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Restated Total Funds 2016
	£	£	£	£
Service charge income	**327,812**	**55,776**	**383,588**	334,269
Transfer from service charge advance payment	**43,533**	-	**43,533**	43,533
Rent charge income	**476,586**	-	**476,586**	493,919
Community centre hire income	**61,473**	-	**61,473**	54,758
	909,404	**55,776**	**965,180**	926,479

In 2016 (As restated), of the total income from charitable activities, £926,479 was to unrestricted funds and £Nil was to restricted funds.

5. OTHER INCOME

	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Total Funds 2016
	£	£	£	£
Lease variation premiums	**1,022,530**	**-**	**1,022,530**	8,600
Sundry income	**12,523**	**-**	**12,523**	9,849
	1,035,053	**-**	**1,035,053**	18,449

In 2016, of the total of other incoming resources, £18,449 was to unrestricted funds and £Nil was to restricted funds.

6. INVESTMENT MANAGEMENT FEES

	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Restated Total Funds 2016
	£	£	£	£
Dowry fund	**(17,521)**	**(1,359)**	**(18,880)**	41,386
Pembroke fund	**(9,539)**	**-**	**(9,539)**	20,897
	(27,060)	**(1,359)**	**(28,419)**	62,283

In October 2016, the Trust's bespoke investment funds were closed and the proceeds invested into a Non-UCITS Retail Scheme from which investment management fees are deducted at source out of capital.
In 2017 estimated fees deducted from capital were £59,594 (2016 As restated: £25,844) in respect of unrestricted funds and £3,026 (2016 As restated: £907) in respect of restricted funds.
In 2016 (As restated), investment manager fees of £32,715 were billed to unrestricted funds and £1,148 were billed to restricted funds.

7. GRANTS TO INSTITUTIONS

	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Total Funds 2016
	£	£	£	£
Community Fund expenditure	**10,484**	**-**	**10,484**	13,132

In 2016, of the total of grants to institutions, £13,132 was to unrestricted funds and £Nil was to restricted funds.

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Restated Total Funds 2016 £
Activities undertaken directly	9	**753,401**	**51,552**	**804,953**	839,264
Support costs	10	**492,713**	**9,300**	**502,013**	555,448
Grant funding activities	7	**10,484**	**-**	**10,484**	13,132
		1,256,598	**60,852**	**1,317,450**	1,407,844

In 2016, of the total expenditure on charitable activities, £1,269,523 was to unrestricted funds and £138,321 was to restricted funds.

9. DIRECT COSTS

	Activities undertaken directly £	Total 2017 £	Restated Total 2016 £
Rent charge expenses	**274,470**	**274,470**	281,202
Service charge expenses	**254,090**	**254,090**	256,976
Public areas expenditure	**209,969**	**209,969**	234,865
Community expenditure	**66,424**	**66,424**	66,221
	804,953	**804,953**	839,264

10. SUPPORT COSTS

	Support costs	Total 2017	Total 2016
	£	£	£
Administration expenses	**104,344**	**104,344**	103,156
Legal and professional	**11,590**	**11,590**	34,845
Profit on disposal of fixed assets	**(26)**	**(26)**	(2,403)
Irrecoverable VAT	**-**	**-**	683
Community centre	**2,276**	**2,276**	1,608
Trustee costs	**8,077**	**8,077**	8,852
Auditors remuneration	**8,340**	**8,340**	5,800
Wages and salaries	**230,948**	**230,948**	256,580
National insurance contributions	**20,173**	**20,173**	24,006
Pension costs	**11,508**	**11,508**	11,975
Redundancy pay/ termination payments	**-**	**-**	35,126
Temporary staff	**69,909**	**69,909**	43,039
Death in service scheme	**1,915**	**1,915**	1,731
Depreciation	**32,959**	**32,959**	30,450
	502,013	**502,013**	555,448

11. ANALYSIS OF EXPENDITURE BY TYPE

	Staff costs	Depreciation	Other costs	Total 2017	Restated Total 2016
	£	£	£	£	£
Investment management fees	-	-	**(28,419)**	**(28,419)**	62,283
Costs of generating funds	-	-	**(28,419)**	**(28,419)**	62,283
Charitable activities:					
Activities undertaken directly	-	-	**804,953**	**804,953**	839,264
Support costs	**262,629**	**32,959**	**206,425**	**502,013**	555,448
Grant funding of activities	-	-	**10,484**	**10,484**	13,132
Subtotal charitable activities	**262,629**	**32,959**	**1,021,862**	**1,317,450**	1,407,844
	262,629	**32,959**	**993,443**	**1,289,031**	1,470,127

