

Cattewater Harbour Commissioners
Annual Report and Consolidated Financial Statements
Year Ended 31 March 2023



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 N Webb Dr P Buchan Mr P Costalas Mr G Walker Mr R Giles Mr S Karamperidis Mr I Offland
Registered office	2 The Barbican Plymouth Devon PL1 2LR
Auditors	PKF Francis Clark Statutory Auditor Unit 18, 23 Melville Building East Royal William Yard Plymouth Devon PL1 3GW

Cattewater Harbour Commissioners

Commissioners' Report

Year Ended 31 March 2023

The Commissioners present their report and the consolidated financial statements for the year ended 31 March 2023.

Commissioners of the group

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

Mr A Nichols - Chairman - Chairman

Mr W Rahder - Deputy Chairman

Capt R Allan - Harbour Master

Mr C Necker (ceased 30 September 2022)

Mr N Godefroy (ceased 30 November 2022)

Mr N Webb

Dr P Buchan

Mr P Costalas

Mr G Walker

Mr R Giles (appointed 1 October 2022)

Mr S Karamperidis (appointed 1 January 2023)

Mr I Offland (appointed 1 October 2022)

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

Principal activity

The principal activity of the group is service activities incidental to water transportation.

Business review

Commercial traffic passing through the Cattewater fell by 3% in 2022/23, with both dry cargo and petroleum product tonnage down from the 2021/22 levels. The decline in petroleum cargoes probably reflects, in part, the long-term switch away from petrol and diesel fuels. Amongst the dry cargoes there were significant falls in animal feedstuffs and fertiliser cargoes and increases in clay. The markets for bulk cargoes continue to be affected by the conflict in Ukraine and political developments elsewhere. Income has been boosted by work undertaken in support of projects outside the Cattewater, including the SailGP event and construction projects in the Tamar.

The trend towards the use of larger ships has continued and the number of ships entering the Cattewater fell by more than 7%. Ferry movements were seriously affected by the pandemic, but Brittany Ferries returned to a more normal schedule for the 2022 summer season, but Brexit has affected freight demand and therefore there were no ferry movements during the winter months. These two factors had a depressing effect on pilotage income.

Demand for leisure moorings continued to be strong and the Commissioners installed two pontoons in the Cattewater to provide additional visitor capacity and to cater for larger vessels. We will continue to look for opportunities to improve connectivity between the water and shore facilities. In April 2023, Plymouth City Council surrendered the sublease on its portion of the Barbican Landing Stage and the Commissioners plan to extend the range of uses of that facility.

Cattewater Harbour Commissioners

Commissioners' Report

Year Ended 31 March 2023

The Commissioners are acutely aware of the need to reduce the ports dependence on petroleum product cargoes. To that end, we have appointed consultants to produce a masterplan for the port which will look at the future of the port and identify potential developments to enhance its place in the city's economy.

As a first step towards diversifying its activities, the Commissioners purchased the business of Teamwork Security and Training Services Limited, which provides security training services to ports and other facilities covered by relevant DfT regulations. The purchase was completed in February 2023 and the business is trading profitably and expanding its client base.

Overall, the Commissioners' core activity traded profitably through the year and we are confident that that performance can be sustained in the year ahead.

Disclosure of information to the auditor

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 company's auditor is aware of that information. The Commissioners confirm that there is no relevant information that they know of and of which they know the auditor is 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 and authorised by the Board on27/6/23..... and signed on its behalf by:



Mr A Nichols - Chairman (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 group and the company and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Commissioners are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company 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') and its subsidiary (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, 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 Financial Reporting Standard 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 group's and the Commission's affairs as at 31 March 2023 and of the group's 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group and 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.

Cattewater Harbour Commissioners

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

We have nothing to report in this regard.

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 by the Commission, or returns adequate for our audit have not been received from branches not visited by us; or
- the Commission's 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.
- 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 directors

As explained more fully in the Statement of Commissioners' Responsibilities set out on page 34, 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 group's and 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 group or the Commission or to cease operations, or have no realistic alternative but to do so.

