



Dart Harbour

Dart Harbour & Navigation Authority

Report and Financial Statements

for the year ended 31 December 2014

Dart Harbour & Navigation Authority

Company Information

Members	N Hockaday J Scott O Hill M Taylor T Dewing R Eggleton J Ellwood R Ayers P Daniels
Auditors	Northcott Trumfield Chartered Accountants Devonshire Villa 52 Stuart Road Stoke Plymouth PL3 4EE
Business address	6 Oxford Street Dartmouth Devon TQ6 9AL
Bankers	Lloyds TSB Bank Plc. 2 Spithead Dartmouth Devon TQ6 9PU Cater Allen Limited 29/33 Princess Victoria Street Clifton Bristol BS8 4BY

Dart Harbour & Navigation Authority

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Dart Harbour & Navigation Authority

Members' report for the year ended 31 December 2014

The Authority Members present their report and the financial statements for the year ended 31 December 2014.

Principal Activity and Status

The Dart Harbour and Navigation Authority (the Authority) was established by Act of Parliament on the 1 August 1975 to administer the Trust Port of Dartmouth. The Act made the Authority a body corporate with perpetual succession and a common seal and is referred to as a company in these financial statements.

In addition to its statutory duties the Authority also operates moorings and pontoons in the River Dart on the fundus leased from the Duchy of Cornwall.

As a Trust Port, the Authority is a 'not for profit' organisation and totally self financing. The Authority generates its income from harbour dues, the provision of marine facilities and services, and other business activities. The Authority has no shareholders, no owners, and there are no distributable profits.

One of the features of the form of accounts required by the Companies Act is the use of the word 'profit' to describe the surplus of income over expenditure, referred to as a 'Credit to the Reserve Fund' under the Dart Harbour and Navigation Authority Act 1975. Any profit after corporation tax is used for financing of capital expenditure or facilities for the benefit of harbour users and local stakeholders, and to build reserves for financial stability.

Chairman's Report

2014 was something of a watershed year. The final agreement with the Pilots National Pension Fund (PNPF), previously reported, enabled the authority to plan the future with reasonable confidence. The Agreement itself does not reduce our obligation after the legal judgment, but makes it manageable over time with only moderate financial impact on river users each year. The weather was reasonable and limited increases of mooring fees and harbour dues improved our competitive position so that usage has remained robust. Operating costs remained well under control, although there were legal and administration cost rises associated with the PNPF settlement. Tax payable has reduced significantly following the increased investment in machinery. Cash resources have remained high but are earmarked for essential work in progress at year end. Cruise ship visits remained few, but considerable efforts have been made to attract more visits in future.

The strategy of the authority was reviewed under the 'Forward Vision' consultation programme. This enabled all our stakeholders to input to the direction that the Board should take. A Strategic Plan is now being developed to implement the wishes of our stakeholders with meaningful deliverables over the next ten years. The other 'leg' of our strategy is the Moorings Policy which has proved to be a good reference document for users. It will be reviewed during 2015 for updating and publication early in 2016.

Since year end, among other items, the Town Jetty has been replaced and the Kingswear Dinghy racks/pontoon replaced and upgraded. Users have shown considerable patience during these works which were completed on time and in budget with major efforts from our staff.

The River would not run without the professional and committed input of the Board, the staff and the volunteers who together make the Dart the envy of other Authorities.

Dart Harbour & Navigation Authority

Members' report for the year ended 31 December 2014

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Operations Summary-Harbour Master/Chief Executive Officer's Report

