



Dart Harbour

Dart Harbour and Navigation Authority

**Annual Report and Financial Statements
Year Ended 31 December 2021**

Dart Harbour and Navigation Authority

Contents

Company Information	1
Members Report	2 to 3
Statement of Members' Responsibilities	4
Independent Auditor's Report	5 to 8
Profit and Loss Account	9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 to 25
Non-statutory pages	26 to 27

Dart Harbour and Navigation Authority

Company Information

Chairman	T Dewing
Members	M Burden A Coyle A Davis J Distin J Ellwood M Lessels J Milsom J Poulton
Registered office	6 Oxford Street Dartmouth Devon TQ6 9AL
Actuary	Mercer Limited Rosemoor Court Pynes Hill Exeter EX2 5TU
Bankers	Lloyds Bank Plc. PO Box 1000 BX1 1LT
Auditors	PKF Francis Clark Statutory Auditor Towngate House 2-8 Parkstone Road Poole BH15 2PW

Dart Harbour and Navigation Authority

Members Report for the Year Ended 31 December 2021

The Authority Members present their report and the financial statements for the year ended 31 December 2021.

Principal Activity and Status

The Dart Harbour and Navigation Authority (Dart Harbour) is a statutory harbour authority established by Act of Parliament on 1 August 1975 to administer the Trust Port of Dartmouth. The Act made Dart Harbour a body corporate, referred to as a company in these financial statements.

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

As a Trust Port, Dart Harbour is self-financing, generating income from harbour dues, the provision of marine facilities and services, and other business activities. Without an owner or shareholders there are no distributable profits. Any profit after corporation tax is applied to finance capital expenditure 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

The activities for 2021 have still been affected by the aftermath of the Covid 19 Pandemic with the requirement for some social distancing and localised lockdowns across the country. However, generally it was encouraging to see our normal working conditions begin to return along with our communications with our Stakeholder groups.

Our talented harbour teams worked hard to regain our pre-pandemic revenue streams. Residential mooring occupancy remained full. In addition we were successful in attracting a small number of Cruise Ships and continued to attract more of the superyachts, and other boats that were still restricted from international travel. As a result, the Authority saw a significant rise of income, and were able to end the year with £159k surplus from a turnover of nearly £1.8m (up 11.4% on 2020).

The Authority made capital investments of £254k during the year (mainly pontoon and jetties) and total net assets increased to £2.8m. The reserves continue to be substantial with cash holdings at a level considered appropriate after the risk-assessment analysis carried out in previous years and the uncertain after effects of the pandemic.

The staff remain the single most important factor in the smooth running of Dart Harbour. The average monthly number of employees during the year was 42, up from 36 in 2020. Staff were safeguarded effectively following the pandemic and adapted well to the challenging period. The Members are extremely grateful to them for their continued hard work and dedication to Dart Harbour.

Dart Harbour and Navigation Authority

Members Report for the Year Ended 31 December 2021

Members

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

T Dewing, Chairman

J Dodd, Chairman, Resigned December 2021

M Burden

A Davis, Appointed January 2021

J Distin

J Ellwood

J Rawlings, Resigned June 2021

M Lessels

W Lewis, Clerk, Appointed July 2021

J Milsom, Appointed January 2021

A Coyle, Appointed January 2022

J Poulton, Appointed January 2022

The day-to-day operations of the Authority are delegated to the Harbour Master / Chief Executive Officer and Senior Management Team.

The Board members had 12 official meetings in 2021.

Dart Harbour and Navigation Authority

Statement of Members' Responsibilities

The members acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the members to prepare financial statements for each financial year. Under that law the 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 of the profit or loss of the Authority for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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 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.

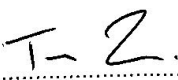
The Authority members are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the members are aware:

- There is no relevant audit information of which the Authority's auditors are unaware; and
- 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.

Approved and authorised by the Board on 15-3-23 and signed on its behalf by:


.....
T Dewing
Chairman

Dart Harbour and Navigation Authority

Independent Auditor's Report to the Members of Dart Harbour and Navigation Authority

Opinion

We have audited the financial statements of Dart Harbour and Navigation Authority (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) incorporating the requirements of Section 1A.

In our opinion the financial statements:

- give a true and fair view of the state of the Authority's affairs as at 31 December 2021 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 responsibilities for the audit of the financial statements section of our report. We are independent of the Authority 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

In auditing the financial statements, we have concluded that the member's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

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.

Dart Harbour and Navigation Authority

Independent Auditor's Report to the Members of Dart Harbour and Navigation Authority

We have nothing to report in this regard.

Opinion on other matter 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 Authority 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of members

As explained more fully in the Statement of Members' Responsibilities 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 directors are responsible for assessing the Authority'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 members either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Dart Harbour and Navigation Authority

Independent Auditor's Report to the Members of Dart Harbour and Navigation Authority

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the company. We gained an understanding of the company and the industry in which the company operates as part of this assessment to identify the key laws and regulations affecting the company. The key regulation we identified was the Harbours Act 1964 as amended by Transport Act 1981. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as FRS102, the Companies Act 2006 and the relevant tax legislation in the UK.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the company complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non compliance with laws and regulations on the company's ability to continue trading and the risk of material misstatement to the accounts.

