

**REGISTERED COMPANY NUMBER: 2790922 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1019005**

**Report of the Trustees and  
Audited Financial Statements for the Year Ended  
31st March 2013  
for  
Portsmouth Historic Dockyard**



Sheen Stickland LLP  
Chartered Accountants  
Registered Auditors  
7 East Pallant  
Chichester  
West Sussex  
PO19 1TR

**Porstmouth Historic Dockyard**

**Contents of the Financial Statements  
for the Year Ended 31st March 2013**

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**Portsmouth Historic Dockyard**

**Report of the Trustees  
for the Year Ended 31st March 2013**

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**ADMINISTRATIVE INFORMATION**

**REGISTERED COMPANY NUMBER:**2790922 (England and Wales)

**REGISTERED CHARITY NUMBER:** 1019005

**BOARD OF TRUSTEES**

Ms Sunny Crouch OBE DBA Hon (Chairman) (appointed 2 April 2013)  
Mrs Jane Dean (appointed 2 April 2013)  
Mr Peter Goodship (appointed 31 July 2012)  
Cdr Kenneth Jones (appointed 31 July 2012)  
Mr Robert Lapraik (appointed 31 July 2012)  
Mr Robert Norman (appointed 2 April 2013)  
Ms Caroline Rainbird (appointed 2 April 2013)  
Dr Dominic Tweddle (appointed 31 July 2012)

**CHAIRMEN OF PARTNER  
ORGANISATIONS:**

Mr Michael Aiken MBE (representing The Mary Rose Trust)  
Rear Admiral David Bawtree CB DL (representing The Warrior Preservation Trust)  
Mr Hugh Siegle (representing Portsmouth Naval Base Property Trust ("PNBPT"))  
Admiral Sir Jonathon Band GCB DL (representing National Museum of the Royal Navy, ("NMRN"))

**AUDIT COMMITTEE:**

Mr Rob Norman  
Cdr Kenneth Jones  
Mr Robert Lapraik

**CHIEF EXECUTIVE:**

Mr Lincoln Clarke

**BUSINESS ADDRESS:**

Visitor Centre, Victory Gate, HM Naval Base, Portsmouth, PO1 3LJ

**REGISTERED OFFICE:**

Harbour Court, Compass Road, North Harbour, Portsmouth, Hampshire, PO6 4ST

**BANKERS:**

Barclays Bank Plc, 107 Commercial Road, Portsmouth, Hampshire, PO1 1BT

**COMPANY SECRETARY:**

Blakelaw Secretaries Limited, Harbour Court, Compass Road, North Harbour, Portsmouth, Hampshire, PO6 4ST

**SOLICITORS:**

Blake Lapthorn, Harbour Court, Compass Road, North Harbour, Portsmouth, Hampshire PO6 4ST and Bates Wells & Braithwaite London LLP, 2-6 Cannon Street, London EC4M 6YH

**AUDITORS:**

Sheen Stuckland LLP, 7 East Pallant, Chichester, West Sussex, PO19 1TR

## **INTRODUCTION**

The Trustees of Portsmouth Historic Dockyard, who are also Directors of the Charity for the purposes of the Companies Act, submit their Annual Report and the audited Financial Statements for the year ended 31 March 2013. In preparing this Annual Report and Financial Statements, which complies with statutory requirements and the governing document, the Trustees have

- Taken account of the Charity Commission's guidance 'Charities and Public Benefit' (January 2008) and especially when reviewing aims, activities and present and future objectives
- Adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (March 2005)

This annual review considers what we have achieved in the last 12 months, with a look forward to the next 12 months, it covers every key area, particularly in relation to the benefits we bring to the public and to the partner organisations who also benefit the public and to which we in turn are committed as part of our main purposes. The review process ensures that our aims, objectives and activities properly reflect and complement our stated purposes and in so doing, that we comply with both Charity Commission guidance on public benefit and statutory procedures on financial accounting. In signing off this review our Trustees have specifically considered these aspects.

