



Dart Harbour

Dart Harbour & Navigation Authority

Report and Financial Statements

for the year ended 31 December 2019

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 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	Mercer Limited 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 2019

The Authority Members present their report and the financial statements for the year ended 31 December 2019.

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

The role of the board of Dart Harbour & Navigation Authority is to set and maintain a strategy for managing, preserving and improving the valuable, beautiful and vibrant port that is Dart Harbour. The purview of the Board crosses many disciplines in achieving this: safety, policies of port management, statutory compliances, finance, positioning of Dart Harbour in the ports sector, relationships with outside bodies, and maintaining a staff to uphold these roles to name but a few. Our aim as a collective body is to listen to opinion, led by our stakeholder groups, and use this, our own understanding, collective skills and research to optimise Dart Harbour for current and future users.

Summary of Activity

In 2019 the Authority continued to build upon their sound financial position. Turnover was slightly up on the previous year at £1,644,211 in 2019 compared with £1,635,001 in 2018. Normal trading expenditure was £1,516,000, against £1,471,971 in 2018, a 2.96% increase. Dart Harbour continues to operate with a healthy cash reserve allowing prices to be adjusted by no more than the Consumer Price Index (CPI) to the benefit of our customers. Mooring optimisation continues to improve sales income although the potential for improvement in our mooring design is limited by the availability of space in deep water and our desire to avoid over development on the river.

Capital Additions in the year included replacement pontoons for walk ashore facility DB/DA, 50% payment towards a new water taxi, continued refit pilot vessel with new engines and a new server for computer system, The Total Net Assets of Dart Harbour at the year-end are £2,683,311 (2018- £2,620,784).

In finalising 2019 accounts the Authority has reviewed the financial risk of the corona virus outbreak and the impact is well within the limitations of risk modelling. There is minimal risk to the ability of the Authority to continue as an ongoing concern from the impact of coronavirus but reduced income for 2020 is likely to delay some of the capital work that had been planned for 2020 and 2021.

Dart Harbour & Navigation Authority

Members' report for the year ended 31 December 2019

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The 'Port Marine Safety Code' sets out a national standard for every aspect of port marine safety. Its aim is to enhance safety for everyone who uses or works in the port marine environment. It applies to all harbour authorities, marine facilities, berths and terminals in the UK. Dart Harbour committed to compliance with the code several years ago and is constantly looking at ways to enhance and improve safety within the harbour through analysis of incidents and lessons identified. In 2019 the Authorities compliance with the code was confirmed during several audits and checks by our Designated Person, a marine consultant and the MCA during a Health Check.

Dart Harbour put the website at the centre of its communication strategy during 2019 to promulgate important messages to customers while ensuring compliance with General Data Protection regulations. Dart Harbour continues to have an "Open Door" policy to ensure that customers can benefit from all methods of making contact. The new improved website was launched in August 2019.

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.

Staff

The staff remain the single most important factor in the smooth running of Dart Harbour. Building on the restructuring of the operational management structure completed in 2018, a new post of Assistant Harbour Master 2 was introduced along with the employment of 3 river assistants on part time casual contracts. This gave the Authority increased resilience from a management perspective and the ability to surge operations staff at peak times.

Members

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

J Dodd	Vice Chairman 2019 and Acting Chairman	Appointed	2020
M Hubbard	Chairman	Resigned	2020
Z Briant-Evans			
M Burden			
T Dewing			
J Distin			
S Duncan	Appointed January 2019		
R Eggleton			
J Ellwood			
T Harwood			
M Lessels	Appointed January 2019		
A Tudor			

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 2019.

Dart Harbour & Navigation Authority

Members' report for the year ended 31 December 2019

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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.

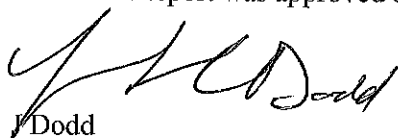
The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Authority's transactions and disclose with reasonable accuracy at any time the financial position of the Authority and enable them to ensure that the financial statements comply with section 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.

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 12 October 2020 and signed on its behalf by:



J. Dodd
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 2019 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 2019, 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 3, 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.