Competent Harbour Authority

In this role DHNA has a statutory power introduced by the 1975 Harbour Act to manage the harbour safely and efficiently, and enforce Dart Harbour byelaws (1998). Coupled with this is the need to continue to maintain Dart Harbour as a deep water port, capable of turning round vessels up to 182m in length, and overseeing a professional marine pilotage service. No less important than any of these items is declaration of compliance with the Department for Transport Port Marine Safety Code (PMSC) – DHNA is declared compliant with effect from 1st April 2015. This compliance expires on 31st March 2018. Work continues to remain compliant with the PMSC, and developing safety aspects of harbour management. Reporting on these items, no significant issues exist with the public right and ability to navigate the channel between the outer extremity of harbour limit and the weir above Totnes. At Dart Harbour we have sufficient legislation behind us to carry out these tasks, and have successfully gained the power to give harbour directions to enhance safety. Volumes and relative movement of traffic appear manageable under the current regime. Harbour moorings remain in date for servicing and private mooring providers are being required to show evidence of mooring servicing history for private moorings, contributing to safety of property and people. In 2014 24 acts of pilotage took place in a safe manner. The port security plan remains fit for task, alongside the Dart Harbour emergency plan. Periodic exercises in both of these issues take place using a port safety group. The number of annually let moorings on the river remains the same as previous years, with approximately 1,500 Dart Harbour moorings, complemented by 1,000 other berths. Dart Harbour received approximately 12,000 yacht visitor nights last year, these are catered for using Dart Harbour and other visitors' moorings. There are no particular issues with these. Local Notices for Mariners covering events, harbour works and other matters continue to be issued as required.

Local Lighthouse Authority

Dart Harbour is a Local Lighthouse Authority (LLA), a power delegated to maintain and report on navigational lights, marks and beacons, delegated by the General Lighthouse Authority (GLA), for the UK, Trinity House. Throughout 2014 Dart Harbour remained in category 2 as a local lighthouse authority as audited on three separate occasions by Trinity House. Category 2 is an overall 99%+ availability rate for all the navigational lights, marks and beacons. This is a good result when compared to other ports. Any LLA defects are rectified as soon as possible, and a local notice for mariners issued to cover the defect.

Safety Management System

Dart Harbour runs a safety management system in response to the Port Marine Safety Code. The Harbour Board remain the duty holder, and responsible overall for the safe management of the harbour. Operation of the safety management system is delegated to the single executive board member, the Harbour Master. An ongoing six monthly audit process is in place, and I am pleased to report that our Designated Person (DP), Mr Simon Ellyatt, continues to give us a clean bill of health for safety management as we move forwards to re-declare compliance with the Port Marine Safety Code in April 2018.

Conservancy

Conservancy is a looser term binding together several different activities which contribute to open port accessibility. These include, but are not limited to, hydrographic surveying of the river, dredging, management of works in harbour, consultation on land planning applications down to the mean low water mark, and consultation on marine licence applications up to the high water mark. Dart Harbour has a periodic dredging programme to keep the navigational channel clear. Whilst not frequent, shoaling parts of the channel are noted and will be dealt with as time/opportunity allows. The river is surveyed every year in December by an accredited survey operator. These surveys are forwarded to the UK Hydrographic Office (UKHO) for future updates of the local Admiralty Chart (2253).

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Members' report for the year ended 31 December 2014

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Moorings

The 1,500 Dart Harbour moorings are attractive places for annual berth holders to keep their boats, due to the naturally beautiful river surroundings and the sheltered nature of Dart Harbour. Waiting lists number some 1,000 individuals aspiring to keep their boat in Dart Harbour, of which 300 or 400 already have vessels in the river and are aspiring to transfer to another mooring. This does not mean that Dart Harbour should rest on its laurels – I remain at pains to deliver a broad portfolio of moorings for locals and for others across the financial spectrum so that we can promote boating for all on the river. A new moorings policy is due to commence on 1st January 2016. This will permit us to continue to manage harbour moorings, now primarily a leisure port, in a legal, efficient, affordable, and harmonious fashion.

Enforcement

Unfortunately, there are occasions when the harbour authority must stand up for all river users that comply with byelaws and terms and conditions of moorings contracts, by conducting enforcement on berth holders who do not wish to pay moneys owed and for those who wish to violate byelaws (speeding, consumption of alcohol etc.). Whilst regrettable, I take a very dim view of people trying to cheat the vast majority of other river users who act within byelaws, terms and conditions and statutory law. 2014 saw some activity to detain and sell boats for non-payment of harbour dues, and detention of boats for non payment of berthing fees. In every case either the money was recovered to Dart Harbour, and/or the vessel was removed from the harbour permanently. Byelaw enforcement usually can be achieved by use of the Dart Harbour official warning system. However, repeat incidents may well lead to prosecution under the Dart Harbour Byelaws.

