

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 2019

CHATHAM MARITIME TRUST
(A company limited by guarantee)

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CHATHAM MARITIME TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019

Trustees

| | |
|--|---|
| Mr A Mackness <i>Chair</i> | <i>Independent</i> |
| Mr MD Brown (1) (appointed 27 July 2018) | <i>Homes England</i> |
| Mr PN Haigh (appointed 1 May 2018) (resigned 7 December 2018) | <i>St Mary's Island Residents Association Limited</i> |
| Mr S Harriott (3)(4) | <i>Independent</i> |
| Mr A B Horwood (1)(2) | <i>Independent</i> |
| Clr V Maple (1) | <i>Medway Council</i> |
| Mrs Y Bishop (appointed 2 January 2019) | <i>St Mary's Island Residents Association Limited</i> |
| Mr JR Perry (1)(4) (resigned 23 May 2018) | <i>Homes England</i> |
| Mr RG Russell | <i>South Maritime Residents Limited</i> |
| Ms MK Samrai (appointed 18 December 2018) | <i>St Mary's Island Residents Association Limited</i> |
| Mrs DJ Sims (2) | <i>Independent</i> |
| Mr AP Sutton (2)(3) | <i>South Maritime Residents Limited</i> |
| Mr DJ Taylor (1)(2)(3)(4) | <i>Independent</i> |
| Clr HOS Tejan (appointed 1 May 2018) | <i>Medway Council</i> |
| Ms KJ Tolhurst MP | <i>Independent</i> |
| Mr VG Towell (1) | <i>Independent</i> |

- (1) Denotes member of Finance Group
- (2) Denotes member of Charitable Objectives Group
- (3) Denotes member of Covenants Group
- (4) Denotes member of Water Sports Group

Company registered number

02913375

Charity registered number

1055710

Registered Office

Unit 69, Dockside, Maritime Way, Chatham Maritime, Kent, ME4 3ED

Chief Executive Officer

Mr JWK Sadler (resigned 31 December 2018)

Mr JR Perry (appointed 2 January 2019)

Company Secretary

Mr PA 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 Fund Manager

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

CHATHAM MARITIME TRUST
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CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

I am pleased to report another excellent year for Chatham Maritime Trust.

Notable achievements in the year from our estate management were the planned replacement of the Boardwalk along the north side of Basin 2, which was completed in October, and obtaining planning consent in August for the construction of new Watersports Centre and Estate Office buildings, which demonstrate our commitment to continuing investment in the Estate.

The new Boardwalk was completed on time and under budget, is made of hardwood, incorporates improved sound suppression and has a 25 year guarantee. Some sections of the old boardwalk were able to be recycled to expand the size of the watersports pontoon on the south side of the Basin

The design for the Watersports Centre at Basin 2 will enhance the existing provision, providing a more permanent base with changing facilities, classroom, small office, café and storage facilities. The design for the Estate Office is for a new structure on the edge of Basin 1, adjacent to Maritime Way, and within the heart of the overall site managed by the Trust. During construction the Trust office is relocating from The Observatory to the Dockside Outlet Centre.

I am delighted to say that we doubled our donations to the Community Fund in the year to more than £20,000, which gave grants to several community projects as set out in our public benefit statement on pages 6-9.

In December we looked back at the performance of our fund manager since I became Chair in 2013 and were pleased to note that our investment funds have achieved a total return of 37.7% since then, compared with CPI inflation of 7.3% over the same period, which is a satisfying endorsement of our investment policy. I wish to thank my fellow directors and staff at CMT for their efforts during this successful period.

St Mary's Island now has 1,531 dwellings, expected to rise to 1,760 by in June 2022 when it will be fully developed, plus a thriving Community Centre, Doctor's Surgery, Pharmacy and a Primary School rated as "Good" by Ofsted. Atlas Place, the new older persons and assisted living development, was completed in November and handed over to Optivo. The school added a new nursery department in September.

The South of Basins commercial estate is close to full development, with some 40 commercial properties, including the Dockside Outlet Centre, Odeon Cinema, Copper Rivet Distillery, Travelodge Hotel, Busy Bees Nursery, three gyms and numerous cafes, bars and restaurants catering for a wide range of tastes and budgets. There is the 412 berth Chatham Maritime Marina, and the Chatham Quays residential estate which incorporates 332 apartments. The Colonial Wharf development by Persimmon is well advanced and will provide some 200 dwellings and 3,650 sq.ft of class A1 retail floor space.

The Trust maintains close working links with its member organisations, Homes England, Medway Council, St Mary's Island Residents Association Limited and South Maritime Residents Limited, the Universities at Medway, and a number of clubs and societies including the Island Castaways youth club, the Active Retirement Association (SaintARA) and the History Group.

Following the retirement of Jonathan Sadler, we were delighted that Julian Perry joined us as Chief Executive on 2 January 2019. I would like to take this opportunity to thank Jonathan for his excellent advice and leadership during his three years in the role. Julian is a civil engineer with experience of some the largest regeneration projects in the UK, including Chatham Maritime and joins us from Homes England for whom he had two spells on our board as their member trustee.

There have been a number of changes to our Board during the year. Matthew Brown replaced Julian Perry as the member trustee for Homes England, and Manjet Samrai and Yvonne Bishop have replaced David Taylor and Peter Haigh as the member trustees for SMIRA. David Taylor accepted the Board's invitation to become an independent trustee. Finally, my thanks go to the staff who continue to work in such a dedicated way to manage the Trust's business on a day to day basis.



Mr A Mackness
Chair

Date 26 July 2019

CHATHAM MARITIME TRUST
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TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Trustees (who are also directors of the charity for the purposes of the Companies Act) submit their 21st annual report together with the audited financial statements of Chatham Maritime Trust (the charity) for the year ended 31 March 2019. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the company'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 qualifies 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, Homes England ("HE") (formerly the Homes and Communities Agency), St Mary's Island Residents Association Limited ("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 HE. In addition, there are a number of independent Trustees who have strong local connections and/or professional skills valuable to the Trust. There are currently seven such independent Trustees and one third of them retire by rotation each year at the AGM.

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 Financial Regulation, Charitable Objectives, Restrictive Covenants and Water Sports, 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 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.

CHATHAM MARITIME TRUST
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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

c. RISK MANAGEMENT

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

- Accidental death or serious injury of a member of the public on Trust land
- 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:

- Plant trees and undertake 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 HE, 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 drain 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;
- Repair and maintain a number of structures that are of historical, artistic, scientific, technological, geophysical or environmental importance, which are held principally for their contribution to the knowledge and culture of the Medway Towns and generally for the benefit of the public.

CHATHAM MARITIME TRUST
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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance

a. REVIEW OF ACTIVITIES

The Trust continues to maintain its focus on key service delivery to residents and occupiers across the Chatham Maritime Estate. We operate within detailed budgets and endeavour to drive up value and quality of service provision where possible while simultaneously bringing costs down.

The Estate is maintained according to our Estate Management Charter, which is based on recommended best practice issued by the Royal Institution of Chartered Surveyors, and sets out the tasks and frequencies for the public areas, footpaths, soft and hard landscaping, water safety, security and health and safety, and the key performance indicators against which our contractors are monitored.

