



Dart Harbour

Dart Harbour & Navigation Authority

Report and Financial Statements

for the year ended 31 December 2017

Dart Harbour & Navigation Authority

Company Information

Members	Z Briant-Evans M Burden T Dewing J Distin J Dodd J Ellwood T Harwood 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
Actuaries	JLT Employee Benefits Rosemoor Court Pynes Hill Exeter EX2 5TU

Dart Harbour & Navigation Authority

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Dart Harbour & Navigation Authority

Members' report for the year ended 31 December 2017

The Authority Members present their report and the financial statements for the year ended 31 December 2017.

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

2017 was a year of consolidation following a turbulent period in 2016 where unforeseen costs were incurred following the incident of the trawler sinking in the harbour in March 2016. The third party claim for additional costs of £257k were settled by the insurer in 2018 but as of November 2018 DHNA remain in negotiations with the insurer over the outstanding £110k debt.

Operational, Administration and Overheads were all under the budget forecast but within 10%. Turnover was up 3% mainly owing to increased staff focus on mooring allocation. Capital costs were also below the budget forecast with a number of investments being held pending the output of work to refine financial and long term capital plans. Capital projects included replacement of Hoodown pontoons, replacement of Low Water Landing pontoons, replacement of the Dittisham inclined walkway and the purchase of modular pontoons used to increase mooring capacity at peak season.

The Way Forward

Objectives were developed based on the vision and the 2016 strategic plan. The objectives covered safety and legislation, a port that attracts users and benefits the community, and safeguarding the environment for future users. 2017 saw a major review of the safety management system to ensure compliance with the Port Marine Safety Code and the beginning of work to better understand and review business processes. This work requires effective communication with stakeholder groups and significant effort was expended to improve interaction with Leisure and Commercial users and to encourage closer working with other authorities such as councils and local organisations primarily through the Non Beneficiary Group, now renamed as the Communities Group

Dart Harbour & Navigation Authority

Members' report for the year ended 31 December 2017

.....continued

2017 also saw the beginning of work to investigate mooring use and where possible optimise mooring utilisation in recognition that stakeholders would prefer any changes to be modest and controlled as reiterated in the 2016 mooring policy.

2018 will provide the opportunity for consolidation of the long-term capital plan, further refinement of financial plans and analysis to support the continuation of mooring optimisation work in order to increase income without a significant increase in the number of moorings.

These accounts demonstrate that the Authority is financially stable but mooring optimisation and work to better understand and respond to the slowly changing demands of the maritime leisure industry will be important in order to maintain market share.

Staff

The Staff continue to be the single most important factor in the smooth running of the Authority and operations on the river. The new Harbour Master settled in quickly tackling the implementation of a job evaluation process that began in 2015. The team responded well to changes and were positive about the need to increase resilience through restructuring beginning in 2018.

Water Taxi staff remain the face of the Authority for many of our customers. However, risk assessment reviews in 2017 highlighted the heightened risk during sole working and particularly late at night when the taxi driver was the only member of staff on the water. The water taxi continues to provide a very safe method of transiting to and from remote moorings and therefore a decision was made to reduce the risk to the taxi drivers and where possible phase out lone working.

I would like to give thanks for the work they have done over many years.

Operations Summary

In addition to the major review of the safety management system, risk assessments and method statements, a significant piece of work was done to review waiting lists and get a better understanding of customer demands. Stakeholders were encouraged to provide feedback and the incident reporting system was simplified which resulted in the number of reports increasing by a factor of 3. Trend analysis was then conducted and systems were introduced to ensure that lessons could be identified and, where appropriate, be used to improve safety and customer service.

Navigation marks were improved with the replacement of the two sectored lights at the entrance of the river and a number of up river buoys and marks were scheduled for positioning/repositioning/replacement following feedback from river users.

The Authority continued to support the wider community and river users by some discounting and free provision of berths during major events including the regatta. Vessels that were identified as being the type that either attract other visitors or increase expenditure in local businesses were made the focus of our campaign to attract them. This seemed to be relatively successful as we began to see some vessels stop over in Dartmouth more frequently than in previous years.

The environment and need to safeguard the river for future users became a common aim identified and championed by all of our stakeholder groups.