## **PURPOSES, AIMS, ACTIVITIES AND PUBLIC BENEFIT**

### **Purposes**

Our full purposes are as set out in the objects contained in the Company Memorandum & Articles of Association, in summary they are

- For the benefit of the public and for the purposes of educating the public, to promote and assist in the display, understanding and enjoyment by the public of the ships, buildings, land and docks in the Historic Dockyard at HM Naval Base, Portsmouth
- To encourage, foster, assist and promote the fulfilment by member/partner trusts and organisations of their respective charitable objectives

The arrangements concerning members and partners are set out under Structure, Governance and Management on page 6 of this report.

### **Aims and Activities**

Acting either on behalf of or in direct support of our members, the Trust's main aims are to

- Increase visitor numbers and income by continuing substantial promotion of the site as a nationally and internationally recognised tourist attraction, concentrating in particular on the areas of external perception, public relations, marketing activity and the visitor services
- Support our members, each with their own specific individual needs, in their activities and major developments which will improve the level of experience and scope of facilities provided for the public
- Develop and improve opportunities in specialist activities for events, exhibitions, learning and corporate functions for the site as a whole and for its different attractions

In order to meet these aims the Trust carries out the following principal activities

- Booking, ticketing and visitor orientation by internet, telephone and in person at the Visitor Centre, including co-ordinating promotion and bookings for group, learning (both UK and foreign schools) and corporate visits
- Public relations and marketing activity for the site as a whole and for individual members
- Planning, co-ordinating and running events and exhibitions for the site as a whole and assisting with individual member's events and exhibitions
- Representing site interests and developments at external and internal strategic meetings

## **PURPOSES, AIMS, ACTIVITIES AND PUBLIC BENEFIT (CONTINUED)**

### **Public Benefit**

The purposes of the Trust set out in our governing document specifically charge us with providing benefit to the public, either directly or by supporting our members (who in turn themselves provide benefit to the public). Our aims, activities and annual objectives (see page 2) are all designed to particularly fulfil and enhance the way in which we provide these benefits.

Whilst our efforts are primarily directed at the main body of the public, we take care to provide diversity in facilities, pricing and activities to widen our appeal and accessibility to minority and specialist groups who might not otherwise visit the Historic Dockyard. The levels of government financial support for the Historic Dockyard are such that we must necessarily charge for entry to our attractions, but we ensure a range of ticket options and discounts to suit different people, and these are regularly reviewed in comparison with other similar attractions. In addition, entry to the site (but not the attractions) is free and a substantial number of people take advantage of this.

## **OBJECTIVES, PERFORMANCE AND ACHIEVEMENTS FOR THE YEAR**

### **Main Objectives**

In addition to running our normal day to day activities, the Trust set itself the following specific objectives for the year 2012/13:

- Deliver the visitor number targets and budgets
- Preparing the launch campaign for the new Mary Rose Museum
- Implementation of key recommendations from the Concord Restructuring Group including changes to the Governance arrangements of PHD and establishing a process to develop a site-wide Visitor Experience Master Plan and Interpretation Plan

### **Performance**

At the end of August 2012, against a backdrop of a difficult economic climate and the well documented challenges faced by the visitor attraction sector as a result of the Olympics, the weather and a difficult economic climate, PHD visitor numbers and revenue performance were under significant threat. Budgeted to generate 330k visitors and site-wide ticketing revenue of £3.5m for the year, the year-end forecast (produced at the end of August) based on the first five months of trading (when 60% of visitor numbers and income is generated) indicated that PHD would finish 40k (12%) down on visitor numbers and £626k (17%) down on site-wide ticketing revenue. For PHD this equated to a forecast loss of £135k against a budgeted surplus of £22k.

In the remaining seven months however, visitor number performance swung dramatically to 15k (12.5%) over budget with site-wide ticketing revenue £123k (13%) over budget for the period.

The resulting effect was that the 2012/13 financial year ended much better than forecast in August, finishing just 10k (3%) down against budgeted visitor numbers and £303k (8%) down on total site-wide ticketing revenue.