For the major items of infrastructure across the Estate a 150 year Planned Preventative Maintenance programme was specified by geotechnical consulting engineers Ove Arup & Partners in 1997, setting out the recommended cyclical maintenance requirements for all the assets, notably the flood wall and revetment, the basin walls, HMS Chatham Bridge and the encapsulated bunds which are fundamental to the physical security of the Estate.

Homes England ("HE"), the government agency responsible for the development of the Chatham Maritime Estate, still retains a number of assets across the Estate, mainly interface land. In November 2017 Medway Council in conjunction with HE issued for consultation an updated Development Brief for the Chatham Interface Land to enable the development of this key regeneration site to be brought forward. The development brief identifies the potential for a residential-led development with opportunities for supporting commercial uses. It will ensure that the site is developed in a manner that complements the existing Estate and the Historic Dockyard and is of a design appropriate to its sensitive historic setting. 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 our major project on the Estate was the replacement of the Boardwalk along the north side of Basin 2, which was achieved on time and within budget, at a cost of £291,000. The new Boardwalk is made of hardwood, has a 25 year guarantee and incorporates improved sound suppression to improve the environmental impact on neighbouring properties. Some sections of the old boardwalk were able to be recycled to expand the size of the watersports pontoon on the south side of the Basin

On St Mary's Island, housing development activity continued for the final phase. The developer Countryside Maritime Ltd has completed Sector 13, the Atlas Place Extra Care Scheme has been handed over to housing provider Optivo, and development is underway in Sector 11 in Wilkey Way and Ripplewaters.

In May 2018 we accepted from Redrow Homes the transfer of their obligations in respect of the annual maintenance of ancillary soft landscaping in Restharrow Way, Willowherb Close and Sallow Close. This was followed in November 2018 by the transfer from Barratt Homes of their obligations in respect of the annual maintenance of ancillary soft landscaping in Goldcrest Drive, Bradfords Close and Cheldoc Rise. These areas have been pruned and re-planted and will be progressively brought up to our normal high standard.

During the year we completed the River Walk red anti-slip pathway project which finished removing all the old cobblestones to improve wheeled access. Lighting improvements were completed at the dog run, central walk and near the boules court on the northern bullnose. We also held our annual community bulb planting day in October 2018, which this year was on Central East Bund planting pink tulips in support of the charity Breast Cancer Care.

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance (continued)

a. REVIEW OF ACTIVITIES (continued)

In the South of Basins area there were various footpath improvements including a hand rail for pedestrians in North Road and Central Avenue, completion of tactile paving in Central Avenue, on the southern bullnose under the bridge and near the Ship & Trades car park. In Maritime Way a number of dead trees were replaced and the cycle and foot paths were re-marked. The main roundabout by Pembroke Gate was landscaped and re-planted to provide a focal point for the university campus.

At St Mary's Island Community Centre, we made further improvements to the facilities by installing electrically operated sliding entrance doors for improved access and DDA compliance, repainting the large and small halls and replacing the chairs and hot drinks machine in the meeting room. Booking volumes and the number of regular hirers have increased again during the year which enables us to continue to reinvest in the facilities.

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 commercial properties and such like. The value of our professionally managed investment portfolios has increased slightly in line with changes in world stock market indices.

Jonathan Sadler retired as Chief Executive in December 2018, and was replaced by Julian Perry on 2 January 2019. Julian has been involved with Chatham Maritime Estate for many years and lives in the Medway area. He is a civil engineer with experience of some of the largest regeneration projects in the UK, and joins us from Homes England for whom he had two spells on our board as their member trustee.

There have been a number of changes to our Board during the year. Matthew Brown replaced Julian Perry as the member trustee for Homes England, and Manjet Samrai and Yvonne Bishop have replaced David Taylor and Peter Haigh as the member trustees for SMIRA. David Taylor accepted the Board's invitation to become an independent trustee. At the AGM in December 2018, independent trustees Deborah Sims and Stephen Harriott retired by rotation, and after offering themselves for re-election, were re-elected to the Board, and Kelly Tolhurst MP was elected to the Board as an independent trustee. The Board continues to operate sub groups for Financial Regulation, Charitable Objectives, Restrictive Covenants and Water Sports for the efficient and effective management of the Trust.

b. PUBLIC BENEFIT STATEMENT

Chatham Maritime Trust undertakes the maintenance and guardianship of the 350-acre Chatham Maritime Estate. This is directly for the benefit of the residents, students, businesses and workers who reside at or use the Estate. The Estate is also freely accessible to the general public – there are public highways, footpaths and parks, plus a wide range of retail and leisure activities. For public safety, 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. The Trust provides a Community Centre on St. Mary's Island, with two halls and a meeting room available for hire by residents and non-residents.

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance (continued)

b. PUBLIC BENEFIT STATEMENT (continued)

The Trust has operated a community fund for some twenty-one years and continues to provide grants for community events and activities in the Medway Towns, and in 2018-19 more than doubled the current level of funding to over £20,000.

All recipients must meet the Trust's charitable objectives which are primarily focused on environmental improvements and the education and assistance of the young and other members of the Medway Towns to develop their physical, mental and spiritual capacities. All applications must clearly demonstrate the outcomes to be delivered.

The Trustees have given due regard to the Charity Commission's public benefit guidance and are satisfied that its work meets the "public benefit" requirements of the Charities Act 2011.

Grants are typically from £500 to £3,000 but even the smaller sums can make a significant difference to a project or those involved.

In the financial year 2018-19 Chatham Maritime Trust has supported the following organisations:

Soccer Street Foundation: a 10-week start-up programme for vulnerable people aged 18-24 in Gillingham. Two candidates who attended this programme secured their immediate futures, one was offered a traineeship and had an interview lined up and another made a real impression and was offered a job.

Medway Youth Awards. The event is a showcase for young people who achieve in difficult circumstances and encourage other young people to make positive choices; it also takes young people away from crime and anti-social behaviour.

Young Lives Foundation whose focus is all about making a difference to the lives of young people and improving outcomes for vulnerable people. Our funding provided: a young person placement on a YLF residential course; a young person placement on a 10-week mentoring programme and an activity day for a young person. YLF provide young people with the opportunity to participate in challenging and enriching activities so that they can broaden their horizons and develop life skills so they are able to make informed decisions.

Family Trust who provide money management skills programmes in Medway primary schools in a fun and interactive way enabling children to learn about money at an early stage in their lives and make informed decisions to avoid problems later in life. This is particularly relevant in today's debt-ridden society. This project has been a great success thus far and is due to be completed in May/June 2019.

Dandelion Time provides farm-based therapeutic programmes for children and families affected by domestic violence, abuse, trauma and family breakdown. The Trust's funding enabled support for 3 children and their families. Family A had experienced trauma and lifelong domestic abuse, the separation of the parents, a stressful court case and having to be re-housed. The programme enabled the re-building of relationships, the well-being of the family improved and they left with a new happier narrative and shared memories to shape their future. Family B had an acrimonious relationship, cultural issues affecting parenting and conflict which led to Police involvement. The therapeutic programs led to transformation of relationships and the experiences they had boosted self-confidence and emotional expression and created a brighter future for them. Family C involved a child that had experienced violent domestic abuse most of his life and had been exposed to drugs and other unsavoury activities and he and his mother fled to a refuge. The support programme offers practical and creative activities to enable them to reconnect in a safe environment.

The two families who have completed the programmes have demonstrated a range of positive outcomes to boost their individual and collective well-being as well as the educational engagement of the children.

