

Cattewater Harbour Commissioners
Annual Report and Consolidated Financial Statements
Year Ended 31 March 2024

Cattewater Harbour Commissioners

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Cattewater Harbour Commissioners

Commission Information

Chairman	Mr A Nichols
Commissioners	Mr G Walker - Deputy Chairman Capt R Allan - Harbour Master Mr N Webb Dr P Buchan Mr P Costalas Mr R Giles Mr S Karamperidis Mr I Offland Mr C Weston-Baker
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 2024

The Commissioners present their report and the consolidated financial statements for the year ended 31 March 2024.

Commissioners of the group

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

Mr A Nichols - Chairman

Mr G Walker - Deputy Chairman

Mr W Rahder - Deputy Chairman (ceased 30 November 2023)

Capt R Allan - Harbour Master

Mr N Webb

Dr P Buchan

Mr P Costalas

Mr R Giles

Mr S Karamperidis

Mr I Offland

Mr C Weston-Baker (appointed 1 December 2023)

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 port fell by 7% compared to the previous year, with dry cargoes down 14% and a 2% drop in petroleum products. Clay traffic fell sharply, in part reflecting economic problems in final markets, but cement traffic remained stable. The Commissioners provide pilotage services to the ferry services into the port. Following the changes brought about by Brexit and then by the pandemic, schedules have now stabilised, but at levels below those seen pre-Brexit. There was an increase in the numbers of cruise liners visiting Plymouth, and providing pilotage and landing facilities has been a useful source of additional income. The cruise market continues to grow, and the harbour should benefit. Demand for leisure moorings continued to be strong and the Cattewater pontoons have proved a useful resource for visitors and occasional tall ships.

In April 2023 Plymouth City Council surrendered the sublease on its portion of the Barbican Landing Stage back to the Commissioners and we have undertaken substantial programme of maintenance and improvement since then. With the help of funding from the Marine Management Organisation, the Commissioners were able to extend the landing stage to provide additional capacity. The extended landing stage can now be managed as a single unit, providing much greater flexibility in providing shoreside mooring for both local and visiting vessels. As a result it has been possible to meet the needs of the growing cruise liner trade and accommodate visiting attractions such as el Galeon and the Waverly without disrupting local users. We expect the landing stage to be a valuable part of the Commissioners business and to make a substantial contribution to the local economy.

Cattewater Harbour Commissioners

Commissioners' Report

Year Ended 31 March 2024

The Commissioners continue to explore ways in which the harbour can attract future traffics and support wider economic development. With the help of grant funding from the Department for Levelling Up, technical survey work was undertaken to establish the feasibility of creating increased wharfage with improved tidal access.

As reported last year the Commissioners took over the business of Teamwork Security and Training and the results of that business are consolidated into the accounts. The business showed strong growth expanded its staffing and capabilities. With the costs of that expansion Teamwork made a small loss in 2023/4 but it is expected to operate profitably from 2024 onwards.

The Commissioners are responsible for a share of any deficit on the Pilots National Pension Fund. The Trustees of the fund have agreed a plan with the Pensions Regulator to eliminate the actuarial deficit on the fund by 2028 and the progress against that plan is assessed with revaluations every three year. The valuation for December 2022 was completed in the 2023/4 financial year and a further shortfall against the plan was identified. As with previous revaluations, the Commissioners decided to pay off their share of the additional deficit and this is shown in the accounts as an exceptional cost of £91k. The accounts also show an exceptional item of £102k reflecting a reduction in business rate charges covering the period back to 2017.

Overall, the Commissioners made a group profit of £290k in the year and are confident that the business will operate profitably going forward.

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 on 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 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 2024, 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 2024 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:.....

