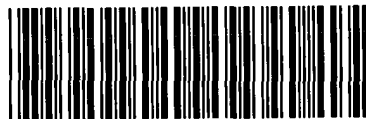


# Master Ropemakers (Trading) Limited

Accounts for the year ended 31 March 2020  
together with directors' and auditor's reports

Registered number: 2651660

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## **Contents**

Reference & Administration	Page 2
Directors' Report	Page 3
Independent Auditor's Report	Page 5
Profit & Loss account	Page 8
Statement of Financial Position	Page 9
Statement of Changes in Equity	Page 9
Notes to the Accounts	Page 10

## **Reference & Administration**

### **Directors**

The directors who served during the year were :

Mr P K Sarwal (Chairman)

Mr W S Ferris OBE DL

Mr R Morsley (appointed 11<sup>th</sup> September 2020)

Mr R Holdsworth MBE

Mr M Storey CB

Mr J Yeardley (deceased 14th June 2019)

Mr D Philip

Mr M Sandberg (resigned 2<sup>nd</sup> October 2020)

The Company Secretary is Mr A Fermor.

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

### **Auditors**

BDO LLP 55 Baker Street, London W1U 7EU

### **Bankers**

HSBC

231 High Street,

Chatham

Kent ME4 4BQ

## **Directors' Report**

### **Accounts**

The directors present their report and accounts for the year ended 31 March 2020.

### **Principal activity**

The company trades in rope and rope products. The company's policy is to make a qualifying charitable donation of all taxable profits to the ultimate parent company, The Chatham Historic Dockyard Trust, a registered charity.

### **Result for the Year**

The profit for the year of £6,148 (2019: £9,005) has been donated to the parent. The level of profit generated at year-end has been impacted by the COVID-19 pandemic which negatively impacted sales in March 2020.

### **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.

During the year the company was the victim of fraudulent activity when a shipment of goods was never paid for, however, the company managed to recover some of the loss from its' insurers.

The Board wishes to acknowledge Mr John Yeardley, who sadly passed away on 14 June 2019, for his invaluable contribution and expertise to the Board over the past 7 years.

#### **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.

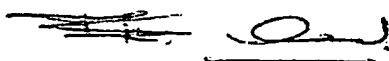
This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

#### **Auditor**

A resolution to re-appoint the auditor, BDO, will be proposed at the next Annual General Meeting.

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 21<sup>st</sup> October 2020 and signed on behalf of the board:



Mr P K Sarwal  
Director and Chairman

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

Registered number: 2651660

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF MASTER ROPEMAKERS (TRADING) LIMITED

### Opinion

We have audited the financial statements of Master Ropemakers (Trading) Limited ("the Company") for the year ended 31 March 2020 which comprise the Profit and Loss Account, the Statement of Financial Position, the 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 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.

### Basis for opinion

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF MASTER ROPEMAKERS (TRADING) LIMITED**

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

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

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 Director's 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 directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF MASTER ROPEMAKERS (TRADING) LIMITED

### 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.

*BDO LLP*

Fiona Condron (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
55 Baker Street, London

Date 26 October 2020

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 2020

	Notes	2020 £	2019 £
Turnover		520,726	496,773
Cost of sales		<u>(418,767)</u>	<u>(384,971)</u>
Gross profit		101,959	111,802
Administrative and overhead expenses		<u>(95,811)</u>	<u>(102,797)</u>
Operating profit		6,148	9,005
Profit on ordinary activities		6,148	9,005
Tax on profit on ordinary activities before taxation		-	-
Profit on ordinary activities after taxation		<u>6,148</u>	<u>9,005</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 10 to 13 form part of these financial statements.

# Statement of Financial Position

31 March 2020

Registered number: 2651660

	Notes	2020 £	2019 £
<b>Current assets</b>			
Debtors	5	64,840	70,659
Cash and cash equivalents		<u>13,087</u>	<u>5,134</u>
		77,927	75,793
<b>Creditors: amounts falling due within one year</b>	6	<u>(52,927)</u>	<u>(50,793)</u>
<b>Net current assets</b>		<u>25,000</u>	<u>25,000</u>
<b>Total assets less current liabilities</b>		<u>25,000</u>	<u>25,000</u>
<b>Equity shareholders' funds</b>			
Called up share capital		25,000	25,000
Profit and loss account		<u>-</u>	<u>-</u>
		<u>25,000</u>	<u>25,000</u>
		<u>25,000</u>	<u>25,000</u>

