

Cattewater Harbour Commissioners

Annual Report and Financial Statements
Year Ended 31 March 2022



Cattewater Harbour Commissioners

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Cattewater Harbour Commissioners

Commission Information

Chairman	Mr A Nichols
Commissioners	Mr W Rahder - Deputy Chairman Capt R Allan - Harbour Master Mr C Necker Mr N Godefroy Mr N Webb Dr P Buchan Mr P Costalas Mr G Walker
Registered office	2 The Barbican Plymouth Devon PL1 2LR
Auditors	PKF Francis Clark Statutory Auditor North Quay House Sutton Harbour Plymouth Devon PL4 0RA

Cattewater Harbour Commissioners

Commissioners' Report for the Year Ended 31 March 2022

The Commissioners present their report and the financial statements for the year ended 31 March 2022.

Commissioners

The Commissioners who held office during the year were as follows:

Mr A Nichols - Chairman

Mr W Rahder - Deputy Chairman

Capt R Allan - Harbour Master

Mr C Necker

Mr A Blackmore (ceased 31 October 2021)

Mr M Hammett (ceased 31 October 2021)

Mr N Godefroy

Mr N Webb

Dr P Buchan

Mr D Petherbridge (ceased 30 March 2022)

Mr P Costalas (appointed 1 November 2021)

Mr G Walker (appointed 1 November 2021)

The Cattewater Harbour Revision (Constitution) Order 2005 which came into force on 24 October 2005 reduced the number of Commissioners to 10.

Principal activities

The principal activities of the Commission involve service activities incidental to water transportation.

Business review

Performance in 2021/22 saw a gradual recovery from the downturn caused by the pandemic and the policy measures taken to address that threat. Cargo passing through the Cattewater almost returned to the levels of 2019/20 with petroleum products increasing by 25% and dry cargo up by 13%. However, continuing restrictions on international travel through the summer period meant that ferry movements were limited and that had a depressing effect on pilotage income. The trend to domestic leisure use led to an increase in income from moorings, with a high take up for both long term and visitor moorings.

Maintenance of the navigational channels in the Cattewater is one of the Commissioners' primary responsibilities and bathymetric surveys are undertaken regularly. Towards the end of the financial year the Commissioners undertook a significant dredging programme to return the channels to their charted depths. This dredging supplemented by smaller scale plough dredging should be sufficient to maintain the channels for the next few years. The costs of this programme, £201,178, have been shown as an exceptional item in the accounts. The costs of dredging, together with an adverse tax charge of £132,399 meant that the Commissioners recorded a loss of £26,606 in the year. The Commissioners believe that the underlying financial performance of the port remains robust.

Cattewater Harbour Commissioners

Commissioners' Report for the Year Ended 31 March 2022

In looking forward to 2022/23 the Commissioners have decided that again we should take a prudent approach in planning for the year. Whilst the problems from the pandemic have receded, events in Ukraine have introduced a new source of uncertainty. The port has some exposure to traffics which are directly affected by the conflict, the Commissioners are also aware of its impact on the wider economy and on inflation, including its effect on our own operating costs. We will be taking a cautious approach to new commitments and maintain appropriate levels of liquidity. We remain confident that the business has a strong enough balance sheet to ride out any economic downturn.

Disclosure of information to the auditors

Each Commissioner has taken steps that they ought to have taken as a Commissioner in order to make themselves aware of any relevant audit information and to establish that the Commission's auditors are aware of that information. The Commissioners confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has 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.

Approved by the Board on 25/7/22 and signed on its behalf by:



Mr A Nichols (Chairman)
Commissioner

Cattewater Harbour Commissioners

Statement of Commissioners' Responsibilities

The Commissioners acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Commissioners to prepare financial statements for each financial year. Under that law the Commissioners 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 Commissioners 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 Commission and of the profit or loss of the Commission for that period. In preparing these financial statements, the Commissioners are required to:

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

The Commissioners are responsible for keeping adequate accounting records that are sufficient to show and explain the Commission's transactions and disclose with reasonable accuracy at any time the financial position of the Commission 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 Commission and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cattewater Harbour Commissioners

Independent Auditor's Report to the Members of Cattewater Harbour Commissioners

Opinion

We have audited the financial statements of Cattewater Harbour Commissioners (the 'Commission') for the year ended 31 March 2022, which comprise the Profit and Loss Account, Balance Sheet, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) incorporating the requirements of Section 1A.