Cattewater Harbour Commissioners

Consolidated Profit and Loss Account

Year Ended 31 March 2024

	Note	2024 £	2023 £
Turnover		2,971,915	2,609,042
Cost of sales		<u>(620,308)</u>	<u>(379,492)</u>
Gross profit		<u>2,351,607</u>	<u>2,229,550</u>
Administrative expenses			
Exceptional administrative expenses	4	(61,673)	-
Other administrative expenses		<u>(2,187,403)</u>	<u>(2,033,141)</u>
Administrative expenses		(2,249,076)	(2,033,141)
Other operating income	5	<u>210,488</u>	<u>245,770</u>
Operating profit		<u>313,019</u>	<u>442,179</u>
Income from other fixed assets investments		35,704	34,718
Other interest receivable and similar income		31,894	7,588
Gains/(losses) on investments		28,454	(230,858)
Amounts written off investments		<u>-</u>	<u>(149,999)</u>
		<u>96,052</u>	<u>(338,551)</u>
Profit before tax		409,071	103,628
Tax on profit	6	<u>(119,459)</u>	<u>(18,694)</u>
Profit for the financial year		<u><u>289,612</u></u>	<u><u>84,934</u></u>

The above results were derived from continuing operations.

Cattewater Harbour Commissioners

Consolidated Balance Sheet

31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	7	2,888,402	2,123,859
Investment property	8	<u>221,250</u>	<u>221,250</u>
		<u>3,109,652</u>	<u>2,345,109</u>
Current assets			
Stocks	9	54,333	36,466
Debtors	10	593,077	431,525
Investments	11	2,341,268	2,277,110
Cash at bank and in hand		<u>933,867</u>	<u>668,976</u>
		3,922,545	3,414,077
Creditors: Amounts falling due within one year	13	<u>(568,056)</u>	<u>(327,357)</u>
Net current assets		<u>3,354,489</u>	<u>3,086,720</u>
Total assets less current liabilities		6,464,141	5,431,829
Provisions for liabilities	18	<u>(527,410)</u>	<u>(309,383)</u>
Net assets		<u><u>5,936,731</u></u>	<u><u>5,122,446</u></u>
Capital and reserves			
Revaluation reserve		538,206	13,533
Profit and loss account		<u>5,398,525</u>	<u>5,108,913</u>
Commissioners' funds		<u>5,936,731</u>	<u>5,122,446</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 and signed on its behalf by:

.....
Mr A Nichols
Chairman

.....
Mr G Walker - Deputy Chairman
Director

Cattewater Harbour Commissioners

Balance Sheet

31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	7	2,888,402	2,123,859
Investment property	8	221,250	221,250
Investments	12	1	1
		<u>3,109,653</u>	<u>2,345,110</u>
Current assets			
Stocks	9	54,333	36,466
Debtors	10	531,654	399,607
Investments	11	2,341,268	2,277,110
Cash at bank and in hand		878,734	660,886
		<u>3,805,989</u>	<u>3,374,069</u>
Creditors: Amounts falling due within one year	13	<u>(437,996)</u>	<u>(292,532)</u>
Net current assets		<u>3,367,993</u>	<u>3,081,537</u>
Total assets less current liabilities		6,477,646	5,426,647
Provisions for liabilities	18	<u>(527,410)</u>	<u>(309,383)</u>
Net assets		<u>5,950,236</u>	<u>5,117,264</u>
Capital and reserves			
Revaluation reserve		538,206	13,533
Profit and loss account		5,412,030	5,103,731
Commissioners' funds		<u>5,950,236</u>	<u>5,117,264</u>

The company has taken the exemption in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account. The company made a profit after tax for the financial year of £308,299 (2023 - profit of £79,752).

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 and signed on its behalf by:

