



Dart Harbour

Dart Harbour & Navigation Authority

Report and Financial Statements

for the year ended 31 December 2016

Dart Harbour & Navigation Authority

Company Information

Members

I Gibson
R Ayres
Z Briant-Evans
T Dewing
J Dodd
S Dunn
R Eggleton
J Ellwood
O Hill
M Hubbard
A Tudor

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 2016

The Authority Members present their report and the financial statements for the year ended 31 December 2016.

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

Overview

The year saw considerable activity after necessary restrictions caused while the Pilots National Pension issues were finalised. The Town Jetty was renewed, the Kingswear dinghy rack replaced and expanded and internal IT systems were both modernised and made more efficient. All this should result in better customer experience.

The Way Forward

The Forward Vision was evolved into a Strategic Plan, which provides a road map for what our stakeholders would like to see developed over the next five years. In summary, the majority view is that the River Dart is beautiful as it is, and changes should be modest and controlled. There needs to be more environmental awareness and closer working with partners, who have common interests, needs to be evolved. Good work was undertaken to refine our Moorings Policy, which will be published later in 2016. Our Stakeholders have provided very valuable input to the next iteration. However, after considerable debate and discussion, it has again not proved possible to give preferential treatment to local mooring holders on the waiting lists.

There is now clear evidence that the marine leisure industry is changing. The demand for 'marginal', and lowly priced, mud moorings is declining steadily, while that for walk ashore amenity is rising. With an increasing average retirement age, and income constraints, it is also clear that overall demand has peaked. This is evidenced by flat visitor numbers, and no increase in waiting list lengths. The 2015 results reflect this maturing of the market. Our policies going forward will take this into account, and the new Moorings Policy will make it clear that the Authority will not increase the number of moorings under its control, other than reacquiring a few currently private moorings when the opportunity arises.

Dart Harbour & Navigation Authority

Members' report for the year ended 31 December 2016

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Staff

The River would not run without the professional and committed input of the Board, the staff, the taxi drivers, part timers and the volunteers who together make the Dart the envy of other Authorities. Unfortunately increased emphasis on health and safety has required us to commence a reorganisation of the volunteers, but the Board is committed to re-establishing them during 2016. I would like to give particular thanks for the work they have done over many years.

The Harbour Master for the last five years resigned in June 2016, and a replacement should be in place before year end.

Operations Summary

This year Dart Harbour has prepared its Financial Statements in compliance with 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' section 1A which is for small entities. The main impact of this is the re-statement of the previous year's figures to account for Dart Harbour's own defined benefit pension scheme as described in note 23.

2015 was another relative year of stability and development for the Harbour Authority. Turnover was slightly up on the previous year 2015 £1,439,721 (2014 £1,415,699). Normal trading expenditure 2015 £1,308,149, against 2014 £1,262,008, a 3.6% increase. The retained reserves for the year are £19,217 as stated on page 9. Additions in the year included £247,409 for Town Jetty pontoons and railings, a disabled hoist £8,790, replacement of Kingswear dinghy rack and access bridge £87,230, a section of the Deepwater pontoons £42,290, and replacement of part of the Low water landing pontoon and security gate £29,211.

The investment in Dart Harbour's pontoons and town jetty have resulted in a decrease in cash reserves, however the total net assets of the Authority as at 31 December 2015 are £2,388,076.

2015 saw the departure of the down river mooring officer, Scott Harris, who was replaced by two very able river officers, Robert Everett and Sam Walker, who have fitted in well and will no doubt prove to be an asset to the authority.

Dart Harbour's work barge, Hercules has returned to service after the failure of its crane last year (2014) The barge, primarily used for moorings maintenance, has been fitted with a new £60,000 three tonne marine crane, part of a project which also involved a complete rebuild of the inside of the vessel to take the heavier crane.

Dart Harbour's ten year Forward Vision report has been unveiled following months of public consultation. The Forward Vision project is being run by the harbour authority in conjunction with the Centre for Marine and Coastal Policy Research at Plymouth University with the results shaping Dart Harbour's strategy for future management of the river. The report identified and assessed local, national and international trends likely to affect the planning and management of the Dart estuary over the next ten years and set out key challenges for Dart Harbour to consider how it can contribute to the long term social, economic and environmental well-being of the River Dart and its community.

The 2015 Dartmouth Regatta was once again a well-controlled event enjoyed by thousands of visitors, both on the river and land. HMS Monmouth (133mtr) was moored midstream as the Regatta Guardship.