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly	Support costs	Grant funding of activities	Total 2017	Restated Total 2016
	£	£	£	£	£
Rent charge expenses	**274,470**	**173,293**	**-**	**447,763**	466,003
Service charge expenses	**254,090**	**166,345**	**-**	**420,435**	438,736
Public areas expenditure	**209,969**	**104,713**	**-**	**314,682**	372,249
Community expenditure	**66,424**	**57,662**	**10,484**	**134,570**	130,856
	804,953	**502,013**	**10,484**	**1,317,450**	1,407,844

13. NET INCOMING/(OUTGOING) RESOURCES

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	**32,959**	30,450
Auditors' remuneration	**8,340**	5,800
Auditors' remuneration - non-audit services	**4,070**	5,285
Pension costs	**11,508**	11,975

During the year none of the Trustees have been paid any remuneration or received any other benefits from an employment with the Trust or a related entity (2016: £Nil).

During the year, 4 Trustees have claimed expenses or had their expenses met by the Trust (2016: 6 Trustees):

	Reimbursed to Trustees	Paid Directly to 3rd parties	Total	Total
	2017	2017	2017	2016
	£	£	£	£
Travel expenses (4 Trustees; 2016: 6 Trustees)	**515**	**73**	**588**	812
Accommodation costs (1 Trustee; 2016: 1 Trustee)	**-**	**343**	**343**	351
	515	**416**	**931**	1,163

Under a standard 'Charity Protection Policy' both the Trust and the subsidiary company are covered for the wrongful acts of the companies, directors, Trustees, employees or agents. The total premium paid in the year under this policy to cover both companies was £6,241 (2016: £4,887).

14. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an audit fee of £8,340 (2016: £5,800) and non-audit services of £4,070 (2016: £5,285).

15. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	**230,948**	256,580
Social security costs	**20,173**	24,006
Other pension costs	**11,508**	11,975
	262,629	292,561

The average monthly number of employees was: 8 (2016: 9) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	2017	2016
	No.	No.
Office and management	**7**	7

The number of higher paid employees was:

	2017	2016
	£	£
In the band £90,001 - £100,000	**-**	1

There are no employees who received employee benefits (excluding employer pension costs) of more than £60,000.

Total redundancy/termination payments, including compensation for loss of office, amount to £Nil (2016: £35,126).

16. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION

The Trustees neither received nor waived any remuneration during the year (2016: £Nil)

The total amount of employee benefits (excluding employer pension costs) received by key management personnel is £135,573 (2016: £200,306). The Trust considers its key management personnel to comprise the Chief Executive, Asset Manager, Finance Manager and Contracts Procurement and Facilities Manager.

17. TANGIBLE FIXED ASSETS

Group and Company	Freehold property	Plant and machinery	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2016	**325,000**	**8,377**	**67,040**	**48,075**	**448,492**
Additions	**-**	**-**	**12,968**	**8,289**	**21,257**
Disposals	**-**	**-**	**-**	**(1,891)**	**(1,891)**
At 31 March 2017	**325,000**	**8,377**	**80,008**	**54,473**	**467,858**
Depreciation					
At 1 April 2016	**6,500**	**3,417**	**25,446**	**31,206**	**66,569**
Disposals	**-**	**-**	**-**	**(315)**	**(315)**
Charge for the year	**6,500**	**1,174**	**17,384**	**7,901**	**32,959**
At 31 March 2017	**13,000**	**4,591**	**42,830**	**38,792**	**99,213**
Net book value					
At 31 March 2017	**312,000**	**3,786**	**37,178**	**15,681**	**368,645**
At 31 March 2016	318,500	4,960	41,594	16,869	381,923

18. HERITAGE ASSETS

In accordance with the Trust's accounting policy, heritage assets are not recognised on the balance sheet because the cost of providing information on their cost or valuation significantly outweighs any benefit to the users of the accounts.

The Trust is responsible for a number of structures of historical importance, including Finsborough Ness Slipway, the Blue Crane and Pembroke Coach House. There are also three Grade II listed buildings of special interest which are the Bell Mast, Pembroke Gate and Pembroke Gate House.

Of special artistic interest is "The Mariners", a contemporary steel, bronze and concrete structure by notable UK sculptor Sam Holland, commissioned to mark the millennium in 2000 and to reflect local maritime heritage.

Silt and mud flats on the north east side of St Mary's Island have been designated a Site of Special Scientific Interest by Natural England

All of the above assets are insured at a combined reinstatement value of £4.1 million (2016: £4.1 million).