Cattewater Harbour Commissioners

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

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:

- 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.

Cattewater Harbour Commissioners

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

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.

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

Unit 18, 23 Melville Building East
Royal William Yard
Plymouth
Devon
PL1 3GW

Date: 28/06/2023

Cattewater Harbour Commissioners

Consolidated Profit and Loss Account

Year Ended 31 March 2023

	Note	2023 £	2022 £
Turnover		2,609,042	2,065,158
Cost of sales		<u>(379,492)</u>	<u>(215,228)</u>
Gross profit		<u>2,229,550</u>	<u>1,849,930</u>
Administrative expenses			
Exceptional administrative expenses	4	-	(201,178)
Other administrative expenses		<u>(2,033,141)</u>	<u>(1,798,364)</u>
Administrative expenses		(2,033,141)	(1,999,542)
Other operating income	5	<u>245,770</u>	<u>218,678</u>
Operating profit		<u>442,179</u>	<u>69,066</u>
Income from other fixed assets investments		34,718	14,867
Other interest receivable and similar income		7,588	-
Gains/(losses) on investments		(230,858)	21,860
Amounts written off investments		<u>(149,999)</u>	<u>-</u>
		<u>(338,551)</u>	<u>36,727</u>
Profit before tax		103,628	105,793
Tax on profit	6	<u>(18,694)</u>	<u>(132,399)</u>
Profit/(loss) for the financial year		<u>84,934</u>	<u>(26,606)</u>

The above results were derived from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

Cattewater Harbour Commissioners

Consolidated Balance Sheet

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	7	2,123,859	2,091,833
Investment property	8	<u>221,250</u>	<u>221,250</u>
		<u>2,345,109</u>	<u>2,313,083</u>
Current assets			
Stocks	9	36,466	28,485
Debtors	10	431,525	432,629
Investments	11	2,277,110	2,473,250
Cash at bank and in hand		<u>668,976</u>	<u>656,556</u>
		3,414,077	3,590,920
Creditors: Amounts falling due within one year	13	<u>(327,357)</u>	<u>(507,446)</u>
Net current assets		<u>3,086,720</u>	<u>3,083,474</u>
Total assets less current liabilities		5,431,829	5,396,557
Provisions for liabilities	18	<u>(309,383)</u>	<u>(359,045)</u>
Net assets		<u><u>5,122,446</u></u>	<u><u>5,037,512</u></u>
Capital and reserves			
Revaluation reserve		13,533	13,533
Profit and loss account		<u>5,108,913</u>	<u>5,023,979</u>
Commissioners' funds		<u>5,122,446</u>	<u>5,037,512</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 22/0/23 and signed on its behalf by:



Mr A Nichols - Chairman
Commissioner



Mr W Rahder - Deputy Chairman
Commissioner

Cattewater Harbour Commissioners

Balance Sheet


31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	7	2,123,859	2,091,833
Investment property	8	221,250	221,250
Investments	12	1	-
		<u>2,345,110</u>	<u>2,313,083</u>
Current assets			
Stocks	9	36,466	28,485
Debtors	10	399,607	432,629
Investments		2,277,110	2,473,250
Cash at bank and in hand		660,886	656,556
		<u>3,374,069</u>	<u>3,590,920</u>
Creditors: Amounts falling due within one year	13	<u>(292,532)</u>	<u>(507,446)</u>
Net current assets		<u>3,081,537</u>	<u>3,083,474</u>
Total assets less current liabilities		5,426,647	5,396,557
Provisions for liabilities	18	<u>(309,383)</u>	<u>(359,045)</u>
Net assets		<u>5,117,264</u>	<u>5,037,512</u>
Capital and reserves			
Revaluation reserve		13,533	13,533
Profit and loss account		<u>5,103,731</u>	<u>5,023,979</u>
Commissioners' funds		<u>5,117,264</u>	<u>5,037,512</u>

The company made a profit after tax for the financial year of £79,752 (2022 - loss of £26,606).