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance (continued)

b. PUBLIC BENEFIT STATEMENT (continued)

Wetwheels Foundation provides opportunities for disabled and disadvantaged people to access water in specially designed boats. The Trust's funding meant that 144 individuals were able to enjoy an experience on the River Medway and they received fantastic feedback from both groups and individuals. Some of the organisations that participated were: Carers First, Aztec Day Services, MS Society Medway Group and Age UK Medway.

St. Mary's Island Rainbow, Brownie and Scout Unit received funding for the provision of up-to-date material, i.e. books, activity cards etc. as effective September 2018 the Girl Guiding Unit had the biggest overhaul in its history, revamping its iconic badges and activities to create a programme which it hopes will appeal to 'every girl'. Details of more than 800 badges and activities were designed to give the skills and experiences young women will need to thrive, succeed, make positive changes and be happy in the modern world.

Chatham Royal Marines Cadet Unit Chatham. The grant enabled the purchase of much needed equipment particularly as some cadets are from challenging backgrounds /deprived circumstances which doesn't allow them to contribute to the provision of equipment. The Unit has an aspirational policy of absolute equality and aim to provide all cadets with exactly the same opportunities and experiences. All cadets are treated equally whatever their background and circumstances and given the same training and opportunities. The grant ensures that Medway teenagers from challenging backgrounds will continue to benefit from the improved life chances offered by the Unit now and into the future.

Rivermead Inclusive Trust. A small grant was provided in support of a community arts project in Medway bringing people together and the monies raised from that will be given to 2 local charities and support the work of the RIT in three Medway schools – Walderslade Primary, Hoo St. Werburgh and Rivermead School. The Trust's vision is to become a leader in providing excellence in teaching and learning through collaboration and partnership; it ensures that it is about 'the complete person' for all.

GK Unions on the Universities at Medway Campus. The funds given for this project "Give It A Go" focus on a programme of activities for the development and support of student wellbeing during the busy exam term. The events are driven by students and all activities are created to be diverse and inclusive to develop students' physical, spiritual and mental capacities.

Chatham Maritime Trust also continues to support the provision of a Youth Leader for St. Mary's Island Youth Club known as Castaways which is now thriving and has a healthy membership of some 70 Members deterring young people from anti-social behaviour and crime and provides a good networking unit for them. The dedication of the volunteers and support of the Youth Leader, Rodney Parr, Club Secretary & Administrator, David Taylor, should be recognized and acknowledged.

Chatham Maritime Trust is also responsible for the organisation of the Food & Drink Festival held on the Chatham Maritime Estate which has become an annual fixture in the calendar and provides a great fundraising opportunity for other charities such as Medway Sunlight Rotary Club. The annual Dragon Boat Race which forms a focus of the 3-day festival has in fact become their main fundraising project. In 2018 this event raised over £15,000 for Rotary Children's Hospice Holidays and local charities and over a five year period has raised over £50,000 for charity.

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance (continued)

b. PUBLIC BENEFIT STATEMENT (continued)

Particular projects across the Estate completed by Chatham Maritime Trust during the year under review for the benefit of its residents/occupiers and the general public are as follows:

- The old pontoon from the boardwalk was recycled and transferred to Arethusa to extend their watersports operational area in Basin 2
- Replacement of Community Centre entrance door to make it more easily accessible for users and visitors
- Provided lighting at dog run for early and late winter dog walking
- Tactile paving installed in Central Avenue (Pembroke) now accessible to all
- The roundabout at the bottom of Dock Road at the entrance to the Universities at Medway planted to improve area and create a focal point
- Cobbles removed from the Riverside Walk and replaced with black top and anti-slip surface to improve accessibility for all
- Extension of brick pathway made to Central Walk to link up to Bund for dog walkers
- Cycle traffic management to Central Walk barriers to make it safer for pedestrians and cyclists
- Bulbs planted in tree pits on South of Basin
- Frost signage installed to warn pedestrians and drivers the risk of ice on the estate
- Extension to brick footpath from the caisson to pathway alongside Basin 1
- Upon transfer of the Redrow sector in 2018 the landscaping was transformed to a much higher standard than previously existed
- Worked with MEBP to offer a work experience placement in June 2018; good feedback from candidate
- Offered a Corporate Watersports Day – taster sessions to trial activities
- Created a natural wildlife area including plug planting of natural plants (poppies, bluebells, snowdrops etc) to increase biodiversity
- Spraying of footpaths to control ants and weeds

c. INVESTMENT POLICY AND PERFORMANCE

In March 2019 the Board of Trustees reviewed and ratified its investment policy and strategy, which is supervised by the Finance Group.

The Trust's financial objective is to ensure long term sustainability through maximising investment returns while balancing income and expenditure from charitable activities. The Trustees have adopted a medium risk profile, meaning that its investment portfolio will aim over the long term to seek returns 3% above the rate of inflation, as measured by movements in UK CPI, and should reflect 60-80% of the volatility of global equity markets.

In 2013 Rathbone Investment Management Limited ('Rathbones') was appointed Fund Manager, and was authorised to invest the charity's expendable and restricted endowment funds on a discretionary basis, within the agreed parameters, with their performance being benchmarked against a range of stock market indices. Rathbones is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In December 2018 the Trustees undertook a review of the fund manager's performance and confirmed that Rathbones were performing satisfactorily.

The Fund Manager invests the Trust's investment funds into the Rathbone Active Income and Growth Fund, which is a Non-UCITS Retail Scheme and Tax Elected Fund, regulated by the Financial Conduct Authority and managed in accordance with the Collective Investment Schemes Sourcebook. It has an ethical investment policy which means that it will not invest directly in companies that generate more than 20% of their turnover from tobacco, gambling, pornography or high interest lending.

CHATHAM MARITIME TRUST
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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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.

Due to the uncertainty in predicting the quantum and timing of anticipated future maintenance expenditure, the Trustees continue to follow a prudent policy to seek to ensure that the funding available to future Trustees will remain adequate. 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.

b. RESULTS FOR THE YEAR

The results for the year are set out in the Statement of Financial Activities on page 15. This shows net income from restricted and unrestricted funds amounting to £563,476 (2018: net income £401,829).

The Trust has benefited from the revaluation of its share portfolios, in line with changes in global stock market indices, resulting in realised and unrealised gains for the year of £375,724 (2018: gains of £87,748).

A net movement of funds of £939,200 has been added to reserves (2018: added to reserves £489,577). Total reserves at 31 March 2019 were £21,421,045 compared with £20,481,845 at 31 March 2018.

Plans for the future

There are a number of further plots of land which are expected to be transferred from HE in due course and Medway Council and HE have consulted on an updated Development Brief for the Chatham Interface Land to enable the development of this key regeneration site to be brought forward. The Trustees also regularly keep under review 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 company will continue in operation.

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

CHATHAM MARITIME TRUST
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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

TRUSTEES' RESPONSIBILITIES STATEMENT (continued)

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 company'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 company's auditors are aware of that information.

AUDITORS

At the Annual General Meeting in December 2018 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 26 July 2019 and signed on their behalf by:



Mr A Mackness
Chair

Date 26 July 2019

CHATHAM MARITIME TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATHAM MARITIME TRUST

OPINION

We have audited the financial statements of Chatham Maritime Trust (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, Balance Sheet, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

CONCLUSION 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 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.

CHATHAM MARITIME TRUST
(A company limited by guarantee)

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

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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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.