.....
Mr A Nichols
Chairman

.....
Mr G Walker - Deputy Chairman
Director

Cattewater Harbour Commissioners

Statement of Changes in Equity

Year Ended 31 March 2024

	Revaluation reserve £	CHC £	PPS £	Company total £	TS&TS £	Consolidation Adjustments £	Group total £
At 1 April 2023	13,533	4,561,454	542,277	5,117,263	5,183	-	5,122,446
Operating Profit/(loss) for the year	-	215,459	116,746	332,205	(19,186)	-	313,019
Income from other fixed asset investments	-	35,704	-	35,704	-	-	35,704
Bank interest receivable	-	31,395	-	31,395	499	-	31,894
Gains/(losses) on investments	-	28,454	-	28,454	-	-	28,454
Current tax	-	(76,323)	-	(76,323)	-	-	(76,323)
Deferred tax	-	(43,136)	-	(43,136)	-	-	(43,136)
Other comprehensive income	524,673	-	-	524,673	-	-	524,673
Total comprehensive income	524,673	191,553	116,746	832,972	(18,687)	-	814,285
At 31 March 2024	538,206	4,753,007	659,023	5,950,235	(13,504)	-	5,936,731

Group

The profit and loss account includes all accumulated profits totalling £5,651,279, unrealised losses on the investment portfolio of £285,003 and revaluations on the investment property totalling £32,250.

Company

The profit and loss account includes all accumulated profits totalling £5,664,783, unrealised losses on the investment portfolio of £285,003 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.

Cattewater Harbour Commissioners

Statement of Changes in Equity

Year Ended 31 March 2024

Comparative year

	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	442,179	-	-	442,179
Income from other fixed asset investments	-	34,718	-	34,718	-	-	34,718
Bank interest receivable	-	7,577	-	7,588	-	-	7,588
Gains/(losses) on investments	-	(230,858)	-	(230,858)	-	-	(230,858)
Finance costs	-	(149,999)	-	(149,999)	-	-	(149,999)
Current tax	-	(67,264)	-	(68,356)	-	-	(68,356)
Deferred tax	-	49,662	-	49,662	-	-	49,662
Total comprehensive income	-	(8,352)	88,104	84,934	-	-	84,934
New share capital subscribed	-	-	-	1	-	(1)	-
At 31 March 2023	<u>13,533</u>	<u>4,561,454</u>	<u>542,277</u>	<u>5,122,447</u>	<u>-</u>	<u>(1)</u>	<u>5,122,446</u>

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

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2024

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 2024.

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 2024

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 2024

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.

The Commissioners own the Barbican Landing Stage and, during the year ended 31 March 2024, they took over the management of the section previously held by Plymouth City Council as the Council surrendered its sublease. In the same year, the Commissioners added an extension to increase capacity. The Barbican Landing Stage is now managed and operated as a single unit. The Commissioners believe it is appropriate to value the asset as a whole and to apply the same remaining life to all parts. The Commissioners have decided that, in accordance with FRS 102, it is appropriate to value the Barbican Landing Stage on the basis of the prospective net income to be derived from the asset, discounted over its remaining life, i.e. to 2048. A discount rate of 6% has been used. This represents a change in accounting policy and replaces the previous accounting policy which was to account for the asset at cost less accumulated depreciation. In the opinion of the Commissioners, the new policy is more relevant and accurate than the policy it replaces. The change in accounting policy has been applied from the point in time when the single unit was under the Commissioners' control, and as such, there has been no restatement of comparative information. The effect of the change in accounting policy in the year ended 31 March 2024 is to increase the value of fixed assets by £700k with the corresponding entry being made to the revaluation reserve via other comprehensive income. A deferred tax liability of £175k has arisen as a consequence of the revaluation, thereby simultaneously decreasing the revaluation reserve via other comprehensive income.

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.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2024

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.

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 2024

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 (2023 - 34).

4 Exceptional administrative expenses

	2024	2023
	£	£
Refund of business rates	(92,180)	-
Pilots' National Pension Fund Charge	91,275	-
Expenditure for Deadman's Bay survey works	362,578	-
Income for Deadman's Bay survey works	(300,000)	-
	<u>61,673</u>	<u>-</u>

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2024

5 Other operating income

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

	2024	2023
	£	£
Sub lease rental income	184,573	194,898
Miscellaneous other operating income	25,915	50,872
	<u>210,488</u>	<u>245,770</u>

6 Taxation

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

	2024	2023
	£	£
Current taxation		
UK corporation tax	76,323	68,356
Deferred taxation		
Arising from origination and reversal of timing differences	43,136	(49,662)
Tax expense in the income statement	<u>119,459</u>	<u>18,694</u>

