

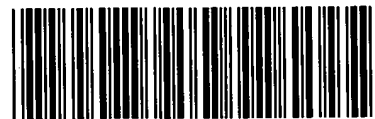
Portsmouth Naval Base Property Trust

Portsmouth Naval Base Property Trust

Annual Report for the year ended 31 March 2015

Registered no: 1959490
Charity registered no: 293188

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Portsmouth Naval Base Property Trust

Annual report for the year ended 31 March 2015

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Company information

Trustees (also directors)

Robin Bishop
David Butters
Roger Ching
Michàl Cohen
Patrick Holmes
Philip Marriott
Cllr Lee Mason
Eric Parry
Rear-Admiral Neil Rankin CB CBE
Michael Ridley
Hugh Siegle (Chairman)
Cllr Lynda Symes

Secretary and registered office

Peter Goodship
19 College Road
HM Naval Base
Portsmouth
PO1 3LJ

Registered auditors

Moore Stephens (South) LLP
City Gates
2-4 Southgate
Chichester
West Sussex
PO19 8DJ

Bankers

The Royal Bank of Scotland plc
London Corporate Centre
62-63 Threadneedle Street
London
EC2R 8LA

Solicitors

Macfarlanes
10 Norwich Street
London
EC4A 1BD

Blake Morgan

Harbour Court
Compass Road
North Harbour
Portsmouth
Hants
PO6 4ST

Stockbrokers

QuilterCheviot
90 Long Acre
London
WC2E 9RA

Membership of Committees, Boards and Working and Steering Groups reporting to the Main Board

Attractions Management Board

Philip Marriott (Chairman)
Patrick Holmes
Rear-Admiral Neil Rankin
Cllr L Symes

Audit Committee

Robin Bishop
Roger Ching
Rear-Admiral Neil Rankin (Chairman)

Property Maintenance Committee

Roger Ching
Michàl Cohen
Philip Marriott
Michael Ridley (Chairman)

Priddy's Hard Working Group

Robin Bishop
David Butters
Michàl Cohen
Patrick Holmes
Philip Marriott
Michael Ridley
Hugh Siegle (Chairman)

Boat Committee

John Ascoli
Robin Bishop
Rupert Head
Tony Knight
Rear-Admiral Neil Rankin (Chairman)
Nat Wilson

Strategy Masterplan Working Group

David Butters (Chairman)
Peter Goodship
Dominic Tweddle
Lincoln Clarke
Robert Lapraik
Tim Ash

Strategy Masterplan Steering Group

David Butters, (Chairman)
Michàl Cohen
Patrick Holmes
Eric Parry
Michael Ridley
Dominic Tweddle
Tim Ash
Robert Lapraik
Jane Dean

Boathouse 4 Steering Group

Robin Bishop
Rear-Admiral Neil Rankin
Michael Ridley (Chairman)
Michàl Cohen (in capacity as architect for BH4)
Nat Wilson
Martyn Heighton
Mary Montagu- Scott
Steven Fletcher
Ellie Gould

Cell Block Steering Group

Robin Bishop
Michàl Cohen
Rear-Admiral Neil Rankin
Michael Ridley (Chairman)
Steven Fletcher, Focus Consultants
Ellie Gould, Focus Consultants
Lorraine Farrelly, University of Portsmouth

Trustees' Report for the year ended 31 March 2015

The Trustees present their Annual Report, together with the audited consolidated Financial Statements of the Trust for the year ended 31 March 2015.

Legal and Administrative Information

Portsmouth Naval Base Property Trust was incorporated as a private company and is limited by guarantee. The Trust is also registered as a charity. The Trust is governed by its Articles and Memorandum of Association. The schedule of company information sets out further details.

Investment Powers and Policy

The Trust delegates the day-to-day responsibility for its investment portfolio to its stockbrokers. The Trust has relied upon the experience and expertise of the stockbrokers to deliver a balanced and diversified portfolio that will create an appropriate annual income and generate capital growth. The Trust is satisfied with the portfolio performance during the year, recognising the economic conditions that prevailed during the year and the effects they had on global markets.

Charitable Objectives

The objective of the Trust is "the preservation of buildings, structures, vessels, docks and berths of national interest or architectural or historic interest or historically associated with Her Majesty's Naval Base at Portsmouth and the protection and augmentation of the amenities of such buildings, structures, vessels, docks and berths and their surroundings for the public benefit and the access to and enjoyment of the Naval Base buildings by the public for the purposes of education in naval history and other matters related to the Defence of the Realm."

Trustees

The following Trustees (who are also Directors of the Company), acted during the year:

Robin Bishop
David Butters
Roger Ching
Michàl Cohen
Cllr Margaret Foster (resigned 31 July 2014)
Patrick Holmes
Philip Marriott
Cllr Lee Mason (appointed 9 October 2014)
Drusilla Moody (appointed 3 April 2014, resigned 31 July 2014)
Eric Parry
Rear-Admiral Neil Rankin
Michael Ridley
Hugh Siegle (Chairman)
Cllr Lynda Symes (appointed 31 July 2014)

The liability of the trustees is limited by guarantee of £1 each.
The Trust has formal selection and training procedures in place for its Trustees.

Organisation

The Trust was set up in 1985 by the Ministry of Defence, English Heritage and Portsmouth City Council. On the Portsmouth side of Portsmouth Harbour it occupies a 12-acre site, Portsmouth Historic Dockyard, which contains many buildings of architectural value. A 99-year lease was granted by the Ministry of Defence to the Trust for these properties, which are held under the terms of the lease and carried in the Trust's Accounts at a nil cost.

Wherever possible, the properties have been renovated to bring them back into beneficial use and many have now been sub-let at market prices in support of the Trust's charitable objectives.

In 2012 the Trust concluded a 999-year lease of No. 2 Dock (in which HMS Victory is located) and that part of the Victory Port Arena contiguous with the land subject to the 99-year lease.

In addition the Trust owns the freehold of a four-acre site in Queen Street which has been developed residentially and now provides a car park - to support the nearby Historic Dockyard - and some commercial units which the Trust has let. The Trust has also acquired three of the apartments overlooking the Historic Dockyard, which it lets as accommodation to visitors, one of which has now been sold.

On the Gosport side of the Harbour, the Trust acquired the freehold of 23 acres of land from Gosport Borough Council; Priddy's Hard, a former Naval Ordnance depot, which contains several structures and buildings of architectural and historic interest. The acquisition includes scheduled ramparts and the Explosion! Museum of Naval Firepower housed in the former powder magazine, now leased to the National Museum of the Royal Navy. The Trust intends to develop the site, including refurbishing the historic buildings and bringing them into new beneficial uses.