Staff

I wish to pay tribute to the Senior Management Team, for delivery of continuous business improvement. Thanks must go to the river staff for the great work they have done in refurbishing Dart Harbour pontoons in-house, at great saving to the river users. They have built ability up from scratch and should be credited for this and for keeping on top of the winter mooring maintenance schedule. They work hard in arduous conditions and I cannot thank them enough for their efforts in this area. Further to this, the office staff have concentrated on customer service skills and delivery of an efficient new office ICT system to manage all the administration of a busy leisure port. They are second to none in this, and have my praise and thanks.

Financial Results

Dart Harbour's income for the year decreased by 0.2% to £1,415,669 which is a fairly flat profile, due to a fairly poor year in terms of visitor numbers. Expenditure on ordinary operating costs were up 4.1% to £1,272,008. The expenditure rise was largely due to items such as a small rise in operations and maintenance costs, a higher wage bill following the decision to increase river staff to 2 full watches of 4 operators. Legal fees for the end of the PNPf issue also played a part. Capital was £259,719, hard won income reinvested and committed for the new Town Jetty pontoon, Hercules work barge new crane, deep water visitor pontoons, installation of harbour Wifi and Hoodown works shop development (Phase 2). Negotiations with the Pilots National Pension Fund (PNPF) have run their course, and a stable financial situation exists with perceived minimum financial threat to the authority moving forwards. These accounts continue to include a liability, as an exceptional item of £545,700 for the PNPf liability, an increase of £101,700 on 2013 provision. More detail is given in note 21 on page 20. Therefore profit for the year shows as £59,476 and Dart Harbour's reserves stabilised at £2,070,459.

Dart Harbour & Navigation Authority

Members' report for the year ended 31 December 2014

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Summary

Whilst some of this report may be technical, it is nevertheless very important to get across the message of the range of skills required by your harbour staff in making our harbour a safe and harmonious place to be. We have to exercise our rules and regulations fairly without favour or discrimination, so that we can deliver a fair and level playing field for all those who wish to use the river in the future. I believe 2014 was a financial success for Dart Harbour, and saw the continuation of an overall business and infrastructure overhaul package which will last for a few years to come. I look forward to the challenges presented by 2014, 2015 and beyond to continue to improve the service given to river users.

Members

The members who served during the year are as stated below:

N Hockaday	
J Scott	
O Hill	
M Taylor	
T Dewing	Appointed 14 October 2014
R Eggleton	
J Ellwood	Appointed 14 January 2014
R Ayers	Appointed 14 April 2014
P Daniels	Co-opted 12 May 2014

The day to day operations of the Authority are delegated to the Chief Executive Officer : Captain Rob Giles, BEng MNI, Harbour Master.

Members' Profiles

Chairman-Neil Hockaday

Neil was first appointed to the Board in late 2001 and appointed as Chairman in April 2010. His career has been spent in the banking industry in London, Europe, the US and the Far East. More recently he was the Finance Director of a start-up pharmaceutical company in Bristol, but retired in 2008. He was also a joint owner of a leisure business near Brixham. He is a member of the Royal Dart Yacht Club and he keeps a boat in Brixham. His particular expertise on the Authority is in financial matters and he has assisted the Authority with developing financial reporting mechanisms, the preparation of capital plans and with pension matters. He is a trustee of the Authority's Pension Scheme.

Vice Chairman-John Scott

John (Jan) was first appointed to the board in January 2009. He was born and brought up in Dartmouth. His career was spent in shipping and he was Master with a diverse international shipping company and also Port Captain of a major freight terminal on the River Thames. Latterly he was involved in shipping management. He is a Younger Brother of Trinity House. In retirement he has been closely involved as a Trustee in an International NGO working for the prevention of disabilities. He is currently Vice Chairman of Blackawton Parish Council and has a particular interest in environmental matters.

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Members' report for the year ended 31 December 2014

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Owen Hill

Owen was appointed to the board from January 2011. Owen trained as solicitor with Allen & Overy in London. He was a partner in the commercial law firm Eversheds and has also worked in industry as Legal Counsel and Director of the Wilson Bowden Developments business. Owen now works as a consultant on commercial law matters for Hooper and Wollen with an office overlooking the boat float in Dartmouth. He also acts as Secretary to the Dartmoor Chamber of Trade and serves the Totnes Renewable Energy Society as Legal Director and Company Secretary. He is now a qualified RYA Yacht Master and keeps a boat on the Dart Marina.