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 27/6/23 and signed on its behalf by:



 Mr A Nichols - Chairman
 Commissioner



 Mr W Rahder - Deputy Chairman
 Commissioner

The notes on pages 14 to 26 form an integral part of these financial statements.

Cattewater Harbour Commissioners

Statement of Changes in Equity Year Ended 31 March 2023

	Revaluation reserve £	CHC £	PPS £	Company total £	TS&TS £	Consolidation Adjustments £	Group total £
At 1 April 2022	13,533	4,569,806	454,173	5,037,512	-	-	5,037,512
Operating Profit for the year	-	347,812	88,104	435,916	6,263	-	442,179
Income from other fixed asset investments	-	34,718	-	34,718	-	-	34,718
Bank interest receivable	-	7,577	-	7,577	11	-	7,588
Gains/(losses) on investments	-	(230,858)	-	(230,858)	-	-	(230,858)
Finance costs	-	(149,999)	-	(149,999)	-	-	(149,999)
Current tax	-	(67,264)	-	(67,264)	(1,092)	-	(68,356)
Deferred tax	-	49,662	-	49,662	-	-	49,662
Total comprehensive income	-	(8,352)	88,104	79,752	5,182	-	84,934
New share capital subscribed	-	-	-	-	1	(1)	-
At 31 March 2023	13,533	4,561,454	542,277	5,117,264	5,183	(1)	5,122,446

Group

The profit and loss account includes all accumulated profits totalling £5,384,938, unrealised losses on the investment portfolio of £313,457 and revaluations on the investment property totalling £32,250.

Company

The profit and loss account includes all accumulated profits totalling £5,390,120, unrealised losses on the investment portfolio of £313,457 and revaluations on the investment property totalling £32,250.

References

CHC - Cattewater Harbour Commissioners; PPS - Plymouth Pilotage Services; TS&TS - Teamwork Security and Training Services Limited

The notes on pages 14 to 26 form an integral part of these financial statements.
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Cattewater Harbour Commissioners

Statement of Changes in Equity Year Ended 31 March 2023

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

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2023

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.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Commission and its subsidiary undertakings drawn up to 31 March 2023.

As a consolidated profit and loss account is published, a separate profit and loss account for the Commission is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2023

A subsidiary is an entity controlled by the Commission. Control is achieved where the Commission has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

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 2023

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 consolidated 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

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.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Amortisation

Asset class	Amortisation method and rate
Goodwill	10% straight line

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2023

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.

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment. Dividends on equity securities are recognised in income when receivable.

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.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2023

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.

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 costs

The average number of persons employed by the group (including Commissioners) during the year, was 34 (2022 - 29).

4 Exceptional administrative expenses

	2023	2022
	£	£
Significant dredging programme costs	-	201,178
	<u>-</u>	<u>201,178</u>
	<u>-</u>	<u>201,178</u>

5 Other operating income

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

	2023	2022
	£	£
Sub lease rental income	194,898	156,611
Miscellaneous other operating income	50,872	62,067
	<u>245,770</u>	<u>218,678</u>
	<u>245,770</u>	<u>218,678</u>

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2023

6 Taxation

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

	2023 £	2022 £
Current taxation		
UK corporation tax	68,356	34,020
Deferred taxation		
Arising from origination and reversal of timing differences	(49,662)	98,379
Tax expense in the income statement	<u>18,694</u>	<u>132,399</u>
Deferred tax		
Group		
Deferred tax assets and liabilities		
	Asset £	Liability £
2023		
Accelerated capital allowances	-	384,958
Unrealised capital gains and losses	75,574	-
	<u>75,574</u>	<u>384,958</u>
	Asset £	Liability £
2022		
Accelerated capital allowances	-	377,521
Other short term timing differences	314	-
Unrealised capital gains and losses	18,162	-
	<u>18,476</u>	<u>377,521</u>
Company		
Deferred tax assets and liabilities		
	Asset £	Liability £
2023		
Accelerated capital allowances	-	384,958
Unrealised capital gains	75,574	-
	<u>75,574</u>	<u>384,958</u>
	Asset £	Liability £
2022		
Accelerated capital allowances	-	377,521
Other short term timing difference	314	-
Unrealised capital gains	18,162	-
	<u>18,476</u>	<u>377,521</u>