The Trust owns and manages three of the current visitor attractions within the Historic Dockyard, namely; Action Stations, The Dockyard Apprentice Exhibition and Harbour Tours. It also owns a collection of small craft related to the Royal Navy. Among other things it is responsible for a range of landlord related services, including site catering

The Board is supported by four standing committees – Audit Committee, Attractions Management Board, Boat Committee, and Property Maintenance Committee – as well as ad hoc working groups of Trustees established for specific projects, eg Boathouse 4 Strategy Group, Cell Block Strategy Group, Priddy's Hard Working Group, and the Strategy Masterplan Working Group.

The Trustees (who are also Directors) delegate the day-to-day operation of the Trust to its Consultant Chief Executive and to its staff.

The Trust is also supported by three groups of volunteers, each contributing significantly to the success of the Trust. The Friends of the Porter's Garden maintain the public garden on a weekly basis; another group with a mix of related skills repair, maintain and operate the Trust's collection of small naval boats; a third group assists the Trust with the maintenance of the historic ramparts at Priddy's Hard Gosport. More than 50 volunteers assist the Trust in one way or another and are managed by the Trust in accordance with policies which are regularly reviewed.

The Trust also supports the activities of the Portsmouth Royal Dockyard Historical Trust (PRDHT) and its volunteers who promote the industrial history of the former Royal Dockyard and assist the Trust in the maintenance and care of the Dockyard Apprentice Exhibition. The Trust provides working accommodation for the volunteers, storage facilities, PRDHT's archives and collection of artefacts, and provides an annual grant to assist with its running costs.

The Trust works closely with other charities and interested parties both inside and outside the Historic Dockyard. These parties include the Ministry of Defence, Historic England, Portsmouth City Council, the Mary Rose Trust, the Warrior Preservation Trust, the National Museum of the Royal Navy (NMRN), Victory Preservation Trust, Gosport Borough Council and National Historic Ships.

The Trust has fostered strong links with the University of Portsmouth, particularly with the Architectural School whose students, both under-graduates and graduates, have designed speculative schemes for the re-use of buildings within the Historic Dockyard. Surveying students have undertaken conservation management plans and interior design students have contributed ideas in partnership with the architects. In return the Trust has delivered lectures about the work of the Trust, and the practical issues and challenges surrounding the re-use of historic buildings.

Strategic Report

Review the Progress, Activities and Achievements of the Trust during the Year

Principal activities throughout the year included:

- Development of Boathouse 4
- Development of the Cell Block
- New Site Catering
- D-Day Commemorations
- Planning for the America's Cup 2015 & 2016
- Strategic Planning and Lease Negotiations with the Ministry of Defence
- Planning the Regeneration of Priddy's Hard, Gosport
- Preservation of Free Entry to Portsmouth Historic Dockyard for the public benefit
- The Activities of Volunteers

Development of Boathouse 4 to Create a Boatbuilding and Heritage Skills Training Centre, Exhibition and Restaurant

Following the award of grants from the Heritage Lottery Fund, Regional Growth Fund and several grant-making Trusts, works to refurbish and convert Boathouse 4 into an International Boatbuilding and Heritage Skills Centre, Exhibition of historic small naval craft and restaurant, have progressed throughout the year. More extensive repairs to the reinforced concrete supports to that part of the building constructed over the water have contributed to delays in completion, which was achieved in October 2015. However, the Trust has been successful in obtaining additional grant from both the Heritage Lottery Fund and the Regional Growth Fund to contribute towards the increased costs associated with these delays and the extra works required to be undertaken. Additionally, the Trust has provided the International Boatbuilding Training College (Portsmouth) Trust (IBTCP) with rent-free space within Boathouse 5, enabling IBCP to conduct its programme of skills' training as originally planned. The Trust's volunteers have also been operating from Boathouse 5, preparing those boats within the Trust's collection scheduled to be displayed within the new BH4 Exhibition.

Development of the Cell Block

The work to convert the Cell Block into business start-ups to support the local creative industries has continued. Work was completed in September 2015 to enable the University of Portsmouth to take occupation and to house the first businesses. There have been several high-profile visits by Government Ministers during construction, all of whom have praised the initiative taken by the Trust and the University in setting up such a venture. The demand for space has exceeded supply.

New Site Catering

Following a comprehensive selection process, the Trust, in collaboration with the Mary Rose Trust, has concluded a new five-year agreement with Ampersand, a wholly owned subsidiary of Charlton House & Co. The Agreement has included the investment of £440k in upgrading the catering offers in Boathouse 7, the Costa Coffee franchise in the Historic Dockyard Visitor Centre, a new café within the Mary Rose Museum, as well as new mobile units. The Company is also due to operate the proposed new brasserie-style restaurant in Boathouse 4.

The new catering services commenced in April 2014 and have been well received by visitors to the Historic Dockyard.

In June 2015 Ampersand announced a merger with Host Catermasters and the Trust is considering the implications of this change of control in consultation with the Mary Rose Trust.

D-Day Commemorations

The Trust has played a full part in the Nation's participation in events to commemorate the 70th Anniversary of D-Day.

The Trust hosted several veteran groups in Portsmouth, including those from the United States, and took across to Normandy two Second World War vessels within its Collection, High Speed Launch 102 and Motor Gun Boat 81, which took part in a series of events and ceremonies. At Pegasus Bridge the Trust hosted visits from many veterans of all nationalities, as well as several dignitaries, including Their Royal Highnesses The Prince of Wales and The Duchess of Cornwall.

The Trust's participation has been heralded as a great success with invitations already received from towns in France for the Trust to attend future commemorations.

Planning for the America's Cup 2015 and 2016

The Trust has been making arrangements, in consultation with Team Origin and the National Museum of the Royal Navy, to help host the preliminary races involving seven teams competing to challenge for the America's Cup in 2017. The first of the two UK legs of the Race series was held in July 2015 with the teams based in the operational Naval Base, adjacent to the Historic Dockyard. The Agreement reached with Team Origin included the staging of related events within the Historic Dockyard and provided the Trust with an opportunity to offer hospitality to those who have supported the Trust's charitable activities.

Strategic Planning and Lease Negotiations with the Ministry of Defence

The Trust has made considerable progress in collaboration with colleague trusts, in its strategic planning following the work of consultants Forrec/ADV, as described more fully in the previous year's report.

Conservation Plus have completed a review of priorities to assist in the presentation to stakeholders of an holistic strategy for the Historic Dockyard and the Trust has led through one of its architectural members, Eric Parry, the organisation of an architectural competition for the landscape within the Historic Dockyard. The judging of the competition has included representatives of Historic England, the Local Planning Authority and the Arts' Council and, following the submission of proposals from the three selected finalists, Latz + Partner was chosen as the winner.