Dart Harbour & Navigation Authority

**Members' report
for the year ended 31 December 2016**

.....continued

A new ICT system was introduced to manage all the administration of a busy leisure port, and allow river staff to process secure payments on the river with ipads via paypal. This is an ongoing work in progress.

Sail Training vessel "Stavros Niarchos" visited the Dart on four occasions, "Sea Cloud" cruise ship attended once and six small super yachts berthed in the Dart.

Although the economic outlook in general remains uncertain, the Authority is able to look forward to 2016 and beyond with a degree of cautious optimism, knowing that we are investing carefully for the future and maintaining the river facilities for the benefit of all who enjoy and invest in the River Dart.

Members

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

| | |
|----------------|---|
| I Gibson | Appointed January 2016 Chair from December 2016 |
| N Hockaday | Chairman until retired December 2016 |
| J Scott | Resigned December 2016 |
| O Hill | |
| T Dewing | |
| R Eggleton | |
| J Ellwood | |
| R Ayers | |
| P Daniels | (Co-opted) |
| M Hubbard | Appointed January 2016 |
| S Dunn | Appointed January 2016 |
| D White | (Co-opted) Appointed July 2016 |
| Z Briant-Evans | Appointed January 2017 |
| J Dodd | Appointed January 2017 |
| A Tudor | Appointed January 2017 |

The day to day operations of the Authority are delegated to the Harbour Master and Chief Executive Officer : Captain Rob Giles, BEng MNI, Harbour Master (resigned June 2016). Captain Mark Cooper commenced 9 January 2017.

Dart Harbour & Navigation Authority

Members' report for the year ended 31 December 2016

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Statement of members' responsibilities

The Board members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations and ensure there are members with relevant financial experience.

Company law requires the Board 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 Authority and the profit or loss of the Authority for that year. In preparing these financial statements, the Authority Members are required 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 Authority will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Authority's transactions and disclose with reasonable accuracy at any time the financial position of the Authority and enable them to ensure that the financial statements comply with section 42 of the Harbours Act 1964 (as amended) which requires that the financial statements be properly prepared in accordance with the Companies Act 2006. They are also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The members consider the going concern basis to be appropriate in preparing the accounts based on future plans and current resources.

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.

The members are satisfied that the auditor's procedures to safeguard auditor independence from the provision of non-audit payroll and corporation tax services are satisfactory.

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 members in order to make ourselves aware of any relevant audit information and to establish that the Authority's auditors are aware of that information.

This report has been prepared having taken advantages of the small companies' exemption 1 of section 415A of the Companies Act 2006. This report was approved by the board on _____ 2017 and signed on its behalf by:

I Gibson
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 2016 which comprise the Income Statement, Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 4, 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of 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.

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

Opinion on other matter prescribed by the Companies Act 2006 and Harbours Act 1964 as amended by the Transport Act 1981

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

- the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members' Report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Members' report.

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 and Harbours Act 1964 as amended by the Transport Act 1981 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.

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

2017

Devonshire Villa
52 Stuart Road
Stoke
Plymouth
PL3 4EE

Dart Harbour & Navigation Authority

**Income statement
for the year ended 31 December 2016**

| | Notes | 2016 £ | 2015 £ |
|--|-------|------------------|------------------|
| Turnover | 2 | 1,458,052 | 1,439,721 |
| Cost of sales | | <u>(919,084)</u> | <u>(914,664)</u> |
| Gross profit | | 538,968 | 525,057 |
| Administrative expenses | | <u>(467,818)</u> | <u>(393,485)</u> |
| Operating profit | | 71,150 | 131,572 |
| Interest receivable and similar income | 5 | 15,886 | 18,446 |
| Interest payable and similar expenses | 6 | <u>(6,811)</u> | <u>(1,796)</u> |
| Profit before taxation | | 80,225 | 148,222 |
| Tax on profit/(loss) | 8 | <u>1,351</u> | <u>(81,005)</u> |
| Profit for the year | 17 | <u>81,576</u> | <u>67,217</u> |

