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 2021

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 2021

Trustees

Mr AP Sutton (1)(2) ***Chair***	*South Maritime Residents Limited*
Mr MD Brown (3)(4)	*Homes England*
Mr S Harriot (3) (4)	*Independent*
Mr A B Horwood (1)(2)	*Independent*
Ms MJ Koshkouei (2)(3) (appointed 7 January 2021)	*St Mary's Island Residents Association Limited*
Cllr VS Maple (1)(3)	*Medway Council*
Mrs Y Bishop (1) (resigned 5 December 2020)	*St Mary's Island Residents Association Limited*
Mr CH Reynolds (appointed 15 December 2020)	*St Mary's Island Residents Association Limited*
Mr RG Russell (1)(2)	*South Maritime Residents Limited*
Ms MK Samrai (resigned 27 November 2020)	*St Mary's Island Residents Association Limited*
Ms DJ Sims (1)(2)	*Independent*
Mr DJ Taylor (3)(4)	*Independent*
Cllr HOS Tejan (1)(2)	*Medway Council*
Ms KJ Tolhurst MP (2)(4)	*Independent*
Mr VG Towell (1)(3)	*Independent*

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

Company registered number
02913375

Charity registered number
1055710

Registered Office
Maritime Wharf, St Mary's Island, Chatham, Kent, ME4 3ES

Chief Executive Officer
Mr JR Perry

Company Secretary
Mr PA Hall

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

Bankers
HSBC UK Bank plc, Business Banking, Level 6, 71 Queen Victoria Street, London EC4V 4AY

Solicitors
Thomson Snell & Passmore, Heathervale House, 2-4 Vale Avenue, Tunbridge Wells, Kent, TN1 1DJ

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

CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

I would like to begin by recognising the profound effect the Covid-19 pandemic has had on all our lives and in particular how it has affected the work of the Trust and the communities we serve.

Our staff have been working from home, with some on furlough, and we have had to close the St Mary's Island Community Centre and the Community Watersports Centre for most of the year, and postpone planned events. Many of the retail and leisure businesses on our Estate were closed temporarily and, regrettably, some have had to close permanently. There was also a significant increase in footfall across the public areas of St Mary's Island with more residents at home and more visits from members of the wider public, which brought associated challenges.

I thank the staff and our contractors who have dealt with the challenges of the pandemic extremely well and ensured that the Trust's day to day operations across our Estate have been able to continue more or less as normal. I also thank all our residents, businesses and the Universities at Medway for their help and cooperation during this difficult time.

Most importantly we should like to thank all NHS staff and other key workers based on our Estate for everything they have done to respond to this unprecedented crisis, and those individuals and businesses who have been supporting the most vulnerable members of our community.

We were delighted that our new estate office at Maritime Wharf was completed in Autumn 2020 together with the new building for the Community Watersports Centre. They enhance the Trust's assets, increase the amount of community space, will enable future cost savings and put us at the centre of the Estate.

Development and sales by Countryside Maritime Ltd in the final phase for St Mary's Island has slowed which means completion of the development is unlikely before 2024. There are now 1,623 dwellings, which will rise to 1,762 by completion. In December 2020 the common areas of sector 13 were transferred to the Trust together with an endowment sum to enable the Trust to take over the associated landscaping obligations into perpetuity. This will enable us to maintain a consistently high standard of landscaping across the entire Estate.

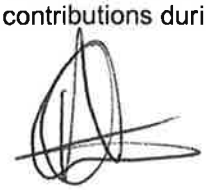
On the south side of our Estate, adjacent to the Historic Dockyard Chatham, there are undeveloped areas known as the 'Interface Land' which Homes England is planning to develop over the next five years. We are closely monitoring their proposals and anticipate it will be a mixed-use development incorporating new homes and commercial space, which may include opportunities for the Trust to be involved.

I am delighted to say that we have maintained our annual donation of £20,000 to the Community Fund, which gave grants to several community projects as set out in our public benefit statement on pages 7-10.

Our other activities during the year are reviewed in the Trustees Report on pages 5 and 6.

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

During the year the only changes to the Board were to the SMIRA nominated members, with Chris Reynolds and Mona Koshkouei replacing Mandy Samrai and Yvonne Bishop. I would like to welcome Chris and Mona to the Board and look forward to the fresh ideas they will bring, while thanking Mandy and Yvonne for their valuable contributions during the past two years.



Anthony Sutton
Chair
Date 23 July 2021

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (who are also directors of the charity for the purposes of the Companies Act) submit their 24th annual report together with the audited financial statements of Chatham Maritime Trust (the charity) for the year ended 31 March 2021. 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" second edition issued in October 2019.

As 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 as a company limited by guarantee under the name of Chatham Medway Limited on 28 March 1994. The company was established by a Memorandum of Association in 1994 and registration with the Charity Commission was obtained on 30 May 1996. By a special resolution dated 25 March 1997 its name was changed to Chatham Maritime Trust.

Given forthcoming changes to the Trust's operating environment and the development of the Estate, the Board of Trustees is in the process of reviewing the Trust's governing documents to ensure they are still fit for purpose and meet current best practise for environmental, social and corporate governance.

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"), 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 six such independent Trustees and one third of them retire by rotation each year at the AGM.

Trustees are provided with a set of key corporate documents and are regularly informed about publications and training courses to enable them to keep abreast of changes in charity legislation and best practise, including the role and responsibilities of trustees, governance and charity finance.

The Board usually meets six times during the year and also has sub-committees which meet separately to consider Financial Governance, Charitable Objectives, Restrictive Covenants and Water Activities, and to make recommendations thereon to the Board.

The Chief Executive is appointed by the Trustees to advise on strategy and development, and to direct 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, rentcharges and service charges, arranging infrastructure maintenance and services, and dealing with covenant and landlord matters.

c. RISK MANAGEMENT

The charity maintains a risk register which is regularly updated by the Chief Executive and reviewed by the Trustees on an annual 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.

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 maintenance 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 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. This Planned Preventative Maintenance programme is regularly reviewed and updated.

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, on the south side of our Estate. In November 2017 Medway Council in conjunction with HE issued for consultation an updated Development Brief for the 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 the Trust's operations were significantly affected by the Covid-19 pandemic and the resulting restrictions imposed by HM Government, although the financial impact was largely mitigated by the availability of business support grants and the coronavirus job support scheme.

Due to the lockdown restrictions there was a significant increase in pedestrian traffic across the public areas of our Estate as more residents were at home more often and more visitors came from the wider public. This necessitated the introduction of extra health and safety control measures, and additional litter-picking and mobile security patrols at weekends. Unfortunately, the play parks had to be closed from time to time in line with HM Government restrictions, although every effort was made to implement Covid-secure control measures and keep closures to a minimum.

The St Mary's Island Community Centre was closed in March 2020 and the staff furloughed. Although it briefly re-opened on a limited basis during July and August, it was effectively closed for the whole of our financial year. It has started welcoming some groups back following the lifting of some restrictions in May 2021, and the staff look forward to welcoming back all its regular users as soon as possible.