Marcus Taylor

Appointed to the Board in October 2013, Marcus spent 23 years in the Royal Marines serving all over the world including operational service in Northern Ireland, Africa, Iraq and Afghanistan plus several years as Royal Marines Equerry to HRH The Duke of Edinburgh. Having left the Marines in 2013 he currently works for Babcock International plc in Devonport supervising all commercial support to the Royal Navy's Amphibious Centre of Specialisation. He holds a masters degree from King's College London and is a Fellow of the Chartered Management Institute. A keen sailor and recreational river user he can usually be found somewhere on the Dart on Saturdays helping teach youngsters to sail at the excellent RDYC kids mornings. Formerly a resident of Ivybridge, his family moved to Totnes in 1997 and now live near Diptford.

Tim Dewing

Tim was appointed to the Board in October 2013. He grew up on the Solent sailing on any boat that would take him. He is an RYA Ocean Yachtmaster and an enthusiastic racer. He ran the Junior Sailing training at the Royal Dart Yacht Club for three years and is a keen supporter of youth sailing. Tim first came to Dartmouth in 1982 as an Officer Cadet at Britannia Royal Naval College. He trained as a Navigator and was based in the Gulf and Hong Kong before returning to BRNC as Head of the Navigation Department in 1990. On leaving the Royal Navy Tim completed an MBA and joined his wife's Management Consultancy based in Devon. He has worked with a wide range of organisations from local food producers through to County Air Ambulances and international PLCs. He specialises in advising fast growth and turnaround businesses, predominantly working at board level. He is a strategic thinker with a clear understanding of marketing and a good grasp of business finance. Tim keeps a yacht and a wooden launch on the Dart which he enjoys with his wife and four children.

Richard Eggleton

Appointed to the Board in October 2013, Richard moved to Dartmouth in August 2011 with his wife and 2 children from Oxford. He has had many links with Dartmouth since a young age. He used to sail in to the Dart onboard Provident when she was part of the ICC in Salcombe. In 1999 he joined the Merchant Navy and started working for an Oil Rig Supply and Rescue company in the North Sea. This led to him becoming 2nd in command at the age of 21. In 2005 he moved in to Sail Training becoming Chief Officer onboard the Tall Ship Youth Trust's Sail Training Vessel's "Prince William" and "Stavros S Niarchos", travelling the world and regularly visiting Dartmouth. It was in Dartmouth that he met his wife during a voyage to Britannia Royal Naval College. He is currently a serving Merchant Navy Captain working for a large Norwegian company specialising in Oil Rig Supply and Subsea Construction. This has given him a strong marine operations background which he hopes to put to good use as a member of DHNA board. He is an Associate Fellow of the Nautical Institute. Richard is also on the crew at the RNLI Dart Lifeboat.

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Members' report for the year ended 31 December 2014

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John Ellwood

John was first appointed to the Board in January 2013. He was brought up in Dartmouth and learned to sail on the river as a teenager. After a career of more than thirty years as a senior manager with the European Space Agency in the Netherlands and France, he has retired to Dartmouth where he has always kept his UK base. He is the Racing Secretary of the Royal Dart Yacht Club where he races a Squib and has a cruising yacht moored in the river. From an early age he has been passionate about the Dart and intends to ensure that it is kept for its many users to enjoy, while maintaining the beautiful environment for which it is famous."

Richard Ayers

Richard joins the Dart Harbour board in April 2014. Richard has lived in the South Hams since the 1970's with periods of work abroad in the Middle East, India and the Caribbean. Following initial training as a yacht builder, he has been a yacht surveyor and consultant since 1990, former President of the Yacht Brokers, Designers and Surveyors Association (YBDSA) and is increasingly involved in the survey and restoration of historic and large timber vessels. As an accredited inspector of the MCA Code of Practice for Small Commercial Vessels, he moves around many of the South Coast ports in the course of his work. Richard currently has a timber Bristol Channel Pilot cutter he built in India, however, has recently moved to Totnes and will probably need to change this for a more river and family friendly vessel.

