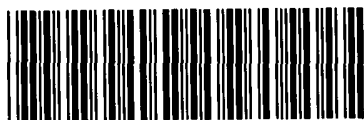


Historic Dockyard Property (2005) Limited

Accounts for the year ended 31 March 2021
together with directors' and auditor's reports

Registered number: 5538093

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Directors' report

For the year ended 31 March 2021

Reference & Administration

Directors

The directors who served during the year and to the date of signature were:

Mr W S Ferris CBE OBE DL (resigned 11th September 2020)

Mr P Hudson (appointed 14th October 2020)

Mr R Morsley (appointed 11th September 2020)

Company Secretary

Mr A Fermor (resigned 31st March 2021)

Mr C Langridge (appointed 1st April 2021)

Registered Office: First Floor, Fitted Rigging House
The Historic Dockyard
Chatham
Kent
ME4 4TZ

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Bankers

Barclays Bank PLC
30 Tower View
Kings Hill, West Malling
Kent ME19 4UY

Accounts

The directors present their report and accounts for the year ended 31 March 2021.

Principal activity

The principal activity of the company is to manage its property on behalf of the Chatham Historic Dockyard Trust. The company owns and manages the land to the north end of The Historic Dockyard site, which includes the Lower Boat House and the car park adjacent to the Trust's security lodge, with commercial tenants paying rent and service charges for buildings and car parking spaces.

The company has a Deed of Covenant in place to make a qualifying charitable donation of all taxable profits to the ultimate parent company, The Chatham Historic Dockyard Trust, a registered charity.

In the year ended 31 March 2021, an operating profit of £151,462 before taxation and a charitable donation of £151,462 was made to the parent organisation (Chatham Historic Dockyard Trust). At the time of reporting, the COVID-19 pandemic has not had an impact on the taxable profit generated by the company, as there have been no significant losses in income from its' commercial tenants, but is considered in the statement of Going Concern. The directors have not identified any material uncertainty relating to going concern and therefore have continued to prepare the accounts on that basis.

Going Concern

A full statement from the directors regarding the Going Concern Status of the company is provided in the Notes to the Accounts – 2. Summary of Significant Accounting Policies.

Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of Information to the auditor

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

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

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

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

This report was approved by the Board on 15th November 2021 and signed on behalf of the board:



Mr Richard Morsley

Director

Registered Office:

First Floor, Fitted Rigging House
The Historic Dockyard
Chatham
Kent
ME4 4TZ

Registered number:

05538093

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HISTORIC DOCKYARD PROPERTY (2005) LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit 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.

We have audited the financial statements of Historic Dockyard Property (2005) Limited ("the Company") for the year ended 31 March 2021 which comprise the Profit and Loss Account, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' 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 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

We made enquiries of management, and the Board, including:

- how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
- their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with the Companies Act 2006, UK GAAP and tax legislation.
- In addition, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, health and safety laws and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.
- We also communicated relevant identified laws and regulations, potential fraud risks and that fact that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Audit response to risks identified

- The Senior Statutory Auditor has assessed and concluded that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulation
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Board and management;
- We read minutes of meetings of those charged with governance, and reviewed correspondence with HMRC;
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to bad debt provisions.
- We compared the result of estimates made in prior years and ensured that the basis of estimation was reasonable and did not lead to material differences to actuals.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

Stephen Corral

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Stephen Corral (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London

Date 22 November 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and Loss Account

For the year ended 31 March 2021

	Notes	2021 £	2020 £
Turnover	2	166,266	185,464
Cost of sales		<u>(13,097)</u>	<u>(59,805)</u>
Gross profit		153,169	125,659
Administrative and overhead expenses		<u>(1,707)</u>	<u>(6,320)</u>
Operating profit		<u>151,462</u>	<u>119,339</u>
Profit on ordinary activities before taxation		151,462	119,339
Tax on profit on ordinary activities		<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		<u>151,462</u>	<u>119,339</u>

All of the activities of the company are classed as continuing. There have been no other recognised gains and losses.

The notes on pages 11 to 13 form part of these financial statements.

Statement of Financial Position

For the year ended 31 March 2021

	Notes	2021 £	2020 £
Fixed assets			
Property, plant and equipment	5	<u>1</u>	<u>1</u>
Current assets			
Debtors	6	1,866	8,816
Cash and cash equivalents		<u>202,747</u>	<u>136,072</u>
		204,613	144,888
Creditors: amounts falling due within one year	7	<u>(204,514)</u>	<u>(144,789)</u>
Net current assets		<u>99</u>	<u>99</u>
Total assets less current liabilities		<u>100</u>	<u>100</u>
Equity shareholder's funds			
Called up share capital		100	100
Profit and loss account		<u>-</u>	<u>-</u>
		<u>100</u>	<u>100</u>

Registered number: 05538093

The accounts have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 11 to 13 form a part of these financial statements.

The accounts approved and authorised for issue by the Board on 15th November 2021.