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 directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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 trustees 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.

RESPONSIBILITIES OF TRUSTEES

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CHATHAM MARITIME TRUST
(A company limited by guarantee)

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

AUDITORS' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 and the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alyson Howard FCCA DChA CF

For and on behalf of

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

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

Date: *16 August 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)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2019

| | Note | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|---|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | |
| Donations and legacies | 2 | - | 233,770 | 233,770 | - |
| Investments | 3 | 772,757 | 85,695 | 858,452 | 767,018 |
| Charitable activities | 4 | 1,033,431 | 55,776 | 1,089,207 | 1,008,806 |
| Other income | 5 | 31,165 | - | 31,165 | 25,554 |
| TOTAL INCOME | | 1,837,353 | 375,241 | 2,212,594 | 1,801,378 |
| EXPENDITURE ON: | | | | | |
| Raising funds | 6 | - | - | - | - |
| Other charitable activities | 8 | 1,538,495 | 110,623 | 1,649,118 | 1,399,549 |
| TOTAL EXPENDITURE | 11 | 1,538,495 | 110,623 | 1,649,118 | 1,399,549 |
| NET INCOME BEFORE INVESTMENT GAINS | | 298,858 | 264,618 | 563,476 | 401,829 |
| Net gains on investments | 20 | 329,704 | 46,020 | 375,724 | 87,748 |
| NET INCOME BEFORE TRANSFERS | | 628,562 | 310,638 | 939,200 | 489,577 |
| Transfers between Funds | 24 | (14,224) | 14,224 | - | - |
| NET INCOME | | 614,338 | 324,862 | 939,200 | 489,577 |
| Total funds at 1 April 2018 | | 18,028,827 | 2,453,018 | 20,481,845 | 19,992,268 |
| TOTAL FUNDS AT 31 MARCH 2019 | | 18,643,165 | 2,777,880 | 21,421,045 | 20,481,845 |

All activities relate to continuing operations

Full comparative figures for the year ended 31 March 2018 are shown in Note 36 on page 39

The notes on pages 19 to 40 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 2019

| | Note | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|---|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income | | 1,837,353 | 375,241 | 2,212,594 | 1,801,378 |
| Gains/(Losses) on investments | 18,19 | 329,704 | 46,020 | 375,724 | 87,748 |
| GROSS INCOME IN THE REPORTING PERIOD | | 2,167,057 | 421,261 | 2,588,318 | 1,889,126 |
| Less: Total expenditure | 11 | 1,538,495 | 110,623 | 1,649,118 | 1,399,549 |
| NET INCOME FOR THE YEAR BEFORE TRANSFERS | | 628,562 | 310,638 | 939,200 | 489,577 |
| Transfers between Funds | 23 | (14,224) | 14,224 | - | - |
| Net income/(expenditure) for the year after transfers | | 614,338 | 324,862 | 939,200 | 489,577 |
| NET INCOME FOR THE FINANCIAL YEAR | | 614,338 | 324,862 | 939,200 | 489,577 |


The notes on pages 19 to 40 form part of these financial statements

COMPANY BALANCE SHEET
AS AT 31 MARCH 2019

| | Note | £ | 2019 £ | £ | 2018 £ |
|--|------|-------------|------------|-------------|------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 17 | 630,467 | | 358,282 | |
| Heritage assets | 18 | - | | - | |
| Investment property | 19 | 1,900,000 | | 1,900,000 | |
| | | | | | |
| Total tangible assets | | | 2,530,467 | | 2,258,282 |
| Investments | 20 | | 19,865,574 | | 19,294,424 |
| | | | | | |
| | | | 22,396,041 | | 21,552,706 |
| CURRENT ASSETS | | | | | |
| Debtors | 21 | 734,738 | | 829,133 | |
| Cash at bank and in hand | | 2,122,518 | | 2,316,621 | |
| | | | | | |
| | | | 2,857,256 | | 3,145,754 |
| CREDITORS: amounts falling due within one year | 22 | (1,081,411) | | (1,422,491) | |
| | | | | | |
| NET CURRENT ASSETS | | | 1,775,845 | | 1,723,263 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | | 24,171,886 | | 23,275,969 |
| CREDITORS: amounts falling due after more than one year | 23 | (2,742,591) | | (2,786,124) | |
| PROVISIONS FOR LIABILITIES | | | | | |
| Other provisions | 24 | (8,250) | | (8,000) | |
| | | | | | |
| NET ASSETS | | | 21,421,045 | | 20,481,845 |
| CHARITY FUNDS | | | | | |
| Restricted funds | 25 | | 2,777,880 | | 2,453,019 |
| Unrestricted funds | 25 | | 18,643,165 | | 18,028,826 |
| | | | | | |
| TOTAL FUNDS AT 31 MARCH 2019 | | | 21,421,045 | | 20,481,845 |

The financial statements were approved by the Trustees on 26 July 2019 and signed on their behalf, by:


Mr A Mackness (Chair)


Mr A B Horwood

The notes on pages 19 to 40 form part of these financial statements.

CHATHAM MARITIME TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

| | Note | 2019 £ | 2018 £ |
|--|------|------------------|-----------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 28 | 334,866 | 1,003,193 |
| | | <hr/> | <hr/> |
| Cash flows from investing activities: | | | |
| Purchase of property, plant and equipment | | (324,955) | (23,568) |
| Proceeds from sale of investments | | 73 | 38,325 |
| Purchase of investments | | (204,087) | (714,588) |
| | | <hr/> | <hr/> |
| Net cash used in investing activities | | (528,969) | (699,831) |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | (194,103) | 303,362 |
| Cash and cash equivalents brought forward | | 2,316,621 | 2,013,259 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents carried forward | 29 | 2,122,518 | 2,316,621 |
| | | <hr/> | <hr/> |

CHATHAM MARITIME TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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 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 charity alone as permitted by section 408 of the Companies Act 2006.

1.2 Company status

The charity is a private company limited by guarantee without share capital. 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 charity 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 charity 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 may be permanent endowment funds or expendable endowment funds. Permanent endowments are where trustees have no power to convert the capital into income, and the funds must normally be held indefinitely. Where trustees do have the power to convert capital into income such funds are known as expendable endowments. Income arising from 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 and expenses, and revaluation gains and losses are allocated to the appropriate fund in proportion to their respective average capital balances during the relevant period.

CHATHAM MARITIME TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the charity 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 charity 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 the date 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 Homes England. 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.

CHATHAM MARITIME TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.7 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) Estate infrastructure

The Estate is maintained according to an Estate Management Charter, which is based on recommended best practice issued by the Royal Institution of Chartered Surveyors. This Charter sets out the tasks and frequencies for the upkeep of public areas, footpaths, soft and hard landscaping, water safety, security and health and safety.

Ongoing maintenance and repairs to landscaping and estate infrastructure which are required under this Charter are not capitalised. However, improvements to heritage assets and all additional assets acquired are capitalised and depreciated over their useful economic lives

(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 |

(iii) Buildings under construction

Buildings under construction are tangible fixed assets which are not depreciated until they are brought into use.

1.8 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 charity.

1.9 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.

1.10 Interest receivable

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

CHATHAM MARITIME TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.11 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.

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash, bank current accounts and bank deposit accounts with maturities of twelve months or less from the date of opening of the deposit account.

1.13 Creditors and provisions

Creditors and provisions are recognised where the charity 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.