Patricia Daniels

Tricia was co-opted to the Board in April 2014. Now a Kingswear resident, Tricia moved to the area from Surrey with her husband, 5 years ago, after a long career in the travel and tourism industry. Having grown up in a land-locked part of the North West, she moved south to take up an appointment with British Airways, having studied languages and Travel & Tourism. Over the years, Tricia worked in a variety of customer related areas, including the pressurised world of Customer Relations aiming to meet customers' expectations and retain goodwill as well as working as part of the Contracts team, looking for suitable overseas' hotels to combine with BA flights to create the ultimate package holiday for British travellers. Tricia moved to the USA in 2001 for 4 years, when her husband took up an appointment in California but since her return, has indulged her continued enthusiasm for excellent customer service by working for the National Trust and briefly, for Royal Caribbean Cruises. She is passionate about travel and has enjoyed many cruise voyages over the past 20 years, cruising the world, which she has now almost circumnavigated! But there is still nothing finer than coming home to Dartmouth.

Harbour Master-Rob Giles

Rob comes to Dart Harbour from a marine background having served in the Royal Navy between 1989 and 2007 leaving with a rank Lieutenant Commander. Following his naval career Rob was employed as Asset Planning Officer by Devon County Council and then as Project Manager (Construction) with the Devon & Cornwall Constabulary. Having spent 18 years in the Royal Navy, 3 of which were at Britannia Royal Navy College, Rob is well placed to understand and serve the needs of all users of the river. One of our main objectives will be to preserve the balance of the river, serving the needs of all local users whilst catering for visitors, maintaining the beautiful natural environment whilst promoting commerce.

Dart Harbour & Navigation Authority

Members' report for the year ended 31 December 2014

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Statement of members' responsibilities

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the members to prepare financial statements for each financial year. Under that law the Authority Members 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 members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that year. In preparing these financial statements, the Authority Members require to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority members are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the members are aware:

- i) There is no relevant audit information of which the Authority's auditors are unaware; and
- ii) We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared having taken advantages of the small companies exemption in the Companies Act 2006. This report was approved by the board on 9 November 2015 and signed on its behalf by:

N Hockaday
Chairman

**Independent auditor's report to the Members of
Dart Harbour & Navigation Authority**

We have audited the financial statements of the Dart Harbour and Navigation Authority for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Harbours Act 1964 (as amended by the Transport Act 1981). Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 5, the Authority members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Basis for qualified opinion on financial statements

The accounting policy adopted does not comply with Financial Reporting Standard for Smaller Entities (April 2008) Appendix II 'Accounting for Retirement Benefits-Defined Benefit Schemes' which requires entities to obtain from the actuary an updated valuation of the triennial valuation at each financial year end and incorporate the net pension asset or liability in the balance sheet as appropriate. The Authority does not obtain yearly actuarial valuations at the financial year end. Therefore the surplus or deficit of the scheme assets to liabilities at the year end is an unknown value and in this respect we cannot obtain sufficient audit evidence. Notes 1.6 and 20 disclose the defined benefit scheme.

**Independent auditor's report to the Members of
Dart Harbour & Navigation Authority**

Qualified opinion on financial statements

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of section 42 of the Harbours Act 1964 (as amended by the Transport Act 1981) which requires the financial statements to be prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the members' report.

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**Guy Northcott Bsc FCA DChA (senior statutory auditor)
For and on behalf of Northcott Trumfield
Chartered Accountants & Statutory Auditors**

2015

**Devonshire Villa
52 Stuart Road
Stoke
Plymouth
PL3 4EE**

**Profit and Loss account
for the year ended 31 December 2014**

	Notes	2014 £	2013 £
Turnover	2	1,415,699	1,418,373
Cost of sales		<u>(895,597)</u>	<u>(869,923)</u>
Gross profit		520,102	548,450
Administrative expenses		<u>(376,411)</u>	<u>(360,939)</u>
Operating (loss)/profit	3	143,691	187,511
Exceptional item – The Pilots National Pension Fund	21	(101,700)	(444,000)
Other interest receivable and similar income	6	<u>34,822</u>	<u>33,321</u>
Profit/(loss) on ordinary activities before taxation		76,813	(223,168)
Tax on profit on ordinary activities	8	<u>(17,334)</u>	<u>39,831</u>
Profit/(loss) for the year	17	59,479	(183,337)
Retained profit brought forward		<u>2,010,980</u>	<u>2,194,317</u>
Retained profit carried forward	18	<u>2,070,459</u>	<u>2,010,980</u>

The notes on pages 12 to 20 form integral part of these financial statements.