It was a similar story for the Community Watersports Centre, although it began to re-open in April 2021 as there were fewer restrictions for outdoor leisure facilities. The loss of last season was particularly disappointing as we had used the previous winter to plan a full programme of courses and activities for our first full season of opening and our new building was completed in October 2020. The new building substantially improves the amenity value of our watersports facilities and includes a large training room which will be available for hire and a refreshment kiosk which is being leased out to a local independent operator.

Achievements and performance (continued)

a. REVIEW OF ACTIVITIES (continued)

Construction work on the Trust's new estate office at Maritime Wharf, between HMS Chatham Bridge and Basin 1, was completed in September 2020, although some of the landscaping work around it was only completed more recently. This enhances the Trust's assets, will enable future cost savings and puts us at the centre of the Estate.

On St Mary's Island, housing development activity continued for the final phase. The developer Countryside Maritime Ltd continued development in Sector 11, completing thirty one new dwellings across Tigris Crescent, Ripplewaters and Augustus Way, and bringing the total number of dwellings to 1623 at 31 March.

In December 2020 we accepted from Countryside Maritime Ltd the transfer of their obligations in respect of the annual maintenance of ancillary soft landscaping in Blackcap Mews, Cade Close, The Causeway (part), Firecrest Close, Gadwall Mews, Whinchat Way and Westerly Way, together with associated parkland, ponds and water features and floodwall access, in Sector13 of St. Mary's Island. These areas are in the process of being extensively re-planted and will be progressively brought up to the same high standard as the rest of the Estate.

In addition to the normal soft and hard landscaping maintenance works during the year, gapping and tree management works were completed around the Marina, the Lozenge, Shark park, Island Way and across Finsborough Bund. Low level bollard lighting was installed along the Riverside Walk together with laying of new fibreoptic cabling to support the CCTV network, remediation/replacement works were completed along a further section of the flood defence revetment around St Mary's Island. Particularly pleasing were the improvements made to the dog run, including block paving the entire footpath.

In the South of Basins area, Dock Square was refurbished with paving repaired or replaced, together with cleaning and redecoration of the bandstand. and the Quayside footpath was re-laid in conjunction with other hard landscaping improvements associated with the new building for the Community Watersports Centre.

Works to maintain and enhance our heritage assets included the laying of resin-bonded pathways around the Finsborough Ness slipway and planned preventative remedial works to the Bell Mast monument in Leviathan Way.

We should also like to acknowledge the considerable contributions made by our principal contractors. Gavin Jones, FM Conway, Jascom, M Iles and Ward Security, in enabling us to maintain the Estate in good order during this unprecedented and difficult year.

Our investment property assets are fully occupied and 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 increased in value by about 15%, in line with the recovery in global stock market indices since the implementation of vaccination programmes and other Covid-19 control measures across the world, This compares to the 10% lost at the start of the pandemic in March 2020.

During the year the only changes to the Board were to the SMIRA nominated members, with Chris Reynolds and Mona Koshkouei replacing Mandy Samrai and Yvonne Bishop. At the AGM in December 2020, independent trustees Kelly Tolhurst MP and Steve Harriott retired by rotation, and after offering themselves for re-election, were re-elected to the Board. The Board continues to operate sub-groups for Financial Regulation, Charitable Objectives, Restrictive Covenants and Water Activities for the efficient and effective management of the Trust.

Achievements and performance (continued)

b. PUBLIC BENEFIT STATEMENT

Chatham Maritime Trust undertakes the maintenance and guardianship of the 350-acre Chatham Maritime Estate. This 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 four 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 and a Community Watersports Centre on Basin 2, which from 2021 also has a meeting room for public hire.

The Trust operates a Community Fund which is mainly focused on environmental improvements and support of young people and other members of the community in relation to their physical, mental and spiritual capacities. All applications must adhere to the Trust's charitable objectives and demonstrate clear outcomes. The Trust operates the fund in line with the "public benefit" requirements of the Charities Act 2011.

The Trust continues to support community projects and groups and in the year 1 April 2020 to 31 March 2021 provided a total of £22,420 in support of the following:

Rotary Club – Snapdragons Children's Centre. Funding was provided for the provision of sensory equipment and walkway at a brand new facility in Strood which will be used by children with a range of disabilities. The overall project will enhance the lives of the children and their families that use the centre.

Nucleus Arts. Nucleus Arts Centres focus on affordability, accessibility and excellence in the arts for all. Their hubs are renowned for places for creativity, enhancing people's lives of all ages in so many ways with classes, workshops, exhibitions etc. Funding provided will be used to purchase digital kit for use by a number of different groups in the local community.

Downunder Café (Boomers). During the Covid-19 crisis Boomers redirected their efforts in helping the vulnerable in the St. Mary's Island community by the provision and delivery of food provisions. The Trust made a small contribution to their community effort targeting the Trust's beneficiaries.

Medway Citizen Advice Bureau for Medway Maritime Hospital. During the unprecedented situation with Covid-19, the Trust was approached by Medway Citizens Advice Bureau to provide support for their "Hug Your Hospital Appeal" for support for Key Workers at Medway Maritime Hospital.

The Trust requested that the money, if at all possible, be spent on a piece of equipment for one of the rest rooms to be used by a large number of key workers that has some longevity and from which the maximum benefit would be derived.

Walderslade Baptist Church Project. The project was completed in July to install Astro Turf to make the outside area a usable space that can be used by a number of different community groups. The church hosts weekly after school clubs for primary aged children, a coffee shop for the over 60s, weekly parent and baby/toddler group, youth clubs x 2 for young people in year 7-8 and year 9+ every Friday evening. Other community groups such as Weight Watchers, Slimming World and a Choir also use the Church and will appreciate the newly revamped area.

Achievements and performance (continued)

b. PUBLIC BENEFIT STATEMENT (continued)

Anchorians Football Club. Whatever the ability, young or old, they provide football opportunities for everyone. CMT provided funds in support of their Equals Team – those with special needs or learning difficulties that play in the Kent Disability League. This is an option that they struggle to get support for. CMT's logo will feature on the kit (supporting 30 people, 3 x teams of 10) and across social media platforms as well as their website.

It has been difficult for them over the last few months as with all sports organisations, the hardest part is keeping up with the changes that covid-19 restrictions bring and the administration that creates. This has increased their current volunteers' workload and they have had to recruit new volunteers to help out. The managers of the teams are taking on a larger role in communicating with their sponsors and keeping them updated on behalf of the committee.

CMT hopes to build a long-term relationship with the organisation whose charitable objectives align with those of CMT.

The Octopus Foundation. The Octopus Foundation works with vulnerable and marginalised people from deprived areas of Medway. One of their initiatives was working with a group of older men who had a number of issues – mental health, autism, dementia and cancer diagnosis. A carpentry workshop enabled the group to make tangible items to sell to the Medway community building their self-esteem, confidence whilst tackling their social isolation issues. The organisation sold its items from the carpentry workshop through community events, but Covid-19 has put a stop to all those opportunities resulting in a loss of income.

CMT provided a contribution to the setting up of a website to enable them to sell their products, advertise courses and tell people about the amazing work they do, and we look forward to seeing the end result and hearing about the impact that this has had.