### **Achievements**

The improvement in performance in the second half of the year was largely driven by two key initiatives. On 16 September, following approval at the August Board Meeting, new pricing and visitor welcome strategies were introduced, the essence of these strategies meant that a single attraction ticket was reintroduced for the first time in a number of years and that all visitors would be encouraged, through active visitor welcome management, to enter the Visitor Centre and engage with a member of ticketing staff.

As part of the pricing strategy a weekly customer satisfaction survey regime was introduced, pegging pricing with key customer satisfaction performance indicators of value for money, overall satisfaction, child satisfaction, recommendation and repeatability.

Combined with a significant increase in promotional activity, as a result of the appointment of a Promotions Executive (part of a marketing team restructure), visitor numbers and revenue subsequently surged in the second part of the year.

## **OBJECTIVES, PERFORMANCE AND ACHIEVEMENTS FOR THE YEAR (CONTINUED)**

In addition, as well as the appointment of the Promotions Executive, a Front of House Manager was recruited to drive performance within the Visitor Centre and a Trade and Education Development Manager was appointed to develop long term sales opportunities with a range of trade and education partners

Also in the second half of the year a significant amount of work has been undertaken to develop a compelling Mary Rose Launch Campaign, the highlight of which included securing funding from external partners enabling us to appoint a highly experienced PR consultancy and to develop a TV campaign

A key strategic strand identified by the Concord Restructuring Group was to develop a 5 to 10 year Visitor Experience Masterplan for the entire site. A brief was developed, a budget set, a steering group established and the process for recruitment of an appropriate firm of consultants was initiated. The proposals, from the consultants that were awarded the project, identified four phases of work with phase one completed by the end of the financial year. This phase included running workshops with key stakeholders and staff to unlock ideas and establish key assumptions

During the year, alongside the successful Festival of Christmas event, Victorious Vintage, a free family summer music festival took place bringing in over 38,000 visitors. In addition the Historic Dockyard welcomed the Olympic Torch and organised the Remember The Falklands series of events to commemorate the 30th Anniversary of the Falklands War

Finally, during the year significant changes to the governance structure of PHD was undertaken leading to the establishment of a single PHD Board of Directors made up of four senior officers of PHD's partner organisation plus three newly appointed Non-Executive Directors and a new Non-Executive Chair

## **FINANCIAL REVIEW**

### **Incoming and Outgoing Resources and Net Movement in Funds**

The Statement of Financial Activities for the year ended 31 March 2013 is set out on page 11 of the financial statements

There was a surplus for the year of £3 compared to the prior year deficit of £69,955. The 2011/12 deficit was mostly attributable to exceptional expenditure of £96,680 for the strategic review/visitor research and additional marketing spend associated with the Big Ticket. The Trust has broken even this year due to supplementary contributions received from the Partners

During the year there was an increase in total incoming resources from £1.42 million to £1.63 million, which resulted from gift aid income from Festival of Christmas and a £140,000 members' contribution to cover exceptional expenditure

Total resources expended for the year increased from £1.50 million to £1.63 million due to a five year visitor experience plan and costs of recruiting the new Chief Executive

### **Reserves Policy**

Portsmouth Historic Dockyard, being a joint venture between its members, has little requirement for reserves to fund its day-to-day operation. The members have resolved to provide funding to Portsmouth Historic Dockyard on an as needs basis. At 31 March 2013 there was a balance on reserves of £12,720 (2012: £12,717)

### **Changes in Fixed Assets**

The movements in fixed assets in the year are set out in note 11 to the financial statements which shows that assets totalling £23,032 were purchased in the year

## **FUTURE PLANS**

The 2013/14 Budget sets out a visitor number increase of 53k (16%) against last years' 376k visitors as a result of the changes to the pricing strategy and the visitor welcome strategy and the launch of the Mary Rose Museum on 30 May 2013

In terms of visitor mix, it is anticipated that full paying walk-up visitors will increase by 18% to 154k and that promotional visitors will continue to rise significantly by 35% to 34k this year. In addition, trade visitors are expected to increase by 12% to 64k and education visitors by 5% to 43k