**Balance sheet
as at 31 December 2014**

	Notes	2014		2013	
		£	£	£	£
Fixed Assets					
Tangible assets	9		2,069,272		1,911,386
Investments	10		<u>3,000</u>		<u>3,000</u>
			2,072,272		1,914,386
Current Assets					
Stocks		15,506		8,774	
Debtors	11	105,905		101,711	
Waiting list deposits	12	121,955		123,107	
Cash at bank and in hand	13	<u>818,582</u>		<u>861,815</u>	
		1,061,948		1,095,407	
Creditors: amounts falling due within one year	14	<u>(553,496)</u>		<u>(544,113)</u>	
Net current assets			<u>508,452</u>		<u>551,294</u>
Total assets less current liabilities			2,580,724		2,465,680
Creditors: amounts falling due after more than one year	15		(486,476)		-
Provisions for liabilities	16		<u>(23,789)</u>		<u>(454,700)</u>
Net assets			<u>2,070,459</u>		<u>2,010,980</u>
Capital and reserves					
Accumulated reserves	18		<u>2,070,459</u>		<u>2,010,980</u>

These financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the Board on 9 November 2015 and signed on its behalf by

N Hockaday
Director

The notes on pages 12 to 20 form an integral part of these financial statements.

**Notes to the financial statements
for the year ended 31 December 2014**

1. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and remain unchanged from the previous year and also have been consistently applied within the same accounts.

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities.

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land	-	not depreciated
Freehold buildings	-	2% straight line
Leasehold property	-	2% straight line
Plant and machinery and boats	-	15-20% reducing balance
Fixtures, fittings and equipment	-	20% reducing balance / 33.33% straight line
Navigation facilities	-	2% straight line
Pontoon and jetty	-	5% straight line

1.4 Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Current asset investments are at the lower of cost and net realisable value.

1.5 Stocks

Stock is valued at the lower of cost and net realisable value.

1.6 Pension costs

The Authority operates a defined benefit pension scheme for some employees, which requires contributions to be made to a separately administered fund. The funds of the schemes are administered by trustees and are separate from the company. Actuarial valuations are completed every three years and, in accordance with the recommendations, the annual contributions are paid to the scheme so as to secure the benefits set out in the rules and the periodic augmentation of current pensions. The cost of these and any variations from regular cost arising from actuarial valuations are charged or credited to the profit and loss account.

The Authority operates a defined contributions scheme for some employees. The cost of contributions are written off against profits in the year they are payable.

1.7 Taxation

The charge for the year is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

**Notes to the financial statements
for the year ended 31 December 2014**

1.8 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.9 Provisions

A provision is recognised where there is a present obligation whether legal or constructive as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligations and a reasonable estimate can be made of the amount of the obligation.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

	Year ended 2014 £	Year ended 2013 £
Buoyage	922,002	898,904
Harbour dues	253,227	251,815
Other income	192,034	220,976
Mooring licences	48,436	46,678
	<u>1,415,699</u>	<u>1,418,373</u>

3. Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	101,833	94,378
Auditors' remuneration (Note 5)	5,000	4,750
Auditors' remuneration from non-audit work (Note 5)	4,075	2,970
Defined benefit pension	58,708	56,700
Defined contribution pension	18,535	19,294
Members' remuneration benefit in kind	917	1,076
	<u> </u>	<u> </u>

4. Pilotage services

	2014 £	2013 £
Included in the turnover of the Authority:		
Income	7,670	9,577
Expenditure	6,708	9,839
	<u>962</u>	<u>(262)</u>

**Notes to the financial statements
for the year ended 31 December 2014**

5. Auditors' remuneration

	2014	2013
	£	£
Auditors' remuneration – audit of the financial statements	<u>5,000</u>	<u>4,750</u>
Auditors' remuneration – other fees:		
- audit of company pension scheme	1,100	1,000
- taxation services	1,000	800
- accountancy	<u>1,975</u>	<u>1,170</u>
	<u>4,075</u>	<u>2,970</u>

6. Interest receivable and similar income

	2014	2013
	£	£
Bank interest	4,825	8,157
Business rate revaluation refund	<u>29,997</u>	<u>25,164</u>
	<u>34,822</u>	<u>33,321</u>

7. Members' remuneration

	2014	2013
	£	£
Remuneration and other benefits	<u>917</u>	<u>1,076</u>

The members are participators in the health insurance scheme which is provided for all Dart Harbour employees.