Deferred tax

Group

Deferred tax assets and liabilities

	Asset	Liability
	£	£
2024		
Accelerated capital allowances	-	403,679
Revaluation of fixed assets	-	174,891
Unrealised capital gains and losses	51,158	-
	<u>51,158</u>	<u>578,570</u>

	Asset	Liability
	£	£
2023		
Accelerated capital allowances	-	384,958
Unrealised capital gains and losses	75,574	-
	<u>75,574</u>	<u>384,958</u>

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2024

Company

Deferred tax assets and liabilities

	Asset £	Liability £
2024		
Accelerated capital allowances	-	403,679
Revaluation of fixed assets	-	174,891
Unrealised capital gains	51,158	-
	<u>51,158</u>	<u>578,570</u>
	<u>51,158</u>	<u>578,570</u>
2023		
Accelerated capital allowances	-	384,958
Unrealised capital gains	75,574	-
	<u>75,574</u>	<u>384,958</u>
	<u>75,574</u>	<u>384,958</u>

7 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Landing stage £	Plant and machinery £	Total £
Cost or valuation					
At 1 April 2023	560,411	85,625	561,601	2,362,320	3,569,957
Revaluations	-	-	499,245	-	499,245
Additions	-	11,649	199,690	16,160	227,499
Disposals	-	(969)	(5,500)	-	(6,469)
At 31 March 2024	<u>560,411</u>	<u>96,305</u>	<u>1,255,036</u>	<u>2,378,480</u>	<u>4,290,232</u>
Depreciation					
At 1 April 2023	69,266	55,958	168,542	1,152,332	1,446,098
Charge for the year	-	12,396	31,913	112,847	157,156
Eliminated on disposal	-	(969)	(136)	-	(1,105)
Revaluations	-	-	(200,319)	-	(200,319)
At 31 March 2024	<u>69,266</u>	<u>67,385</u>	<u>-</u>	<u>1,265,179</u>	<u>1,401,830</u>
Carrying amount					
At 31 March 2024	<u>491,145</u>	<u>28,920</u>	<u>1,255,036</u>	<u>1,113,301</u>	<u>2,888,402</u>
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>

Included within the net book value of land and buildings above is £491,145 (2023 - £491,145) in respect of freehold land and buildings.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2024

Company

	Land and buildings £	Furniture, fittings and equipment £	Landing stage £	Plant and machinery £	Total £
Cost or valuation					
At 1 April 2023	560,411	85,625	561,601	2,362,320	3,569,957
Revaluations	-	-	499,245	-	499,245
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Charge for the year	-	12,396	31,913	112,847	157,156
Eliminated on disposal	-	(969)	(136)	-	(1,105)
Revaluations	-	-	(200,319)	-	(200,319)
At 31 March 2024	<u>69,266</u>	<u>67,385</u>	<u>-</u>	<u>1,265,179</u>	<u>1,401,830</u>
Carrying amount					
At 31 March 2024	<u>491,145</u>	<u>28,920</u>	<u>1,255,036</u>	<u>1,113,301</u>	<u>2,888,402</u>
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>

Included within the net book value of land and buildings above is £491,145 (2023 - £491,145) in respect of freehold land and buildings.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2024

8 Investment properties

Group

	2024 £
At 1 April	221,250
At 31 March	221,250

Company

	2024 £
At 1 April	221,250
At 31 March	221,250

The 2024 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 (2023 : £189,000).