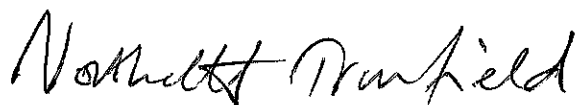
**Independent auditor's report to the Members of
Dart Harbour & Navigation Authority**

- 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

2020

Devonshire Villa
52 Stuart Road
Stoke
Plymouth
PL3 4EE

Dart Harbour & Navigation Authority

**Income statement
for the year ended 31 December 2019**

	Notes	2019 £	2018 £
Turnover	2	1,644,211	1,635,001
Cost of sales		<u>(1,120,603)</u>	<u>(1,088,130)</u>
Gross profit		523,608	546,871
Administrative expenses		<u>(395,397)</u>	<u>(383,841)</u>
Operating profit		128,211	163,030
Interest receivable and similar income	4	14,221	12,861
Interest payable and similar expenses	5	<u>(5,688)</u>	<u>(6,083)</u>
Profit before taxation		136,744	169,808
Tax on profit/(loss)		<u>(35,217)</u>	<u>(20,839)</u>
Profit for the year		<u>101,527</u>	<u>148,969</u>

The notes on pages 12 to 22 form part of these financial statements

Dart Harbour & Navigation Authority

**Statement of comprehensive income
for the year ended 31 December 2019**

	2019	2018
	£	£
Profit for the financial year	<u>101,527</u>	<u>148,969</u>
Actuarial gain/(loss) recognised on defined benefit pension scheme	(39,000)	(37,000)
Taxation in respect of items in other comprehensive income	<u>-</u>	<u>-</u>
Other comprehensive income for the year	<u>(39,000)</u>	<u>(37,000)</u>
Total comprehensive income for the year	<u><u>62,527</u></u>	<u><u>111,969</u></u>

The notes on pages 12 to 22 form part of these financial statements


Dart Harbour & Navigation Authority

**Statement of financial position
as at 31 December 2019**

	Notes	2019		2018	
		£	£	£	£
Fixed Assets					
Intangible assets	6		1,282		6,410
Tangible assets	7		2,526,425		2,358,748
Investments	8		<u>3,000</u>		<u>3,000</u>
			2,530,707		2,368,158
Defined benefit pension asset	15		269,000		299,000
Current Assets					
Stocks		22,368		32,383	
Debtors due within one year	9	196,488		185,893	
Bank waiting list deposits	10	99,705		98,005	
Cash at bank and in hand	11	<u>691,572</u>		<u>691,934</u>	
		1,010,133		1,008,215	
Creditors: amounts falling due within one year	12	<u>557,516</u>		<u>489,400</u>	
Net current assets			<u>452,617</u>		<u>518,815</u>
Total assets less current liabilities			3,252,324		3,185,973
Creditors: amounts falling due after more than one year	13		(345,130)		(376,523)
Provisions for liabilities	14		<u>(223,883)</u>		<u>(188,666)</u>
Net assets			<u>2,683,311</u>		<u>2,620,784</u>
Capital and reserves					
Accumulated reserves			<u>2,683,311</u>		<u>2,620,784</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 October 2020 and signed on its behalf by



Board Member

The notes on pages 12 to 22 form part of these financial statements

Dart Harbour & Navigation Authority

**Statement of changes in reserves
for the year ended 31 December 2019**

	£
As at 1 January 2018	<u>2,508,815</u>
Profit for the year	<u>148,969</u>
Actuarial gain/(loss) recognised on defined benefit pension scheme	(37,000)
Taxation in respect of items in other comprehensive income	-
Other comprehensive income for the year	<u>(37,000)</u>
Total comprehensive income for the year	<u>111,969</u>
As at 31 December 2018	2,620,784
Profit for the year	101,527
Actuarial gain/(loss) recognised on defined benefit pension scheme	(39,000)
Taxation in respect of items in other comprehensive income	-
Other comprehensive income for the year	<u>(39,000)</u>
Total comprehensive income for the year	<u>62,527</u>
As at 31 December 2019	<u><u>2,683,331</u></u>