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2023

7 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Landing stage £	Plant and machinery £	Total £
Cost or valuation					
At 1 April 2022	561,114	31,753	381,402	2,327,480	3,301,749
Additions	-	18,309	152,630	54,538	225,477
Disposals	-	-	-	(14,618)	(14,618)
Adjustments	(703)	35,563	27,569	(5,080)	57,349
At 31 March 2023	<u>560,411</u>	<u>85,625</u>	<u>561,601</u>	<u>2,362,320</u>	<u>3,569,957</u>
Depreciation					
At 1 April 2022	70,186	11,660	88,040	1,040,030	1,209,916
Charge for the year	-	9,919	51,237	113,992	175,148
Eliminated on disposal	-	-	-	(14,618)	(14,618)
Adjustments	(920)	34,379	29,265	12,928	75,652
At 31 March 2023	<u>69,266</u>	<u>55,958</u>	<u>168,542</u>	<u>1,152,332</u>	<u>1,446,098</u>
Carrying amount					
At 31 March 2023	<u>491,145</u>	<u>29,667</u>	<u>393,059</u>	<u>1,209,988</u>	<u>2,123,859</u>
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>

Included within the net book value of land and buildings above is £491,145 (2022 - £490,928) in respect of freehold land and buildings.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2023

Company

	Land and buildings £	Furniture, fittings and equipment £	Landing stage £	Plant and machinery £	Total £
Cost or valuation					
At 1 April 2022	561,114	31,753	381,402	2,327,480	3,301,749
Additions	-	18,309	152,630	54,538	225,477
Disposals	-	-	-	(14,618)	(14,618)
Adjustments	(703)	35,563	27,569	(5,080)	57,349
At 31 March 2023	<u>560,411</u>	<u>85,625</u>	<u>561,601</u>	<u>2,362,320</u>	<u>3,569,957</u>
Depreciation					
At 1 April 2022	70,186	11,660	88,040	1,040,030	1,209,916
Charge for the year	-	9,919	51,237	113,992	175,148
Eliminated on disposal	-	-	-	(14,618)	(14,618)
Adjustments	(920)	34,379	29,265	12,928	75,652
At 31 March 2023	<u>69,266</u>	<u>55,958</u>	<u>168,542</u>	<u>1,152,332</u>	<u>1,446,098</u>
Carrying amount					
At 31 March 2023	<u>491,145</u>	<u>29,667</u>	<u>393,059</u>	<u>1,209,988</u>	<u>2,123,859</u>
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>

Included within the net book value of land and buildings above is £491,145 (2022 - £490,928) in respect of freehold land and buildings.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2023

8 Investment properties

Group

	2023 £
At 1 April	221,250
At 31 March	221,250

Company

	2023 £
At 1 April	221,250
At 31 March	221,250

The 2023 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 (2022 : £189,000).

There has been no valuation of investment property by an independent valuer.

9 Stocks

	2023 £	Group 2022 £	2023 £	Company 2022 £
Other inventories	36,466	28,485	36,466	28,485

10 Debtors

	2023 £	Group 2022 £	2023 £	Company 2022 £
Trade debtors	347,855	354,939	318,015	354,939
Amounts due from group undertakings	-	-	878	-
Other debtors	24,817	20,585	24,817	20,585
Prepayments	57,097	57,105	55,897	57,105
	429,769	432,629	399,607	432,629

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2023

11 Current asset investments

	2023 £	Group 2022 £	2023 £	Company 2022 £
Listed investments	<u>2,277,110</u>	<u>2,473,250</u>	<u>2,277,110</u>	<u>2,473,250</u>

The historical cost of the listed investments as at 31 March 2023 was £2,589,354.

