



**Dart Harbour**

**Dart Harbour & Navigation Authority**

**Report and Financial Statements**

**for the year ended 31 December 2018**

# **Dart Harbour & Navigation Authority**

## **Company Information**

Members	Z Briant-Evans M Burden T Dewing J Distin J Dodd S Duncan J Ellwood T Harwood M Hubbard M Lessels 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 Bank Plc. PO Box 1000 BX1 1LT  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 2018**

The Authority Members present their report and the financial statements for the year ended 31 December 2018.

### **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**

In 2018 Dart Harbour continued to build upon the financial success of 2017. The board considered the financial risk to the Authority and established the level of their desired Cash Reserve based on the resilience of the Authority to external factors including recession. The cash reserve was set at £640k for 2019.

The 2018 financial results show increased income and increased profit. Income of £1.6m was 8.9% higher than 2017, (including a 2% increase in charges) and profit was higher. Contributions to this included increased commercial and private mooring work and reduced expenditure on services provided by consultants (legal etc).

The loss of Fishing Vessel St Christophe in 2016 continued to challenge Dart Harbour with a claim by the insurers and owners for £1,471,519 for loss and damages of the vessel. Dart Harbour is defending the claim with the support of RSA lawyers Hill Dickinson and remains in negotiations with the insurer over the outstanding £110k debt arising from the Adler and Allen clean up activity.

#### **The Way Forward**

Dart Harbour will continue to work towards the vision outlined in the Strategic Plan using three objectives covering safety and legislation, a port that attracts users and benefits the community and safeguarding the environment for future users. Stakeholder engagement will remain at the heart of Dart Harbour's drive for improved safety and improved access to the river which are key strands of the Strategic Plan.

## **Dart Harbour & Navigation Authority**

### **Members' report for the year ended 31 December 2018**

.....continued

2018 provided 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. 2019 will see the continuation of mooring optimisation work and continued infrastructure replacement as described in the capital plan. The revision of the Annual Investment Allowance should assist Dart Harbour in keeping to a minimum any corporation tax payments. There is the requirement to revise financial systems in order to introduce invoice accounting and also to develop a plan for funding major capital developments.

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 Dart Harbour and operations on the river. Work to continue the implementation of Job evaluation for managers continued in 2018 with a benchmarking activity with a view to revised pay scales being put in place in 2019. 2018 also saw a restructuring of the operations staff to provide more resilience in management and the Duty HM roster.

Water Taxi staff remain the face of Dart Harbour for many of our customers. The reduction of charges for the taxi service saw a 40 % increase in passenger numbers and this required additional staff to be employed. The new structure provided additional staff to assist with a second and on occasion third water taxi during busy periods. Staff safety was significantly improved with the end of lone working as full-time staff shifts were extended. 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.

#### **Operations Summary**

In 2017 a number of changes were made to the processes and routines and many of these required input from stakeholders. The prime focus of this work was to ensure Dart Harbour's compliance with the Port Marine Safety Code (PMSC). By contrast, 2018 has seen less focus on change and allowed consolidation to ensure consistent implementation of policy and the bedding in of new processes.

Restructuring provided additional staff allowing the managers to stand back and to improve routines. In the past it had been normal to have days where there were staff shortages even during mid season but staff shortages were a less frequent occurrence in 2018. The additional staff also enabled the mooring barges to be used for maintenance over the summer period and these were put to good use by generating extra income from commercial mooring work.

Small initiatives including the trial of some temporary pontoons and the reduction of water taxi fares have provided increased access to the river and the increased capacity of walk ashore facilities have proved to be popular.

Long term planning activities conducted in 2018 (including the review of the long term capital plan, review of cash reserve requirements and the review of pension funds) along with routine annual financial planning activities (2018 account preparation and 2019 budget setting) show that Dart Harbour is financially sound. It is intended to continue mooring optimisation work to ensure that the mooring capacity, which is limited by the need for environmentally sensitive development, continues to offer excellent value for money and best meets demand.

## **Dart Harbour & Navigation Authority**

### **Members' report for the year ended 31 December 2018**

.....continued

#### **Members**

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

M Hubbard	Chairman
J Dodd	Vice-Chairman
Z Briant-Evans	
M Burden	Appointed January 2018
T Dewing	
J Distin	Appointed February 2018
S Duncan	Appointed January 2019
S Dunn	Resigned January 2018
R Eggleton	Co-opted February 2018
J Ellwood	
T Harwood	Appointed January 2018
O Hill	Resigned December 2018
M Lessels	Appointed January 2019
A Tudor	
D White	(Co-opted) Deceased January 2018

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

The Board members had 8 official meetings in 2018.

## **Dart Harbour & Navigation Authority**

### **Members' report for the year ended 31 December 2018**

.....continued

#### **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 of the Companies Act 2006. This report was approved by the board on 11 November 2019 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 2018 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 2018, 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 and the 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.