In our opinion the financial statements:

- give a true and fair view of the state of the Commission's affairs as at 31 March 2022 and of its loss 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 Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Commissioners' 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 Commission's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Cattewater Harbour Commissioners

Independent Auditor's Report to the Members of Cattewater Harbour Commissioners

Opinion on other matter 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 Commissioners' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Commissioners' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 Commissioners' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Commissioners 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 Commissioners' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Commissioners

As explained more fully in the Statement of Commissioners' Responsibilities set out on page 3, the Commissioners 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 Commissioners 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 Commissioners are responsible for assessing the Commission'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 Commissioners either intend to liquidate the Commission 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.

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:

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Independent Auditor's Report to the Members of Cattewater Harbour Commissioners

- We have considered the nature of the industry and sector, control environment, and financial performance;
- We have considered the results of enquiries with management and the Commissioners in relation to their own identification and assessment of the risks of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut-off and deferred income calculations. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Commission operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the The Harbours Act 1964, FRS 102, UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Commission's ability to operate or avoid a material penalty. These included data protection legislation, health and safety regulations, employment law and compliance with regulations enforced by the Marine Management Organisation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management in relation to actual and potential claims or litigation;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing Commissioners' meeting minutes;
- Performing detailed transactional testing and proof in totals in relation to the recognition of revenue with a particular focus around the year-end cut off and the deferred income element; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

Cattewater Harbour Commissioners

Independent Auditor's Report to the Members of Cattewater Harbour Commissioners

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 Commission'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 Commission'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 Commission and the Commission's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

North Quay House
Sutton Harbour
Plymouth
Devon
PL4 0RA

Date: 01/08/2022

Cattewater Harbour Commissioners

Profit and Loss Account

Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover		2,065,158	1,588,549
Cost of sales		<u>(215,228)</u>	<u>(137,194)</u>
Gross profit		<u>1,849,930</u>	<u>1,451,355</u>
Administrative expenses			
Exceptional administrative expenses	4	(201,178)	(82,543)
Other administrative expenses		<u>(1,798,364)</u>	<u>(1,655,591)</u>
Administrative expenses		(1,999,542)	(1,738,134)
Other operating income	5	<u>218,678</u>	<u>200,583</u>
Operating profit/(loss)		<u>69,066</u>	<u>(86,196)</u>
Income from fixed asset investments		14,867	20,957
Bank interest receivable		-	428
Gains/(losses) on investments		<u>21,860</u>	<u>528,380</u>
		<u>36,727</u>	<u>549,765</u>
Profit before tax		105,793	463,569
Tax on profit	6	<u>(132,399)</u>	<u>(43,383)</u>
(Loss)/profit for the financial year		<u><u>(26,606)</u></u>	<u><u>420,186</u></u>

The above results were derived from continuing operations.

Cattewater Harbour Commissioners

Balance Sheet


31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	7	2,091,833	2,195,473
Investment property	8	<u>221,250</u>	<u>221,250</u>
		<u>2,313,083</u>	<u>2,416,723</u>
Current assets			
Stocks	9	28,485	25,433
Debtors	10	432,629	440,643
Investments	11	2,473,250	2,436,148
Cash at bank and in hand		<u>656,556</u>	<u>159,691</u>
		3,590,920	3,061,915
Creditors: Amounts falling due within one year	12	<u>(507,446)</u>	<u>(153,854)</u>
Net current assets		<u>3,083,474</u>	<u>2,908,061</u>
Total assets less current liabilities		5,396,557	5,324,784
Provisions for liabilities		<u>(359,045)</u>	<u>(260,666)</u>
Net assets		<u>5,037,512</u>	<u>5,064,118</u>
Capital and reserves			
Revaluation reserve		13,533	13,533
Profit and loss account		<u>5,023,979</u>	<u>5,050,585</u>
Commissioners' funds		<u>5,037,512</u>	<u>5,064,118</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 27/7/22 and signed on its behalf by:


.....
Mr A Nichols (Chairman)
Commissioner


.....
Mr W Rahder (Deputy Chairman)
Commissioner

Cattewater Harbour Commissioners

Statement of Changes in Equity

Year Ended 31 March 2022

	Revaluation reserve £	CCH £	PPS £	Total £
At 1 April 2021	13,533	4,560,607	489,978	5,064,118
Operating Profit/(loss) for the year	-	104,871	(35,805)	69,066
Income from other fixed asset investments	-	14,867	-	14,867
Gains/(losses) on investments	-	21,860	-	21,860
Current tax	-	(34,020)	-	(34,020)
Deferred tax	-	(98,379)	-	(98,379)
Total comprehensive income	-	9,199	(35,805)	(26,606)
At 31 March 2022	<u>13,533</u>	<u>4,569,806</u>	<u>454,173</u>	<u>5,037,512</u>

The profit and loss account includes all accumulated profits totalling £5,074,328, unrealised losses on the investment portfolio of £82,599 and revaluations on the investment property totalling £32,250.

	Revaluation reserve £	CCH £	PPS £	Total £
At 1 April 2020	13,533	4,065,385	565,014	4,643,932
Operating Loss for the year	-	(11,160)	(75,036)	(86,196)
Income from other fixed asset investments	-	20,957	-	20,957
Bank interest receivable	-	428	-	428
Gains/(losses) on investments	-	528,380	-	528,380
Current tax	-	(43,383)	-	(43,383)
Total comprehensive income	-	495,222	(75,036)	420,186
At 31 March 2021	<u>13,533</u>	<u>4,560,607</u>	<u>489,978</u>	<u>5,064,118</u>

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2022

1 General information

The address of its registered office is:
2 The Barbican
Plymouth
Devon
PL1 2LR

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Commission's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the Commission.

The Commission recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Commission's activities.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Commission operates and generates taxable income.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2022

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	10 - 25% straight line
Landing stage	2.5% straight line
Plant and machinery	4 - 25% straight line

Depreciation is not provided on freehold buildings as the Commissioners are of the opinion that the residual values of such properties are not less than cost or valuation, and therefore any depreciation would be immaterial. An annual impairment review is undertaken to assess the carrying value.

Investment property

Investment property is carried at fair value determined annually by the commissioners and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Profit or Loss.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2022

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Commission has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

The commission holds the following financial instruments:

- Short term trade and other debtors and creditors; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The Commission has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the Commission becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the commission's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

3 Staff numbers

The average number of persons employed by the Commission (including Commissioners) during the year was 29 (2021 - 28).

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2022

4 Exceptional administrative expenses

	2022	2021
	£	£
Pilots' National Pension Fund Charge	-	82,543
Significant dredging programme costs	201,178	-
	<u>201,178</u>	<u>82,543</u>

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2022	2021
	£	£
Government grants	-	29,014
Rent receivable	156,611	162,198
Project income	62,067	9,371
	<u>218,678</u>	<u>200,583</u>

Government grants receivable relate to the Coronavirus Job Retention Scheme (CJRS), through which the Commission has received compensation for part of the wages, associated national insurance contributions and employer pension contributions of employees who have been placed on furlough.