Trading

The notes on pages 11 to 22 form part of these financial statements

Dart Harbour & Navigation Authority

**Statement of comprehensive income
for the year ended 31 December 2016**

| | 2016 | 2015 |
|--|----------------------|----------------------|
| | £ | £ |
| Profit for the financial year | <u>81,576</u> | <u>67,217</u> |
| Actuarial gain/(loss) recognised on defined benefit pension scheme | (49,000) | (53,000) |
| Taxation in respect of items in other comprehensive income | <u>6,200</u> | <u>5,000</u> |
| Other comprehensive income for the year | <u>(42,800)</u> | <u>(48,000)</u> |
| Total comprehensive income for the year | <u><u>38,776</u></u> | <u><u>19,217</u></u> |

The notes on pages 11 to 22 form part of these financial statements

Dart Harbour & Navigation Authority

**Statement of financial position
as at 31 December 2016**

| | Notes | 2016 | | 2015 | |
|--|-----------|------|------------------|------|------------------|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Intangible assets | 9 | | 16,666 | | 21,794 |
| Tangible assets | 10 | | 2,273,966 | | 2,357,192 |
| Investments | 11 | | <u>3,000</u> | | <u>3,000</u> |
| | | | 2,293,632 | | 2,381,986 |
| Defined pension asset | 18 | | 317,000 | | 348,000 |
| Current Assets | | | | | |
| Stocks | | | 19,616 | | 8,787 |
| Debtors due within one year | 12 | | 195,765 | | 94,544 |
| Bank waiting list deposits | 13 | | 119,105 | | 123,557 |
| Cash at bank and in hand | 14 | | <u>574,696</u> | | <u>569,022</u> |
| | | | 909,182 | | 795,910 |
| Creditors: amounts falling due within one year | 15 | | <u>(491,615)</u> | | <u>(502,214)</u> |
| Net current assets | | | <u>417,567</u> | | <u>293,696</u> |
| Total assets less current liabilities | | | 3,028,199 | | 3,023,682 |
| Creditors: amounts falling due after more than one year | 16 | | (434,504) | | (461,212) |
| Provisions for liabilities | 17 | | <u>(166,843)</u> | | <u>(174,394)</u> |
| Net assets | | | <u>2,426,852</u> | | <u>2,388,076</u> |
| Capital and reserves | | | | | |
| Accumulated reserves | | | <u>2,426,852</u> | | <u>2,388,076</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board on
on it's behalf by

2017 and signed

I Gibson
Board Member

The notes on pages 11 to 22 form part of these financial statements

Dart Harbour & Navigation Authority

Statement of changes in reserves
for the year ended 31 December 2016

| | £ |
|--|------------------|
| As at 1 January 2015 | 2,368,859 |
| Profit for the year | 67,217 |
| Actuarial gain/(loss) recognised on defined benefit pension scheme | (53,000) |
| Taxation in respect of items in other comprehensive income | 5,000 |
| Other comprehensive income for the year | (48,000) |
| Total comprehensive income for the year | <u>19,217</u> |
| As at 31 December 2015 | 2,388,076 |
| Profit for the year | 81,576 |
| Actuarial gain/(loss) recognised on defined benefit pension scheme | (49,000) |
| Taxation in respect of items in other comprehensive income | 6,200 |
| Other comprehensive income for the year | <u>(42,800)</u> |
| Total comprehensive income for the year | ← <u>38,776</u> |
| As at 31 December 2016 | <u>2,426,852</u> |

The notes on pages 11 to 22 form part of these financial statements

Dart Harbour & Navigation Authority

Notes to the financial statements for the year ended 31 December 2016

1. Summary of significant accounting policies

(a) General information and basis of preparation

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. The Authority's business address is 6 Oxford Street, Dartmouth, Devon, TQ6 9AL.

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.

The financial statements have been prepared in accordance with FRS102 1A "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102), and comply with the standard.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1.

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

(b) Intangible assets - other

Intangible assets acquired separately from a business are capitalised at cost.

Intangible assets are amortised on a straight line basis over their useful lives. The useful lives of intangible assets are as follows:

| <i>Intangible type</i> | <i>Useful life</i> |
|------------------------|--------------------|
| Computer software | 5 years |

Provision is made for any impairment.

(c) Turnover

Turnover comprises the revenue value, exclusive of value added tax, of services provided to third parties in respect of port operations, and logistics together with sundry and other revenue.

Revenue in respect of port operations is recognised when the service has been provided.

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2016**

(d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

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 |

(e) 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.

(f) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(g) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

(h) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Dart Harbour & Navigation Authority

Notes to the financial statements for the year ended 31 December 2016

(j) Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(k) Leases

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

(l) Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

(m) Pensions

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the surplus is able to be recovered either through reduced contributions in the future or through refunds from the scheme.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(n) Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Partner who signed the audit report was Guy Northcott who signed on behalf of Northcott Trumfield Chartered Accountants and Statutory Auditors.