12 Investments

Company

	2023 £	2022 £
Investments in subsidiaries	<u>1</u>	<u>-</u>
Subsidiaries		£
Cost or valuation		
Additions		150,000
Provision		
Provision		<u>149,999</u>
Carrying amount		
At 31 March 2023		<u><u>1</u></u>

The Commissioners believe that although the investment in the subsidiary is trading profitably it would be prudent to write down the carrying value of this investment to a nominal sum given the uncertainty surrounding its realisable value.

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
Subsidiary undertakings				
Teamwork and Training Limited	Security 2 The Barbican, Plymouth, PL1 2LR England and Wales	Ordinary shares	100%	0%

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2023

Subsidiary undertakings

Teamwork Security and Training Services Limited

The principal activity of Teamwork Security and Training Services Limited is that of a Department for Transport approved supplier of International Ship and Port Facility Security (ISPS) Training, ISPS Surveys and Audits, and consulting.

13 Creditors

	Note	2023 £	Group 2022 £	2023 £	Company 2022 £
Due within one year					
Trade creditors		69,838	294,378	65,484	294,378
Corporation tax		68,402	34,066	67,310	34,066
Social security and other taxes		13,432	-	5,692	-
Other creditors		3,836	3,936	3,836	3,936
Accrued expenses		150,210	175,066	150,210	175,066
Deferred income		19,883	-	-	-
		<u>325,601</u>	<u>507,446</u>	<u>292,532</u>	<u>507,446</u>

14 Financial commitments, guarantees and contingencies

Group

Amounts not provided for in the balance sheet

The total amount of financial commitments in relation to operating leases not included in the balance sheet is £7,929 (2022 - £8,858). Of these commitments, £4,335 is due within 1 year, and £3,594 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 remained at 12.5%. Rent charges of £197,297 (2022 - £191,149) were paid to the Duchy of Cornwall in 2023.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2023

15 Contingent liabilities

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 statements and therefore a provision has not been recognised.

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 2021 year end 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.

16 Provisions

Pilots' National Pension Fund Deficit

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.

The next valuation is expected to be finalised by December 2023, at which point any liability for the Commission's share of the deficit will be recognised.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2023

17 Pension and other schemes

Defined contribution pension scheme

As set out in note 16, the group 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 group to the both schemes and amounted to £222,448 (2022 - £112,053).

18 Provisions for liabilities

Group

	Deferred tax £
At 1 April 2022	359,045
Increase (decrease) in existing provisions	<u>(49,662)</u>
At 31 March 2023	<u><u>309,383</u></u>

Company

	Deferred tax £
At 1 April 2022	359,045
Increase (decrease) in existing provisions	<u>(49,662)</u>
At 31 March 2023	<u><u>309,383</u></u>

19 Related party transactions

During the year sales totalling £18,235 (2022 - £2,815) were made to a company whose director is one of the Commissioners. At the year end £3,161 (2022 - £2,815) was owed to the Commission.

During the year, key management personnel of the Commission were paid remuneration of £96,083 (2022 - £90,050).

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 5 to 8.

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 2023

	2023 £	2022 £
Turnover		
Sales, UK	1,671,587	1,368,597
Cost of sales		
Opening stock	(20,922)	(19,067)
Purchases	(289,929)	(159,797)
Closing stock	29,041	20,922
	<u>(281,810)</u>	<u>(157,942)</u>
Gross profit	1,389,777	1,210,655
Gross profit (%)	83.14%	88.46%
Administrative expenses		
Administrative expenses	(1,287,735)	(1,123,284)
Exceptional administrative expenses	-	(201,178)
Other operating income		
Other operating income	<u>245,770</u>	<u>218,678</u>
Operating profit	<u>347,812</u>	<u>104,871</u>
Income from other fixed asset investments (analysed below)	34,718	14,867
Amounts written off investments (analysed below)	<u>(149,999)</u>	<u>-</u>
	<u>(115,281)</u>	<u>14,867</u>
Other interest receivable and similar income		
Interest income on bank deposits	7,577	-
Gains/(losses) on investments	<u>(230,858)</u>	<u>21,860</u>
	<u>(223,281)</u>	<u>21,860</u>
Profit before tax	<u><u>9,250</u></u>	<u><u>141,598</u></u>