A public exhibition of the work of the three finalists has been staged within the Historic Dockyard during the Summer of 2015 and a series of workshops with the winning architect is scheduled for the Autumn/Winter of 2015/2016.

The work of Latz + Partner will also address, with the support of Portsmouth City Council, the area just outside the entrance to the Historic Dockyard to help ensure a coherent and friendly pedestrian route for those travelling between the Historic Dockyard and Gunwharf Quays.

The negotiations with the Ministry of Defence for a surrender of the Trust's existing lease in favour of a new 299-year lease, to include certain additional listed buildings and docks, have continued, although the target of completing this by 31 March 2015 has been missed.

The level of dowry and the timing of the payments have been agreed and solicitors for both parties have made substantial progress on the detailed terms of the Lease. It is hoped that the necessary parliamentary procedures, involving ministerial and Treasury consent to the transaction and the grant of the new Lease will be concluded during the 2015/2016 financial year or shortly thereafter.

Planning the Regeneration of Priddy's Hard, Gosport

The Trust has continued to assist Linden Homes in preparing a planning application consistent with its conditional agreement and in November 2014, Linden submitted a pre-application which was reviewed by the planning authority and the key statutory consultees, Historic England, the Environment Agency and Natural England.

The Trust and Linden have reviewed the response to the pre-application and are satisfied that there are no significant issues to prevent a successful application from being submitted. Linden had indicated an intention to submit the formal application in August 2015 but this deadline has been missed as a result of an internal reorganisation within the company. The Trust is presently unsighted on when this will be submitted.

Meanwhile, the Trust has been successful in securing initial approval from the Heritage Lottery Fund to a bid for grant to assist in the commercial re-use of several of the historic buildings which are not suitable for residential conversion. The potential award is part of the Fund's newly created Enterprise Programme and the Trust has been one of the first two successful applicants in the South-East of England. The Trust's plans include the re-use of a former magazine to create a micro-brewery, the conversion of the former shell store into a new Coastal Forces' Museum, and a former store into a pub/restaurant. Other conversions will provide holiday accommodation and overnight accommodation for schools visiting the museums within the Priddy's Hard site.

The Trust is using an initial grant made by the HLF to prepare the information required to make the second round application to the HLF in the Autumn of 2015 or Spring 2016.

Preservation of Free Entry to Portsmouth Historic Dockyard for the Public Benefit

The Trust has preserved its policy of free entry to the Historic Dockyard, enabling the general public to view the buildings, docks and other structures without charge.

While the Trust charges admission for Action Stations, the Dockyard Apprentice Exhibition and Harbour Tours, it has arranged special occasions, in partnership with the National Museum of the Royal Navy, that allow local people to access the attractions either free of charge or at heavily subsidised rates. It has also participated in competitions offering visitors both free tickets to the attractions and free accommodation in the Trust's apartments overlooking the Historic Dockyard.

The Boathouse 4 project includes a comprehensive plan of community activities to be implemented over a period of three years.

The IBTCP Trust will be implementing this plan as agent of the Trust, overseen by the Trust's Attractions' Management Board. It will offer opportunities for local members of the community to engage in a range of boatbuilding and related activities and to experience activities on the water using boats from within the Trust's collection and boats built under the supervision of IBTCP.

There will be a particular emphasis on including the socially disadvantaged and those who would not otherwise have an opportunity to engage in such activity.

The Trust has continued to play a role in supporting the local community. As well as its emphasis on volunteering, it has played an active part in the "Shaping Portsmouth" initiative through membership of its Business Leaders' Group. This involvement has led to potential training and apprenticeship opportunities associated with the Trust's proposed Boatbuilding & Heritage Skills Training Centre.

The Trust has also been invited to participate in a project led by English Heritage, involving local authorities in South Hampshire, aimed at formally identifying historic sites and buildings at risk within the Portsmouth Harbour area and finding sustainable new uses for them. The Trust has provided office facilities within the Historic Dockyard to assist the project.

The Activities of Volunteers

The Trust has continued to foster opportunities for those interested in assisting the Trust with its charitable activities.

There are several groups who assist the Trust; the Friends of the Porter's Garden who regularly maintain and develop the garden in College Road, the Friends of the Ramparts who undertake a similar role at Priddy's Hard, Gosport and the Boat Volunteers who assist with the maintenance and operation of the Trust's collection of historic vessels.

The Trust pays expenses to assist with travelling costs and subsistence.

The Trust also has a close relationship with volunteers belonging to the Portsmouth Royal Dockyard Historical Trust's (PRDHT) Support Group who maintain a collection of tools, machinery and archives relating to the industrial history of the former Portsmouth Dockyard.

The Trust provides rent-free accommodation to the PRDHT and its volunteers, as well as a grant towards its activities. The Support Group has assisted the Trust in its plans to refurbish the Dockyard Apprentice Exhibition in Boathouse 7 ready for the 2016 season.

Review of the transactions and financial position of the Trust

The Trust had an excess of incoming resources over outgoing resources for the year as set out on the Consolidated Statement of Financial Activities on page 13.

Unrestricted funds

The Trust's income has increased by 45% over the previous year, and total expenditure has increased by 15% compared with 2014.

Restricted funds

The movement on restricted funds is set out in note 16 to the accounts. With the exception of internal recoveries within central project management, all grants received in respect of Millennium projects were towards capital projects and are amortised over the estimated useful life of the assets.

Reserves policy

The Trust established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the Trust should be between three and six months of the resources expended, which equates to a minimum of between £750,000 to £1,500,000 in general funds. At this level, the Trust feels that it would be able to continue its current activities in the event of a significant decrease in income.

Risk review

The Trust continually monitors the major risks to which it is exposed. Systems and procedures have been identified and established in order to mitigate those risks.

Balance sheet

Overall group net assets have increased from £15.3 million in 2014 to £17.8 million in 2015.

Availability and adequacy of assets of each of the funds

There are adequate and available assets in each fund, sufficient to meet all liabilities and obligations of the Trust.

Trustees' responsibilities

Company law requires the Trustees, who are also the Directors, 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 group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those financial statements, the Trustees are required to:

- (1) select suitable accounting policies and then apply them consistently;
- (2) observe the methods and principles in the Charities SORP;
- (3) make judgements and estimates that are reasonable and prudent;

- (4) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (5) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group, which enables 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

- (a) so far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all reasonable steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.


Indemnity insurance

The Trust has paid a premium of £1,007 (2014: £1,060) during the year in respect of professional indemnity insurance for the Trustees.