Dart Harbour & Navigation Authority

**Members' report
for the year ended 31 December 2017**

.....continued

Members

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

M Hubbard	Chairman
I Gibson	Chair from December 2016 Resigned December 2017
O Hill	
T Dewing	
R Eggleton	Resigned 2017 Co-opted February 2018
J Ellwood	
R Ayers	Resigned January 2017
P Daniels	(Co-opted)
S Dunn	Resigned January 2018
D White	(Co-opted) Deceased January 2018
Z Briant-Evans	
J Dodd	Vice-Chairman
A Tudor	
M Burden	Appointed January 2018
T Harwood	Appointed January 2018
J Distin	Appointed February 2018

The day to day operations of the Authority are delegated to the Harbour Master and Chief Executive Officer: Captain Mark Cooper commenced 9 January 2017.

Dart Harbour & Navigation Authority

Members' report for the year ended 31 December 2017

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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 12 November 2018 and signed on its behalf by:

M Hubbard
Chairman

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

Opinion

We have audited the financial statements of Dart Harbour & Navigation Authority (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017, 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 the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters 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 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.

Matters on which we are required to report by exception

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.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the members' report.

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

Responsibilities of members

As explained more fully in the members' responsibilities statement set out on page 4, the members 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 members 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 members are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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. 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.

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

12 November 2018

Devonshire Villa
52 Stuart Road
Stoke
Plymouth
PL3 4EE

Dart Harbour & Navigation Authority

**Income statement
for the year ended 31 December 2017**

	Notes	2017 £	2016 £
Turnover	2	1,501,469	1,458,052
Cost of sales		<u>(1,012,659)</u>	<u>(919,084)</u>
Gross profit		488,810	538,968
Administrative expenses		<u>(415,632)</u>	<u>(467,818)</u>
Operating profit		73,178	71,150
Interest receivable and similar income	4	12,226	15,886
Interest payable and similar expenses	5	<u>(6,457)</u>	<u>(6,811)</u>
Profit before taxation		78,947	80,225
Tax on profit/(loss)		<u>984</u>	<u>1,351</u>
Profit for the year		<u>77,963</u>	<u>81,576</u>

The notes on pages 13 to 22 form part of these financial statements

Dart Harbour & Navigation Authority

**Statement of comprehensive income
for the year ended 31 December 2017**

	2017	2016
	£	£
Profit for the financial year	<u>77,963</u>	<u>81,576</u>
Actuarial gain/(loss) recognised on defined benefit pension scheme	4,000	(49,000)
Taxation in respect of items in other comprehensive income	<u>-</u>	<u>6,200</u>
Other comprehensive income for the year	<u>4,000</u>	<u>(42,800)</u>
Total comprehensive income for the year	<u><u>81,963</u></u>	<u><u>38,776</u></u>

The notes on pages 13 to 22 form part of these financial statements

Dart Harbour & Navigation Authority

**Statement of financial position
as at 31 December 2017**

	Notes	2017		2016	
		£	£	£	£
Fixed Assets					
Intangible assets	6		11,538		16,666
Tangible assets	7		2,257,018		2,273,966
Investments	8		3,000		3,000
			<u>2,271,556</u>		<u>2,293,632</u>
Defined benefit pension asset	15		327,000		317,000
Current Assets					
Stocks		21,047		19,616	
Debtors due within one year	9	177,316		195,765	
Bank waiting list deposits	10	97,005		119,105	
Cash at bank and in hand	11	690,176		574,696	
			<u>985,544</u>		<u>909,182</u>
Creditors: amounts falling due within one year	12	501,164		(491,615)	
Net current assets			<u>484,380</u>		<u>417,567</u>
Total assets less current liabilities			3,082,936		3,028,199
Creditors: amounts falling due after more than one year	13		(406,294)		(434,504)
Provisions for liabilities	14		(167,827)		(166,843)
Net assets			<u>2,508,815</u>		<u>2,426,852</u>
Capital and reserves					
Accumulated reserves			<u>2,508,815</u>		<u>2,426,852</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 12 November 2018 and signed on its behalf by

M Hubbard
Board Member

The notes on pages 13 to 22 form part of these financial statements

Dart Harbour & Navigation Authority

**Statement of changes in reserves
for the year ended 31 December 2017**

	£
As at 1 January 2016	<u>2,388,076</u>
Profit for the year	<u>81,576</u>
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	2,426,852
Profit for the year	77,963
Actuarial gain/(loss) recognised on defined benefit pension scheme	4,000
Taxation in respect of items in other comprehensive income	-
Other comprehensive income for the year	<u>4,000</u>
Total comprehensive income for the year	<u>81,963</u>
As at 31 December 2017	<u>2,508,815</u>

The notes on pages 13 to 22 form part of these financial statements

Dart Harbour & Navigation Authority

Notes to the financial statements for the year ended 31 December 2017

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 2017

(d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost 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. Cost includes all costs of purchase 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 2017

(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.