Cattewater Harbour Commissioners

Detailed profit and loss - Cattewater Harbour Commissioners

Year Ended 31 March 2023

	2023 £	2022 £
Administration costs		
Wages and salaries	457,967	396,463
Staff NIC (Employers)	108,483	93,885
Staff pensions (Defined contribution)	111,224	112,053
Staff training	23,180	18,958
Rent	4,457	4,270
Fundus rent	197,297	191,149
Rates	9,487	7,822
Harbour rates	35,584	35,584
Insurance	30,361	30,088
Repairs and maintenance of harbour	7,487	9,789
Repairs and maintenance of buildings	4,381	3,514
Maintenance and dredging costs	22,107	-
Harbour dues	495	495
Harbour bathymetric surveys	16,959	11,711
Telephone and fax	2,765	2,733
Computer running costs	11,540	15,603
Equipment leasing charges	3,598	3,497
Printing, postage and stationery	4,614	5,597
Trade subscriptions	8,077	7,458
Port marine safety	10,725	10,725
Charitable donations	12,398	8,455
Hire of plant and machinery (Operating leases)	696	4,563
Sundry expenses	57,499	34,005
Travel and subsistence	3,607	1,959
Accountancy fees	6,888	7,600
Legal and professional fees	29,803	19,494
Bank charges	2,103	1,810
Depreciation of plant and machinery (owned)	55,131	55,271
Depreciation of fixtures and fittings (owned)	8,835	12,472
Depreciation of other tangible (owned)	51,237	16,261
(Profit)/loss on disposal of tangible fixed assets	(11,250)	-
	<u>1,287,735</u>	<u>1,123,284</u>

Cattewater Harbour Commissioners

Detailed profit and loss - Plymouth Pilotage Service

Year Ended 31 March 2023

	2023 £	2022 £
Turnover		
Sale of goods	912,320	696,561
Cost of sales		
Opening stock	(7,563)	(6,366)
Purchases	(83,190)	(58,483)
Closing stock	7,425	7,563
	<u>(83,328)</u>	<u>(57,286)</u>
Gross profit	828,992	639,275
Gross profit (%)	90.87%	91.78%
Administrative expenses		
Administrative expenses	<u>(740,888)</u>	<u>(675,080)</u>
Operating profit/(loss)	<u>88,104</u>	<u>(35,805)</u>
Profit/(loss) before tax	<u><u>88,104</u></u>	<u><u>(35,805)</u></u>

Cattewater Harbour Commissioners

Detailed profit and loss - Plymouth Pilotage Service

Year Ended 31 March 2023

	2023 £	2022 £
Administration costs		
Wages and salaries	619,745	564,306
Staff training	15,932	13,933
Rent	6,000	6,000
Rates	5,539	3,598
Insurance	20,038	20,077
Repairs and maintenance of buildings	34	-
Telephone and fax	2,209	2,002
Computer running costs	6,299	1,309
Equipment leasing charges	1,109	1,161
Printing, postage and stationery	548	962
Trade subscriptions	85	202
Hire of plant and machinery (Operating leases)	525	107
Sundry expenses	276	561
Travel and subsistence	134	232
Accountancy fees	3,063	3,500
Legal and professional fees	(614)	(1,501)
Bank charges	21	-
Depreciation of plant and machinery (owned)	58,861	58,308
Depreciation of fixtures and fittings (owned)	1,084	323
	<u>740,888</u>	<u>675,080</u>