### **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**

**11 November 2019**

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

**Dart Harbour & Navigation Authority**

**Income statement  
for the year ended 31 December 2018**

	<b>Notes</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Turnover</b>	<b>2</b>	1,635,001	1,501,469
Cost of sales		<u>(1,088,130)</u>	<u>(1,012,659)</u>
<b>Gross profit</b>		546,871	488,810
Administrative expenses		<u>(383,841)</u>	<u>(415,632)</u>
<b>Operating profit</b>		163,030	73,178
Interest receivable and similar income	<b>4</b>	12,861	12,226
Interest payable and similar expenses	<b>5</b>	<u>(6,083)</u>	<u>(6,457)</u>
<b>Profit before taxation</b>		169,808	78,947
Tax on profit/(loss)		<u>20,839</u>	<u>984</u>
<b>Profit for the year</b>		<u>148,969</u>	<u>77,963</u>

**The notes on pages 13 to 23 form part of these financial statements**

**Dart Harbour & Navigation Authority**

**Statement of comprehensive income  
for the year ended 31 December 2018**

	<b>2018 £</b>	<b>2017 £</b>
<b>Profit for the financial year</b>	<u>148,969</u>	<u>77,963</u>
Actuarial gain/(loss) recognised on defined benefit pension scheme	(37,000)	4,000
Taxation in respect of items in other comprehensive income	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the year</b>	<u>(37,000)</u>	<u>4,000</u>
<b>Total comprehensive income for the year</b>	<u>111,969</u>	<u>81,963</u>

**The notes on pages 13 to 23 form part of these financial statements**

**Dart Harbour & Navigation Authority**

**Statement of financial position  
as at 31 December 2018**

	Notes	2018	2017
		£	£
<b>Fixed Assets</b>			
Intangible assets	6	6,410	11,538
Tangible assets	7	2,358,748	2,257,018
Investments	8	3,000	3,000
		<u>2,368,158</u>	<u>2,271,556</u>
<b>Defined benefit pension asset</b>	15	299,000	327,000
<b>Current Assets</b>			
Stocks		32,383	21,047
Debtors due within one year	9	185,893	177,316
Bank waiting list deposits	10	98,005	97,005
Cash at bank and in hand	11	691,934	690,176
		<u>1,008,215</u>	<u>985,544</u>
<b>Creditors: amounts falling due within one year</b>	12	489,400	501,164
<b>Net current assets</b>		<u>518,815</u>	<u>484,380</u>
<b>Total assets less current liabilities</b>		3,185,973	3,082,936
<b>Creditors: amounts falling due after more than one year</b>	13	(376,523)	(406,294)
<b>Provisions for liabilities</b>	14	(188,666)	(167,827)
<b>Net assets</b>		<u>2,620,784</u>	<u>2,508,815</u>
<b>Capital and reserves</b>			
Accumulated reserves		<u>2,620,784</u>	<u>2,508,815</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 11 November 2019 and signed on its behalf by



**M Hubbard**  
**Board Member**

The notes on pages 13 to 23 form part of these financial statements

**Dart Harbour & Navigation Authority**

**Statement of changes in reserves  
for the year ended 31 December 2018**

	<b>£</b>
<b>As at 1 January 2017</b>	<u>2,426,852</u>
<b>Profit for the year</b>	<u>77,963</u>
Actuarial gain/(loss) recognised on defined benefit pension scheme	4,000
Taxation in respect of items in other comprehensive income	-
<b>Other comprehensive income for the year</b>	<u>4,000</u>
<b>Total comprehensive income for the year</b>	<u>81,963</u>
<b>As at 31 December 2017</b>	2,508,815
<b>Profit for the year</b>	148,969
Actuarial gain/(loss) recognised on defined benefit pension scheme	(37,000)
Taxation in respect of items in other comprehensive income	-
<b>Other comprehensive income for the year</b>	<u>(37,000)</u>
<b>Total comprehensive income for the year</b>	<u>111,969</u>
<b>As at 31 December 2018</b>	<u>2,620,784</u>

**The notes on pages 13 to 23 form part of these financial statements**

## **Dart Harbour & Navigation Authority**

### **Notes to the financial statements for the year ended 31 December 2018**

#### **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 2018**

#### **(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 2018**

#### **(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 2018

### 2. Turnover

	2018 £	2017 £
Harbour dues	255,984	256,353
Buoyage	1,061,371	999,894
Other income	264,314	194,032
Pilotage services	1,174	979
Mooring licences	52,158	50,211
	<u>1,635,001</u>	<u>1,501,469</u>

### Pilotage services

	2018 £	2017 £
Included in the turnover of the Authority:		
Income	4,882	6,144
Expenditure	<u>3,708</u>	<u>5,165</u>
	<u>1,174</u>	<u>979</u>