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2017**

2. Turnover	2017	2016
	£	£
Harbour dues	256,353	248,848
Buoyage	999,894	955,115
Other income	194,032	203,234
Pilotage services	979	692
Mooring licences	50,211	50,163
	<u>1,501,469</u>	<u>1,458,052</u>
 Pilotage services		
	2017	2017
	£	£
Included in the turnover of the Authority:		
Income	6,144	5,725
Expenditure	<u>5,165</u>	<u>5,033</u>
	<u>979</u>	<u>692</u>
 3. Average number of employees	2017	2016
The average monthly number of employees during the year was:		
Employees	<u>27</u>	<u>25</u>
 4. Interest receivable and similar income	2017	2016
	£	£
Net interest on net defined pension asset	9,000	13,000
Donation	1,000	-
Bank interest	<u>2,226</u>	<u>2,886</u>
	<u>12,226</u>	<u>15,886</u>
 5. Interest payable and similar expenses	2017	2016
	£	£
Other loan interest	<u>6,457</u>	<u>6,811</u>

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2017**

6. Intangible fixed assets

	Software
	£
Cost	
At 1 January 2017	25,640
Additions	-
Disposals	-
At 31 December 2017	25,640
Depreciation	
At 1 January 2017	8,974
Charge for the year	5,128
Eliminated on disposals	-
At 31 December 2017	14,102
Net book values	
At 31 December 2017	11,538
At 31 December 2016	16,666

7. Tangible fixed assets

	Land and buildings freehold and leasehold	Plant and machinery	Boats	Navigation facilities	Pontoon and jetty	Total
	£	£	£	£	£	£
Cost						
At 1 January 2017	1,478,495	443,215	301,573	48,869	2,286,515	4,558,667
Additions	-	-	-	-	87,639	87,639
Disposals	-	-	-	-	-	-
At 31 December 2017	1,478,495	443,215	301,573	48,869	2,374,154	4,646,306
Depreciation						
At 1 January 2017	197,113	309,711	198,194	28,573	1,551,110	2,284,701
On disposals	21,725	20,695	9,627	1,176	51,364	104,587
Charge for the year	-	-	-	-	-	-
At 31 December 2017	218,838	330,406	207,821	29,749	1,602,474	2,389,288
Net book values						
At 31 December 2017	1,259,657	112,809	93,752	19,120	771,680	2,257,018
At 31 December 2016	1,281,382	133,504	103,379	20,296	735,405	2,273,966

Freehold land of £90,000 in land and buildings in both 2017 and 2016 is not depreciated.

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2017**

7. Tangible fixed assets continued

	2017	2016
	£	£
Land and buildings		
Freehold	957,430	979,155
Long leasehold	<u>302,227</u>	<u>302,227</u>
	<u>1,259,657</u>	<u>1,281,382</u>

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.

8. Fixed asset investments

	Other unlisted investments	Total
	£	£
Cost		
At 1 January 2017 and at 31 December 2017	<u>3,000</u>	<u>3,000</u>
Net book values		
At 1 January 2017 and at 31 December 2017	<u>3,000</u>	<u>3,000</u>

8.1 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 2018 were £10,293 after a profit of £731 (2017 reserves and share capital were £9,562 after a profit of £269).

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2017**

9. Debtors	2017	2016
	£	£
Trade debtors	2,078	27,777
Other debtors	108,517	104,719
Prepayments and accrued income	66,721	63,269
	<u>177,316</u>	<u>195,765</u>
10. Current asset investments	2017	2016
	£	£
Bank waiting list deposit accounts	97,005	119,105
	<u>97,005</u>	<u>119,105</u>
11. Cash at bank and in hand	2017	2016
	£	£
Bank current accounts	325,336	210,453
Bank deposit account	364,429	363,891
Cash	411	352
	<u>690,176</u>	<u>574,696</u>
12. Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	10,253	10,494
Corporation tax	-	-
Other taxes and social security costs	11,122	11,728
Other creditors	28,210	34,725
Accruals	52,595	27,020
Waiting list	97,005	119,105
Deferred income	301,979	288,543
	<u>501,164</u>	<u>491,615</u>
13. Creditors: amounts falling due after one year	2017	2016
	£	£
Other creditors	406,294	434,504
	<u>406,294</u>	<u>434,504</u>

£277,220 is repayable by instalments after more than 5 years ending in 2029.