In terms of pricing, with the introduction of a single ticket of £17 (lead adult) for a visit to the Mary Rose Museum, the All-Attraction ticket price (lead adult) will increase from £21 to £26 from 30 May 2013 with the ratio of All-Attraction to Single Ticket sales budgeted to shift to an increase in single ticket sales during the year versus the last seven months of last year as a result of the Mary Rose Museum. As a consequence site wide ticketing revenue is budgeted to grow by 24% versus last year from £3.2m to £4m

The Mary Rose launch campaign will be the main focus across the entire marketing mix for the year including the normal visitor attraction marketing activity from leaflets and outdoor advertising, to press and radio

Significant emphasis has been placed on developing the trade market through the establishment of a Trade Development Manager. Focus will be placed on tour operator growth, ticket agent growth and developing the cruise market, particularly in Southampton

Working with the Education and Learning teams across the site a review of both the education proposition and communications strategy will take place with a re-launch targeted for September 2013

A customer relationship management strategy and outline implementation plan will be developed during the year which will consider data collection, membership schemes, "Friends" schemes and donor development

A digital strategy will be developed during 2013. This strategy will consider areas including a review of web platforms, blogging, social media and e-marketing

The brand strategy evolved during the last quarter of 2012/13 and will be informed by the development of partner organisations as affiliates of NMRN. This strategy, which aims to clearly define the relationship between the various partner organisations (from a visitor perspective) will be codified during 2013/14 followed by an audit of collateral and the development of an implementation plan

Campaign planning for both the launch of the new NMRN 20th Century Galleries "Hear My Story" and WWI Commemorations will be undertaken during 2013

The Masterplanning project will continue through to quarter 3 with the development of an implementation approach running concurrently with Phase Four, the final phase

A quarterly review and action planning process for customer satisfaction key performance indicators will be established to include mystery visit analysis

Some physical improvements to the Visitor Centre have taken place during the last quarter of 2012/13 but further work will be undertaken on visitor-flow from Victory Gate through the Visitor Centre. In addition a signage project, to improve the visitor experience, taking into account the changing approach to the brand platform, will be established

A project to develop site-wide capability and best practice of operational processes and procedures aimed at reducing risk, increasing compliance, improving visitor experience and saving costs across the full range of operational activity will also be initiated

There is a need to start developing on-going community engagement activity vis-à-vis local consultation for the implementation of the Visitor Experience Masterplan as well as a need to develop a Historic Dockyard interpretation approach which, in the short-term, could be delivered through a volunteering programme. Both of these activities, resource permitting, will be investigated during 2013/14 and proposals developed

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Administrative Information**

The Trust is a company limited by guarantee incorporated on 11 February 1993 and is a registered Charity. The Trustees, officers and professional advisers are as listed

### **Governing documents**

The Trust is governed by its Memorandum and Articles of Association, amended 11 February 2005 and by a Members Legal Agreement dated 10 March 1993 and subsequently updated on 19 February 1998 and 22 February 2005. The Members Legal Agreement officially expired on 15 February 2010, but the Members have unanimously agreed that it should continue in force until at least 31 March 2013, under its existing terms and with no change, save that MOD withdrew from the Agreement with effect from 1 April 2011 and NMRN assumed responsibility for the visitor function of HMS Victory, including liability for the Victory elements of the PHD budget and receipt of the Victory proportion of the ticket income. These documents identify the main purposes of the Trust which are to provide benefit to the public either directly or indirectly by supporting its partners.

### **Trust Members and Partners**

The following charities are all constituent members of PHD and operate within HM Naval Base, Portsmouth

The Mary Rose Trust  
Portsmouth Naval Base Property Trust  
The National Museum of the Royal Navy  
The Warrior Preservation Trust  
HMS Victory Preservation Trust

### **Trustees**

The Trustees must number four or more, each member of the Trust has the right to appoint one of its directors, officers or Trustees. None of the Trustees has any beneficial interest in the company.