The notes on pages 12 to 22 form part of these financial statements

Dart Harbour & Navigation Authority

Notes to the financial statements for the year ended 31 December 2019

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 2019

(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 2019

(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 2019

2.	Turnover	2019	2018
		£	£
	Harbour dues	252,987	255,984
	Buoyage	1,120,986	1,061,371
	Other income	216,874	264,314
	Pilotage services	633	1,174
	Mooring licences	52,731	52,158
		1,644,211	1,635,001
		1,644,211	1,635,001
	Pilotage services		
		2019	2018
		£	£
	Included in the turnover of the Authority:		
	Income	6,413	4,882
	Expenditure	(5,780)	(3,708)
		633	1,174
		633	1,174
3.	Average number of employees		
	The average monthly number of employees during the year was:	2019	2018
	Employees	32	29
		32	29
		32	29
4.	Interest receivable and similar income		
		2019	2018
		£	£
	Net interest on net defined pension asset	9,000	9,000
	Bank interest	5,221	3,861
		14,221	12,861
		14,221	12,861
5.	Interest payable and similar expenses		
		2019	2018
		£	£
	Other loan interest	5,688	6,083
		5,688	6,083
		5,688	6,083

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2019**

6. Intangible fixed assets

	Software
Cost	£
At 1 January 2019	25,640
Additions	-
Disposals	-
At 31 December 2019	25,640
 Depreciation	
At 1 January 2019	19,230
Charge for the year	5,128
Eliminated on disposals	-
At 31 December 2019	24,358
 Net book values	
At 31 December 2019	1,282
At 31 December 2018	6,410

7. Tangible fixed assets

	Land and buildings freehold and leasehold	Plant and machinery	Boats	Navigation facilities	Pontoon and jetty	Total
Cost	£	£	£	£	£	£
At 1 January 2019	1,478,495	443,937	334,366	48,869	2,377,981	4,683,648
Additions	-	23,869	108,545	-	155,102	287,516
Disposals	-	24,551	-	-	-	24,551
At 31 December 2019	1,478,495	443,255	442,911	48,869	2,533,083	4,946,613
 Depreciation						
At 1 January 2019	240,563	347,434	216,722	30,925	1,489,256	2,324,900
On disposals	-	24,551	-	-	-	24,551
Charge for the year	21,725	18,053	8,322	1,176	70,563	119,839
At 31 December 2019	262,288	340,936	225,044	32,101	1,559,819	2,420,188
 Net book values						
At 31 December 2019	1,216,207	102,319	217,867	16,768	973,264	2,526,425
At 31 December 2018	1,237,932	96,503	117,644	17,944	888,725	2,358,748

Freehold land of £90,000 in land and buildings in both 2019 and 2018 is not depreciated.

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2019**

7. Tangible fixed assets continued

	2019	2018
	£	£
Land and buildings		
Freehold	913,980	935,705
Long leasehold	302,227	302,227
	1,216,207	1,237,932
	1,216,207	1,237,932

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 2019 and at 31 December 2019	3,000	3,000
	3,000	3,000
Net book values		
At 1 January 2019 and at 31 December 2019	3,000	3,000
	3,000	3,000
	3,000	3,000

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 2020 were £11,138 after a profit of £225 (2019 reserves and share capital were £10,913 after a profit of £620).

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2019**

9. Debtors	2019	2018
	£	£
Trade debtors	13,453	9,307
Other debtors	112,019	112,846
Prepayments and accrued income	71,016	63,740
	<u>196,488</u>	<u>185,893</u>
10. Current asset investments	2019	2018
	£	£
Bank waiting list deposit accounts	99,705	98,005
	<u>99,705</u>	<u>98,005</u>
11. Cash at bank and in hand	2019	2018
	£	£
Bank current accounts	120,102	224,099
Bank deposit account	570,608	467,034
Cash	862	801
	<u>691,572</u>	<u>691,934</u>
12. Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	12,895	4,591
Other taxes and social security costs	11,561	11,151
Other creditors	31,393	29,771
Accruals	57,703	22,927
Waiting list	99,705	98,005
Deferred income	344,259	322,955
	<u>557,516</u>	<u>489,400</u>
13. Creditors: amounts falling due after one year	2019	2018
	£	£
Other creditors	345,130	376,523
	<u>345,130</u>	<u>376,523</u>

£202,025 is repayable by instalments after more than 5 years ending in 2029.

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**Notes to the financial statements
for the year ended 31 December 2019**

14. Provision for deferred taxation

	2019	2018
	£	£
Accelerated capital allowances	244,312	209,052
Section 75 PNPf liability	(71,539)	(77,196)
Defined benefit pension scheme	51,110	56,810
	223,883	188,666
Provision for deferred tax	223,883	188,666
Provision at 1 January 2018	188,666	167,827
Deferred tax charge in income statement	35,217	20,839
Deferred tax credit in statement of comprehensive income	-	-
Provision at 31 December 2018	223,883	188,666

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.