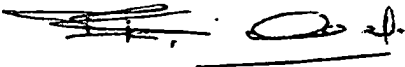
## Statement of Changes in Equity For the year ended 31 March 2020

	Share Capital (£)	Profit and Loss Account (£)	Total Equity (£)
1 April 2019			
<b>Comprehensive Income</b>	25,000	-	25,000
Profit for the year	-	6,148	6,148
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>6,148</u>	<u>6,148</u>
<b>Distributions</b>			
Transfer of taxable profits under gift aid to parent	-	(6,148)	(6,148)
<b>31 March 2020</b>	<u>25,000</u>	<u>-</u>	<u>25,000</u>

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 10 to 13 form part of these financial statements.

The accounts approved and authorised for issue by the Board on 21st October 2020.

A handwritten signature in black ink, appearing to read 'P K Sarwal', is written over a horizontal line.

Mr P K Sarwal  
Chairman

# Notes to the accounts

For the year ended 31 March 2020

## 1 General information

Master Ropemakers (Trading) 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.

The accounts relate to the company as an entity as the company's ultimate parent undertaking prepares consolidated accounts which incorporate the results of the company and of its subsidiary, Master Ropemakers Limited which is dormant.

### *Going concern*

In the context of the present COVID-19 crisis the directors have prepared a detailed statement of Going Concern for this reporting period.

As directors of Master Ropemakers (Trading) Limited (MRL), we have a duty to consider the future resilience of the business. MRL holds the necessary reserves to undertake an orderly wind down of operations caused by financial challenge or a change in the need for the services, making the business redundant. MRL continues to review this situation on a monthly rolling basis through cash flow management based on evidence based business planning

Review of MRL's ongoing financial resilience is considered for 12 months from the date of review and beyond. 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. MRL has a culture of taking very early action to attenuate potential downside risks in a relatively risk adverse culture. Should risks not materialise the approach can be adapted to take advantage of upside opportunity. The directors of MRL are accessible and responsive to rapid decision making.

The Directors and Executive of MRL were on a high-risk alert to the threat of COVID-19 from mid-February 2020 and started to plan for the potential consequences of the downside risks accordingly. Recognising the reduction in income that is predicted for the year ahead due to reduced demand for rope products, the directors have undertaken cost-saving measures to ensure that expenditure is in-line with forecast income projections. The Government Coronavirus Job Retention Scheme (CJRS) enabled MRL to furlough a member of its team and only incurs staffing cost from the Parent Trust when rope is physically produced, thus significantly reducing staffing costs. In 2020, an Organisational Effectiveness Review will be undertaken to

## Notes to the accounts

For the year ended 31 March 2020

closely examine MRL's operating costs and opportunity over the coming two years with a view to making a fixed cost saving.

In addition, MRL will continue to pursue sales and other trading opportunities to support its operations in these challenging times.

The directors will continue to review plans with the MRL Executive Team to make the necessary changes to remain within the reserves level over the coming two years. The directors are of the opinion that MRL will have sufficient resources to meet its liabilities as required. As such, they remain satisfied that the Master Ropemakers Trading Limited can continue operating for the next 12 months

### *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 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.

### *Staff*

The average number of persons employed (see note 3 below) reflects staff who are contractually employed by The Chatham Historic Dockyard Trust but who spend their time on Master Ropemakers (Trading) Ltd business, the costs of which are recharged from The Chatham Historic Dockyard Trust to the company. Short term employee benefits including holiday pay, annual bonuses and termination payments are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

## Notes to the accounts (continued)

For the year ended 31 March 2020

### 2 Summary of significant accounting policies (continued)

#### *Taxation*

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

#### *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.

#### *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 7.

#### *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 numbers

	2020 Number	2019 Number
Average number of persons employed	<u>2</u>	<u>2</u>

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

	2020 £	2019 £
Auditor's remuneration	3,600	3,600
Taxation services	<u>490</u>	<u>490</u>

### 5 Debtors

	2020 £	2019 £
Trade debtors	64,840	70,659
	<u>64,840</u>	<u>70,659</u>

## Notes to the accounts (continued)

For the year ended 31 March 2020

### 6 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,894	539
Accruals	3,983	3,747
Amounts owed to parent company	<u>47,050</u>	<u>46,507</u>
	<u>52,927</u>	<u>50,793</u>

### 7 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.

### 8 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.