The following Chairmen of the partner organisations acted as Trustees during the year

Rear Admiral David Bawtree CB DL, Chairman, HMS Warrior 1860 Preservation Trust (resigned 31 July 2012)  
Mr Michael Aiken MBE, Chairman, The Mary Rose Trust (resigned 31 July 2012)  
Mr Hugh Siegle, Chairman, The Portsmouth Naval Base Property Trust (resigned 31 July 2012)  
Admiral Sir Jonathon Band GCB DL, Chairman, National Museum of the Royal Navy (resigned 31 July 2012)

Details of the transactions between PHD and its connected charities are disclosed in the notes to the financial statements

### **Induction and training of Trustees**

The induction programme for new Trustees involves a background information pack, including latest Charity Commission guidelines, the Memorandum and Articles of Association, the Members Legal Agreement and an updated Strategic Action Plan, a one to one meeting with the Chairman and a personal brief, site tour and staff introduction with the CEO. Given that all Trustees are Chairmen of their own "parent" Trusts, a continuous programme of training is not considered necessary. Updating and training is carried out by means of an annual review of the Strategic Action Plan, circulation of Portsmouth Historic Dockyard minutes of meetings and the opportunity to attend external conferences and seminars, as well as the circulation of Charity Commission guidelines.



## **STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

### **Main and Executive Boards**

From September 2012 the former two tier structure of Main Board and Executive Board was replaced with a single Board. This Board, which meets every two months, was initially comprised of four Directors, all of whom are senior officers of the respective Member organisations chaired by the former Chair of the Executive Board. From April 2013 however, a new Independent Chair and three Independent Directors were appointed. The Board is responsible for both determining policy and objectives as well as overseeing the detailed operational and financial management of the Trust.

In the new arrangements, the Authorised Representatives of the Member Organisations meet three times a year to review performance and receive updates.

### **Risk Management**

A full Risk Register has been compiled. The major risks to the Trust are identified as follows:

- 1 Decline in Visitor Numbers and Income - which could affect the financial viability of the Trust, thereby limiting its capability to carry out its charitable purpose. The Trustees agree an annual budget, and dependent marketing plan, which is based on the most up to date visitor numbers and income predictions for the forthcoming year. This is underpinned by the long term Strategic Action Plan, agreed by the Trustees and reviewed annually. In the event that visitor numbers fall below those forecast and the Trust incurs a loss, the constituent members have undertaken to make additional contributions (over and above the normal levy taken from ticket income to fund PHD) to cover such a loss.
- 2 Financial Irregularity - which could also affect the financial viability of the Trust. Financial procedures and authorisation limits are issued to all appropriate management and financial staff, an Audit Committee is constituted and takes detailed reports from both management and accountants primarily on financial procedures, but also on management accounts and cashflows and, in addition, a mid-year accounts and procedures check is carried out by the external auditors.
- 3 Temporary Loss of Visitors Through Terrorist Threat - which could occur by closure of the neighbouring Naval Base, a factor which is totally out of the Trust's control. Insurance against loss of income is in place and, while there are various caveats concerning duration and degree of closure, the insurance cover is as good as can be arranged for such circumstances.
- 4 Damage to Reputation - which could occur either through a failure of visitor services or by association through the actions of a third party. Internally, thorough training and monitoring is carried out for all staff with an 'outward facing' role and rigorous follow up to all visitor complaints is actioned, professional visitor surveys are also carried out and analysed. Externally, close liaison with a wide range of stakeholders and partners is maintained and there is a comprehensive public relations operation for special and emergency events. Much of the marketing/liason activity is directed at raising the profile and prestige of the Historic Dockyard.

These risks and the actions taken to mitigate them have been reviewed by the Trustees. The Trustees will continue to review them on at least an annual basis.

**Report of the Trustees  
for the Year Ended 31st March 2013**

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**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The Trustees (who are also the Directors of Portsmouth Historic Dockyard for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP,
- make judgements and 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 business

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.