SMI 1st Rainbow & Brownie Unit. This group were unable to meet in their indoor meeting venue due to Covid-19 and CMT provided funding towards the purchase of a marquee for outside use. This enabled the group to do outside activities and help members to maintain their mental health and well- being and earn their badges.

Sun Pier House. Sun Pier House is a centre for creativity in Medway, which in normal circumstances offers a wide range of programmes and activities, but Covid-19 halted their activities; they are already planning their reopening in 2021. CMT provided funding towards the provision of blinds, to allow them to extend their screening programme to other members of the community – families, those with autism, mother and baby groups etc.

In 2015, the organisation received recognition for its community engagement and won Best Visitor Attraction at Medway Design, Culture and Tourism Awards.

CMT has not supported this organisation before and hopes to develop a long-term relationship.

The Family Trust. The Family Trust requested funding towards their Values for Life Programme in Medway Schools. Their projects were on pause but they began to restart them from January 2021.

The organisation has excellent relationships with local schools and have been speaking with teachers throughout lockdown and as sites reopened in September. In the short term, it was clear that schools were keen to just have digital provision which removed the need for external visitors, however, as things begin to settle down, they have had a number of enquiries from schools keen to resume onsite provision. As a consequence, they have now taken onsite bookings for CAP Kids Money courses alongside some other projects from January 2021.

The CAP Money courses proved a great success when we supported this programme in 2018 and we hope this continues with our further support.

Achievements and performance (continued)

b. PUBLIC BENEFIT STATEMENT (continued)

Tiller & Wheel. This is a family business providing sailing experiences on Thames Sailing Barges Edith May and Whitstable Oyster Smack Thistle F86 on the River Medway and Swale from April to September. Their mission is to make sailing an option for all and their initial 2021 sailing programme will offer a range of free sailing experiences for the first time in an attempt to reach out to a wider audience.

Their new business model generates income through crowdfunding. Their current monthly income is publicly available through the Patreon website. They currently have 55 patrons and anticipate these numbers will grow significantly over the coming months as summer approaches and they can begin engaging directly with their audience again. They need to raise c. £15k a year to cover the costs of the barge.

CMT has approved funding for the provision of a polytunnel (durability 10 years+) to help maintenance to be carried out on the Edith May over the winter months. This will provide long-term benefits, extending the sailing life, allowing generations of Medway residents to enjoy her. It will also extend the sailing season by over a month every year, enabling an additional twelve trips from Chatham Maritime accommodating 100+ people.

Walking Workout with a Difference (WWWAD) CMT awarded a small sum of money for training and T-Shirts for their walking group members. The organisation was established three years ago to tackle social isolation/loneliness and improve mental and physical health as well as offering advice and training to adults, those with disabilities and children to promote a healthy lifestyle.

Medway Sunlight Rotary Club received a contribution in support of a Youth Competition launched to encourage and challenge young people in ways that are fun and inclusive. The Art and Photography categories received 46 entrants. Each child received a certificate and a mug decorated with their submissions. Winners, runners-up and third place will also receive a voucher and the chance to progress to the National competition. All the children's submissions will feature on a calendar for Christmas 2021 for those schools that participated and for parents/carers and Rotarians

Cabs for Jabs. CMT made a contribution to this which was set-up in partnership with the Rotary Club of Medway, providing free transport to the elderly and vulnerable from their homes to vaccination centres. As at 1st April 2021 Medway Sunlight Rotary reported that over 700 people had benefited from the transport.

Castaways Youth Club. The Trust continues to support St. Mary's Island Youth Club in terms of providing the community space cost free and the provision of a Youth Club Leader. Sadly, the Club was unable to meet during the year due to Covid-19, however the Trust maintained its funding for the youth leader in order to ensure the post was not made redundant. The Club's Secretary, Youth Leader and volunteers are committed to re-opening the Club in September.

Food & Drink Festival. Regrettably, our flagship annual event in May 2020 and May 2021 had to be cancelled due to the Covid-19 pandemic. We will be back, bigger and better in 2022 to celebrate our 25th anniversary.

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 were as follows:

- Remediation/replacement works to a further section of the revetment around St Mary's Island
- Installation of low-level bollard lighting along Riverside Walk together with laying of new fibreoptic cabling to support the CCTV network
- Completing the new building for the Community Watersports Centre, incorporating a large training room which will be available for hire when Covid-19 restrictions are lifted
- Repairing/replacing the paving around Dock square, together with cleaning and redecoration of the bandstand.
- Block paving the footpath through the St Mary's Island dog run

Achievements and performance (continued)

b. PUBLIC BENEFIT STATEMENT (continued)

- Laying resin-bonded footpaths around the Finsborough Ness slipway
- Planned preventative remedial works to the Bell Mast monument
- Resurfacing the road at the southern bullnose end of HMS Chatham Bridge

Sadly, all the community and public events usually held across our Estate during the year were cancelled due to the Covid-19 pandemic. We anticipate that all the usual events will be reinstated during the next year, once HM Government restrictions have been lifted.

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 2019 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.

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.

Financial review (continued)

b. RESULTS FOR THE YEAR

The results for the year are set out in the Statement of Financial Activities on page 17. This shows net income from restricted and unrestricted funds amounting to £937,765 (2020: net income £483,892).

The Trust has benefited from the revaluation of its investment portfolios, including its investment properties, in line with the recovery in global stock market indices since the implementation of vaccination programmes and other Covid-19 control measures across the world, resulting in realised and unrealised revaluation gains of £3,865,038 (2020: losses of £1,968,095).

A net movement of funds of £4,802,803 has been added to reserves (2020: £1,484,203 deducted from reserves). Total reserves at 31 March 2021 were £24,739,645 compared with £19,936,842 at 31 March 2020.

c. GOING CONCERN

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The Covid-19 pandemic and the ensuing economic shutdown has had some impact on the charity's operations as reported in Note 35 on page 39. In response to the Covid-19 pandemic, the Trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of Covid-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Plans for the future

The residential development of St Mary's Island is due to continue until 2024, with a further 167 dwellings expected to be built, across sectors 11, 15 and 16.

South of the basins, there are further plots of land which are expected to be developed for mixed residential and commercial use and will be transferred from Homes England ("HE") in due course. 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. HE have appointed Countryside Properties Ltd as the preferred developer with a brief to prepare a planning application by the summer of 2021.

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:

TRUSTEES' RESPONSIBILITIES STATEMENT (continued)

- 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.

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 2020 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 23 July 2021 and signed on their behalf by:

Mr A Sutton
Chair
Date 23 July 2021

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 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements
- the strategic report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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

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

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 Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- reviewing minutes of meetings of those charged with governance;
- enquiry with staff to identify any instances of non-compliance with laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditor's report.