6 Taxation

Tax charged/(credited) in the profit and loss account

	2022	2021
	£	£
Current taxation		
UK corporation tax	34,020	43,383
Deferred taxation		
Arising from origination and reversal of timing differences	98,379	-
Tax expense in the income statement	<u>132,399</u>	<u>43,383</u>

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2022

Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
2022		
Accelerated capital allowances	-	377,521
Tax losses carried forward	-	-
Other short term timing differences	314	-
Unrealised capital gains and losses	18,162	-
	<u>18,476</u>	<u>377,521</u>
2021		
Accelerated capital allowances	-	304,063
Tax losses carried forward	96,224	-
Other short term timing differences	1,527	-
Unrealised capital gains and losses	-	54,354
	<u>97,751</u>	<u>358,417</u>

7 Tangible assets

	Freehold Land and buildings £	Furniture, fittings and equipment £	Landing stage £	Plant and machinery £	Total £
Cost or valuation					
At 1 April 2021	561,114	17,899	364,513	2,327,480	3,271,006
Additions	-	14,275	16,889	-	31,164
Disposals	-	(421)	-	-	(421)
At 31 March 2022	<u>561,114</u>	<u>31,753</u>	<u>381,402</u>	<u>2,327,480</u>	<u>3,301,749</u>
Depreciation					
At 1 April 2021	70,186	(714)	71,779	934,282	1,075,533
Charge for the year	-	12,795	16,261	105,748	134,804
Eliminated on disposal	-	(421)	-	-	(421)
At 31 March 2022	<u>70,186</u>	<u>11,660</u>	<u>88,040</u>	<u>1,040,030</u>	<u>1,209,916</u>
Carrying amount					
At 31 March 2022	<u>490,928</u>	<u>20,093</u>	<u>293,362</u>	<u>1,287,450</u>	<u>2,091,833</u>
At 31 March 2021	<u>490,928</u>	<u>18,613</u>	<u>292,734</u>	<u>1,393,198</u>	<u>2,195,473</u>

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2022

8 Investment properties

	2022 £
At 1 April	<u>221,250</u>
At 31 March	<u><u>221,250</u></u>

The 2022 valuations were made by the Commissioners, on an open market value for existing use basis.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as £189,000 (2021 : £189,000).

9 Stocks

	2022 £	2021 £
Other inventories	<u>28,485</u>	<u>25,433</u>

10 Debtors

	2022 £	2021 £
Trade debtors	354,939	263,344
Prepayments	57,105	42,522
Other debtors	<u>20,585</u>	<u>134,777</u>
	<u><u>432,629</u></u>	<u><u>440,643</u></u>

11 Current asset investments

	2022 £	2021 £
Listed investments	<u>2,473,250</u>	<u>2,436,148</u>

The historical cost of the listed investments as at 31 March 2022 was £2,555,849.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2022

12 Creditors

Creditors: amounts falling due within one year

	2022 £	2021 £
Due within one year		
Trade creditors	294,378	25,710
Corporation tax	34,066	-
Taxation and social security	-	42,723
Other creditors	3,936	200
Accruals and deferred income	175,066	85,221
	<u>507,446</u>	<u>153,854</u>

13 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments in relation to capital commitments not included in the balance sheet is £Nil (2021 - £9,839)

The total amount of financial commitments in relation to operating leases not included in the balance sheet is £8,858 (2021 - £2,929). Of these commitments, £4,461 is due within 1 year, and £4,397 is due within 2 - 5 years.

The Commissioners have a commitment to pay a percentage of relevant fundus income to their landlord, the Duchy of Cornwall, under the terms of a 125 year lease granted in 1994. The rental percentage has increased from 10% to 12.5% with effect from 1st April 2021. Rent charges of £191,149 (2021 - £154,487) were paid to the Duchy of Cornwall in 2022.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2022

Contingent liabilities

Overage charge

Works began on the Breakwater Hill site during 2017 which could result in an overage charge as a result of an increase in the value of the land resulting from development within 10 years of its purchase. Due to the remoteness of any potential liability the Commissioners do not consider it appropriate to recognise a provision in the accounts.

Dredging costs

The Commissioners have a duty to maintain the charted depths in the Cattewater navigation channels. Silting of the channels means that there is a periodic need for dredging and disposal of spoil. The cost and timing of dredging costs cannot be reliably estimated at the date of the financial statement and therefore a provision has not been recognised. During the year the Commission was required to carry out the dredging and disposal works.