Auditors

The auditors, Moore Stephens (South) LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the Board of Trustees on 3 December 2015 and signed on its behalf by:



Hugh Siegle
Chairman

Independent Auditors' report to the members of Portsmouth Naval Base Property Trust

We have audited the financial statements on pages 13 to 33, which have been prepared under the accounting policies set out on pages 17 to 19. 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 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 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 Trustees' Responsibilities Statement set out on page 9 and 10, 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 Practice Board's (APB'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 Trustees' Annual Report 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 group's and the parent charity's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006;

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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.

A D Henshaw (Senior Statutory Auditor)
For and on behalf of Moore Stephens (South) LLP
Chartered Accountants
Statutory Auditor

15 December 2015
City Gates
2-4 Southgate
Chichester
West Sussex
PO19 8DJ

**Consolidated statement of financial activities
for the year ended 31 March 2015**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Incoming resources					
Income from property		1,332,557	-	1,332,557	1,192,033
Income from car park		408,412	-	408,412	426,624
Income from exhibitions, harbour tours, guidebook sales and retail		788,665	-	788,665	658,312
Action stations		1,345,582	-	1,345,582	1,221,658
Investment income	3	34,055	-	34,055	26,278
Donations received		-	41,447	41,447	176,000
Grants received		-	2,404,721	2,404,721	672,897
Total incoming resources		3,909,271	2,446,168	6,355,439	4,373,802
Resources expended					
Direct charitable expenditure	4	2,909,216	347,579	3,256,795	2,784,341
Management and administration of the charity	5	532,305	29,949	562,254	524,332
Total resources expended	6	3,441,521	377,528	3,819,049	3,308,673
Net incoming resources for the year	9	467,750	2,068,640	2,536,390	1,065,129
Other recognised gains and losses					
Profit on disposal of fixed assets	24	-	-	-	145,000
Gains on investments:					
Realised	12	(2,071)	-	(2,071)	113
Unrealised	12	21,998	-	21,998	25,610
Net movement in funds		487,677	2,068,640	2,556,317	1,235,852
Balances brought forward at 1 April		9,920,775	5,330,024	15,250,799	14,014,947
Balances carried forward at 31 March	16	10,408,452	7,398,664	17,807,116	15,250,799

All operations are continuing.

The group has no recognised gains and losses other than the net movement in funds shown above and therefore no separate statement of total recognised gains and losses has been presented. There is no difference between the net movement in funds for the year stated above and its historic cost equivalent.

Balance sheets at 31 March 2015

	Notes	Group 2015 £	2014 £	Trust 2015 £	2014 £
Fixed assets					
Heritage assets	10	5,395,138	-	5,395,138	-
Tangible assets	11	9,516,257	13,258,516	1,427,386	5,061,331
Investments	12	1,851,981	1,830,242	7,338,708	7,389,894
		16,763,376	15,088,758	14,161,232	12,451,225
Current assets					
Debtors	13	1,575,824	545,514	2,253,596	1,450,076
Cash at bank and in hand		1,429,019	1,103,390	1,394,477	1,061,186
		3,004,843	1,648,904	3,648,073	2,511,262
Creditors: amounts falling due within one year	14	(1,961,103)	(911,863)	(1,956,718)	(909,076)
Net current assets/ (liabilities)		1,043,740	737,041	1,691,355	1,602,186
Total assets less current liabilities		17,807,116	15,825,799	15,852,587	14,053,411
Creditors: amounts falling due after more than one year	15	-	(575,000)	-	(575,000)
Net assets		17,807,116	15,250,799	15,852,587	13,478,411
Income funds					
Restricted funds	17	7,398,664	5,330,024	7,398,664	5,330,024
Unrestricted funds:	18	10,408,452	9,920,775	8,453,923	8,148,387
		17,807,116	15,250,799	15,852,587	13,478,411

The financial statements on pages 13 to 33 were approved by the Board of Trustees on 3 December 2015 and signed on its behalf by:


Hugh Siegle
Chairman


Rear-Admiral Neil Rankin CB CBE
Trustee

Consolidated Cash Flow Statement
For the year ended 31 March 2015

	2015 £	2014 £
Net cash inflow from operating activities (see note a)	2,339,936	1,259,450
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,260,495)	(447,196)
Purchase of investments	(94,809)	(75,672)
Proceeds from sale of investments	95,023	79,534
Proceeds from the sale of fixed assets	248,000	145,000
Net cash outflow from capital expenditure and financial investment	(2,012,281)	(298,334)
Net cash inflow / (outflow) before financing	327,655	961,116
Financing		
Loan repayments	-	-
Increase/ (decrease) in cash	327,655	961,116

Notes to the consolidated cash flow statement

a. Reconciliation of changes in resources to net cash inflow from operating activities

	2015 £	2014 £
Net incoming resources for the year	2,536,390	1,210,129
Depreciation	359,616	374,466
Profit on disposal of fixed assets	-	(145,000)
Increase in debtors	(1,030,310)	(174,832)
Increase/ (decrease) in creditors	474,240	(5,313)
Net cash inflow from operating activities	2,339,936	1,259,450

Portsmouth Naval Base Property Trust
Notes to the consolidated cash flow statement (continued)

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b. Reconciliation of net cash flow movement in net funds

	2015 £	2014 £
Increase/ (decrease) in cash in the period	327,655	961,116
Cash outflow from repayment of debt	-	-
Movement in net debt in the period	327,655	961,116
Net funds at 1 April 2014	1,893,987	932,871
Net funds at 31 March 2015	2,221,642	1,893,987

c. Analysis of changes in net funds/(debt)

	At 1 April 2014 £	Cash flows	At 31 March 2015 £
Cash at bank	1,103,390	325,629	1,429,019
Cash with brokers	1,365,597	2,026	1,367,623
Other debt due	(575,000)	-	(575,000)
	1,893,987	327,655	2,221,642

**Notes to the financial statements
for the year ended 31 March 2015****1 Principal Accounting Policies**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' and applicable accounting standards.

Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of the Trust and its subsidiary undertakings, Portsmouth Naval Base Trading Company Limited, Portsmouth Naval Base Property Company Limited, Portsmouth Naval Base Property Company (Queen Street) Limited and Portsmouth Naval Base Property (Priddy's Hard) Limited for the year ended 31 March 2015. The Trust also has two associated undertakings that are excluded from the consolidation as they are not material to the Trust's operations.

Incoming resources

Income is recognised in the statement of financial activities when the conditions for receipt have been met.

Gifts of fixed assets for specific projects are included in incoming resources at the value to the project. Values are assessed by independent project consultants.

Grants and donations receivable are recognised when received or when they become unconditional, whichever is the sooner.

Property and other income

Income from property represents the amounts receivable from rental agreements for the year excluding VAT. Income from the car park and sundry trading is accounted for on a cash basis excluding VAT.