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2016**

| | | |
|--|------------------|------------------|
| 2. Turnover | 2016 | 2015 |
| | £ | £ |
| Harbour dues | 248,848 | 239,257 |
| Buoyage | 955,115 | 945,458 |
| Other income | 203,234 | 205,755 |
| Pilotage services | 692 | 162 |
| Mooring licences | 50,163 | 49,089 |
| | <u>1,458,052</u> | <u>1,439,721</u> |
| Pilotage services | 2016 | 2015 |
| | £ | £ |
| Included in the turnover of the Authority: | | |
| Income | 5,725 | 3,276 |
| Expenditure | <u>5,033</u> | <u>3,114</u> |
| | <u>692</u> | <u>162</u> |
| 3. Auditors' remuneration | 2016 | 2015 |
| | £ | £ |
| Auditors' remuneration – audit of the financial statements | <u>5,000</u> | <u>5,000</u> |
| Auditors' remuneration – other fees: | | |
| - audit of Authority pension scheme | 1,650 | 1,100 |
| - taxation services | 1,200 | 1,000 |
| - accountancy | <u>3,185</u> | <u>4,925</u> |
| | <u>6,035</u> | <u>7,025</u> |
| 4. Average number of employees | 2016 | 2015 |
| The average monthly number of employees during the year was: | | |
| Employees | <u>25</u> | <u>26</u> |

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2016**

| | | |
|--|---------------|----------------|
| 5. Interest receivable and similar income | 2016 | 2015 |
| | £ | £ |
| Net interest on net defined pension asset | 13,000 | 12,000 |
| Bank interest | 2,886 | 6,446 |
| | <u>15,886</u> | <u>18,446</u> |
| | | |
| 6. Interest payable and similar expenses | 2016 | 2015 |
| | £ | £ |
| Other loan interest | 6,811 | 1,796 |
| | <u>6,811</u> | <u>1,796</u> |
| | | |
| 7. Members' remuneration | 2016 | 2015 |
| | £ | £ |
| Remuneration and other benefits | 1,483 | 1,216 |
| | <u>1,483</u> | <u>1,216</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 | 2016 | 2015 |
| | £ | £ |
| Current tax | | |
| UK corporation tax 20% (2015 20%) | - | - |
| Adjustments in respect of previous periods | - | - |
| Total current tax charge | - | - |
| | | |
| Deferred tax | | |
| Timing differences on assets | 6,404 | 69,160 |
| Timing difference on Section 75 PNPf liability | (5,053) | 11,845 |
| | <u>1,351</u> | <u>81,005</u> |
| Tax on profit on ordinary activities | 1,351 | 81,005 |
| | | |
| Comprehensive timing difference on defined pension asset | 6,200 | (5,000) |
| | <u>6,200</u> | <u>(5,000)</u> |

Dart Harbour & Navigation Authority

Notes to the financial statements
for the year ended 31 December 2016

9. Intangible fixed assets

| | Software |
|-------------------------|-----------------|
| | £ |
| Cost | |
| At 1 January 2016 | 25,640 |
| Additions | - |
| Disposals | - |
| At 31 December 2016 | <u>25,640</u> |
| Depreciation | |
| At 1 January 2016 | (3,846) |
| Charge for the year | (5,128) |
| Eliminated on disposals | - |
| At 31 December 2016 | <u>(8,974)</u> |
| Net book values | |
| At 31 December 2016 | <u>16,666</u> |
| At 31 December 2015 | <u>21,794</u> |