1.14 Pensions

The charity operates a defined contribution Workplace pension scheme available to all employees and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.15 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.

1.16 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 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|---|--|--|---------------------------------------|---------------------------------------|
| Sector 3 landscaping commuted capital sum | - | 207,000 | 207,000 | - |
| Sector 5 landscaping commuted capital sum | - | 26,770 | 26,770 | - |
| Total donations and legacies | - | 233,770 | 233,770 | - |

In 2018, of the total income from donations and legacies, £Nil was to unrestricted funds and £Nil was to restricted funds.

CHATHAM MARITIME TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. INVESTMENT INCOME

| | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank deposit interest | 20,261 | 2,692 | 22,953 | 18,788 |
| Investment income: | | | | |
| Dowry fund | 380,254 | - | 380,254 | 324,449 |
| Pembroke fund | 195,551 | - | 195,551 | 170,726 |
| Starfish Play Area fund | - | 9,329 | 9,329 | 8,723 |
| Community Centre endowment fund | - | 6,134 | 6,134 | 5,503 |
| Shark Park Play area fund | - | 3,095 | 3,095 | 1,825 |
| Marine Infrastructure reserve fund | 3,837 | - | 3,837 | 8,488 |
| SMI Medium Term reserve fund | 8,105 | - | 8,105 | 18,908 |
| Tadpole Play Area fund | - | 2,660 | 2,660 | 1,881 |
| Island Way Loop Road endowment fund | - | 59,930 | 59,930 | 44,926 |
| Sector 3 landscaping endowment fund | - | 1,659 | 1,659 | - |
| Sector 5 landscaping endowment fund | - | 196 | 196 | - |
| Rents from investment properties | 164,749 | - | 164,749 | 162,801 |
| | <u>772,757</u> | <u>85,695</u> | <u>858,452</u> | <u>767,018</u> |

In 2018, of the total investment income, £703,023 was to unrestricted funds and £63,995 was to restricted funds.

4. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Service charge income | 310,569 | 55,776 | 366,345 | 372,956 |
| Transfer from service charge advance payment | 43,533 | - | 43,533 | 43,533 |
| Rent charge income | 449,895 | - | 449,895 | 509,443 |
| Community centre hire income | 72,059 | - | 72,059 | 69,293 |
| Watersports centre income | 2,000 | - | 2,000 | 4,000 |
| Transfer from S.106 watersports advance payment | 155,375 | - | 155,375 | 9,581 |
| | <u>1,033,431</u> | <u>55,776</u> | <u>1,089,207</u> | <u>1,008,806</u> |

In 2018, of the total income from charitable activities, £953,030 was to unrestricted funds and £55,776 was to restricted funds.

CHATHAM MARITIME TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

5. OTHER INCOME

| | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|---------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Sundry income | 31,165 | - | 31,165 | 25,554 |
| | <u>31,165</u> | <u>-</u> | <u>31,165</u> | <u>25,554</u> |

In 2018, of the total of other incoming resources, £25,554 was to unrestricted funds and £Nil was to restricted funds.

6. INVESTMENT MANAGEMENT FEES

| | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|---------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Dowry fund | - | - | - | - |
| Pembroke fund | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Trust's investment funds are invested into a Non-UCITS Retail Scheme from which investment management fees are deducted at source out of capital.

In 2019 estimated fees deducted from capital were £65,000 (2018: £67,576) in respect of unrestricted funds and £14,000 (2018: £8,376) in respect of restricted funds.

7. GRANTS TO INSTITUTIONS

| | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Community Fund expenditure | 18,722 | - | 18,722 | 7,521 |
| St Mary's Island Youth Club expenditure | 2,259 | - | 2,259 | 2,130 |
| | <u>20,981</u> | <u>-</u> | <u>20,981</u> | <u>9,651</u> |

In 2018, of the total of grants to institutions, £9,651 was to unrestricted funds and £Nil was to restricted funds.

CHATHAM MARITIME TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

| | Note | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|--------------------------------|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Activities undertaken directly | 9 | 980,300 | 101,882 | 1,082,182 | 874,878 |
| Support costs | 10 | 537,214 | 8,741 | 545,955 | 515,020 |
| Grants to institutions | 7 | 20,981 | - | 20,981 | 9,651 |
| | | 1,538,495 | 110,623 | 1,649,118 | 1,399,549 |

In 2018, of the total expenditure on charitable activities, £1,303,310 was to unrestricted funds and £96,239 was to restricted funds.

9. DIRECT COSTS

| | Activities undertaken directly £ | Total 2019 £ | Total 2018 £ |
|---|---|--------------------|--------------------|
| Rent charge expenditure | 228,655 | 228,655 | 293,655 |
| Service charge expenditure | 235,500 | 235,500 | 244,876 |
| Public areas expenditure | 228,873 | 228,873 | 258,436 |
| Public areas expenditure: Basin 2 Boardwalk replacement | 290,900 | 290,900 | - |
| Community centre expenditure | 86,547 | 86,547 | 68,099 |
| Watersports centre expenditure | 11,707 | 11,707 | 9,812 |
| | 1,082,182 | 1,082,182 | 874,878 |

CHATHAM MARITIME TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. SUPPORT COSTS

| | Support costs £ | Total 2019 £ | Total 2018 £ |
|----------------------------------|-----------------------|--------------------|--------------------|
| Administration expenses | 103,731 | 103,731 | 104,053 |
| Legal and professional | 17,051 | 17,051 | 19,486 |
| Irrecoverable VAT | 758 | 758 | 2,035 |
| Community centre | 2,294 | 2,294 | 1,675 |
| Trustee costs | 7,573 | 7,573 | 10,063 |
| Auditors remuneration | 7,325 | 7,325 | 12,400 |
| Wages and salaries | 306,945 | 306,945 | 287,992 |
| National insurance contributions | 28,910 | 28,910 | 26,912 |
| Pension costs | 15,352 | 15,352 | 14,340 |
| Death in service scheme | 3,246 | 3,246 | 2,132 |
| Depreciation | 52,770 | 52,770 | 33,932 |
| | <u>545,955</u> | <u>545,955</u> | <u>515,020</u> |

11. ANALYSIS OF EXPENDITURE BY TYPE

| | Staff costs £ | Depreciation £ | Other costs £ | Total 2019 £ | Total 2018 £ |
|----------------------------------|------------------|-------------------|---------------------|--------------------|--------------------|
| Investment management fees | - | - | - | - | - |
| Costs of generating funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Charitable activities: | | | | | |
| Activities undertaken directly | - | - | 1,082,182 | 1,082,182 | 874,878 |
| Support costs | 351,207 | 52,770 | 141,978 | 545,955 | 515,020 |
| Grants to institutions | - | - | 20,981 | 20,981 | 9,651 |
| Subtotal charitable activities | <u>351,207</u> | <u>52,770</u> | <u>1,245,141</u> | <u>1,649,118</u> | <u>1,399,549</u> |
| | <u>351,207</u> | <u>52,770</u> | <u>1,245,141</u> | <u>1,649,118</u> | <u>1,399,549</u> |

CHATHAM MARITIME TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly | Support costs | Grants to institutions | Total 2019 | Total 2018 |
|--|--------------------------------------|------------------|---------------------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Rent charge expenditure | 228,655 | 204,105 | - | 432,760 | 478,542 |
| Service charge expenditure | 235,500 | 161,639 | - | 397,139 | 407,408 |
| Public areas expenditure | 228,873 | 94,900 | 18,722 | 342,495 | 370,636 |
| Public areas expenditure: Basin 2 Boardwalk replacement | 290,900 | - | - | 290,900 | - |
| Community centre expenditure | 86,547 | 63,306 | 2,259 | 152,112 | 129,382 |
| Watersports centre expenditure | 11,707 | 22,005 | - | 33,712 | 13,581 |
| | <u>1,082,182</u> | <u>545,955</u> | <u>20,981</u> | <u>1,649,118</u> | <u>1,399,549</u> |

13. NET INCOMING/(OUTGOING) RESOURCES

This is stated after charging:

| | 2019 | 2018 |
|---|---------------|---------------|
| | £ | £ |
| Depreciation of tangible fixed assets | 52,770 | 33,932 |
| Auditors' remuneration | 7,325 | 12,400 |
| Auditors' remuneration - non-audit services | 9,421 | 8,700 |
| Pension costs | 15,352 | 14,340 |
| | <u>85,868</u> | <u>69,372</u> |

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 (2018: £Nil).