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2017**

14. Provision for deferred taxation

	2017	2016
	£	£
Accelerated capital allowances	186,983	195,685
Section 75 PNPf liability	(82,556)	(92,242)
Defined benefit pension scheme	63,400	63,400
	167,827	166,843
Provision for deferred tax	167,827	166,843
Provision at 1 January 2017	166,843	174,394
Deferred tax charge in income statement	984	(1,351)
Deferred tax credit in statement of comprehensive income	-	(6,200)
Provision at 31 December 2017	167,827	166,843

15. 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 2017 and 2016.

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.

	2017	2016
	£	£
Reconciliation of present values of plan liabilities		
Benefit obligation at beginning of year	(1,504,000)	(1,316,000)
Current service cost	(44,000)	(36,000)
Expenses	(2,000)	(3,000)
Interest cost	(41,000)	(47,000)
Contribution by plan participants	(7,000)	(7,000)
Actuarial loss/(gain)	32,000	(167,000)
Benefits paid and expenses	2,000	72,000
Benefit obligation at end of year	(1,564,000)	(1,504,000)

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2017**

15. Pensions and other post-retirement benefits continued

	2017	2016
	£	£
Reconciliation of fair value of plan assets		
Fair value of plan assets at beginning of year	1,821,000	1,698,000
Interest income	50,000	61,000
Actuarial gains/(losses)	(5,000)	83,000
Contributions by the employer	43,000	44,000
Contribution by plan participants	7,000	7,000
Benefits paid and expenses	(2,000)	(72,000)
At end of the year	1,914,000	1,821,000
Unrecognised surplus	(23,000)	-
Net pension scheme asset	327,000	317,000
Amounts recognised in the profit or loss account are as follows:		
<i>Included in cost of sales and administrative cost</i>		
Current service cost	44,000	36,000
Expenses	2,000	3,000
	46,000	39,000
Net Interest	(9,000)	(13,000)
Defined benefit cost recognised in the profit and loss account	37,000	26,000
Defined benefit costs recognised in other comprehensive income		
Return on plan assets - actuarial gain	5,000	(83,000)
Experience actuarial loss on plan liabilities	33,000	(12,000)
Effects of changes in the demographic and financial assumptions	(1,000)	179,000
Effects of changes in the amount of surplus that is not recoverable	(23,000)	(35,000)
Total amount of gain recognised in other comprehensive income	4,000	49,000
Composition of plan assets		
Government bonds	880,000	1,182,000
Corporate bonds	918,000	564,000
Property	38,000	73,000
Cash	2,000	2,000
Total assets	1,914,000	1,821,000

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

Dart Harbour & Navigation Authority

**Notes to the accounts
for the year ended 31 December 2017**

15. Pensions and other post-retirement benefits continued

Principal actuarial assumptions used as at the balance sheet date

	31 December 2017 % per annum	31 December 2016 % per annum
Discount rate	2.50	2.70
Inflation (RPI)	3.20	3.40
Inflation (CPI)	2.20	2.40
Salary Growth	3.20	3.40
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.20	2.40
Allowance for revaluation of deferred pensions of CPI or 2.5% p.a. if less	2.20	2.40
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.10	3.20
Allowance for pension in payment increases of CPI or 3% p.a. if less	1.90	2.00
Allowance for commutation of pension for cash at retirement	No allowance	No allowance

The mortality assumptions adopted at 31 December 2017 imply the following life expectancies:

	Life expectancy at age 65	
	2017 (Years)	2016 (Years)
Male retiring in 2017	22.1	22.2
Female retiring in 2017	23.9	24.2
Male retiring in 2037 (2036)	23.5	23.9
Female retiring in 2037 (2036)	25.4	26.1

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 £24,473 (2016 : £26,315).

16. 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. The annual amount is £176,041.

17. Contingent liabilities

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.

The Authority is in negotiations with its former insurers over a payment of £100,000 in relation to an incident two years ago which is currently included in other debtors. There is a risk that this may not be covered by the insurance company in which case it will have to be written off as an expense to the Income Statement.

18. Events after the end of the period

The claim against the Authority by the Oil Pollution subcontractor was settled at Court in February 2018 at no further cost to the Authority.

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The following pages do not form part of the statutory accounts.