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

9 Stocks

	2024 £	Group 2023 £	2024 £	Company 2023 £
Other inventories	54,333	36,466	54,333	36,466

10 Debtors

	2024 £	Group 2023 £	2024 £	Company 2023 £
Trade debtors	369,656	347,855	326,042	318,015
Amounts due from group undertakings	19	-	43,263	878
Other debtors	10,969	24,817	4,173	24,817
Prepayments	59,930	57,097	55,754	55,897
Accrued income	102,422	-	102,422	-
Income tax asset	6	100	-	-
	<u>543,077</u>	<u>429,769</u>	<u>531,654</u>	<u>399,607</u>

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2024

11 Current asset investments

	2024 £	Group 2023 £	2024 £	Company 2023 £
Listed investments	<u>2,341,268</u>	<u>2,277,110</u>	<u>2,341,268</u>	<u>2,277,110</u>

The historical cost of the listed investments as at 31 March 2024 was £2,624,194.

12 Investments

Company

	2024 £	2023 £
Investments in subsidiaries	<u>1</u>	<u>1</u>

Subsidiaries

Cost or valuation

At 1 April 2023 150,000

Provision

At 1 April 2023 149,999

Carrying amount

At 31 March 2024 1

At 31 March 2023 1

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	
			2024	2023
Subsidiary undertakings				
Teamwork and Training Limited	Security 2 The Barbican, Plymouth, PL1 2LR England and Wales	Ordinary shares	100%	100%

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2024

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

		Group		Company	
	Note	2024	2023	2024	2023
		£	£	£	£
Due within one year					
Trade creditors		69,649	69,838	56,988	65,484
Corporation tax		76,402	68,402	76,402	67,310
Social security and other taxes		21,812	13,432	19,106	5,692
Other creditors		8,452	3,836	3,879	3,836
Accrued expenses		142,262	150,210	132,121	150,210
Deferred income		199,479	19,883	149,500	-
		<u>518,056</u>	<u>325,601</u>	<u>437,996</u>	<u>292,532</u>

Deferred income

During the 2024 financial year the Commission received a grant of £150,000 from the Marine Management Organisation towards the cost of the extension of the Barbican Landing Stage. This sum is being released over the remaining life of the asset. As at the year end the net deferred balance is £149,500.

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 £20,698 (2023 - £7,929). Of these commitments, £4,655 is due within 1 year, and £16,043 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 £211,372 (2023 - £197,297) were paid to the Duchy of Cornwall in 2024.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2024

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 year the Commission paid in full their estimated share of the deficit as at 31st December 2022 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.

Cattewater Harbour Commissioners

Notes to the Financial Statements

Year Ended 31 March 2024

In 2023 the revaluation of the fund assets and liabilities as at December 2022 was completed. This identified a deficit of £124m, of which the Commissioners share was £91,275. The Commissioners elected to pay off that sum in full, resulting in there being a £nil provision at 31st March 2024. 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 2022 does not remove the liability for any deficits that may arise in the scheme in the future.

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 £118,992 (2023 - £111,224).

18 Provisions for liabilities

Group

	Deferred tax £	Total £
At 1 April 2023	309,383	309,383
Additional provisions	174,891	174,891
Increase (decrease) in existing provisions	43,136	43,136
At 31 March 2024	<u>527,410</u>	<u>527,410</u>

Company

	Deferred tax £	Total £
At 1 April 2023	309,383	309,383
Additional provisions	174,891	174,891
Increase (decrease) in existing provisions	43,136	43,136
At 31 March 2024	<u>527,410</u>	<u>527,410</u>

19 Related party transactions

During the year sales totalling £19,333 (2023 - £18,235) were made to a company whose director is one of the Commissioners. At the year end £Nil (2023 - £3,161) was owed to the Commission.

During the year, key management personnel of the Commission were paid remuneration of £115,106 (2023 - £96,083).