**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

The auditors, Sheen Stuckland LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by the Board of Trustees on 29th November 13 and signed on their behalf

 SUNNY CROUCH  
- Chairman  
19.12.13

## **Report of the Independent Auditors to the Members of Portsmouth Historic Dockyard**

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We have audited the financial statements of Portsmouth Historic Dockyard for the year ended 31st March 2013 on pages eleven to twenty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page eight, 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.

*Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.*

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2013 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

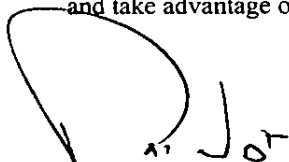
**Report of the Independent Auditors to the Members of  
Portsmouth Historic Dockyard**

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

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

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



P E H Wright FCA DChA (Senior Statutory Auditor)  
for and on behalf of Sheen Stuckland LLP  
Chartered Accountants  
Registered Auditors  
7 East Pallant  
Chichester  
West Sussex  
PO19 1TR

Date 19/11/15

# **Plymouth Historic Dockyard**

## **Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31st March 2013**

		2013 Unrestricted funds £	2012 Total funds £
	Notes		
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds</b>			
Voluntary income	2	32,395	-
Activities for generating funds	3	334,495	320,282
<b>Incoming resources from charitable activities</b>	4		
Booking, ticketing and visitor orientation		1,225,571	1,088,359
<b>Other incoming resources</b>		<u>35,636</u>	<u>20,903</u>
<b>Total incoming resources</b>		1,628,097	1,429,544
 <b>RESOURCES EXPENDED</b>			
<b>Costs of generating funds</b>			
Fundraising trading cost of goods sold and other costs	5	233,258	223,117
<b>Charitable activities</b>	6		
Booking, ticketing and visitor orientation		1,331,264	1,262,218
<b>Governance costs</b>	7	<u>63,572</u>	<u>14,164</u>
<b>Total resources expended</b>		1,628,094	1,499,499
 <b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		 3	 (69,955)
 <b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		12,717	82,672
 <b>TOTAL FUNDS CARRIED FORWARD</b>		 <u>12,720</u>	 <u>12,717</u>

### **CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities

The notes form part of these financial statements

**Portsmouth Historic Dockyard**

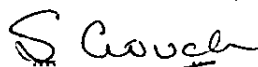
**Balance Sheet  
At 31st March 2013**

		2013 Unrestricted funds £	2012 Total funds £
<b>FIXED ASSETS</b>	Notes		
Tangible assets	11	23,472	20,915
<b>CURRENT ASSETS</b>			
Stocks	12	807	3,930
Debtors	13	188,086	99,269
Cash at bank and in hand		<u>143,277</u>	<u>63,665</u>
		332,170	166,864
<b>CREDITORS</b>			
Amounts falling due within one year	14	(342,922)	(175,062)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(10,752)</u>	<u>(8,198)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>12,720</u>	<u>12,717</u>
<b>NET ASSETS</b>		<u>12,720</u>	<u>12,717</u>
<b>FUNDS</b>	17		
Unrestricted funds		<u>12,720</u>	<u>12,717</u>
<b>TOTAL FUNDS</b>		<u>12,720</u>	<u>12,717</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies

The financial statements were approved by the Board of Trustees on 29.12.13 and were signed on its behalf by

SUNNY CROUCH

  
- Chairman

19.12.13

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

### Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

### Financial reporting standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company

### Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Trust is legally entitled to the income and the amount can be quantified with reasonable accuracy

### Levy income

The Trust charges its members for the services which it provides by way of a levy on ticket sales and member contributions these charges are recognised as incoming resources as they are earned and are shown excluding value added tax

The sums charged to the public in respect of ticket sales are remitted to the members and ticketing partners intact and as such are not reported as income of the Trust

### Investment income

Investment income is accounted for when receivable

### Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources

### Cost of generating funds

This includes all expenditure relating to festival and event costs

### Charitable activities

This includes all expenditure directly related to the objects of the Trust

### Governance costs

Governance costs include those incurred in the governance of the Trust and its assets and are primarily associated with constitutional and statutory requirements

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	- 20% - 50% on cost
Computer equipment	- 33% on cost