During the year, 4 Trustees have claimed expenses or had their expenses met by the Trust (2018: 4 Trustees):

| | Reimbursed to Trustees | Paid Directly to 3 rd parties | Total | Total |
|--|---------------------------|--|--------------|--------------|
| | 2019 | 2019 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Travel expenses (4 Trustees; 2018: 4 Trustees) | 1,302 | - | 1,302 | 811 |
| Accommodation costs (1 Trustee; 2018: 1 Trustee) | - | 615 | 615 | 417 |
| | <u>1,302</u> | <u>615</u> | <u>1,917</u> | <u>1,228</u> |

Under a standard 'Charity Protection Policy' the charity is covered for the wrongful acts of the charity's, directors, trustees, employees or agents. The total premium paid in the year under this policy was £6,025 (2018: £5,956).

CHATHAM MARITIME TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an audit fee of £7,325 (2018: £12,400) and non-audit services of £9,421 (2018: £8,700).

15. STAFF COSTS

Staff costs were as follows:

| | 2019 | 2018 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 306,945 | 287,992 |
| Social security costs | 28,910 | 26,912 |
| Other pension costs | 15,352 | 14,340 |
| | <u>351,207</u> | <u>329,244</u> |

The average monthly number of employees was: 9 (2018: 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):

| | 2019 | 2018 |
|-----------------------|----------|----------|
| | No. | No. |
| Office and management | <u>8</u> | <u>8</u> |

The number of higher paid employees was:

| | 2019 | 2018 |
|-------------------------------|----------|----------|
| | £ | £ |
| In the band £60,001 - £70,000 | <u>1</u> | <u>1</u> |

16. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION

The Trustees neither received nor waived any remuneration during the year (2018: £Nil)

The total amount of employee benefits (excluding employer pension costs) received by key management personnel is £168,811 (2018: £164,463). The Trust considers its key management personnel to comprise the Chief Executive, Finance Manager and Contract & Procurement Facility Manager.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

17. TANGIBLE FIXED ASSETS

| | Freehold property | Buildings under construction | Plant and machinery | Fixtures and fittings | Office equipment | Total |
|-----------------------|----------------------|------------------------------------|------------------------|-----------------------------|---------------------|----------|
| | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | |
| At 1 April 2018 | 325,000 | - | 34,120 | 81,165 | 54,175 | 494,460 |
| Revaluations | - | - | - | - | - | - |
| Additions | - | 176,368 | 144,761 | 1,295 | 2,531 | 324,955 |
| Disposals | - | - | - | (735) | - | (735) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 March 2019 | 325,000 | 176,368 | 178,881 | 81,725 | 56,706 | 818,680 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Depreciation | | | | | | |
| At 1 April 2018 | 19,500 | - | 11,151 | 60,100 | 45,427 | 136,178 |
| Revaluations | - | - | - | - | - | - |
| Disposals | - | - | - | (735) | - | (735) |
| Charge for the year | 6,500 | - | 24,510 | 17,401 | 4,359 | 52,770 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 March 2019 | 26,000 | - | 35,661 | 76,766 | 49,786 | 188,213 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net book value | | | | | | |
| At 31 March 2019 | 299,000 | 176,368 | 143,220 | 4,959 | 6,920 | 630,467 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 March 2018 | 305,500 | - | 22,969 | 21,065 | 8,748 | 358,282 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

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 (2018: £4.1 million).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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

| Valuation | Freehold investment property |
|-----------------------------------|-------------------------------------|
| | £ |
| At 1 April 2018 and 31 March 2019 | 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 2019.

20. FIXED ASSET INVESTMENTS

| | Dowry Fund | Pembroke Fund | Total |
|--|------------------------|----------------------|-------------------|
| | £ | £ | £ |
| Market value | | | |
| At 1 April 2018 | 13,703,858 | 5,590,566 | 19,294,424 |
| Additions | 116,735 | 87,352 | 204,087 |
| Disposals | (45) | (28) | (73) |
| Revaluations | 260,611 | 106,525 | 367,136 |
| At 31 March 2019 | 14,081,159 | 5,784,415 | 19,865,574 |
| Historical cost | 12,241,396 | 4,960,542 | 17,201,938 |
| Investments at market value comprise: | | | |
| | Global Equities | 2019 | 2018 |
| | £ | £ | £ |
| Dowry Fund | 14,081,159 | 14,081,159 | 13,703,858 |
| Pembroke Fund | 5,784,415 | 5,784,415 | 5,590,566 |
| Total market value | 19,865,574 | 19,865,574 | 19,294,424 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

21. DEBTORS

| | 2019 | 2018 |
|--------------------------------|-----------------------|----------------|
| | £ | £ |
| Trade debtors | 404,956 | 592,109 |
| Other debtors | 3,018 | 658 |
| Prepayments and accrued income | 326,764 | 236,366 |
| | <u>734,738</u> | <u>829,133</u> |

22. CREDITORS

Amounts falling due within one year

| | 2019 | 2018 |
|------------------------------------|-------------------------|------------------|
| | £ | £ |
| Trade creditors | 104,233 | 90,956 |
| Other taxation and social security | 85,658 | 119,467 |
| Other creditors | 190,207 | 220,558 |
| Accruals and deferred income | 701,313 | 991,510 |
| | <u>1,081,411</u> | <u>1,422,491</u> |

Deferred income:

| | £ |
|--------------------------------------|-----------------------|
| Deferred income at 1 April 2018 | 769,414 |
| Resources deferred during the year | 618,316 |
| Amounts released from previous years | (769,414) |
| | <u>618,316</u> |

Income has been deferred for rent, rent charges and service charges received in advance in respect of the next financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

23. CREDITORS

Amounts falling due after more than one year

| | 2019 | 2018 |
|--------------------------------------|------------------|-------------|
| | £ | £ |
| Deferred income: | | |
| Advance payment of service charges | 2,742,591 | 2,786,124 |
| | <hr/> | <hr/> |
| Deferred income: | | |
| | £ | |
| Deferred income at 1 April 2018 | 2,786,124 | |
| Resources deferred during the year | - | |
| Amounts released from previous years | (43,533) | |
| | <hr/> | |
| Deferred income at 31 March 2019 | 2,742,591 | |
| | <hr/> | |