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 2024

	2024	2023
	£	£
Turnover		
Sales, UK	1,706,826	1,671,587
Cost of sales		
Opening stock	(29,041)	(20,922)
Purchases	(354,234)	(289,929)
Closing stock	45,649	29,041
	<u>(337,626)</u>	<u>(281,810)</u>
Gross profit	1,369,200	1,389,777
Gross profit (%)	80.22%	83.14%
Administrative expenses		
Administrative expenses	(1,393,831)	(1,287,735)
Exceptional administrative expenses	29,602	-
Other operating income		
Other operating income	210,488	245,770
Operating profit	<u>215,459</u>	<u>347,812</u>
Income from other fixed asset investments (analysed below)	35,704	34,718
Amounts written off investments (analysed below)	-	(149,999)
	<u>35,704</u>	<u>(115,281)</u>
Other interest receivable and similar income		
Interest income on bank deposits	31,395	7,577
Gains/(losses) on investments	28,454	(230,858)
	<u>59,849</u>	<u>(223,281)</u>
Profit before tax	<u><u>311,012</u></u>	<u><u>9,250</u></u>

Cattewater Harbour Commissioners

Detailed profit and loss - Cattewater Harbour Commissioners

Year Ended 31 March 2024

	2024 £	2023 £
Administration costs		
Wages and salaries	444,752	457,967
Staff NIC (Employers)	102,467	108,483
Staff pensions (Defined contribution)	118,992	111,224
Staff training	22,611	23,180
Staff welfare	5,853	-
Rent	9,105	4,457
Fundus rent	211,372	197,297
Rates	13,805	9,487
Harbour rates	30,720	35,584
Insurance	41,711	30,361
Repairs and maintenance of harbour	(13,539)	7,487
Repairs and maintenance of buildings	11,779	4,381
Maintenance and dredging costs	47,142	22,107
Harbour dues	528	495
Harbour bathymetric surveys	14,415	16,959
Telephone and fax	5,083	2,765
Computer running costs	29,343	11,540
Equipment leasing charges	2,050	3,598
Printing, postage and stationery	5,593	4,614
Trade subscriptions	8,735	8,077
Port marine safety	11,507	10,725
Charitable donations	9,499	12,398
Hire of plant and machinery (Operating leases)	775	696
Sundry expenses	57,989	57,499
Travel and subsistence	2,811	3,607
Accountancy fees	6,155	6,888
Legal and professional fees	89,276	29,803
Bank charges	2,899	2,103
Depreciation of plant and machinery (owned)	59,005	55,131
Depreciation of fixtures and fittings (owned)	10,371	8,835
Depreciation of other tangible (owned)	31,914	51,237
(Profit)/loss on disposal of tangible fixed assets	(887)	(11,250)
	1,393,831	1,287,735

Cattewater Harbour Commissioners

Detailed profit and loss - Plymouth Pilotage Service

Year Ended 31 March 2024

	2024	2023
	£	£
Turnover		
Sale of goods	1,038,431	912,320
Cost of sales		
Opening stock	(7,425)	(7,563)
Purchases	(113,767)	(83,190)
Closing stock	8,684	7,425
	<u>(112,508)</u>	<u>(83,328)</u>
Gross profit	925,923	828,992
Gross profit (%)	89.17%	90.87%
Administrative expenses		
Administrative expenses	(717,902)	(740,888)
Exceptional administrative expenses	(91,275)	-
Operating profit	<u>116,746</u>	<u>88,104</u>
Profit before tax	<u>116,746</u>	<u>88,104</u>

Cattewater Harbour Commissioners

Detailed profit and loss - Plymouth Pilotage Service

Year Ended 31 March 2024

	2024	2023
	£	£
Administration costs		
Wages and salaries	593,338	619,745
Staff training	1,876	15,932
Staff welfare	3,415	-
Rent	6,000	6,000
Rates	6,815	5,539
Insurance	22,590	20,038
Repairs and maintenance of buildings	-	34
Telephone and fax	4,963	2,209
Computer running costs	14,818	6,299
Equipment leasing charges	462	1,109
Printing, postage and stationery	325	548
Trade subscriptions	134	85
Hire of plant and machinery (Operating leases)	586	525
Sundry expenses	3,799	276
Travel and subsistence	46	134
Accountancy fees	4,177	3,063
Legal and professional fees	(1,308)	(614)
Bank charges	-	21
Depreciation of plant and machinery (owned)	53,842	58,861
Depreciation of fixtures and fittings (owned)	2,024	1,084
	<u>717,902</u>	<u>740,888</u>