Pilots' National Pension Fund

The Commission is responsible for a proportion of the deficit in the Pilots' National Pension Fund multi-employer defined benefit pension scheme. During the previous year the Commission paid in full their estimated share of the deficit as at 31st December 2019 however they remain liable for their proportion of any deficit that may arise in this scheme in the future.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2022

14 Provisions

	2022	2021
	£	£
Pilots' National Pension Fund Deficit		
At 1 April	-	379,557
Charged to profit or loss	-	82,543
Utilised in year	-	(462,100)
At 31 March	<u>-</u>	<u>-</u>

The Pilotage Act 1987 transferred the responsibility of pilotage provision in Plymouth from Trinity House to Cattewater Harbour Commissioners, the designated 'Competent Harbour Authority' for the Port of Plymouth. The Commissioners inherited the related employment obligations, which included membership of the Pilots National Pension Fund (PNPF). There had been some doubt about the nature and extent of any unfunded liabilities of the PNPF, a multi-employer defined benefit pension scheme of which transferring pilots were, and subsequently employed pilots are, members. The Trustee has spent considerable time in court to define its powers with regard to managing the deficit.

In late 2012, it was determined that Cattewater Harbour Commissioners were required to contribute to the deficit and that their contribution level was set at 0.427%, with the Pensions Regulator agreeing with the Trustee to a 16 year payment period.

Subsequently, in 2013 the Commissioners elected to pay a lump sum of £500,000 towards the deficit and as a result, any further contributions, whilst being substantial, were deferred until 2024. The liability for the deficit is joint and several, although it is understood that the major members have extremely strong covenants.

As at 31 December 2019 the total deficit on the scheme was estimated at £157.9m, based on the latest formal valuation undertaken in 2020.

During the year to 31 March 2021, Cattewater Harbour Commissioners elected to pay off in full their share of the estimated deficit as at 31 December 2019 which was £462,100 resulting in there being a £nil provision at 31st March 2021. Cattewater Harbour Commissioners remain responsible for their share of any deficits in the scheme and the payment in full of their estimated liability as at 31st December 2019 does not remove the liability for any deficits that may arise in the scheme in the future.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2022

15 Pension and other schemes

As set out in note 13, the Commission operates a defined contribution pension scheme and participate in the Pilots' National Pension Fund. The pension cost charge for the year represents contributions payable by the Commission to both schemes and amounted to £112,053 (2021 - £125,268).

16 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 April 2021	260,666	260,666
Increase (decrease) in existing provisions	<u>98,379</u>	<u>98,379</u>
At 31 March 2022	<u><u>359,045</u></u>	<u><u>359,045</u></u>

17 Related party transactions

During the year sales totalling £2,815 (2021 - £10,834) were made to a company whose director is one of the Commissioners. At the year end £2,815 (2021 - £Nil) was owed to the Commission.

During the year, key management personnel of the Commission were paid remuneration of £90,050 (2021 - £106,487).

Cattewater Harbour Commissioners

The following pages do not form part of the audited financial statements which are the subject of the auditor's report on pages 4 to 7.

The information is provided for the use of the Finance Committee and senior management team of Cattewater Harbour Commissioners.

Cattewater Harbour Commissioners

Detailed profit and loss - Cattewater Harbour Commissioners

Year Ended 31 March 2022

	2022 £	2021 £
Turnover		
Sales, UK	1,368,597	1,005,164
Cost of sales		
Opening stock	(19,067)	(18,968)
Purchases	(159,797)	(106,441)
Closing stock	20,922	19,067
	<u>(157,942)</u>	<u>(106,342)</u>
Gross profit	1,210,655	898,822
Gross profit (%)	88.46%	89.42%
Administrative expenses		
Administrative expenses	(1,123,284)	(1,081,552)
Exceptional administrative expenses	(201,178)	-
Other operating income		
Other operating income	<u>218,678</u>	<u>171,570</u>
Operating profit/(loss)	<u>104,871</u>	<u>(11,160)</u>
Income from other fixed asset investments (analysed below)	14,867	20,957
Other interest receivable and similar income		
Interest income on bank deposits	-	428
Gains/(losses) on investments	<u>21,860</u>	<u>528,380</u>
	<u>21,860</u>	<u>528,808</u>
Profit before tax	<u><u>141,598</u></u>	<u><u>538,605</u></u>