10. Tangible fixed assets

| | Land and buildings freehold and leasehold | Plant and machinery | Boats | Navigation facilities | Pontoon and jetty | Total |
|------------------------|--|--------------------------------|----------------|----------------------------------|------------------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | |
| At 1 January 2016 | 1,478,495 | 439,181 | 301,573 | 48,869 | 2,262,083 | 4,530,201 |
| Additions | - | 4,034 | - | - | 51,186 | 55,220 |
| Disposals | - | - | - | - | 26,754 | 26,754 |
| At 31 December 2016 | <u>1,478,495</u> | <u>443,215</u> | <u>301,573</u> | <u>48,869</u> | <u>2,286,515</u> | <u>4,558,667</u> |
| Depreciation | | | | | | |
| At 1 January 2016 | 175,388 | 280,884 | 187,662 | 27,397 | 1,501,678 | 2,173,009 |
| On disposals | - | - | - | - | - | - |
| Charge for the year | 21,725 | 28,827 | 10,532 | 1,176 | 49,432 | 111,692 |
| At 31 December 2016 | <u>197,113</u> | <u>309,711</u> | <u>198,194</u> | <u>28,573</u> | <u>1,551,110</u> | <u>2,284,701</u> |
| Net book values | | | | | | |
| At 31 December 2016 | <u>1,281,382</u> | <u>133,504</u> | <u>103,379</u> | <u>20,296</u> | <u>735,405</u> | <u>2,273,966</u> |
| At 31 December 2015 | <u>1,303,107</u> | <u>158,297</u> | <u>113,911</u> | <u>21,472</u> | <u>760,405</u> | <u>2,357,192</u> |

Freehold land of £90,000 in land and buildings in both 2016 and 2015 is not depreciated.

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2016**

11. Fixed asset investments

| | Other unlisted investments £ | Total £ |
|---|---|--------------------|
| Cost | | |
| At 1 January 2016 and at 31 December 2016 | 3,000 | 3,000 |
| Net book values | | |
| At 31 December 2016 and at 31 December 2016 | 3,000 | 3,000 |

11.1 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 2017 were £9,562 after a profit of £437 (2016 reserves and share capital were £9,293 after a profit of £321).

12. Debtors

| | 2016 £ | 2015 £ |
|--------------------------------|-------------------|-------------------|
| Trade debtors | 27,777 | 22,189 |
| Other debtors | 104,719 | 10,933 |
| Prepayments and accrued income | 63,269 | 61,422 |
| | 195,765 | 94,544 |

13. Current asset investments

| | 2016 £ | 2015 £ |
|------------------------------------|-------------------|-------------------|
| Bank waiting list deposit accounts | 119,105 | 123,557 |

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2016**

14. Cash at bank and in hand

| | 2016 £ | 2015 £ |
|-----------------------|-----------|-----------|
| Bank current accounts | 210,453 | 106,734 |
| Bank deposit account | 363,891 | 461,812 |
| Cash | 352 | 476 |
| | 574,696 | 569,022 |

15. Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|---------------------------------------|-----------|-----------|
| Trade creditors | 10,494 | 13,838 |
| Corporation tax | - | - |
| Other taxes and social security costs | 11,728 | 7,927 |
| Other creditors | 34,725 | 33,951 |
| Accruals and deferred income | 27,020 | 38,831 |
| Waiting list | 119,105 | 123,557 |
| Deferred income | 288,543 | 284,110 |
| | 491,615 | 502,214 |

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.

16. Creditors: amounts falling due after one year

| | 2016 £ | 2015 £ |
|-----------------|-----------|-----------|
| Other creditors | 434,504 | 461,212 |
| | | |

£312,051 is repayable by instalments after more than 5 years ending in 2029.

17. Provision for deferred taxation

| | 2016 £ | 2015 £ |
|--|-----------|-----------|
| Accelerated capital allowances | 195,685 | 202,089 |
| Section 75 PNPf liability | (92,242) | (97,295) |
| Defined benefit pension scheme | 63,400 | 69,600 |
| | 166,843 | 174,394 |
| Provision for deferred tax | 166,843 | 174,394 |
| Provision at 1 January 2016 | 174,394 | 98,389 |
| Deferred tax charge in income statement | (1,351) | 81,005 |
| Deferred tax credit in statement of comprehensive income | (6,200) | (5,000) |
| Provision at 31 December 2016 | 166,843 | 174,394 |

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2016**

18. Pensions and other post-retirement benefits

The Authority operates a defined benefit and a defined contribution scheme in the UK.

A. Defined Benefit Scheme

The defined benefit scheme is established under an irrevocable deed of trust and trustees are appointed by the board of the Authority. The defined benefit scheme was closed to new members from 1 January 2003. A full actuarial valuation was carried out for section 28 FRS102 purposes by a qualified actuary of JLT Benefit Solutions Limited as at 31 December 2016 and 2015.