Tangible fixed assets costing more than £500 are capitalised and included at cost

Fixed assets are subject to impairment review

### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

### Taxation

The Trust is exempt from direct taxation on its charitable activities

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2013**

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees

Restricted funds can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate

**2. VOLUNTARY INCOME**

	2013 £	2012 £
Gift aid	<u>32,395</u>	<u>-</u>

**3. ACTIVITIES FOR GENERATING FUNDS**

	2013 £	2012 £
Fundraising events	15,756	5,615
Christmas Festival	<u>318,739</u>	<u>314,667</u>
	<u>334,495</u>	<u>320,282</u>

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Activity	2013 £	2012 £
Levy on ticket sales	Booking, ticketing and visitor orientation	877,654	868,766
Levy on trading income	Booking, ticketing and visitor orientation	25,774	47,936
Guide books	Booking, ticketing and visitor orientation	101,866	97,872
Levy on site gift aid claim	Booking, ticketing and visitor orientation	23,047	33,785
Exceptional expenditure contribution	Booking, ticketing and visitor orientation	140,000	40,000
Deficit contribution	Booking, ticketing and visitor orientation	<u>57,230</u>	<u>-</u>
		<u>1,225,571</u>	<u>1,088,359</u>

**5. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS**

	2013 £	2012 £
Festivals and events costs	<u>233,258</u>	<u>223,117</u>



Notes to the Financial Statements - continued  
for the Year Ended 31st March 2013

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Totals
	£	£
Booking, ticketing and visitor orientation	<u>1,331,264</u>	<u>1,381,229</u>

7. GOVERNANCE COSTS

	2013	2012
	£	£
Staff costs	49,965	-
Legal fees	2,394	3,382
Auditors' remuneration	6,375	6,200
Auditors' remuneration - non audit work	4,838	3,200
Auditors' remuneration - under provision in prior year	-	<u>1,382</u>
	<u>63,572</u>	<u>14,164</u>

Governance costs include a proportion of the salaries of the Chief Executive, the Finance Manager and the PA to the Chief Executive

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2013	2012
	£	£
Auditors' remuneration	6,375	6,200
Depreciation - owned assets	20,475	17,393
Other operating leases	<u>93,136</u>	<u>93,645</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

None of the Trustees received any remuneration during the year, with the exception of Dr Caroline Williams who received £2,020 (2012 £8,376) and Philip Marriott who received £7,933 (2012 £nil) in respect of professional services provided to the Trust

Trustees' expenses

During the year no expenses payments were made to Trustees (2012 none)

The Memorandum and Articles of Association allows payment to be made to Trustees

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2013

10. STAFF COSTS

	2013 £	2012 £
Wages and salaries	470,615	450,593
Social security costs	39,305	37,792
Other pension costs	8,316	8,160
	<u>518,236</u>	<u>496,545</u>

The average monthly number of employees during the year was as follows

	2013	2012
Charitable activities	17	20
Publicity and marketing	7	7
Management and administration	<u>5</u>	<u>8</u>
	<u>29</u>	<u>35</u>

One employee received emoluments within the £70,000 - £80,000 band, £6,000 was contributed to a defined contribution scheme on behalf of this employee

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1st April 2012	-	137,889	139,182	277,071
Additions	<u>21,385</u>	<u>-</u>	<u>1,647</u>	<u>23,032</u>
At 31st March 2013	<u>21,385</u>	<u>137,889</u>	<u>140,829</u>	<u>300,103</u>
<b>DEPRECIATION</b>				
At 1st April 2012	-	134,279	121,877	256,156
Charge for year	<u>4,277</u>	<u>1,202</u>	<u>14,996</u>	<u>20,475</u>
At 31st March 2013	<u>4,277</u>	<u>135,481</u>	<u>136,873</u>	<u>276,631</u>
<b>NET BOOK VALUE</b>				
At 31st March 2013	<u>17,108</u>	<u>2,408</u>	<u>3,956</u>	<u>23,472</u>
At 31st March 2012	<u>-</u>	<u>3,610</u>	<u>17,305</u>	<u>20,915</u>