### 3. Average number of employees

	2018	2017
The average monthly number of employees during the year was:		
Employees	<u>29</u>	<u>27</u>

### 4. Interest receivable and similar income

	2018 £	2017 £
Net interest on net defined pension asset	9,000	9,000
Donation	-	1,000
Bank interest	<u>3,861</u>	<u>2,226</u>
	<u>12,861</u>	<u>12,226</u>

### 5. Interest payable and similar expenses

	2018 £	2017 £
Other loan interest	<u>6,083</u>	<u>6,457</u>

# Dart Harbour & Navigation Authority

## Notes to the financial statements for the year ended 31 December 2018

### 6. Intangible fixed assets

	<b>Software</b>
<b>Cost</b>	<b>£</b>
At 1 January 2018	25,640
Additions	-
Disposals	-
At 31 December 2018	25,640
<b>Depreciation</b>	
At 1 January 2018	14,102
Charge for the year	5,128
Eliminated on disposals	-
At 31 December 2018	19,230
<b>Net book values</b>	
At 31 December 2018	6,410
At 31 December 2017	11,538

### 7. Tangible fixed assets

	<b>Land and buildings freehold and leasehold</b>	<b>Plant and machinery</b>	<b>Boats</b>	<b>Navigation facilities</b>	<b>Pontoon and jetty</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2018	1,478,495	443,215	301,573	48,869	2,374,154	4,646,306
Additions	-	722	32,793	-	179,852	213,367
Disposals	-	-	-	-	176,025	176,025
At 31 December 2018	1,478,495	443,937	334,366	48,869	2,377,981	4,683,648
<b>Depreciation</b>						
At 1 January 2018	218,838	330,406	207,821	29,749	1,602,474	2,389,288
On disposals	-	-	-	-	176,025	176,025
Charge for the year	21,725	17,028	8,901	1,176	62,807	111,637
At 31 December 2018	240,563	347,434	216,722	30,925	1,489,256	2,324,900
<b>Net book values</b>						
At 31 December 2018	1,237,932	96,503	117,644	17,944	888,725	2,358,748
At 31 December 2017	1,259,657	112,809	93,752	19,120	771,680	2,257,018

Freehold land of £90,000 in land and buildings in both 2018 and 2017 is not depreciated.

# Dart Harbour & Navigation Authority

## Notes to the financial statements for the year ended 31 December 2018

### 7. Tangible fixed assets continued

	2018 £	2017 £
Land and buildings		
Freehold	935,705	957,430
Long leasehold	302,227	302,227
	<u>1,237,932</u>	<u>1,259,657</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 £
<b>Cost</b>		
At 1 January 2018 and at 31 December 2018	<u>3,000</u>	<u>3,000</u>
<b>Net book values</b>		
At 1 January 2018 and at 31 December 2018	<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
<b>Significant interests</b>				
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 2019 were £10,913 after a profit of £620 (2018 reserves and share capital were £10,293 after a profit of £731).

**Dart Harbour & Navigation Authority**

**Notes to the financial statements  
for the year ended 31 December 2018**

**9. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	9,307	2,078
Other debtors	112,846	108,517
Prepayments and accrued income	63,740	66,721
	<u>185,893</u>	<u>177,316</u>

**10. Current asset investments**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank waiting list deposit accounts	98,005	97,005
	<u>98,005</u>	<u>97,005</u>

**11. Cash at bank and in hand**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank current accounts	224,099	325,336
Bank deposit account	467,034	364,429
Cash	801	411
	<u>691,934</u>	<u>690,176</u>

**12. Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	4,591	10,253
Corporation tax	-	-
Other taxes and social security costs	11,151	11,122
Other creditors	29,771	28,210
Accruals	22,927	52,595
Waiting list	98,005	97,005
Deferred income	322,955	301,979
	<u>489,400</u>	<u>501,164</u>

**13. Creditors: amounts falling due after one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other creditors	376,523	406,294
	<u>376,523</u>	<u>406,294</u>

£240,568 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 2018

### 14. Provision for deferred taxation

	2018 £	2017 £
Accelerated capital allowances	209,052	186,983
Section 75 PNPF liability	(77,196)	(82,556)
Defined benefit pension scheme	56,810	63,400
	<hr/>	<hr/>
Provision for deferred tax	188,666	167,827
	<hr/>	<hr/>
Provision at 1 January 2018	167,827	166,843
Deferred tax charge in income statement	20,839	984
Deferred tax credit in statement of comprehensive income	-	-
	<hr/>	<hr/>
Provision at 31 December 2018	188,666	167,827
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### 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 2018 and 2017.