8. Tax on profit on ordinary activities

Analysis of charge in period	2014	2013
	£	£
Current tax		
UK corporation tax 20% (2013 20%)	6,640	53,200
Adjustments in respect of previous periods	<u>(2,395)</u>	<u>269</u>
Total current tax charge	4,245	53,469
Deferred tax		
Timing differences on assets	33,429	(4,500)
Timing difference on Section 75 PNPf liability	<u>(20,340)</u>	<u>(88,800)</u>
Tax on profit on ordinary activities	<u>17,334</u>	<u>(39,831)</u>

**Notes to the financial statements
for the year ended 31 December 2014**

9. Tangible fixed assets

	Land and buildings freehold and leasehold	Plant and machinery	Boats	Navigation facilities	Pontoon and jetty	Total
Cost	£	£	£	£	£	£
At 1 January 2014	1,448,541	348,591	280,339	48,869	1,870,117	3,996,457
Additions	29,954	94,190	21,234	-	114,341	259,719
Disposals	-	-	-	-	122,570	122,570
At 31 December 2014	1,478,495	442,781	301,573	48,869	1,861,888	4,133,606
Depreciation						
At 1 January 2014	131,938	217,328	162,922	25,045	1,547,838	2,085,071
On disposals	-	-	-	-	122,570	122,570
Charge for the year	21,725	37,654	13,078	1,176	28,200	101,833
At 31 December 2014	153,663	254,982	176,000	26,221	1,453,468	2,064,334
Net book values						
At 31 December 2014	1,324,832	187,799	125,573	22,648	408,420	2,069,272
At 31 December 2013	1,316,603	131,263	117,417	23,824	322,279	1,911,386

Freehold land of £90,000 in land and buildings in both 2014 and 2013 is not depreciated.

10. Fixed asset investments

	Other unlisted investments £	Total £
Cost		
At 1 January 2014 and at 31 December 2014	3,000	3,000
Net book values		
At 31 December 2014 and at 31 December 2014	3,000	3,000

**Notes to the financial statements
for the year ended 31 December 2014**

10.1 Holdings of 20% or more

The company holds 20% or more of the share capital of the following company:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Significant interests				
Dart House Limited	England and Wales	Freehold owner	£1 ordinary	33.3%

The Authority is a 33.33% ordinary shareholder in Dart House Limited, a management company registered in England and Wales (company number 03165365). The reserves and share capital at the year end 28 February 2015 were £9,200 after a profit of £173 (2014 reserves and share capital were £9,027 after a profit of £15).

11. Debtors

	2014 £	2013 £
Trade debtors	19,472	9,067
Other debtors	19,112	27,429
Prepayments and accrued income	67,321	65,215
	<u>105,905</u>	<u>101,711</u>

12. Current asset investments

	2014 £	2013 £
Waiting list deposit accounts	121,955	123,107
	<u>121,955</u>	<u>123,107</u>

13. Cash at bank and in hand

	2014 £	2013 £
Bank current accounts	109,758	455,203
Bank deposit account	708,341	406,068
Cash	483	544
	<u>818,582</u>	<u>861,815</u>

**Notes to the financial statements
for the year ended 31 December 2014**

14. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	10,082	12,550
Corporation tax	6,640	53,200
Other taxes and social security costs	9,491	9,708
Other creditors	69,647	9,620
Accruals and deferred income	49,499	58,534
Waiting list	121,955	123,107
Deferred income	286,182	277,394
	553,496	544,113

Lloyds TSB Bank Plc. have a 1st legal charge over commercial freehold property known as Hoodown workshop dated 7 April 1981 and a 1st legal charge over commercial leasehold property known as Oxford House dated 7 November 1991.