	2019	2018
	£	£
Reconciliation of present values of plan liabilities		
Benefit obligation at beginning of year	(1,348,000)	(1,564,000)
Current service cost	(35,000)	(42,000)
Expenses	(1,000)	(2,000)
Interest cost	(40,000)	(37,000)
Contribution by plan participants	(6,000)	(6,000)
Actuarial loss/(gain)	126,000	65,000
Benefits paid and expenses	(10,000)	244,000
Losses due to benefit changes	-	(6,000)
Benefit obligation at end of year	(1,314,000)	(1,348,000)

Dart Harbour & Navigation Authority

**Notes to the financial statements
for the year ended 31 December 2019**

15. Pensions and other post-retirement benefits continued

	2019	2018
	£	£
Reconciliation of fair value of plan assets		
Fair value of plan assets at beginning of year	1,647,000	1,914,000
Interest income	50,000	46,000
Actuarial gains/(losses)	69,000	(59,000)
Contributions by the employer	36,000	44,000
Contribution by plan participants	6,000	6,000
Benefits paid and expenses	10,000	(244,000)
At end of the year	1,818,000	1,707,000
Unrecognised surplus	(235,000)	(60,000)
Net pension scheme asset	269,000	299,000
Amounts recognised in the profit or loss account are as follows:		
<i>Included in cost of sales and administrative cost</i>		
Current service cost	35,000	42,000
Expenses	1,000	2,000
Net Interest	36,000	44,000
Loss due to benefit changes	(9,000)	(8,000)
	-	6,000
Defined benefit cost recognised in the profit and loss account	27,000	42,000
Defined benefit costs recognised in other comprehensive income		
Return on plan assets - actuarial gain	69,000	(59,000)
Experience actuarial loss on plan liabilities	189,000	36,000
Effects of changes in the demographic and financial assumptions	(63,000)	29,000
Effects of changes in the amount of surplus that is not recoverable	(234,000)	(36,000)
Total amount of gain/(loss) recognised in other comprehensive income	(39,000)	(30,000)
Composition of plan assets		
Government bonds	694,000	921,000
Corporate bonds	563,000	648,000
Property	56,000	68,000
Equities	94,000	68,000
Cash	471,000	2,000
Total assets	1,878,000	1,707,000

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 2019**

15. Pensions and other post-retirement benefits continued

Principal actuarial assumptions used as at the balance sheet date

	31 December 2019	31 December 2018
	% per annum	% per annum
Discount rate	2.10	2.90
Inflation (RPI)	2.80	3.30
Inflation (CPI)	2.00	2.30
Salary Growth	2.80	3.30
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.00	2.30
Allowance for revaluation of deferred pensions of CPI or 2.5% p.a. if less	2.70	2.30
Allowance for pension in payment increases of RPI or 5% p.a. if less	-	3.10
Allowance for pension in payment increases of CPI or 3% p.a. if less	1.80	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	
	2019	2018
	(Years)	(Years)
Male retiring in 2019	21.8	21.9
Female retiring in 2019	23.6	23.8
Male retiring in 2039 (2038)	23.1	23.3
Female retiring in 2039 (2038)	25.2	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 £40,894 (2018 : £36,000).

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 variable and for 2019 is £192,068.

Dart Harbour & Navigation Authority

Notes to the accounts for the year ended 31 December 2019

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.

Lawyers appointed and paid for by RSA, which insured the liabilities of Dart Harbour at the relevant time, are defending the claim.

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 former Chairman and Board member M Hubbard and his wife. Transactions in 2019 were £19,520 net of VAT.

19. Events after the end of the period

On the 11 March 2020 the World Health Organisation assessed the novel coronavirus disease called 'Covid-19', which was first recorded in Wuhan, Hubei province of China, as a pandemic. The UK government announced policies for households to stay at home (known as lockdown) on the 23 March 2020 to stop the spread of the virus. As a result economic uncertainties have arisen across the global economy. It is not possible to estimate accurately the financial effect of the pandemic and lockdown policy on the future finances of the Authority although a downturn in future income is expected.