The most recent triennial actuarial valuation for funding purposes completed by the scheme actuary C Snow (Fellow of the Institute of Actuaries) on 28 March 2019 determined contributions on pensionable salaries from the employer of nil and employees 5%. There were no amounts outstanding at the year end.

	2018 £	2017 £
<b>Reconciliation of present values of plan liabilities</b>		
Benefit obligation at beginning of year	(1,564,000)	(1,504,000)
Current service cost	(42,000)	(44,000)
Expenses	(2,000)	(2,000)
Interest cost	(37,000)	(41,000)
Contribution by plan participants	(6,000)	(7,000)
Actuarial loss/(gain)	65,000	32,000
Benefits paid and expenses	244,000	2,000
Losses due to benefit changes	(6,000)	-
	<hr/>	<hr/>
<b>Benefit obligation at end of year</b>	(1,348,000)	(1,564,000)
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# Dart Harbour & Navigation Authority

## Notes to the financial statements for the year ended 31 December 2018

### 15. Pensions and other post-retirement benefits continued

	2018 £	2017 £
<b>Reconciliation of fair value of plan assets</b>		
Fair value of plan assets at beginning of year	1,914,000	1,821,000
Interest income	46,000	50,000
Actuarial gains/(losses)	(59,000)	(5,000)
Contributions by the employer	44,000	43,000
Contribution by plan participants	6,000	7,000
Benefits paid and expenses	(244,000)	(2,000)
<b>At end of the year</b>	<u>1,707,000</u>	<u>1,914,000</u>
 Unrecognised surplus	 <u>(60,000)</u>	 <u>(23,000)</u>
<b>Net pension scheme asset</b>	<u>299,000</u>	<u>327,000</u>
 <b>Amounts recognised in the profit or loss account are as follows:</b>		
<i>Included in cost of sales and administrative cost</i>		
Current service cost	42,000	44,000
Expenses	2,000	2,000
	44,000	46,000
Net Interest	(8,000)	(9,000)
Loss due to benefit changes	6,000	-
<b>Defined benefit cost recognised in the profit and loss account</b>	<u>42,000</u>	<u>37,000</u>
 <b>Defined benefit costs recognised in other comprehensive income</b>		
Return on plan assets - actuarial gain	(59,000)	5,000
Experience actuarial loss on plan liabilities	36,000	33,000
Effects of changes in the demographic and financial assumptions	29,000	(1,000)
Effects of changes in the amount of surplus that is not recoverable	(36,000)	(23,000)
<b>Total amount of gain recognised in other comprehensive income</b>	<u>(30,000)</u>	<u>4,000</u>
 <b>Composition of plan assets</b>		
Government bonds	921,000	880,000
Corporate bonds	648,000	918,000
Property	68,000	76,000
Equities	68,000	38,000
Cash	2,000	2,000
<b>Total assets</b>	<u>1,707,000</u>	<u>1,914,000</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 2018

### 15. Pensions and other post-retirement benefits continued

#### Principal actuarial assumptions used as at the balance sheet date

	31 December 2018 % per annum	31 December 2017 % per annum
Discount rate	2.90	2.50
Inflation (RPI)	3.30	3.20
Inflation (CPI)	2.30	2.20
Salary Growth	3.30	3.20
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.30	2.20
Allowance for revaluation of deferred pensions of CPI or 2.5% p.a. if less	2.30	2.20
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.10	3.10
Allowance for pension in payment increases of CPI or 3% p.a. if less	2.00	1.90
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	
	2018 (Years)	2017 (Years)
Male retiring in 2018	21.9	22.1
Female retiring in 2018	23.8	23.9
Male retiring in 2038 (2037)	23.3	23.5
Female retiring in 2038 (2037)	25.4	25.4

#### 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 £36,000 (2017 : £24,473).

### 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.

## **Dart Harbour & Navigation Authority**

### **Notes to the accounts for the year ended 31 December 2018**

#### **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.

In November 2018 the owners and insurers of the French fishing vessel 'St Christophe I' commenced legal proceedings against DHNA, claiming for loss and damages (including the return of sums paid to DHNA) and an indemnity against future liabilities to third parties arising out of the sinking of 'St Christophe I' in Dartmouth on the night of 9/10 March 2016. The total sterling amount of the claim is £1,471,519.

DHNA has denied the claim in its totality. DHNA has also counterclaimed the sum of £508,609 in respect of the cost of the counter-pollution work carried out by DHNA's pollution response contractor, most of which was paid by DHNA's insurers but part of which was paid directly by DHNA.

At the date of approval of these financial statements the likely timescale and outcome of the legal proceedings cannot accurately be predicted.

#### **18. Related party transactions**

The Authority uses Smart Brown Dog Limited for the provision of marketing services on normal commercial terms. Smart Brown Dog Limited is owned by the Chairman and Board member M Hubbard and his wife. Transactions in 2018 were £8,909 net of VAT.