Cattewater Harbour Commissioners

Detailed profit and loss - Cattewater Harbour Commissioners

Year Ended 31 March 2022

	2022 £	2021 £
Administration costs		
Wages and salaries	396,463	434,896
Staff NIC (Employers)	93,885	42,075
Staff pensions (Defined contribution)	112,053	56,192
Staff training	18,958	5,371
Rent	4,270	4,703
Fundus rent	191,149	154,487
Rates	7,822	8,189
Harbour rates	35,584	35,269
Insurance	30,088	30,389
Repairs and maintenance of harbour	9,789	17,477
Repairs and maintenance of buildings	3,514	2,803
Maintenance and dredging costs	-	50,805
Harbour dues	495	495
Harbour bathymetric surveys	11,711	20,165
Telephone and fax	2,733	7,146
Computer running costs	15,603	17,185
Equipment leasing charges	3,497	5,735
Printing, postage and stationery	5,597	5,278
Trade subscriptions	7,458	7,861
Port marine safety	10,725	10,725
Charitable donations	8,455	3,068
Hire of plant and machinery (Operating leases)	4,563	-
Sundry expenses	34,005	44,997
Travel and subsistence	1,959	1,832
Accountancy fees	7,600	7,653
Legal and professional fees	19,494	22,459
Bad debts written off	-	5
Bank charges	1,810	1,753
Depreciation of plant and machinery (owned)	55,271	54,767
Depreciation of fixtures and fittings (owned)	12,472	11,308
Depreciation of other tangible (owned)	16,261	16,459
(Profit)/loss on disposal of tangible fixed assets	-	5
	<u>1,123,284</u>	<u>1,081,552</u>

Cattewater Harbour Commissioners

Detailed profit and loss - Plymouth Pilotage Service

Year Ended 31 March 2022

	2022 £	2021 £
Turnover		
Sale of goods	696,561	583,385
Cost of sales		
Opening stock	(6,366)	(6,015)
Purchases	(58,483)	(31,203)
Closing stock	7,563	6,366
	<u>(57,286)</u>	<u>(30,852)</u>
Gross profit	639,275	552,533
Gross profit (%)	91.78%	94.71%
Administrative expenses		
Administrative expenses	(675,080)	(574,039)
Exceptional administrative expenses	-	(82,543)
Other operating income		
Other operating income	<u>-</u>	<u>29,013</u>
Operating loss	<u>(35,805)</u>	<u>(75,036)</u>
Loss before tax	<u><u>(35,805)</u></u>	<u><u>(75,036)</u></u>

Cattewater Harbour Commissioners

Detailed profit and loss - Plymouth Pilotage Service

Year Ended 31 March 2022

	2022 £	2021 £
Administration costs		
Wages and salaries	564,306	496,397
Hire of deckhands	-	2,266
Staff training	13,933	5,659
Rent	6,000	6,000
Rates	3,598	5,562
Insurance	20,077	20,486
Telephone and fax	2,002	2,304
Computer running costs	1,309	-
Equipment leasing charges	1,161	-
Printing, postage and stationery	962	334
Trade subscriptions	202	72
Hire of plant and machinery (Operating leases)	107	-
Sundry expenses	561	972
Travel and subsistence	232	-
Accountancy fees	3,500	3,870
Legal and professional fees	(1,501)	(1,007)
Bank charges	-	7
Depreciation of plant and machinery (owned)	58,308	30,872
Depreciation of fixtures and fittings (owned)	323	245
	<u>675,080</u>	<u>574,039</u>

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BRISTOL	EXETER	PLYMOUTH	POOLE	SALISBURY	TAUNTON	TORQUAY	TRURO
0117 403 9800	01392 667000	01752 301010	01202 663600	01722 337661	01823 275925	01803 320100	01872 276477