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Duncan Cochrane-Dyet BSc BFP FCA (Senior Statutory Auditor)

For and on behalf of
MHA MacIntyre Hudson
Statutory Auditors
Maidstone

Date: 10 August 2021

CHATHAM MARITIME TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME FROM:					
Donations and legacies	2	-	**659,007**	**659,007**	112,000
Investments	3	**620,356**	**68,731**	**689,087**	874,453
Charitable activities	4	**976,400**	-	**976,400**	1,022,304
Other income	5	**133,840**	-	**133,840**	15,737
TOTAL INCOME		**1,730,596**	**727,738**	**2,458,334**	2,024,494
EXPENDITURE ON:					
Raising funds	6	**23,998**	**1,813**	**25,811**	-
Other charitable activities	8	**1,363,546**	**131,212**	**1,494,758**	1,540,602
TOTAL EXPENDITURE	11	**1,387,544**	**133,025**	**1,520,569**	1,540,602
NET INCOME BEFORE INVESTMENT GAINS / (LOSSES)		**343,052**	**594,713**	**937,765**	483,892
Net gains/(losses) on investments	20	**3,452,605**	**412,433**	**3,865,038**	(1,968,095)
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		**3,795,657**	**1,007,146**	**4,802,803**	(1,484,203)
Transfers between Funds	25	**(17,304)**	**17,304**	-	-
NET INCOME / (EXPENDITURE)		**3,778,353**	**1,024,450**	**4,802,803**	(1,484,203)
Total funds at 1 April 2020		**17,369,909**	**2,566,933**	**19,936,842**	21,421,045
TOTAL FUNDS AT 31 MARCH 2021		**21,148,262**	**3,591,383**	**24,739,645**	19,936,842

All activities relate to continuing operations

Full comparative figures for the year ended 31 March 2020 are shown in Note 37 on page 47

The notes on pages 21 to 49 form part of these financial statements

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

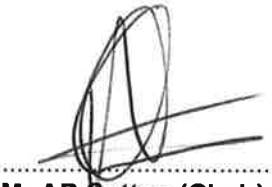
	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income		**1,730,596**	**727,738**	**2,458,334**	2,024,494
Gains/Losses) on investments	20	**3,452,605**	**412,433**	**3,865,038**	(1,968,095)
GROSS INCOME IN THE REPORTING PERIOD		**5,183,201**	**1,140,171**	**6,323,372**	56,399
Less: Total expenditure	11	**1,387,544**	**133,025**	**1,520,569**	1,540,602
NET INCOME / (EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS		**3,795,657**	**1,007,146**	**4,802,803**	(1,484,203)
Transfers between Funds	25	**(17,304)**	**17,304**	**-**	-
Net income / (expenditure) for the year after transfers		**3,778,353**	**1,024,450**	**4,802,803**	(1,484,203)
NET INCOME / (EXPENDITURE) FOR THE FINANCIAL YEAR		**3,778,353**	**1,024,450**	**4,802,803**	(1,484,203)

The notes on pages 21 to 49 form part of these financial statements

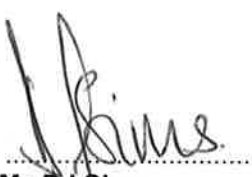
COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	17	**1,610,281**		1,061,909	
Heritage assets	18	**-**		-	
Investment property	19	**2,052,000**		1,900,000	
Total tangible assets			**3,662,281**		2,961,909
Investments	20		**23,012,353**		18,079,691
			26,674,634		21,041,600
CURRENT ASSETS					
Debtors	21	**809,610**		916,938	
Cash at bank and in hand		**962,033**		2,007,286	
		1,771,643		2,924,224	
CREDITORS: amounts falling due within one year	22	**(1,051,107)**		(1,315,748)	
NET CURRENT ASSETS			**720,536**		1,608,476
TOTAL ASSETS LESS CURRENT LIABILITIES			**27,395,170**		24,171,886
CREDITORS: amounts falling due after more than one year	23		**(2,655,525)**		(2,699,058)
PROVISIONS FOR LIABILITIES					
Other provisions	24		**-**		(14,176)
NET ASSETS			**24,739,645**		19,936,842
CHARITY FUNDS					
Restricted funds	25		**3,591,383**		2,566,933
Unrestricted funds	25		**21,148,262**		17,369,909
TOTAL FUNDS AT 31 MARCH 2021			**24,739,645**		19,936,842

The financial statements were approved by the Trustees on 23 July 2021 and signed on their behalf, by:



Mr AP Sutton (Chair)



Ms DJ Sims

The notes on pages 21 to 49 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	27	**777,255**	563,604
Cash flows from investing activities:			
Proceeds from sale of fixed assets		**83**	-
Purchase of property, plant and equipment		**(602,967)**	(470,693)
Proceeds from sale of investments		**2,204,541**	-
Purchase of investments		**(3,424,165)**	(208,143)
Net cash used in investing activities		**(1,822,508)**	(678,836)
Change in cash and cash equivalents in the year		**(1,045,253)**	(115,232)
Cash and cash equivalents brought forward		**2,007,286**	2,122,518
Cash and cash equivalents carried forward	28	**962,033**	2,007,286

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 issued in October 2019, the Financial Reporting standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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.

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. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The Covid-19 pandemic and the ensuing economic shutdown has had some impact on the charity's operations as reported in Note 35 on page 39. In response to the Covid-19 pandemic, the Trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of Covid-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts

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.

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation (continued)

(i) Heritage assets (continued)

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.

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
Computer equipment	-	20.00% 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. ACCOUNTING POLICIES (continued)

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.

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 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
	£	£	£	£
Sector 13 landscaping commuted capital sum	-	**659,007**	**659,007**	112,000
Total donations and legacies	-	**659,007**	**659,007**	112,000

In 2020, of the total income from donations and legacies, £Nil was to unrestricted funds and £112,000 was to restricted funds.

3. INVESTMENT INCOME

	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
	£	£	£	£
Bank deposit interest	**7,583**	**2,286**	**9,869**	22,040
Investment income:				
Dowry fund	**289,728**	-	**289,728**	381,641
Pembroke fund	**149,482**	-	**149,482**	199,085
Starfish Play Area fund	-	**7,590**	**7,590**	9,789
Community Centre endowment fund	-	**4,510**	**4,510**	6,137
Shark Park Play area fund	-	**1,783**	**1,783**	2,691
Marine Infrastructure reserve fund	**5,649**	-	**5,649**	5,038
SMI Medium Term reserve fund	**10,919**	-	**10,919**	10,839
Tadpole Play Area fund	-	**1,913**	**1,913**	2,582
Island Way Loop Road endowment fund	-	**42,054**	**42,054**	59,477
Sector 3 landscaping endowment fund	-	**5,067**	**5,067**	3,333
Sector 5 landscaping endowment fund	-	**852**	**852**	899
Sector 13 landscaping endowment fund	-	**2,676**	**2,676**	908
Rents from investment properties	**156,995**	-	**156,995**	169,994
	620,356	**68,731**	**689,087**	874,453

In 2020, of the total investment income, £784,570 was to unrestricted funds and £89,883 was to restricted funds.

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
	£	£	£	£
Service charge income	**313,832**	-	**313,832**	400,816
Transfer from service charge advance payment	**43,533**	-	**43,533**	43,533
Rent charge income	**455,528**	-	**455,528**	486,450
Community centre hire income	**4,679**	-	**4,679**	66,163
Watersports centre income	**6,644**	-	**6,644**	11,101
Transfer from S.106 watersports advance payment	**152,184**	-	**152,184**	14,241
	976,400	-	**976,400**	1,022,304

In 2020, of the total income from charitable activities, £966,584 was to unrestricted funds and £55,720 was to restricted funds.