The most recent triennial actuarial valuation for funding purposes completed by the scheme actuary C Snow (Fellow of the Institute of Actuaries) on 22 March 2016 determined contributions on pensionable salaries from the employer of 31.7% and employees 5%. There were no amounts outstanding at the year end.

| | 2016 | 2015 |
|---|--------------------|--------------------|
| | £ | £ |
| Reconciliation of present values of plan liabilities | | |
| Benefit obligation at beginning of year | (1,316,000) | (1,311,000) |
| Current service cost | (36,000) | (36,000) |
| Expenses | (3,000) | (1,000) |
| Interest cost | (47,000) | (44,000) |
| Contribution by plan participants | (7,000) | (8,000) |
| Actuarial loss/(gain) | (167,000) | 58,000 |
| Benefits paid and expenses | 72,000 | 26,000 |
| Benefit obligation at end of year | (1,504,000) | (1,316,000) |
| Reconciliation of fair value of plan assets | | |
| Fair value of plan assets at beginning of year | 1,698,000 | 1,684,000 |
| Interest income | 61,000 | 56,000 |
| Actuarial gains/(losses) | 83,000 | (77,000) |
| Contributions by the employer | 44,000 | 53,000 |
| Contribution by plan participants | 7,000 | 8,000 |
| Benefits paid and expenses | (72,000) | (26,000) |
| At end of the year | 1,821,000 | 1,698,000 |
| Unrecognised surplus | - | (34,000) |
| Net pension scheme asset | 317,000 | 348,000 |

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2016**

18. Pensions and other post-retirement benefits continued

| | 2016 | 2015 |
|---|------------------|------------------|
| | £ | £ |
| Amounts recognised in the profit or loss account are as follows: | | |
| <i>Included in cost of sales and administrative cost</i> | | |
| Current service cost | 36,000 | 36,000 |
| Expenses | <u>3,000</u> | <u>1,000</u> |
| | 39,000 | 37,000 |
| Net Interest | <u>(13,000)</u> | <u>(12,000)</u> |
| Defined benefit cost recognised in the profit and loss account | <u>26,000</u> | <u>25,000</u> |
| Defined benefit costs recognised in other comprehensive income | | |
| Return on plan assets - actuarial gain | (83,000) | 77,000 |
| Experience actuarial loss on plan liabilities | (12,000) | (18,000) |
| Effects of changes in the demographic and financial assumptions | 179,000 | (40,000) |
| Effects of changes in the amount of surplus that is not recoverable | <u>(35,000)</u> | <u>34,000</u> |
| Total amount of gain recognised in other comprehensive income | <u>49,000</u> | <u>53,000</u> |
| Composition of plan assets | | |
| Government bonds | 1,182,000 | 1,119,000 |
| Corporate bonds | 564,000 | 509,000 |
| Property | 73,000 | 68,000 |
| Cash | <u>2,000</u> | <u>2,000</u> |
| Total assets | <u>1,821,000</u> | <u>1,698,000</u> |

None of the fair value of assets shown above includes any direct investments in the Authority's own financial instruments of property used by the Authority.

Dart Harbour & Navigation Authority

**Notes to the accounts
for the year ended 31 December 2016**

18. Pensions and other post-retirement benefits continued

Principal actuarial assumptions used as at the balance sheet date

| | 31 December 2016 % per annum | 31 December 2015 % per annum |
|---|---|---|
| Discount rate | 2.70 | 3.60 |
| Inflation (RPI) | 3.40 | 2.90 |
| Inflation (CPI) | 2.40 | 1.90 |
| Salary Growth | 3.40 | 2.90 |
| Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less | 2.40 | 1.90 |
| Allowance for revaluation of deferred pensions of CPI or 2.5% p.a. if less | 2.40 | 1.90 |
| Allowance for pension in payment increases of RPI or 5% p.a. if less | 3.20 | 2.80 |
| Allowance for pension in payment increases of CPI or 3% p.a. if less | 2.00 | 1.70 |
| Allowance for commutation of pension for cash at retirement | No allowance | No allowance |

The mortality assumptions adopted at 31 December 2016 imply the following life expectancies:

| | Life expectancy at age 65 2016 (Years) | 2015 (Years) |
|--------------------------------|---|-------------------------|
| Male retiring in 2016 | 22.2 | 22.1 |
| Female retiring in 2016 | 24.2 | 24.1 |
| Male retiring in 2036 (2035) | 23.9 | 23.8 |
| Female retiring in 2036 (2035) | 26.1 | 26.0 |

B. Defined Contribution Scheme

The Authority contributes to a defined contribution scheme for which the amount recognised as an expense in the profit or loss account was £26,315 (2015 : £20,561).

19. 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' and the lease ends on 31 March 2031.