Between March 2001 and May 2004 the charity received commuted capital sums from the South East England Development Agency (a predecessor of Homes England) representing advance payment until 2082 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

| | Provisions |
|------------------|-------------------|
| | £ |
| At 1 April 2018 | 8,000 |
| Additions | 2,000 |
| Charged in year | (1,750) |
| | <hr/> |
| At 31 March 2019 | 8,250 |
| | <hr/> |

Provisions

The charity has exercised its option for a tenant's break on 8 June 2019 under the lease for its office at The Observatory which expires on 8 June 2024. The charity has a liability to re-instate all the non-structural alterations that it has made to the property and the Trustees have been providing for a proportion of such costs on an annual basis.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

25. STATEMENT OF FUNDS

SUMMARY

| | Brought Forward 1 April 2018 | Incoming Resources | Resources Expended | Transfers in/out | Gains/ (Losses) | Carried Forward 31 March 2019 |
|------------------------|------------------------------------|-----------------------|-----------------------|---------------------|--------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Designated funds | 4,254,486 | 459,131 | (154,484) | 3,423 | 116,522 | 4,679,078 |
| General funds | 13,774,341 | 1,378,222 | (1,384,011) | (17,647) | 213,182 | 13,964,087 |
| Unrestricted funds (A) | 18,028,827 | 1,837,353 | (1,538,495) | (14,224) | 329,704 | 18,643,165 |
| Restricted funds (B) | 2,453,018 | 375,241 | (110,623) | 14,224 | 46,020 | 2,777,880 |
| | 20,481,845 | 2,212,594 | (1,649,118) | - | 375,724 | 21,421,045 |

Full comparative figures for the year ended 31 March 2018 are shown in Note 37 on page 40

(A) UNRESTRICTED FUNDS

| | Brought Forward 1 April 2018 | Incoming Resources | Resources Expended | Transfers | Gains/ (Losses) | Carried Forward 31 March 2019 |
|---|------------------------------------|-----------------------|-----------------------|-----------------|--------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Designated funds | | | | | | |
| Community fund | 4,722 | - | (18,722) | 17,647 | - | 3,647 |
| Marine Infrastructure reserve | 300,056 | 24,123 | - | - | 2,710 | 326,889 |
| SMI Medium Term Infrastructure reserve | 652,724 | 38,550 | - | - | 5,823 | 697,097 |
| Pembroke fund reserve | 3,296,984 | 239,083 | (102,050) | (14,224) | 107,989 | 3,527,782 |
| Watersports Reserve | - | 157,375 | (33,712) | - | - | 123,663 |
| | 4,254,486 | 459,131 | (154,484) | 3,423 | 116,522 | 4,679,078 |
| General funds | | | | | | |
| Dowry Fund reserve | 12,835,364 | 513,747 | (449,821) | - | 213,182 | 13,112,472 |
| Revaluation reserve | 42,771 | - | - | - | - | 42,771 |
| Profit & Loss A/c | 896,206 | 864,475 | (934,190) | (17,647) | - | 808,844 |
| | 13,774,341 | 1,378,222 | (1,384,011) | (17,647) | 213,182 | 13,964,087 |
| Total Unrestricted funds | 18,028,827 | 1,837,353 | (1,538,495) | (14,224) | 329,704 | 18,643,165 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

25. STATEMENT OF FUNDS (continued)

(B) RESTRICTED FUNDS

| | Brought Forward 1 April 2018 | Incoming Resources | Resources Expended | Transfers | Gains/ (Losses) | Carried Forward 31 March 2019 |
|--|---|---------------------------|---------------------------|------------------|----------------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Restricted funds | | | | | | |
| Starfish Play Area | 290,946 | 9,329 | (4,002) | - | 5,380 | 301,653 |
| Tadpole Play Area | 60,047 | 2,660 | (2,256) | - | 1,471 | 61,922 |
| Community centre endowment | 180,180 | 6,134 | (8,741) | - | 3,524 | 181,097 |
| Shark Park Play Area | 53,506 | 3,094 | (9,764) | - | 1,665 | 48,501 |
| SOB Reserve Fund | 141,137 | 58,469 | - | 14,224 | - | 213,830 |
| Leviathan Way/ Western Ave Landscaping Reserve | 64,400 | - | (4,800) | - | - | 59,600 |
| Island Way Loop Road fund | 1,662,802 | 59,930 | (67,750) | - | 34,100 | 1,689,082 |
| Sector 3 Landscaping Reserve | - | 208,659 | (13,310) | - | 388 | 195,737 |
| Sector 5 Landscaping Reserve | - | 26,966 | - | - | (508) | 26,458 |
| Total Restricted funds | 2,453,018 | 375,241 | (110,623) | 14,224 | 46,020 | 2,777,880 |

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 Homes England, 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 South East England Development Agency (a predecessor of Homes England) in respect of ongoing service charge payments for certain leases on the South Maritime estate which were originally granted without service charge recovery provisions.

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NOTES TO THE FINANCIAL STATEMENTS
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26. STATEMENT OF FUNDS (continued)

Designated funds (continued)

The Watersports reserve provides for the cost of sailing equipment being employed at the Basin 2 Watersports Activity Centre.

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 charity 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 Homes England.

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.

The South of Basins ("SOB") Reserve fund was formed in April 2018 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 2018 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 2018 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 on St. Mary's Island.

The Sector 3 landscaping fund is an expendable endowment fund created in May 2018 by receipt of a commuted capital sum from Redrow Homes Limited in substitution for their obligations in respect of the annual maintenance of ancillary soft landscaping in Restharrow Way, Willowherb Close and Sallow Close in Sector 3 of St. Mary's Island.

The Sector 5 landscaping fund is an expendable endowment fund created in November 2018 by receipt of a commuted capital sum from BDW Trading Limited in substitution for their obligations in respect of the annual maintenance of ancillary soft landscaping in Goldcrest Drive, Bradfords Close and Cheldoc Rise in Sector 5 of St. Mary's Island.

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NOTES TO THE FINANCIAL STATEMENTS
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27. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--|------------------------------------|----------------------------------|-----------------------------|--------------------------|
| Tangible fixed assets | 630,467 | - | 630,467 | 358,282 |
| Heritage assets | - | - | - | - |
| Investment properties | 1,900,000 | - | 1,900,000 | 1,900,000 |
| Fixed asset investments | 17,147,294 | 2,718,280 | 19,865,574 | 19,294,424 |
| Current assets | 2,797,656 | 59,600 | 2,857,256 | 3,145,754 |
| Creditors due within one year | (1,081,411) | - | (1,081,411) | (1,422,491) |
| Creditors due after more than one year | (2,742,591) | - | (2,742,591) | (2,786,124) |
| Provisions for liabilities and charges | (8,250) | - | (8,250) | (8,000) |
| | <u>18,643,165</u> | <u>2,777,880</u> | <u>21,421,045</u> | <u>20,481,845</u> |

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

| | 2019 £ | 2018 £ |
|--|----------------|------------------|
| Net income for the year (as per Statement of Financial Activities) | 939,200 | 489,577 |
| Adjustment for: | | |
| Depreciation charges | 52,770 | 33,932 |
| (Gains)/losses on investments | (367,136) | (87,748) |
| Decrease/(increase) in debtors | 94,395 | 870,783 |
| (Decrease)/increase in creditors | (384,363) | (303,351) |
| Net cash provided by operating activities | <u>334,866</u> | <u>1,003,193</u> |

29. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2019 £ | 2018 £ |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | 2,122,518 | 2,316,621 |
| Total | <u>2,122,518</u> | <u>2,316,621</u> |

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30. PENSION COMMITMENTS

Chatham Maritime Trust operates a defined contribution Workplace pension scheme which is available to all employees. The charge for the year represents the amounts payable by the charity to the scheme, which were £15,352 (2018 - £14,340). As at 31 March 2019 no contributions were outstanding (2018 - £Nil).