5. OTHER INCOME

	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
	£	£	£	£
Sundry income	**14,025**	-	**14,025**	15,737
Grant from Living River Foundation	**1,815**	-	**1,815**	-
Grant from Sport England	**50,000**	-	**50,000**	-
Coronavirus Business Support Grants	**40,386**	-	**40,386**	-
Coronavirus Job Support Scheme	**27,614**	-	**27,614**	-
	133,840	-	**133,840**	15,737

In 2020, of the total of other incoming resources, £15,737 was to unrestricted funds and £Nil was to restricted funds.

6. INVESTMENT MANAGEMENT FEES

	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
	£	£	£	£
Dowry fund	**15,843**	**767**	**16,610**	-
Pembroke fund	**7,388**	**-**	**7,388**	-
Restricted fund	**-**	**1,813**	**1,813**	
	23,231	**2,580**	**25,811**	-

The 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 2021 estimated fees deducted from capital were £69,693 (2020: £66,919) in respect of unrestricted funds and £7,740 (2020: £14,724) in respect of restricted funds.

7. GRANTS TO INSTITUTIONS

	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
	£	£	£	£
Community Fund expenditure	**19,716**	**-**	**19,716**	20,000
St Mary's Island Youth Club sponsorship	**3,203**	**-**	**3,203**	2,338
	22,919	**-**	**22,919**	22,338

In 2020, of the total of grants to institutions, £22,338 was from unrestricted funds and £Nil was from restricted funds.

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Note	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
		£	£	£	£
Activities undertaken directly	9	**767,549**	**122,471**	**890,020**	891,573
Support costs	10	**573.078**	**8,741**	**581,819**	626,691
Grants to institutions	7	**22,919**	**-**	**22,919**	22,338
		1,363,546	**131,212**	**1,494,758**	1,540,602

In 2020, of the total expenditure on charitable activities, £1,412,718 was from unrestricted funds and £127,884

was from restricted funds.

9. DIRECT COSTS

	Activities undertaken directly	Total 2021	Total 2020
	£	£	£
Rent charge expenditure	**264,020**	**264,020**	215,319
Service charge expenditure	**244,515**	**244,515**	295,169
Public areas expenditure	**325,005**	**325,005**	294,660
Community centre expenditure	**51,234**	**51,234**	77,762
Watersports centre expenditure	**5,246**	**5,246**	8,663
	890,020	**890,020**	891,573

10. SUPPORT COSTS

	Support costs	Total 2021	Total 2020
	£	£	£
Administration expenses	**81,510**	**81,510**	126,234
Legal and professional	**22,512**	**22,512**	50,232
Irrecoverable VAT	**(6,175)**	**(6,175)**	3,713
Community centre	**1,235**	**1,235**	2,115
Trustee costs	**2,021**	**2,021**	4,962
Auditors remuneration	**9,500**	**9,500**	13,030
Wages and salaries	**363,179**	**363,179**	335,656
National insurance contributions	**32,337**	**32,337**	31,235
Pension costs	**17,558**	**17,558**	16,482
Death in service scheme	**3,631**	**3,631**	3,781
Depreciation	**54,595**	**54,595**	39,251
Profit on disposal of fixed assets	**(83)**	**(83)**	-
	581,819	**581,819**	626,691

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. ANALYSIS OF EXPENDITURE BY TYPE

	Staff costs	Depreciation	Other costs	Total 2021	Total 2020
	£	£	£	£	£
Investment management fees	-	-	**25,811**	**25,811**	-
Costs of generating funds	-	-	**25,811**	**25,811**	-
Charitable activities:					
Activities undertaken directly	-	-	**890,020**	**890,020**	891,573
Support costs	**416,705**	**54,595**	**110,519**	**581,819**	626,691
Grants to institutions	-	-	**22,919**	**22,919**	22,338
Subtotal charitable activities	**416,705**	**54,595**	**1,023,458**	**1,494,758**	1,540,602
	416,705	**54,595**	**1,049,269**	**1,520,569**	1,540,602

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly	Support costs	Grants to institutions	Total 2021	Total 2020
	£	£	£	£	£
Rent charge expenditure	**264,020**	**201,792**	-	**465,812**	432,986
Service charge expenditure	**244,515**	**130,346**	-	**374,861**	468,476
Public areas expenditure	**325,005**	**123,563**	**19,716**	**468,284**	445,803
Community centre expenditure	**51,234**	**62,631**	**3,203**	**117,068**	144,359
Watersports centre expenditure	**5,246**	**62,087**	-	**67,333**	48,978
	890,020	**581,819**	**22,919**	**1,475,298**	1,540,602

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13. NET INCOMING/(OUTGOING) RESOURCES

This is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	**54,595**	39,251
Auditors' remuneration	**9.500**	13,030
Auditors' remuneration - non-audit services	**-**	13,430
Pension costs	**17,558**	16,482

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 (2020: £Nil).

During the year, no Trustees have claimed expenses or had their expenses met by the Trust (2020: 1 Trustee):

	Reimbursed to Trustees	Paid Directly to 3rd parties	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Travel expenses (0 Trustee; 2020: 1 Trustee)	-	-	-	700
Accommodation costs (0 Trustee; 2020: 1 Trustee)	-	-	-	605
	-	-	-	1,305

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 £1,978 (2020: £1,497).

14. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an audit fee of £9,500 (2020: £13,030) and non-audit services of £Nil (2020: £13,430).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. STAFF COSTS

Staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	**363,179**	335,656
Social security costs	**32,337**	31,235
Other pension costs	**17,558**	16,482
	413,074	383,373

The average monthly number of employees was: 10 (2020: 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):

	2021	2020
	No.	No.
Office and management	**9**	9

The number of higher paid employees was:

	2021	2020
	£	£
In the band £60,001 - £70,000	**1**	2

16. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION

The Trustees neither received nor waived any remuneration during the year (2020: £Nil)

The total amount of employee benefits (excluding employer pension costs) received by key management personnel is £171,764 (2020: £171,806). The Trust considers its key management personnel to comprise the Chief Executive, Finance Manager & Company Secretary and Contract & Procurement Facility Manager.

17. TANGIBLE FIXED ASSETS

	Freehold property	Buildings under construction	Plant and machinery	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2020	**325,000**	**642,874**	**183.068**	**9,937**	**56,706**	**1,217,585**
Additions	**560,838**	**-**	**12,997**	**1,285**	**27,847**	**602,967**
Disposals	**-**	**-**	**-**	**(728)**	**(14,608)**	**(15,336)**
Transfers	**642,874**	**(642,874)**				
At 31 March 2021	**1,528,712**	**-**	**196,065**	**10,494**	**69,945**	**1,805,216**
Depreciation						
At 1 April 2020	**32,500**	**-**	**62,752**	**8,255**	**52,169**	**155,676**
Disposals	**-**	**-**	**-**	**(728)**	**(14,608)**	**(15,336)**
Charge for the year	**22,332**	**-**	**27,479**	**481**	**4,303**	**54,595**
At 31 March 2021	**54,832**	**-**	**90,231**	**8,008**	**41,864**	**194,935**
Net book value						
At 31 March 2021	**1,473,880**	**-**	**105,834**	**2,486**	**28,081**	**1,610,281**
At 31 March 2020	292,500	642,874	120,316	1,682	4,537	1,061,909

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 £5.0 million (2020: £4.1 million).