Millennium project costs and funding

Expenditure on the elements of the project are capitalised and are included in tangible fixed assets. A transfer from restricted to unrestricted funds will occur to match depreciation charged once these assets are brought into use.

All claims made to the Millennium Commission for funding of such costs have been credited to the statement of financial activities and are treated as restricted funds. Funds received in advance of expenditure have been removed from restricted funds and treated as deferred income.

Investment income

Income from investments is included, together with the related tax credit (so far as recoverable), in the statement of financial activities on an accruals basis. Interest on cash deposited with banks and investment stockbrokers is included in investment income in the statement of financial activities for the period in which it is earned.

Direct charitable expenditure

Direct charitable expenditure includes all expenditure directly related to the objects of the Trust. The expenditure is included in the period for which it was incurred.

Preservation and related costs

Preservation and ancillary improvements costs, together with professional fees, relate to annual expenditure on planned works on Historic Dockyard buildings including those sublet.

Management and administration expenditure

Management and administration expenditure is incurred in the management of the Trust's assets, administration and compliance with constitutional and statutory requirements. The expenditure is included in the period for which it was incurred.

Funds

The Trust maintains the following funds:

Restricted funds

Restricted funds represent amounts receivable in respect of a specific purpose as defined by the donor.

Unrestricted funds

Unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the Trust.

Non-charitable trading funds

Non-charitable trading funds represent the funds generated or expended by the Trust's subsidiary undertaking, Portsmouth Naval Base Property Company (Queen Street) Limited.

Heritage assets

Heritage assets relate to buildings and infrastructure and are shown at cost less depreciation. In the majority of cases the original cost is either very low value or even £nil as the assets have been given to the Trust for restoration and public display as part of the infrastructure of the Portsmouth Historic Dockyard experience. The majority of the cost is therefore attributable to renovation and restoration of the assets. Gifts in kind received are valued at their market value where this is readily ascertainable; otherwise they are not valued and included within the accounts.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental expenses of acquisition. Costs of a capital nature related to leasehold property, other than costs incurred primarily for preservation of the Historic Dockyard buildings, are included in fixed assets.

Depreciation is calculated so as to write off the cost of fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose are:-

	%
Shop fittings and exhibition units	20
Office equipment and furniture	15
Catering equipment and play area	10
Other equipment and signposting	10
Leasehold property	3-4
Computer equipment	33
Powerboats	10
Promenade, interpretation and lighting	2
Boathouse 6	1.19

The only asset not being depreciated is the apportionment of freehold retained in the Admiralty Quarter development. The car park and retail units are being depreciated at 2% pa. The Trust carries out impairment reviews of these assets to establish that their carrying amounts are not in excess of their recoverable amounts.

Investment Properties have been stated at open market value in accordance with Statement of Standard Accounting Practice 19 and are not depreciated. This is a departure from the legal requirement to depreciate assets with a limited life and is done to provide a true and fair view of the value of investment properties. The open market value of the freehold properties is assessed annually and any significant differences are taken to a revaluation reserve.

Investments

Investments are held as fixed assets. The interest in subsidiaries is stated at cost less any amounts written off for diminution in value. Other investments, being the investment portfolio, are included on the balance sheet at market value. Cash available for investment held by the investment management company has been included in investments.

Unrealised gains and losses reflect the effect of changes in market values of investments. Realised gains and losses on quoted investments are based on the difference between disposal proceeds and brought forward market value, or cost if acquired during the year.

Taxation

As a registered charity the Trust's income is generally exempt from taxation under Section 505 Taxes Act 1988. The Trust is registered for value added tax.

Operating lease rentals

Operating lease rentals are recognised in the statement of financial activities for the period to which they relate.

Pensions

The Trust operates a defined contribution pension scheme. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

2 Subsidiary activities

A summary of the activities of the Trust's wholly owned subsidiaries is set out below:

	2015 £	2014 £
Profit and loss account		
Property income	319,530	307,054
Direct costs	(83,583)	(80,949)
Administration costs		
Property companies	(130,640)	(125,452)
Net profit	105,307	100,653
Intra-group transactions	73,004	(57,578)
Net profit retained by the group	178,311	43,075

3 Investment income

	2015 £	2014 £
Interest on cash deposited with banks	8,985	549
Interest on cash deposited with stockbrokers	4,513	5,115
Dividends from listed investments and commission	20,557	20,614
	34,055	26,278

4 Direct charitable expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Preservation and related costs	1,451,633	159,681	1,611,314	1,297,842
Costs relating to car park	99,309	-	99,309	79,065
Other costs	431,931	-	431,931	436,604
Access and education	69,752	-	69,752	66,482
Costs relating to Action Stations	856,591	187,898	1,044,489	904,348
	2,909,216	347,579	3,256,795	2,784,341

5 Management and administration of the charity

	Unrestricted £	Restricted £	2015 £	2014 £
Salaries and office costs	385,356	-	385,356	400,600
Legal and professional fees	128,359	29,949	158,308	96,732
Auditors' fees	18,590	-	18,590	27,000
	532,305	29,949	562,254	524,332

6 Total resources expended

	Depreciation £	Staff Costs £	Other Costs £	Total 2015 £	Total 2014 £
Direct charitable expenditure	241,028	884,941	2,130,826	3,256,795	2,784,341
Management and administration of the charity	10,274	302,482	249,498	562,254	524,332
	251,302	1,187,423	2,380,324	3,819,049	3,308,673

	2015 £	2014 £
Staff costs:		
Wages and salaries	1,092,955	882,902
Social security costs	75,104	72,313
Pension costs	19,364	11,316
	1,187,423	966,531
Other costs:		
Preservation and related costs	1,218,222	1,040,516
Depreciation charge	359,616	374,465
Car park costs	45,506	26,388
Sundry trading costs	431,931	298,128
Access and education	38,773	110,025
Costs relating to Action Stations	446,198	367,838
Administration costs	91,380	124,782
	2,631,626	2,342,142

There was one employee who had earnings (including benefits) in the band £70,000 to £80,000 (2014: one employee who had earnings (including benefits) in the band £70,000 to £80,000).

7 Trustees' emoluments

The remuneration paid to the Trustees of Portsmouth Naval Base Property Trust was

	2015 £	2014 £
Fees for service as directors and trustees:		
Robin T Bishop	4,500	4,250
Rear-Admiral Neil E Rankin CB CBE	9,000	8,500
Sir Colin Stansfield Smith CBE	-	2,000
Hugh R Siegle (Chairman)	16,000	15,000
Philip A Marriott	9,000	8,500
Theresa Hall	-	7,185
Michael Ridley	9,000	8,500
Michàl Cohen	9,000	8,500
Margaret Foster	2,250	8,500
Roger Ching	9,000	8,500
Patrick Holmes	9,000	8,500
David Butters	9,000	8,500
E Parry	9,000	7,053
D Moody	2,192	-
L Symes	6,000	-
L Mason	4,339	-
	107,281	103,488

Eight (2014: seven) of the above trustees were reimbursed a total of £18,991 (2014: £8,329) of expenses in relation to travelling and administration costs incurred during the year.