18. HERITAGE ASSETS (continued)

The Trust also has freehold reversionary interests in a number of other buildings of historical importance which are currently occupied by long leasehold tenants and used for operational purposes, such as two Victorian Dock basins which are used for water based activities, the former Royal Naval Barracks of HMS Pembroke, which forms the core of the Universities at Medway campus and No.1 Boiler Shop which forms part of the Dockside Outlet shopping centre.

19. INVESTMENT PROPERTY

Group and Company	Freehold investment property £
Valuation	
At 1 April 2016 and 31 March 2017	**1,900,000**

The investment properties were revalued in 2015 by Salisbury & Co, Chartered Surveyors, on an open market value for existing use basis. The Trustees consider this valuation to still be appropriate as at 31 March 2017.

20. FIXED ASSET INVESTMENTS

Group	Dowry Fund £	Pembroke Fund £	Total £
Market value			
At 1 April 2016	**9,522,074**	**4,796,824**	**14,318,898**
Additions	**2,175,006**	**144,277**	**2,319,283**
Disposals	**(221,176)**	**(105,504)**	**(326,680)**
Revaluations	**1,525,743**	**693,169**	**2,218,912**
At 31 March 2017	**13,001,647**	**5,528,766**	**18,530,413**
Historical cost	**11,466,680**	**4,828,986**	**16,295,666**

23. CREDITORS

Amounts falling due after more than one year

Group and Company	2017	Restated 2016
	£	£
Deferred income:		
Advance payment of service charges	**2,829,657**	2,873,190

Deferred income:

	£
Deferred income at 1 April 2016 as restated	**2,873,190**
Resources deferred during the year	**-**
Amounts released from previous years	**(43,553)**
Deferred income at 31 March 2017	**2,829,657**

Between March 2001 and May 2004 the charity received commuted capital sums from the Homes and Communities Agency representing advance payment of service charges in respect of certain leases on the South Maritime estate which were originally granted without service charge recovery provisions.

The deferred income has been invested and the income and revaluation gains or losses arising transferred to a designated general reserve known as the Pembroke fund reserve.

24. PROVISIONS

Group and Company	Provisions £
At 1 April 2016	**4,000**
Additions	**2,000**
At 31 March 2017	**6,000**

Provisions

The Trust has a lease for the Observatory office which expires on 8 June 2024, including the option for a tenant's break at 8 June 2019. At determination of the lease the Trust has a liability to re-instate all the non-structural alterations that it has made to the property. The Trustees consider it prudent to provide for a proportion of the costs of such re-instatement on an annual basis.

25. STATEMENT OF FUNDS

	As Restated Brought Forward 1 April 2016	Incoming Resources	Resources Expended	Transfers	Gains/ (Losses)	Carried Forward 31 March 2017
	£	£	£	£	£	£
Designated funds						
Community fund	1,033	-	(10,484)	11,244	-	**1,793**
Marine Infrastructure reserve	228,174	25,176	207	-	17,299	**270,856**
SMI Medium Term Infrastructure reserve	529,747	35,760	453	-	37,189	**603,149**
Pembroke fund reserve	2,399,605	194,581	(98,267)	(14,224)	693,169	**3,174,864**
	3,158,559	**255,517**	**(108,091)**	**(2,980)**	**747,657**	**4,050,662**
General funds						
Dowry Fund reserve	9,916,297	1,419,893	(163,498)	-	1,362,270	**12,534,962**
Revaluation reserve	42,771	-	-	-	-	**42,771**
Profit & Loss A/c	1,029,307	898,224	(957,949)	(11,244)	-	**958,338**
	10,988,375	**2,318,117**	**(1,121,447)**	**(11,244)**	**1,362,270**	**13,536,071**
Total Unrestricted funds	**14,146,934**	**2,573,634**	**(1,229,538)**	**(14,224)**	**2,109,927**	**17,586,733**
Restricted funds						
Starfish Play Area	243,532	6,622	(373)	-	34,359	**284,140**
Tadpole Play Area	52,652	1,827	(2,100)	-	9,399	**61,778**
Community centre endowment	161,675	4,434	(6,217)	-	22,504	**182,396**
Shark Park Play Area	35,131	21,579	(8,397)	-	8,724	**57,037**
SOB Reserve Fund	-	55,776	-	14,224	-	**70,000**
Leviathan Way/ Western Ave Landscaping Reserve	-	72,000	(2,800)	-	-	**69,200**
Island Way Loop Road fund	-	1,686,591	(39,606)	-	33,999	**1,680,984**
Total Restricted funds	**492,990**	**1,848,829**	**(59,493)**	**14,224**	**108,985**	**2,405,535**
Total of funds	**14,639,924**	**4,422,463**	**(1,289,031)**	**-**	**2,218,912**	**19,992,268**

25. STATEMENT OF FUNDS (continued)

Description of funds

Designated funds

The Community Fund reserve comprises funds designated annually at the discretion of the Board from which grants are given to support community events and activities, less expenditure arising in the year.