18. HERITAGE ASSETS (continued)

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

19. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 April 2020	**1,900,000**
Surplus on revaluation	**152,000**
At 31 March 2021	**2,052,000**

The investment properties were revalued in June 2021 by Salisbury & Co, Chartered Surveyors, on an open market value for existing use basis.

20. FIXED ASSET INVESTMENTS

Fixed asset investments at market value comprise:

	Global Equities £	2021 £	2020 £
Market value			
Dowry Fund	**13,799,347**	**13,799,347**	12,803,917
Pembroke Fund	**6,406,300**	**6,406,300**	5,275,774
Restricted Fund	**2,806,706**	**2,806,706**	-
Total market value	**23,012,353**	**23,012,353**	18,079,691
Historical cost			
Dowry Fund	**11,146,828**	**11,146,828**	12,378,559
Pembroke Fund	**5,090,606**	**5,090,606**	5,031,523
Restricted Fund	**2,394,322**	**2,394,322**	-
Total historical cost	**18,631,756**	**18,631,756**	17,410,082

20. FIXED ASSET INVESTMENTS (continued)

DOWRY FUND	Capital Account	Income Account	Total 2021	Total 2020
	£	£	£	£
Market value				
At 1 April 2020	**12,801,243**	**2,674**	**12,803,917**	14,081,159
Additions/Transfers in	**410,342**	**367,286**	**777,628**	746,926
Disposals/Transfers out	**(1,643,023)**	**(367,678)**	**(2,010,701)**	(609,764)
Revaluations	**2,228,503**	**-**	**2,228,503**	(1,414,405)
At 31 March 2021	**13,797,065**	**2,282**	**13,799,347**	12,803,917
Historical cost	**11,144,546**	**2,282**	**11,146,828**	12,378,559

PEMBROKE FUND	Capital Account	Income Account	Total 2021	Total 2020
	£	£	£	£
Market value				
At 1 April 2020	**5,274,383**	**1,391**	**5,275,774**	5,784,415
Additions/Transfers in	**64,338**	**160,482**	**224,820**	364,627
Disposals/Transfers out	**(5,130)**	**(161,266)**	**(166,396)**	(293,646)
Revaluations	**1,072,102**	**-**	**1,072,102**	(579,622)
At 31 March 2021	**6,405,693**	**607**	**6,406,300**	5,275,774
Historical cost	**5,089,999**	**607**	**5,090,606**	5,031,523

RESTRICTED FUND	Capital Account	Income Account	Total 2021	Total 2020
	£	£	£	£
Market value				
At 1 April 2020	**-**	**-**	**-**	-
Additions/Transfers in	**2,394,263**	**27,454**	**2,421,717**	-
Disposals/Transfers out	**(593)**	**(26,851)**	**(27,444)**	-
Revaluations	**412,433**	**-**	**412,433**	-
At 31 March 2021	**2,806,103**	**603**	**2,806,706**	-
Historical cost	**2,393,719**	**603**	**2,394,322**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. DEBTORS

	2021	2020
	£	£
Trade debtors	**629,851**	**559,028**
Other debtors	**996**	**1,992**
Other taxation and social security	**-**	**77,220**
Prepayments and accrued income	**178,763**	**278,698**
	809,610	**916,938**

22. CREDITORS
Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	**173,170**	**281,137**
Other taxation and social security	**84,575**	**8,910**
Other creditors	**21,327**	**25,302**
Accruals	**148,658**	**145,106**
Deferred income	**623,377**	**855,293**
	1,051,107	**1,315,748**

Deferred income:	£
Deferred income at 1 April 2020	**855,293**
Resources deferred during the year	**623,377**
Amounts released from previous years	**(855,293)**
Deferred income at 31 March 2021	**623,377**

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

23. CREDITORS

Amounts falling due after more than one year

	2021	2020
	£	£
Deferred income:		
Advance payment of service charges	**2,655,525**	2,699,058

Deferred income:	**£**
Deferred income at 1 April 2020	**2,699,058**
Resources deferred during the year	**-**
Amounts released from previous years	**(43,533)**
Deferred income at 31 March 2021	**2,655,525**

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 2020	**14,176**
Additions	**-**
Expended in year	**(14,176)**
At 31 March 2021	**-**

The charity exercised its option for a tenant's break on 8 June 2019 under the lease for its office at The Observatory which expired on 8 June 2024. The charity had a liability to re-instate all the non-structural alterations that it has made to the property.

25. STATEMENT OF FUNDS

SUMMARY

	Brought Forward 1 April 2020	Incoming Resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward 31 March 2021
	£	£	£	£	£	£
Designated funds	**4,221,046**	**435,113**	**(197,781)**	**42,925**	**1,195,219**	**5,696,522**
General funds	**13,148,863**	**1,295,484**	**(1,187,184)**	**(60,229)**	**2,379,041**	**15,575,975**
Unrestricted funds (A)	**17,369,909**	**1,730,597**	**(1,384,965)**	**(17,304)**	**3,574,260**	**21,272,497**
Restricted funds (B)	**2,566,933**	**727,737**	**(135,604)**	**17,304**	**290,778**	**3,467,148**
	19,936,842	**2,458,334**	**(1,520,569)**	-	**3,865,038**	**24,739,645**

UNRESTRICTED FUNDS (A)

	Brought Forward 1 April 2020	Incoming Resources	Resources Expended	Transfers	Gains/ (Losses)	Carried Forward 31 March 2021
	£	£	£	£	£	£
Designated funds						
Community fund	2,705	-	(19,716)	19,716	-	**2,705**
Marine Infrastructure reserve	332,244	22,350	(296)	-	42,711	**397,009**
SMI Medium Term Infrastructure reserve	714,380	10,919	(560)	23,209	80,406	**828,354**
Pembroke fund reserve	3,071,690	193,015	(109,331)	-	1,072,102	**4,227,476**
Watersports Reserve	100,027	208,829	(67,878)	-	-	**240,978**
	4,221,046	**435,113**	**(197,781)**	**42,925**	**1,195,219**	**5,696,522**
General funds						
Dowry Fund reserve	12,389,994	385,889	(273,311)	-	2,227,041	**14,729,613**
Revaluation reserve	42,771	-	-	-	152,000	**194,771**
General reserve	716,098	909,595	(913,873)	(60,229)	-	**651,591**
	13,148,863	**1,295,484**	**(1,187,184)**	**(60,229)**	**2,379,041**	**15,575,975**
Total Unrestricted funds	**17,369,909**	**1,730,597**	**(1,384,965)**	**(17,304)**	**3,574,260**	**21,272,497**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS (B)