8 Employee information

The average monthly number of persons (excluding Trustees) employed by the Trust and the group during the year was:

	2015		2014	
	Group Number	Trust Number	Group Number	Trust Number
By activity				
Property and related activities	15	15	13	13
Action Stations	30	30	28	28
Other trading	3	3	3	3
Administration	5	5	5	5
	53	53	49	49

9 Net incoming resources for the year

	2015 £	2014 £
Net incoming resources for the year are stated after charging/(crediting):		
Depreciation charge for the year	359,616	374,465
Auditors' remuneration for audit	18,590	27,000

The figures stated above are in respect of the group. The auditors' remuneration for the audit of the Trust was £14,590 (2014: £23,000)

Trust net outgoing resources for the financial year

As permitted by Section 408 of the Companies Act 2006, the Trust's statement of financial activities has not been included in these financial statements. The Trust's movement in funds for the financial year was £305,536 credit (2014: £482,977 credit) for unrestricted funds and £2,068,640 credit (2014: £597,823 credit) for restricted funds.

10 Heritage assets

The charity was set up in 1985 by the Ministry of Defence, English Heritage and Portsmouth City Council and its charitable objects are set out on page 3 of the Trustees report. The main part of its objects concerns the preservation of buildings, structures, vessels, docks and berths associated with Her Majesty's Naval Base at Portsmouth for the public to access and enjoy for the purposes of education in naval history and the defence of the realm. The Trust was granted a 99 year lease by the Ministry of Defence over certain properties located within Her Majesty's Naval Base at Portsmouth with a view to maintaining them in accordance with its objects. In all 15 buildings, 3 docks and a mast pond were included within the lease. The majority of the buildings, all 3 docks and the mast pond are either scheduled ancient monuments, Grade I, Grade II* or Grade II listed buildings and each has historical significance. The Trustees have taken the view that these buildings, structures, vessels, docks and berths, together with their associated infrastructure are heritage assets. These assets have been treated as general fixed assets until this year, but following a review by the Trustees the decision was made that they are in fact heritage assets and so they have been reclassified as such in these accounts. This reclassification has not affected the cost or carrying values of the relevant assets, just how they have been disclosed in the accounts.

The initial lease was granted at nil cost, so there is no purchase cost in these accounts. Wherever possible some of the properties have been renovated and the cost of these renovations has been capitalised and included in the cost of heritage assets. Many of the properties are let to third parties or used by the Trust, but they are still part of the visitor experience and promote the objects of the charity. As such the buildings are well maintained and there is no evidence of impairment. Routine maintenance costs are written off as they are incurred.

Since the lease was granted the Trust has expended significant amounts on renovation costs and also acquired many artefacts and two of the last remaining fully operational high-speed World War II motor boats. The artefacts have been gifted to the Trust and so have no cost in the accounts, although a significant number of the boats in the boat collection are on the National Ships Core Register. The value of the artefacts is not considered to be material. The motor boats were acquired and are disclosed in the accounts at cost less related depreciation.

Heritage assets (continued)

In 2012 the Trust acquired 23 acres of land from Gosport Borough Council which is the old site of Priddy's Hard Fort. Built in the 1750s its original purpose was to extend the defences of Portsmouth Harbour and the Royal Dockyard. In the late 18th century it started to be used as a gunpowder store and later a site for munitions storage and handling. New buildings were added as extra space and new types of explosives were invented, and it was used extensively during both World Wars. The site closed in 1989 and since then it has been used primarily as the location for the Explosion! Museum. The site holds many listed buildings. Priddy's Hard has many layers of historic significance due to its varied history as a Royal Ordnance yard during the 18th to 20th centuries. The site is recognised by national designations including scheduling, listing and protected sites for nature conservation. The Trust acquired the site for £1 but it has taken on the obligation to maintain and where necessary renovate the site, as well as to keep it open for public enjoyment and education. The site is disclosed in the accounts at cost.

None of the heritage assets have been revalued. The motor boats are of such historical significance that it would be difficult and expensive to obtain accurate formal valuations, but the Trustees are confident that their value is in excess of their written down value.

The Trust maintains a list of all of its heritage assets which have been bought, lent and gifted. The vast majority of the assets are on display on the site, although for rented buildings internal access is not always possible.

The following heritage assets are included in the net book value of tangible fixed assets:

Group and company

As at 31 March 2015

	Improvements to leasehold property, fixtures etc £	Infrastructure and lighting £	Powerboats £	Total 2015 £
Cost				
At 1 April 2014	-	-	-	-
Reclassified from tangible fixed assets	2,569,016	2,371,041	800,000	5,740,057
Additions	2,209,633	-	-	2,209,633
At 31 March 2015	4,778,649	2,371,041	800,000	7,949,690
Depreciation				
At 1 April 2014	-	-	-	-
Reclassified from tangible fixed assets	1,402,569	568,488	400,000	2,371,057
Charge for year	56,072	47,423	80,000	183,495
At 31 March 2015	1,458,641	615,911	480,000	2,554,552
Net book value at 31 March 2015	3,320,008	1,755,130	320,000	5,395,138

The net book value at 31 March 2015 represented fixed assets used for direct charitable purposes. Included in improvements to leasehold property is £2,711,320 relating to assets in the course of construction.

Portsmouth Naval Base Property Trust

11 Tangible fixed assets

Group	Land and buildings £	Improvements to leasehold property £	Plant, fixtures, fittings and office equipment £	Other equipment, sign-posting and film £	Boathouse Number 6 £	Powerboats £	Promenade, Interpretation & lighting £	Total £
Cost								
At 1 April 2014	4,548,539	2,282,068	7,490,253	3,549,520	6,588,966	800,000	2,408,095	27,667,441
Transfer to heritage assets	-	(2,282,068)	(286,948)	-	-	(800,000)	(2,371,041)	(5,740,057)
Additions	-	-	17,812	33,050	-	-	-	50,862
Disposals	(248,000)	-	(33,265)	-	-	-	-	(281,265)
At 31 March 2015	4,300,539	-	7,187,852	3,582,570	6,588,966	-	37,054	21,696,981
Depreciation								
At 1 April 2014	341,376	1,115,621	7,477,031	3,430,519	1,056,283	400,000	588,095	14,408,925
Transfer to heritage assets	-	(1,115,621)	(286,948)	-	-	(400,000)	(568,488)	(2,371,057)
Eliminated on disposal	-	-	(33,265)	-	-	-	-	(33,265)
Charge for year	30,753	-	10,274	49,700	77,561	-	7,833	176,121
At 31 March 2015	372,129	-	7,167,092	3,480,219	1,133,844	-	27,440	12,180,724
Net book value at 31 March 2015	3,928,410	-	20,760	102,351	5,455,122	-	9,614	9,516,257
Net book value at 31 March 2014	4,207,163	1,166,447	13,222	119,001	5,532,683	400,000	1,820,000	13,258,516

The net book value of fixed assets which are not used for the Trust's charitable purposes is insignificant.