The Marine Infrastructure reserve represents accumulated net income from certain leases on the South Maritime Estate which contain provision for payment of a water charge in addition to the standard service charge as a contribution toward the cost of maintaining the dock basins and the sea lock and monitoring the levels and quality of water in the dock basins. The Trustees ring fence this income as a long term reserve fund for major marine infrastructure repairs.

The St Mary's Island Medium Term Infrastructure reserve is in relation to rent charge income received from the Homes and Communities Agency, which since inception of Chatham Maritime trust has indemnified the Trust for any shortfall in the rent charge income recovered from the St Mary's Island estate and this will continue until such time as the estate is fully developed. A proportion of such payments is allocated by the Trustees to create a reasonable reserve fund in relation to the anticipated cost of the replacement and/or renewal of items comprised in the rentcharge elements.

The Pembroke fund is a reserve fund which accumulates income and revaluation gains or losses arising from the advance payment of service charges by the Homes and Communities Agency in respect of ongoing service charge payments for certain leases on the South Maritime estate which were originally granted without service charge recovery provisions.

General funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

These include the Dowry Fund reserve which is an expendable endowment fund created at the inception of Chatham Maritime Trust in March 1997 by a separate capital sum received from The Urban Regeneration Agency, a predecessor organisation of the Homes and Communities Agency.

Restricted funds

The Starfish Play Area fund is an expendable endowment fund, created in July 2012 by receipt of a commuted capital sum from Barratt Homes (Southern Counties) Limited in substitution for their obligations in respect of the annual maintenance and periodic replacement of equipment for the provision of a children's play area in sector 5 of the St. Mary's Island estate.

The Tadpole Play Area fund is an expendable endowment fund created in July 2002 by receipt of a commuted capital sum from Redrow Homes (South East) Limited in substitution for their obligations in respect of the annual maintenance and periodic replacement of equipment for the provision of a children's play area in sector 3 of the St. Mary's Island estate.

The Community Centre fund is an expendable endowment fund created in March 2012 by receipt of a commuted capital sum from Countryside Maritime Limited in substitution for their obligations in respect of structural repairs to the Community Centre building for 20 years until 2032.

The Shark Park Play Area fund is an expendable endowment fund created in March 2013 by receipt of a commuted capital sum from Countryside Maritime Limited in substitution for their obligations in respect of the periodic replacement of equipment for the provision of a children's play area in sector 4 of the St. Mary's Island estate.

25. STATEMENT OF FUNDS (continued)

Restricted funds (continued)

The South of Basins ("SOB") Reserve fund was formed in April 2016 to meet the anticipated future costs of periodic preventative maintenance to avoid large fluctuations in the amount of service charge payable each year.

The Leviathan Way/Western Avenue Landscaping Reserve fund is an expendable endowment fund created in August 2016 by receipt of a capital sum from Medway Council to provide for annual maintenance of ancillary soft landscaping around those specific roads under licence for a period of 15 years.

The Island Way Loop Road fund is an expendable endowment fund created in September 2016 by receipt of a commuted capital sum from Countryside Maritime Limited in substitution for their obligations in respect of the annual maintenance of ancillary soft landscaping around Island Way East and Island Way West.

SUMMARY OF FUNDS

	Restated Brought Forward 1 April 2016	Incoming Resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward 31 March 2017
	£	£	£	£	£	£
Designated funds	3,158,559	255,517	(108,091)	(2,980)	747,657	4,050,662
General funds	10,988,375	2,318,117	(1,121,447)	(11,244)	1,362,270	13,536,071
Unrestricted funds	14,146,934	2,573,634	(1,229,538)	(14,224)	2,109,927	17,586,733
Restricted funds	492,990	1,848,829	(59,493)	14,224	108,985	2,405,535
	14,639,924	4,422,463	(1,289,031)	-	2,218,912	19,992,268

26. PRIOR YEAR ADJUSTMENT

Between March 2001 and May 2004 the charity received commuted capital sums from the Homes and Communities Agency representing advance payment of service charges in respect of certain leases on the South Maritime estate which were originally granted without service charge recovery provisions. These amounts plus attributable income and revaluation gains or losses were transferred to a restricted fund reserve known as the Pembroke fund. At 31 March 2016 the balance of this restricted fund was £3,612,264.