	Brought Forward 1 April 2020	Incoming Resources	Resources Expended	Transfers	Gains/ (Losses)	Carried Forward 31 March 2021
	£	£	£	£	£	£
Restricted funds						
Starfish Play Area	264,689	7,589	(6,995)	-	54,410	**319,693**
Tadpole Play Area	50,375	1,913	(4,037)	-	13,711	**61,962**
Community centre endowment	153,894	4,510	(8,960)	17,304	32,340	**199,088**
Shark Park Play Area	32,128	1,783	(7,943)	-	12,780	**38,748**
SOB Reserve Fund	287,896	2,286	-	-	-	**290,182**
Leviathan Way/ Western Ave Landscaping Reserve	54,800	-	(4,800)	-	-	**50,000**
Island Way Loop Road fund	1,441,926	42,054	(68,879)	-	151,093	**1,566,194**
Sector 3 Landscaping Reserve	173,473	5,067	(7,755)	-	17,218	**188,003**
Sector 5 Landscaping Reserve	21,545	852	(1,583)	-	2,129	**22,943**
Sector 13 Landscaping Reserve	86,207	661,683	(24,652)	-	7,097	**730,335**
Total Restricted funds	**2,566,933**	**727,737**	**(135,604)**	**17,304**	**290,778**	**3,467,148**

Full comparative figures for the year ended 31 March 2020 are shown in Note 38 on pages 48 and 49

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25. STATEMENT OF FUNDS (continued)

DESCRIPTION OF FUNDS (continued)

Designated funds (continued)

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.

The Watersports fixed asset reserve provides for the cost of the buildings and sailing equipment being employed at the Basin 2 Community Watersports 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 2016 to meet the anticipated future costs of periodic preventative maintenance to avoid large fluctuations in the amount of service charge payable each year.

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

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

25. STATEMENT OF FUNDS (continued)

DESCRIPTION OF FUNDS (continued)

Restricted funds (continued)

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.

The Sector 13 landscaping fund is an expendable endowment fund created in August 2020 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 in Blackcap Mews, Cade Close, The Causeway (part), Firecrest Close, Gadwall Mews, Whinchat Way and Westerly Way, together with associated parkland, ponds and water features and floodwall access, in Sector13 of St. Mary's Island.

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Tangible fixed assets	**1,610,281**	**-**	**1,610,281**	1,061,909
Heritage assets	**-**	**-**	**-**	-
Investment properties	**2,052,000**	**-**	**2,052,000**	1,900,000
Fixed asset investments	**19,420,970**	**3,591,383**	**23,012,353**	18,079,691
Current assets	**1,771,643**	**-**	**1,771,643**	2,924,224
Creditors due within one year	**(1,051,107)**	**-**	**(1,051,107)**	(1,315,748)
Creditors due after more than one year	**(2,655,525)**	**-**	**(2,655,525)**	(2,699,058)
Provisions for liabilities and charges	**-**	**-**	**-**	(14,176)
	21,148,262	**3,591,383**	**24,739,645**	19,936,842

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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

	2021	2020
	£	£
Net income for the year (as per Statement of Financial Activities)	**4,650,803**	(1,484,203)
Adjustment for:		
Depreciation charges	**54,595**	39,251
(Profit)/loss on sale of fixed assets	**(83)**	-
(Gains)/losses on investments	**(3,713,038)**	1,994,027
Decrease/(increase) in debtors	**107,328**	(182,200)
(Decrease)/increase in creditors	**(322,350)**	196,729
Net cash provided by operating activities	**777,255**	563,604

28. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank and in hand	**962,033**	2,007,286
Total	**962,033**	2,007,286

29. 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 £17,558 (2020 - £16,482). As at 31 March 2021 no contributions were outstanding (2020 - £Nil).

30. OBLIGATIONS UNDER LEASE CONTRACTS

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

	2021	2020
	£	£
Within one year	**5,120**	7,625
In two to five years	**7,334**	12,454

In over five years	-	-
	12,454	20,079

31. RELATED PARTY TRANSACTIONS

Member Organisations

Homes England is one of four member organisations of Chatham Maritime Trust and is represented on the Board by its nominated 'A' Trustee Mr MD Brown. Mr JR Perry (Chief Executive) is also employed by Homes England as a Senior Project Executive on a part-time basis, on projects unconnected to Chatham Maritime Trust.

Amounts paid to and balances owing to Chatham Maritime Trust were as follows:

	2021	2020
	£	£
St Mary's Island rentcharges	**110,000**	160,000
South Maritime service charges	**55,232**	75,718
Reimbursement of professional fees	-	10,230
	165,232	245,948
Balance due at 31 March	**116,392**	179,362

Medway Council is one of four member organisations of Chatham Maritime Trust and is represented on the Board by its nominated 'U' Trustees Cllr HO Tejan and Cllr VS Maple.

Amounts paid by and balances owing by Chatham Maritime Trust were as follows:

	2021	2020
	£	£
Business rates	-	2,950
Balance due at 31 March	-	1,217

Amounts paid to and balances owing to Chatham Maritime Trust were as follows:

	2021	2020
	£	£
Covid-19 Business support grants	**40,387**	-
Balance due at 31 March	-	-

St Mary's Island Residents Association Ltd is one of four member organisations of Chatham Maritime Trust and is represented on the Board by its nominated 'N' Trustees Mr CH Reynolds and Ms MJ Koshkouei.

Amounts paid by and balances owed by Chatham Maritime Trust were as follows:

	2021	2020

	£	£
Administration expenses	**2,300**	2,877
Balance due at 31 March	**-**	-

31. RELATED PARTY TRANSACTIONS (continued)

Member Organisations (continued)

South Maritime Residents Ltd is one of four member organisations of Chatham Maritime Trust and is represented on the Board by its nominated 'S' Trustees Mr AP Sutton and Mr RG Russell.

Amounts paid by and balances owed by Chatham Maritime Trust were as follows:

	2021	2020
	£	£
Administration expenses	**489**	752
Balance due at 31 March	**-**	-

Leasehold Tenant – WD Chatham Ltd

Mr AP Sutton (Chair of Trustees) is Centre Manager for Dockside Outlet Centre on the Chatham Maritime Estate, the leasehold owner of which is WD Chatham Ltd. WD Chatham Ltd also has a 50% interest in Chatham Maritime Car Park Ltd, which is the leasehold owner of the car park on the Chatham Maritime Estate.

Amounts paid to and balances owed to Chatham Maritime Trust under those leases are as follows:

	2021	2020
	£	£
Annual service charges	**38,158**	52,321
Balances due at 31 March	**30,452**	20,723

From 24 April 2019 to 28 September 2020 Chatham Maritime Trust leased office accommodation in the Dockside Outlet Centre from WD Chatham Ltd.

Amounts paid by and balances owed by Chatham Maritime Trust under those leases are as follows:

	2021	2020
	£	£
Rent and service charges	**9,639**	30,156
Balance due at 31 March	**-**	6,107

Leasehold Tenant – University of Greenwich

Ms DJ Sims (Independent Trustee) is a Senior Lecturer in the Faculty of Engineering at the University of Greenwich, Medway Campus. University of Greenwich is the sole or joint leasehold owner for several properties on the Chatham Maritime Estate.