31. OBLIGATIONS UNDER LEASE CONTRACTS

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

| | 2019 | 2018 |
|----------------------|---------------|---------|
| | £ | £ |
| Within one year | 34,381 | 35,293 |
| In two to five years | 2,505 | 134,726 |
| In over five years | - | 38,441 |
| | 36,786 | 206,115 |

32. RELATED PARTY TRANSACTIONS

Mr J Perry was appointed Chief Executive of Chatham Maritime Trust with effect from 2 January 2019, on a part-time basis. Mr Perry also continues to be employed by Homes England as a Senior Project Executive on a part-time basis, on projects unconnected to Chatham Maritime Trust. Homes England is a member organisation of Chatham Maritime Trust.

During the year Homes England paid Chatham Maritime Trust £250,438 for rentcharge indemnity and service charges (2018 - £289,899).

In 2018 the charity paid a community grant of £1,000 to St John's Church of England Infant School, of which Cllr V Maple is Chair of Governors, for refurbishment of the Early Years outside learning space.

Grants paid to member organisations to meet their administrative expenses were as follows:

| | 2019 | 2018 |
|--|--------------|-------|
| | £ | £ |
| St Mary's Island Residents Association Ltd | 2,650 | 4,000 |
| South Maritime Residents Ltd | 964 | 974 |

33. CAPITAL COMMITMENTS

The charity had no contractual commitments at 31 March 2019 (2018: £Nil).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

34. FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

| Measured at fair value through net income/expenditure | 2019 | 2018 |
|--|-------------------|-------------|
| | £ | £ |
| Fixed asset listed investments | 19,865,574 | 19,294,424 |

Debt instruments measured at amortised cost

| | 2019 | 2018 |
|---------------|----------------|-------------|
| | £ | £ |
| Trade debtors | 404,956 | 592,109 |

FINANCIAL LIABILITIES

Measured at amortised cost

| | 2019 | 2018 |
|-----------------|----------------|-------------|
| | £ | £ |
| Trade creditors | 104,233 | 90,956 |
| Other creditors | 190,207 | 220,558 |
| Total | 294,440 | 311,514 |

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

Income and expense

| | 2019 | 2018 |
|--|----------------|-------------|
| | £ | £ |
| Financial assets measured at fair value through net income/expenditure | 858,452 | 767,018 |

Net gains and losses (including changes in fair value)

| | 2019 | 2018 |
|--|----------------|-------------|
| | £ | £ |
| Financial assets measured at fair value through net income/expenditure | 375,774 | 87,748 |

35. 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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

36. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2018

| | Note | Unrestricted Funds 2018 £ | Restricted Funds 2018 £ | Total Funds 2018 £ |
|--|------|------------------------------------|----------------------------------|-----------------------------|
| INCOME FROM: | | | | |
| Donations and legacies | 2 | - | - | - |
| Investments | 3 | 703,023 | 63,995 | 767,018 |
| Charitable activities | 4 | 953,030 | 55,776 | 1,008,806 |
| Other income | 5 | 25,554 | - | 25,554 |
| TOTAL INCOME | | 1,681,607 | 119,771 | 1,801,378 |
| EXPENDITURE ON: | | | | |
| Raising funds | 6 | - | - | - |
| Other charitable activities | 8 | 1,303,310 | 96,239 | 1,399,549 |
| TOTAL EXPENDITURE | 11 | 1,303,310 | 96,239 | 1,399,549 |
| NET INCOME BEFORE INVESTMENT GAINS/(LOSSES) | | | | |
| | | 378,297 | 23,532 | 401,829 |
| Net gains/(losses) on investments | 20 | 78,020 | 9,728 | 87,748 |
| NET INCOME/(EXPENDITURE) BEFORE TRANSFERS | | | | |
| | | 456,317 | 33,260 | 489,577 |
| Transfers between Funds | 24 | (14,224) | 14,224 | - |
| NET INCOME/(EXPENDITURE) | | | | |
| | | 442,093 | 47,484 | 489,577 |
| Total funds at 1 April 2017 | | 17,586,734 | 2,405,534 | 19,992,268 |
| TOTAL FUNDS AT 31 MARCH 2018 | | 18,028,827 | 2,453,018 | 20,481,845 |

CHATHAM MARITIME TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

37. COMPARATIVE STATEMENT OF FUNDS YEAR ENDED 31 MARCH 2018

| | Brought Forward 1 April 2017 | Incoming Resources | Resources Expended | Transfers | Gains/ (Losses) | Carried Forward 31 March 2018 |
|--|---|-------------------------------|-------------------------------|------------------|----------------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Designated funds | | | | | | |
| Community fund | 1,793 | - | (7,521) | 10,450 | - | 4,722 |
| Marine Infrastructure reserve | 270,856 | 28,558 | - | - | 642 | 300,056 |
| SMI Medium Term Infrastructure reserve | 603,149 | 48,196 | - | - | 1,380 | 652,725 |
| Pembroke fund reserve | 3,174,864 | 214,259 | (103,383) | (14,224) | 25,467 | 3,296,983 |
| | 4,050,662 | 291,013 | (110,904) | (3,774) | 27,489 | 4,254,486 |
| General funds | | | | | | |
| Dowry Fund reserve | 12,534,962 | 448,554 | (198,683) | - | 50,531 | 12,835,364 |
| Revaluation reserve | 42,771 | - | - | - | - | 42,771 |
| Profit & Loss A/c | 958,338 | 942,040 | (993,722) | (10,450) | - | 896,206 |
| | 13,536,071 | 1,390,594 | (1,192,405) | (10,450) | 50,531 | 13,774,341 |
| Total Unrestricted funds | 17,586,733 | 1,681,607 | (1,303,309) | (14,224) | 78,020 | 18,028,827 |
| Restricted funds | | | | | | |
| Starfish Play Area | 284,140 | 8,723 | (3,191) | - | 1,274 | 290,946 |
| Tadpole Play Area | 61,778 | 1,880 | (3,960) | - | 349 | 60,047 |
| Community centre endowment | 182,396 | 5,503 | (8,554) | - | 835 | 180,180 |
| Shark Park Play Area | 57,037 | 1,825 | (5,750) | - | 394 | 53,506 |
| SOB Reserve Fund | 70,000 | 56,913 | - | 14,224 | - | 141,137 |
| Leviathan Way/ Western Ave Landscaping Reserve | 69,200 | - | (4,800) | - | - | 64,400 |
| Island Way Loop Road fund | 1,680,984 | 44,927 | (69,985) | - | 6,876 | 1,662,802 |
| | 2,405,535 | 119,771 | (96,240) | 14,224 | 9,728 | 2,453,018 |
| Total Restricted funds | 2,405,535 | 119,771 | (96,240) | 14,224 | 9,728 | 2,453,018 |
| Total of funds | 19,992,268 | 1,801,378 | (1,399,549) | - | 87,748 | 20,481,845 |