Portsmouth Naval Base Property Trust

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11 Tangible fixed assets (continued)

Trust	Land & Buildings	Improvem'nts to leasehold property	InterAction equipment	Fixtures, fittings, office equipment and furniture	Other equipment and sign-posting & film	Powerboats	Promenade	Interpretation & lighting	Total
	£	£	£	£	£	£	£	£	£
Cost									
At 1 April 2014	1,542,661	2,282,068	1,181,821	524,550	3,548,669	800,000	1,013,769	1,394,326	12,287,864
Transfer to heritage assets	-	(2,282,068)	-	(286,948)	-	(800,000)	(1,013,769)	(1,357,272)	(5,740,057)
Additions	-	-	-	17,812	33,050	-	-	-	50,862
Disposals	(248,000)	-	-	(33,265)	-	-	-	-	(281,265)
At 31 March 2015	1,294,661	-	1,181,821	222,149	3,581,719	-	-	37,054	6,317,404
Depreciation									
At 1 April 2014	-	1,115,621	1,181,821	508,314	3,432,682	400,000	243,320	344,775	7,226,533
Transfer to heritage assets	-	(1,115,621)	-	(286,948)	-	(400,000)	(243,320)	(325,168)	(2,371,057)
Eliminated on disposal	-	-	-	(33,265)	-	-	-	-	(33,265)
Charge for year	-	-	-	10,274	49,700	-	-	7,833	67,807
At 31 March 2015	-	-	1,181,821	198,375	3,482,382	-	-	27,440	4,890,018
Net book value at 31 March 2015	1,294,661	-	-	23,774	99,337	-	-	9,614	1,427,386
Net book value at 31 March 2014	1,542,661	1,166,447	-	16,236	115,987	400,000	770,449	1,049,551	5,061,331

The net book value of fixed assets which are not used for the Trust's charitable purposes is insignificant.

11 Tangible fixed assets (continued)

Included within land and buildings for both the Trust and the Group are investment properties costing £967,661, which were bought during the year ending 31 March 2008 at open market value. The valuation of the properties has not been updated at the year end because the directors are not aware of any material changes in value.

12 Fixed asset investments

	Group		Trust	
	2015 £	2014 £	2015 £	2014 £
Investment portfolio	1,851,956	1,830,217	1,851,956	1,830,217
Interest in subsidiary undertakings – Cost at 1 April	-	-	14,100,003	14,103,195
Interest in subsidiary undertakings – additions	-	-	1	1
Interest in subsidiary undertakings - disposals	-	-	-	(3,193)
Interest in subsidiary undertakings – provision	-	-	(8,613,277)	(8,540,351)
Interest in associated undertakings	25	25	25	25
	1,851,981	1,830,242	7,338,708	7,389,894

Investment portfolio

	Group and Trust			
	2015		2014	
	Market Value £	Cost £	Market Value £	Cost £
Equities	189,367	138,006	156,651	112,313
Investment and unit trusts	294,966	247,254	307,969	275,232
Total investments	484,333	385,260	464,620	387,545
Cash available for investment	1,367,623	1,367,623	1,365,597	1,365,597
	1,851,956	1,752,883	1,830,217	1,753,142
Market value reconciliation	2015		2014	
	£		£	
Market value at 1 April	464,620		442,758	
Less: Disposals	(95,023)		(79,533)	
Add: Acquisitions at cost	94,809		75,672	
Net profit/loss on revaluation at 31 March	19,927		25,723	
Market value at 31 March	484,333		464,620	

The investment portfolio is not held in direct furtherance of the Trust's objectives. It is however held with a view to funding some of the Trust's objectives.

12 Fixed asset investments (continued)

Interest in subsidiary companies

The Trust holds a 100% interest in the £1 ordinary share capital of Portsmouth Naval Base Trading Company Limited (PNBTCL), Portsmouth Naval Base Property Company Limited (PNBPCL), Portsmouth Naval Base Property Company (Queen Street) Limited (QS) and Portsmouth Naval Base Property (Priddy's Hard) Limited (PH), all companies incorporated in England and Wales. PNBTCL is a new company set up during the year to protect the trading name and has been dormant since set up. The principal business activity of PNBPCL is property rental. As the latter relates to Boathouse Number 6 and Action Stations this is considered to be a charitable activity. QS was incorporated as a vehicle for the development of the Queen Street car park. PH was incorporated as a vehicle for the development of part of the land at Priddy's Hard and was dormant during the year. All group investments have been written down to their net asset values where applicable.

The aggregate of the assets and liabilities of subsidiaries was:

	2015	2014
	£	£
PNBPCL		
Assets	5,488,296	5,601,390
Liabilities	(1,570)	(41,740)
	-----	-----
Net assets	5,486,726	5,559,650
	-----	-----
QS		
Assets	2,635,755	2,717,514
Liabilities	(667,291)	(927,361)
	-----	-----
Net assets	1,968,464	1,790,153
	-----	-----
PH		
Assets	2	2
Liabilities	(17,884)	(17,884)
	-----	-----
Net assets	(17,882)	(17,882)
	-----	-----
PNBTCL		
Net Assets	1	1

12 Fixed asset investments (continued)
Associated undertakings

The Trust holds a 25% interest in the £1 ordinary share capital of Portsmouth Harbour Renaissance Limited, a company incorporated in England and Wales. This company was formed to act in a co-ordinating role, overseeing the various Portsmouth Harbour Millennium projects.

The Trust has 25% of the voting rights in Portsmouth Historic Dockyard, a company limited by guarantee, and incorporated in England and Wales. The company acted as the ticketing agency for the Historic Dockyard up to 30 November 2014, since when it has been dormant.

Significant influence is not exerted over either of the above entities, therefore neither entity has been consolidated into these accounts.