Amounts paid to and balances owed to Chatham Maritime Trust under those leases are as follows:

	2021	2020
	£	£
Annual service charges	**23,261**	49,187
Balance due at 31 March	**12,923**	19,084

31. RELATED PARTY TRANSACTIONS (continued)

Trustees in common – Rotary Club of Medway Sunlight Trust Fund

Cllr HO Tejan (Member Trustee) and Mr DJ Taylor (Independent Trustee) are also Trustees of Rotary Club of Medway Sunlight Trust Fund. During the year Chatham Maritime Trust has made charitable donations to fund raising appeals organised by Rotary Club of Medway Sunlight Trust Fund.

Amounts paid by and balances owed by Chatham Maritime Trust for those appeals are as follows:

	2021	2020
	£	£
Charitable donations	**4,429**	2,250
Balance due at 31 March	**-**	-

St Mary's Island Youth Club (The Island Castaways)

Mr DJ Taylor (Independent Trustee) is Club Secretary, Administrator and Founder of the St Mary's Island Youth Club, which is based at the St Mary's Island Community Centre on the Chatham Maritime Estate. Chatham Maritime Trust allows the Youth Club to use the Community Centre facilities free of charge for two hours each Friday night during school terms, and additionally donates funding to engage the services of a qualified youth leader from Medway Youth Trust.

Amounts paid by and balances owed by Chatham Maritime Trust for youth services are as follows:

	2021	2020
	£	£
Charitable donations	**2,812**	2,846
Free use of facilities	**-**	1,600
Balance due at 31 March	**-**	-

Trustees in common – The Halpern Charitable Foundation

Cllr VS Maple (Member Trustee) is also a Trustee of The Halpern Charitable Foundation. During the year Chatham Maritime Trust made a charitable donation to Nucleus Arts Centre which is part of the Halpern Charitable Foundation.

Amounts paid by and balances owed by Chatham Maritime Trust for those appeals are as follows:

	2021	2020
	£	£
Charitable donation	**2,900**	-
Balance due at 31 March	**-**	-

Sale of tangible fixed assets – Portal Chatham LLP

During the year two Arne Jacobsen Egg style easy chairs were sold to Portal Chatham LLP, who manage two buildings on the Chatham Maritime Estate. The Site Account Manager for Portal Chatham LLP is Mrs SL Marsh who is married to Mr D Marsh, who is employed by Chatham Maritime Trust as Contracts, Procurement & Facilities Manager. The chairs had a net book value of £Nil and originally cost £699 in May 2016. Sale proceeds were £83.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

32. CAPITAL COMMITMENTS

The charity had a contractual commitment of £25,000 at 31 March 2021 for the installation of photovoltaic solar panels to the roof of the estate office. At 31 March 2020 capital commitments of £660,000 were in respect of the construction of an estate office and a community watersports building on separate sites adjacent to HMS Chatham Bridge, for the charity's own use.

33. FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

Measured at fair value through net income/expenditure	**2021**	2020
	£	£
Fixed asset listed investments	**23,012,353**	18,079,691

Debt instruments measured at amortised cost	**2021**	2021
	£	£
Trade debtors	**629,851**	559,028

FINANCIAL LIABILITIES

Measured at amortised cost	**2021**	2020
	£	£
Trade creditors	**173,170**	281,137
Other creditors	**21,327**	25,302
Total	**194,497**	306,439

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

Income and expense

	2021	2020
	£	£
Financial assets measured at fair value through net income/expenditure	**689,087**	874,453

Net gains and losses (including changes in fair value)

	2021	2020
	£	£
Financial assets measured at fair value through net income/expenditure	**3713038**	(1,968,095)

34. 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.

35. FINANCIAL IMPACT OF THE COVID-19 PANDEMIC

Charitable activities

The St Mary's Island Community Centre and the Community Watersports Centre were both closed to customers for the majority of the 2020/21 financial year, which has resulted in an estimated loss of income of £114,000, and three staff members were placed on furlough or flexible furlough under the Coronavirus Job Retention Scheme.

During the year operating costs from these activities reduced by approximately £51,000 and the Trust benefited from the following HM Government sponsored financial assistance:

	2021	2020
	£	£
Business support grants	**40,387**	0
Cancellation of business rates	**5,242**	0
Coronavirus Job Support Scheme	**27,614**	0
	73,243	0

Fixed asset investments

As reported in the Note 20 on pages 33 and 34, there were unrealised revaluation gains in the year to 31 March 2021 of £3,713,038 compared with unrealised revaluation losses of £1,994,027 in the previous year to 31 March 2020. The directors consider that these gains and losses are largely attributable to the reaction of global stock markets to the Covid-19 pandemic and the subsequent development of vaccines and implementation of immunisation programmes across the world.

36. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Covid-19 pandemic is having a continuing effect on the activities of Chatham Maritime Trust in the period after 31 March 2021.

In the 3 months to 30 June 2021 the St Mary's Island Community Centre and the Community Watersports Centre were able to open on a limited basis only following the easing of restrictions from 17 May, resulting in an estimated loss of income of £30,000 and the three staff members continued to be on flexible furlough under the Coronavirus Job Retention Scheme.

During the period the Trust benefited from the following HM Government sponsored financial assistance:

	£
Business support grants	**16,000**
Cancellation of business rates	**1,045**
Coronavirus Job Support Scheme	**4,500**
	21,545

37. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
INCOME FROM:				
Donations and legacies	2	-	112,000	112,000
Investments	3	784,570	89,883	874,453
Charitable activities	4	966,584	55,720	1,022,304
Other income	5	15,737	-	15,737
TOTAL INCOME		1,766,891	257,603	2,024,494
EXPENDITURE ON:				
Raising funds	6	-	-	-
Other charitable activities	8	1,412,718	127,884	1,540,602
TOTAL EXPENDITURE	11	1,412,718	127,884	1,540,602
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		354,173	129,719	483,892
Net gains/(losses) on investments	20	(1,613,149)	(354,946)	(1,968,095)
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		(14,280)	14,280	-
Transfers between Funds	24	(1,273,256)	(210,947)	(1,484,203)
NET INCOME/(EXPENDITURE)		(1,273,256)	(210,947)	(1,484,203)
Total funds at 1 April 2019		18,643,165	2,777,880	21,421,045
TOTAL FUNDS AT 31 MARCH 2020		17,369,909	2,566,933	19,936,842

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

38. COMPARATIVE STATEMENT OF FUNDS YEAR ENDED 31 MARCH 2020

SUMMARY

	Brought Forward 1 April 2018	Incoming Resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward 31 March 2020
	£	£	£	£	£	£
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**

(A) UNRESTRICTED FUNDS

	Brought Forward 1 April 2018	Incoming Resources	Resources Expended	Transfers	Gains/ (Losses)	Carried Forward 31 March 2020
	£	£	£	£	£	£
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**

37. COMPARATIVE STATEMENT OF FUNDS YEAR ENDED 31 MARCH 2020 (continued)

(B) RESTRICTED FUNDS

	Brought Forward 1 April 2020	Incoming Resources	Resources Expended	Transfers	Gains/ (Losses)	Carried Forward 31 March 2021
	£	£	£	£	£	£
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**