Statement of Financial Position


For the year ended 31 March 2021

Statement of Changes in Equity For the year ended 31 March 2021

	Share Capital (£)	Profit and Loss Account (£)	Total Equity (£)
1 April 2020			
Comprehensive Income	100	-	100
Profit for the year	-	151,462	151,462
Total comprehensive income for the year	-	151,462	151,462
Distributions			
Transfer of taxable profits under gift aid to parent	-	(151,462)	(151,462)
31 March 2021	100	-	100

Statement of Changes in Equity For the year ended 31 March 2020

	Share Capital (£)	Profit and Loss Account (£)	Total Equity (£)
1 April 2019			
Comprehensive Income	100	-	100
Profit for the year	-	119,339	119,339
Total comprehensive income for the year	-	119,339	119,339
Distributions			
Transfer of taxable profits under gift aid to parent	-	(119,339)	(119,339)
31 March 2020	100	-	100


Mr Richard Morsley
Director

Notes to the financial statements

For the year ended 31 March 2021

1 General information

Historic Dockyard Property (2005) Limited is a private company, limited by shares, incorporated in England under the Companies Act 2006. The address of the registered office, the registered number and the principal activities of the company are set out in the Directors' Report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these accounts are set out below. All policies have been applied consistently from year to year, unless otherwise stated.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", section 1A small entities and the Companies Act 2006.

Going Concern

As directors of Historic Dockyard Property (2005) Limited (HDP 2005) we have a duty to consider the future resilience of the business. And as part of a Group – The Chatham Historic Dockyard Trust (CHDT), the Trust holds necessary reserves should there be a need to undertake an orderly wind down of operations caused by financial challenges or a change in the need for the services making the business redundant. CHDT reviews this situation on a monthly rolling basis through cash flow management based on evidence-based business planning.

Review of the HDP 2005 ongoing financial resilience is considered for 12 months from the date of review and beyond through regular reviews (at board level) of the strategic risk register and changes to it. The impact of internal and external factors likely to have a significant effect on income and expenditure are key elements of ongoing cash flow management and by implication the Going Concern status.

The directors will continue to review plans with the HDP 2005 Executive Team to make the necessary changes to remain within the reserves level over the coming two years and indeed the life of the current Corporate Plan of the Group. The Group has a strong balance sheet, so the directors are of the opinion that HDP 2005 will have sufficient resources to meet its liabilities as required. As such, they remain satisfied that Historic Dockyard Property (2005) Limited can continue operating for the next 12 months and accounts have been prepared in the knowledge that the company is a financially viable organisation..

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other

Notes to the financial statements

For the year ended 31 March 2021

sales related taxes. Income is recognised at the point at which goods and services are delivered to the customer.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income.

Taxation

The company makes a qualifying charitable donation of all taxable profits to The Chatham Historic Dockyard Trust. No corporation tax liability arises in the accounts.

Cash Flow statement

The directors elected to take advantage of FRS102 Reduced Disclosure Framework, thereby not preparing a cash flow statement in the financial statements. The Chatham Historic Dockyard Trust is the parent charity into which these financial statements are consolidated. These financial statements can be obtained from the address stated in note 8.

Property, plant and equipment

Property, plant and equipment, comprising leasehold land, is stated at cost. Any depreciation or impairment loss would be immaterial and thus no depreciation is charged and no impairment reviews are required to be undertaken.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Our basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Distributions accounting policy

Taxable profits transferred to the parent entity, a registered charity, are recognised as distributions from equity when the company has made an irrevocable commitment to the parent to pay the taxable profits.

3 Staff

The company has no employees (2020 – none).

4 Profit on ordinary activities before taxation is stated after charging:

	2021	2020
	£	£
Auditor's remuneration	720	720
Tax services	490	490

Notes to the financial statements

For the year ended 31 March 2021

5 Property, plant and equipment

	2021 £	2020 £
Leasehold land at cost	<u>1</u>	<u>1</u>

During 2006/07 the company acquired the leasehold interest in land to the north of The Historic Dockyard site from the parent undertaking for a consideration of £1.

6 Debtors

	2021 £	2020 £
Trade debtors	-	4,575
Prepayments and accrued income	<u>1,866</u>	<u>4,241</u>
	<u>1,866</u>	<u>8,816</u>

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts due to parent undertaking	187,704	123,359
Accruals, creditors and deferred income	<u>16,810</u>	<u>21,430</u>
	<u>204,514</u>	<u>144,789</u>

8 Ultimate parent company and controlling party

The company's ultimate parent company and controlling party is The Chatham Historic Dockyard Trust, a company registered in England & Wales and a registered charity. The Trust's registered office is First Floor, Fitted Rigging House, The Historic Dockyard, Chatham, Kent, ME4 4TZ. The Trust prepares consolidated accounts which incorporate the results of the company.

9 Related party transactions

In accordance with paragraph 33.1A of FRS102, the company has taken the exemption not to disclose balances with or transactions between itself and its parent, The Chatham Historic Dockyard Trust, on the basis that it is a wholly owned subsidiary.