15. Creditors: amounts falling due after one year

	2014 £	2013 £
Other creditors	486,476	-
	486,476	-

£376,523 is repayable by instalments after more than 5 years ending in 2029.

16. Provisions for liabilities

	The Pilots National Pension Fund Note 21 £	Deferred Taxation Note 17 £	Total £
Balance at 1 January 2014	444,000	10,700	454,700
Utilised in the year	-	-	-
Charge for the year	-	13,089	13,089
Transferred to liabilities	(444,000)	-	(444,000)
Balance as at 31 December 2014	-	23,789	23,789

**Notes to the financial statements
for the year ended 31 December 2014**

17. Provision for deferred taxation

	2014	2013
	£	£
Accelerated capital allowances	132,929	99,500
Section 75 PNPf liability	(109,140)	(88,800)
	23,789	10,700
Provision for deferred tax	23,789	10,700
Provision at 1 January 2014	10,700	
Deferred tax charge in profit and loss account	13,089	
Provision at 31 December 2014	23,789	

18. Reserve Fund

	General Fund £
At 1 January 2014	2,010,980
(Loss)/profit for the year	59,479
At 31 December 2014	2,070,459

The Authority is aiming to accumulate cash reserves to meet the long-term capital investment programme.

**Notes to the financial statements
for the year ended 31 December 2014**

19. Pensions and other post-retirement benefits

A. Defined Benefit Scheme

The Authority operates a defined benefit scheme in the UK which was closed to new members from 1 January 2003. The actuarial valuation as at 1 January 2012 showed a surplus of assets to past service liabilities of £55,000. Consequently employer contributions of 33.8% and an employee contribution rate of 5% of pensionable salaries have been set with effect from 1 January 2013.

The pension charge for the year was £58,708 (2013: £56,700) and there was no liability at year end.

Below are the assumptions used by the actuary in the actuarial valuations calculated as at 1 January

	Year 2012 %	Year 2009 %
Rate of increase in salaries	3.2	3.3
Rate of increase in pensions in payment	2.2	2.5
Inflation assumption	2.9	2.5
	£	£
Total market value of assets	2,303,000	1,324,700
Present value of scheme liabilities	(2,248,000)	(961,000)
Surplus in the scheme	55,000	363,700
Net pension asset recognised in accounts	Nil	Nil

The surplus has not been recognised as it is not expected to materially reduce contributions in the future. The contributions payable to the scheme are based on triennial actuarial valuations. Therefore it has been decided not to include the asset on the Balance Sheet.

The defined benefit scheme is closed to new members and so under the projected unit method the current service cost would be expected to increase over time as members of the scheme approach retirement.

B. Defined Contribution Scheme

The Authority operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Authority in an independently administered fund. The pension cost charge was £18,355 (2013: £19,294) and there was no liability at year end.

C. Pilots National Pension Fund

See Note 21.

**Notes to the accounts
for the year ended 31 December 2014**

20. Operating Lease

The Authority leases that part of the foreshore and fundus or bed and soil of the sea or River Dart from 'His Royal Highness the Prince of Wales'.

The commitment for 2015, which is under a lease that expires in more than five years time is £170,344.

21. Exceptional item : The Pilots National Pension Fund

The Pilots National Pension Fund (PNPF) is a national multi-employer defined benefit pension scheme that provides benefits for employed and self-employed maritime pilots (it was originally the Trinity House pension scheme). In common with many competent harbour authorities, the Authority, acting in good faith, signed a Deed of Accession to the PNPF in 1989, indicating that the Authority was a participating body for pilots, albeit that the Authority had limited pilotage activities.

In April 2013 the trustee of PNPF advised the Authority that under Section 75 of the Pensions Act 1995 the liability calculated by the actuary was 0.001925% of the £254.5million deficit as at 31 December 2010, being in total £520,000 of which £444,000 was provided for in 2013 by the Authority.

In July 2014 the debt crystallised in the form of an actuarial certificate (statutory employer's liability) totalling £545,700 resulting in a further cost of £101,700.

During the year the Authority paid £nil to the PNPF.

22. Capital commitments

Contracts for capital expenditure not provided for: £201,674.

23. Contingent liability

The Authority is not released from the Pilots National Pension Fund who still have a legal right to demand further contributions from the Authority should the trustee of the PNPF deem it necessary.