Following a retrospective review of the supporting documentation, it is now recognised that these amounts were advance payments of estate management service charges, the recovery of which forms part of the charity's normal income from charitable activities, and therefore should not be restricted. There has been a prior year adjustment to transfer the unexpired portion of this advance payment to deferred income in the sum of £2,873,190, and the balance of the restricted fund has been transferred to a designated general reserve in the sum of £739,074.

At the same time the charity has reviewed the method of allocating income and revaluation gains or losses across all its general and unrestricted funds. Following the principle that income generated by the investment of a particular fund's assets should accrue to that fund, the historical allocation of income and revaluation gains or losses has been recalculated and a prior year adjustment made to transfer £1,015,214 from restricted funds to unrestricted funds, allocated on a fund by fund basis.

27. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Retated Total funds 2016 £
Tangible fixed assets	**368,645**	-	**368,645**	381,923
Heritage assets	-	-	-	-
Investment properties	**1,900,000**	-	**1,900,000**	1,900,000
Fixed asset investments	**16,124,878**	**2,405,535**	**18,530,413**	14,318,898
Current assets	**3,713,175**	-	**3,713,175**	2,400,266
Creditors due within one year	**(1,684,308)**	-	**(1,684,308)**	(1,483,973)
Creditors due after more than one year	**(2,829,657)**	-	**(2,829,657)**	(2,873,190)
Provisions for liabilities and charges	**(6,000)**	-	**(6,000)**	(4,000)
	17,586,733	**2,405,535**	**19,992,268**	14,639,924

28. GROUP RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	Restated 2016 £
Net income for the year (as per Statement of financial activities)	**5,352,344**	87,371
Adjustment for:		
Depreciation charges	**32,959**	30,450
(Gains)/losses on investments	**(2,218,912)**	793,937
(Profit)/loss on the sale of fixed assets	**(27)**	(2,403)
Decrease/(increase) in debtors	**(1,132,526)**	15,650
Increase in creditors	**158,802**	196,550
Net cash provided by operating activities	**2,192,640**	1,121,555

29. GROUP ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	**2,013,259**	1,832,876
Total	**2,013,259**	1,832,876

30. PENSION COMMITMENTS

A defined contribution scheme is operated by Chatham Maritime Trust and the charge represents the amounts payable by the charity to the fund in respect of the year, which were £11,508 (2016 - £11,975). As at 31 March 2017 no contributions were outstanding.

31. OBLIGATIONS UNDER LEASE CONTRACTS

Future minimum rentals payable under non-cancellable operating leases are as follows:

Group and Company	2017	2016
	£	£
Within one year	**35,293**	35,293
In two to five years	**134,726**	137,069
In over five years	**71,389**	104,338
	241,408	276,700

32. RELATED PARTY TRANSACTIONS

During the year £67,900 was paid to Focus Regeneration Ltd for the Interim Chief Executive Officer services of Mr J Sadler.

In 2016 £8,025 was paid to Solace Enterprises for the Interim Chief Executive Officer services of Mrs H Kerswell.

33. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Chatham Maritime Estate Limited	England	100%	Dormant

34. CAPITAL COMMITMENTS

	2017	2016
	£	£
Tangible fixed assets	**22,408**	-

At 31 March 2017 the charity had made contractual commitments for the installation of an air conditioning system at the St Mary's Island Community Centre.

35. FINANCIAL INSTRUMENTS

The carrying amounts of the charity's financial instruments are as follows:

FINANCIAL ASSETS

Measured at fair value through net income/expenditure	**2017**	2016
	£	£
Fixed asset listed investments	**18,530,413**	14,318,898

Debt instruments measured at amortised cost	**2017**	2016
	£	£
Trade debtors	**1,003,689**	428,806

FINANCIAL LIABILITIES

Measured at amortised cost	**2017**	2016
	£	£
Trade creditors	**79,983**	113,734
Other creditors	**229,123**	165,755
Total	**309,106**	279,489

The income, expenses, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

Income and expense

	2017	2016
	£	£
Financial assets measured at fair value through net income/expenditure	**650,300**	631,506

Net gains and losses (including changes in fair value)

	2017	2016
	£	£
Financial assets measured at fair value through net income/expenditure	**2,218,912**	(793,936)

36. TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 52 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.