12. STOCKS

	2013 £	2012 £
Guidebook and leaflet stocks	<u>807</u>	<u>3,930</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2013

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013	2012
	£	£
Trade debtors	17,028	372
Amounts owed by participating interests	105,580	62,950
Other debtors	32,395	-
Prepayments	<u>33,083</u>	<u>35,947</u>
	<u>188,086</u>	<u>99,269</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013	2012
	£	£
Trade creditors	176,439	115,837
Amounts owed to participating interests	28,787	-
Social security and other taxes	11,885	11,859
VAT	12,581	1,472
Other creditors	13,063	6,290
Deferred income	19,742	-
Accruals	<u>80,425</u>	<u>39,604</u>
	<u>342,922</u>	<u>175,062</u>

**15. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2013	2012	2013	2012
	£	£	£	£
Expiring				
Within one year	-	7,950	-	-
Between one and five years	<u>89,745</u>	<u>61,845</u>	<u>10,029</u>	<u>10,029</u>
	<u>89,745</u>	<u>69,795</u>	<u>10,029</u>	<u>10,029</u>

**16. PENSION COMMITMENTS**

The Trust made payments into defined contribution pension schemes for the benefit of two employees during the year totalling £8,316 (2012 £8,160)

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2013**

**17. MOVEMENT IN FUNDS**

	At 1 4 12 £	Net movement in funds £	At 31 3 13 £
<b>Unrestricted funds</b>			
General fund	12,717	3	12,720
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u>12,717</u>	<u>3</u>	<u>12,720</u>

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,628,097	(1,628,094)	3
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u>1,628,097</u>	<u>(1,628,094)</u>	<u>3</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st March 2013

18 RELATED PARTY DISCLOSURES

The following are details relating to related party transactions and balances. The related parties referred to are

Related Party	Relationship with Portsmouth Historic Dockyard
Portsmouth Naval Base Property Trust	Member
The Mary Rose Trust	Member
Warrior Preservation Trust	Member
National Museum of the Royal Navy	Member
Mary Rose Trading Co Ltd	Subsidiary undertaking of The Mary Rose Trust
Warrior Trading Co Ltd	Subsidiary undertaking of Warrior Preservation Trust
Royal Naval Museum Trading Co Ltd	Subsidiary undertaking of The Trustees of the Royal Naval Museum

There is no overall controlling party. Each member has one vote and the chairman has a casting vote.

Incoming  
Resources

	Levy on Ticket Sales	Levy on Trading Income	Levy on Gift Aid Claim	Exceptional Expenditure Contribution	Deficit Contribution	Miscellaneous Income
	£	£	£	£	£	£
Portsmouth Naval Base Property Trust	170,296	22,044	5,226	31,780	12,991	4,327
The Mary Rose Trust	196,594	-	-	31,360	12,820	4,528
Warrior Preservation Trust	175,531	-	6,492	28,000	11,446	6,837
National Museum of the Royal Navy	306,331	-	11,329	48,860	19,973	76
Mary Rose Trading Co Ltd	-	2,018	-	-	-	-
Royal Naval Museum Trading Co Ltd	-	1,712	-	-	-	1,100
	848,752	25,774	23,047	140,000	57,230	16,868

Expenditure

Portsmouth Naval  
Base Property Trust

	£
Rent Payable	93,136
Service Charge payable	38,872
Insurance	1,706
	<u>133,714</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2013**

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**18. RELATED PARTY DISCLOSURES**

The following net balances were owed from/(to) related parties

<b>Related Party</b>	<b>2013 £</b>	<b>2012 £</b>
Portsmouth Naval Base Property Trust	(28,787)	8,591
Warrior Preservation Trust	31,496	10,115
National Museum of the Royal Navy	42,889	33,271
Mary Rose Trading Co Ltd	29,704	10,405
Royal Naval Museum Trading Co Ltd	1,491	568

**19. MEMBERS**

The Charity is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association every member is liable to contribute a sum of £1 in the event of the Charity being wound up