The aggregate capital, reserves and surplus of the companies at 31 March 2015 were as follows:

	Aggregate Capital And reserves £	Surplus/ (Deficit) £
Portsmouth Harbour Renaissance Limited	1,229	1
Portsmouth Historic Dockyard Trust	-	81,159

13 Debtors

	Group		Trust	
	2015 £	2014 £	2015 £	2014 £
Amounts falling due within one year				
Trade debtors	365,900	309,900	362,151	259,034
Amounts owed by subsidiary undertakings	-	-	682,242	307,123
Other debtors	159,673	111,764	159,671	83,112
Prepayments and accrued income	1,050,251	123,850	1,049,532	123,850
	1,575,824	545,514	2,253,596	773,119
Amounts falling due after one year				
Amounts owed by subsidiary undertakings	-	-	-	676,957
Total	1,575,824	545,514	2,253,596	1,450,076

14 Creditors: amounts falling due within one year

	Group		Trust	
	2015 £	2014 £	2015 £	2014 £
Trade creditors	462,707	236,734	462,707	236,734
PAYE, VAT and social security	4,325	58,759	4,325	58,759
Amounts owed to subsidiary undertakings	-	-	-	-
Accruals and deferred income	919,071	616,370	914,686	613,583
Other creditors	575,000	-	575,000	-
	1,961,103	911,863	1,956,718	909,076

15 Creditors: amounts falling due after more than one year

	Group		Trust	
	2015 £	2014 £	2015 £	2014 £
Other creditors	-	575,000	-	575,000
	-	575,000	-	575,000

16 Analysis of net assets between funds
Group

As at 31 March 2015

	Unrestricted funds £	Restricted funds £	Total funds £
Heritage assets	-	5,395,138	5,395,138
Tangible fixed assets	7,935,653	1,580,604	9,516,257
Fixed asset investments	1,851,981	-	1,851,981
Current assets	2,270,611	734,232	3,004,843
Current liabilities	(1,649,793)	(311,310)	(1,961,103)
Total net assets	10,408,452	7,398,664	17,807,116

17 Restricted funds

Group and Trust

The income funds of the charity include restricted funds comprising the following balances of contributions and grants to be applied for specific purposes:

	At 1 April 2014 £	Incoming resources £	Movement in period £	Balance at 31 March 2015 £
Millennium projects				
Boathouse 6	2,166,920	-	(77,561)	2,089,359
Dockyard Promenade	659,358	-	(20,277)	639,081
Interpretation and lighting	1,153,238	-	(29,060)	1,124,178
Other				
Leasehold property	241,811	-	(17,976)	223,835
Powerboats				
National Heritage Memorial Fund	290,000	-	(58,000)	232,000
Anthony Hitchens	5,000	-	(1,000)	4,000
PRISM	10,000	-	(2,000)	8,000
Boathouse 4				
HLF	241,544	1,330,488	(112,978)	1,459,054
RGF	276,767	322,233	(43,049)	555,951
Other	176,000	41,447	(15,627)	201,820
Cell Block Project				
RGF	109,386	752,000	-	861,386
	5,330,024	2,446,168	(377,528)	7,398,664

Millennium project grant funding was received as a contribution towards the costs of the various millennium projects. Additional capital grants were received from the Millennium Commission in 2005-06 in support of the InterAction science gallery. All of the projects were completed as at 31 March 2006.

Capital grants were received in 1992 towards the cost of sign-posting in the Portsmouth Historic Dockyard. Further capital grants were received during 1993-94 in respect of building works on Boathouse 7, a leasehold property, a project which was completed during the year to 31 March 1995.

Powerboats relates to the acquisition of two World War II powerboats, which are being displayed as part of the Trust's growing boat collection. These were funded predominantly by a £580,000 grant from the National Heritage Memorial Fund. The resultant restricted funds are represented in the balance sheet by the related fixed assets and are being reduced by annual transfers to unrestricted funds over the anticipated lives of the related assets.

Boathouse 4 relates to the conversion of the boathouse into an international boat academy. This is being funded predominantly by the Heritage Lottery Fund and the Regional Growth Fund. Other donations include £100,000 from Garfield Weston Foundation, £50,000 from Headley Trust, £10,000 from Fidelity UK Foundation, £10,000 from Gosling Foundation, £25,000 from Bernard Sunley Charitable Foundation and £15,000 from Charles Hayward Foundation.

Cell Block Project relates to a joint project with the University of Portsmouth converting the cell block within the dockyard into a business incubation centre.

18 Unrestricted funds

	£	£
	Group	Trust
At 1 April 2014	9,920,775	8,148,387
Net movement for year	487,677	305,536
At 31 March 2015	10,408,452	8,453,923

19 Constitution

The Trust has no share capital and is limited by guarantee. As set out in the Trustees' report, in the event of a winding up, the Trustees of the Trust are liable to contribute an amount not exceeding £1 each.

20 Related party transactions

The Trust has taken exemption under FRS 8 from disclosing transactions with other Group companies, which eliminate on consolidation in the financial statements of the Trust.

During the year the company had the following dealings with other related parties:

	Income From £	Amounts paid to £	Balance Due to £	Balance due from £
Portsmouth Harbour Renaissance Limited	-	829	-	16
Portsmouth Historic Dockyard Trust	453,130	16,715	-	594

M Cohen is a director and shareholder of Walters and Cohen Limited. During the year the Trust paid £43,808 (2014: £62,370) to this company in architects fees

21 Pension Commitments

The Trust operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension cost charge represents contributions payable by the Trust to the fund.

The pension cost paid by the Trust for the year amounted to £21,224 (2014: £6,827). Included in other creditors is £nil (2014: £899) in relation to unpaid pension contributions at the year end.

Up until 31 July 2013, the Trust had two employees who are members of the Hampshire Pension Fund, which is the Hampshire County Council Pension Fund. The two employees have now been transferred by TUPE to the National Museum of the Royal Navy along with Explosion Museum. Therefore at the year end the Trust had no liability with regards to the fund.

The pension cost paid by the Trust for the year amounted to £nil (2014: £4,489).

22 Contingent liabilities

During the year ending 31 March 2010, the Trust acquired the land and buildings at Priddy's Hard from Gosport Borough Council. Under the acquisition agreement, if the Trust develops certain areas of the site there is a profit sharing arrangement such that 32.5% of any profit is due to Gosport Borough Council. It is not possible at this stage to quantify the value of any payments that may be due in the future.

23 Capital commitments

At the year end the Trust had capital commitments of £3,118,468 (2014: £266,899).

24 Profit on disposal of fixed assets

Profit on disposal of fixed assets relates to the proceeds received on the business transfer of the Explosion! Museum of Naval Firepower to the National Museum of the Royal Navy, the TUPE formalities having been completed in August 2013. This transfer and associated lease of buildings in which the Museum is housed will secure the long-term future of the Museum and the related buildings.