We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. The key incentive identified is to meet the targets set by the group and we determined that the principal risks were related to the overstatement of profit, either through overstating revenue, understating expenditure or management bias in accounting estimates.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances of fraud.
- Discussed with management if any incidents have been reported during the year under The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 ("RIDDOR").
- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Dart Harbour and Navigation Authority

Independent Auditor's Report to the Members of Dart Harbour and Navigation Authority

Use of our report

This report is made solely to the Authority'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 Authority'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 Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

***** DRAFT - NOT YET SIGNED *****

.....
Anne-Marie Gates (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Towngate House
2-8 Parkstone Road
Poole
BH15 2PW

Date:.....

Dart Harbour and Navigation Authority

Profit and Loss Account

Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover		1,767,111	1,586,219
Cost of sales		<u>(1,032,316)</u>	<u>(1,095,171)</u>
Gross profit		734,795	491,048
Administrative expenses		(575,143)	(548,249)
Other operating income		<u>-</u>	<u>43,503</u>
Operating profit/(loss)		<u>159,652</u>	<u>(13,698)</u>
Other interest receivable and similar income		4,548	7,323
Interest payable and similar expenses		<u>(4,832)</u>	<u>(5,271)</u>
		<u>(284)</u>	<u>2,052</u>
Profit/(loss) before tax		159,368	(11,646)
Tax on profit/(loss)		<u>(21,945)</u>	<u>(30,072)</u>
Profit/(loss) for the financial year		<u><u>137,423</u></u>	<u><u>(41,718)</u></u>

The notes on pages 13 to 25 form an integral part of these financial statements.

Dart Harbour and Navigation Authority

Statement of Comprehensive Income

Year Ended 31 December 2021

	2021 £	2020 £
Profit/(loss) for the year	137,423	(41,718)
Remeasurement (loss)/gain on defined benefit pension schemes	<u>(2,000)</u>	<u>17,000</u>
Total comprehensive income for the year	<u><u>135,423</u></u>	<u><u>(24,718)</u></u>

Dart Harbour and Navigation Authority


Balance Sheet

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	2,719,760	2,642,102
Investments	6	<u>3,000</u>	<u>3,000</u>
		<u>2,722,760</u>	<u>2,645,102</u>
Current assets			
Stocks	7	39,192	28,021
Debtors	8	137,075	106,121
Investments	9	123,104	108,403
Cash at bank and in hand		<u>863,368</u>	<u>903,514</u>
		1,162,739	1,146,059
Creditors: Amounts falling due within one year	10	<u>(756,363)</u>	<u>(821,562)</u>
Net current assets		<u>406,376</u>	<u>324,497</u>
Total assets less current liabilities		3,129,136	2,969,599
Creditors: Amounts falling due after more than one year	10	(277,220)	(312,051)
Provisions for liabilities		<u>(275,900)</u>	<u>(253,955)</u>
Net assets excluding pension asset/(liability)		2,576,016	2,403,593
Defined benefit pension asset		<u>218,000</u>	<u>255,000</u>
Net assets		<u>2,794,016</u>	<u>2,658,593</u>
Capital and reserves			
Profit and loss account		<u>2,794,016</u>	<u>2,658,593</u>
Shareholders' funds		<u>2,794,016</u>	<u>2,658,593</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on ¹⁵⁻³⁻²³..... and signed on its behalf by:



 T Dewing
 Chairman

Dart Harbour and Navigation Authority

Statement of Changes in Equity

Year Ended 31 December 2021

	Profit and loss account £	Total £
At 1 January 2021	2,658,593	2,658,593
Profit for the year	137,423	137,423
Other comprehensive income	(2,000)	(2,000)
Total comprehensive income	135,423	135,423
At 31 December 2021	2,794,016	2,794,016

	Profit and loss account £	Total £
At 1 January 2020	2,683,311	2,683,311
Loss for the year	(41,718)	(41,718)
Other comprehensive income	17,000	17,000
Total comprehensive income	(24,718)	(24,718)
At 31 December 2020	2,658,593	2,658,593

Dart Harbour and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

1 General information

The address of its registered office is:

6 Oxford Street

Dartmouth

Devon

TQ6 9AL

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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 FRS 102 IA "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 £.

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.

Dart Harbour and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Authority's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Authority recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Authority's activities.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

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.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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 and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land	Not depreciated
Freehold property	2% Straight line basis
Leasehold property	2% Straight line basis
Plant, machinery and boats	15-20% Reducing balance basis
Fixtures, fittings and equipment	20% Reducing balance/ 33.33% Straight line basis
Navigation facilities	2% Straight line basis
Pontoon and jetty	5% Straight line basis

Intangible assets

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

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Computer Software	5 years Straight Line

Investments

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

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

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivables.

Dart Harbour and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Authority does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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.

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.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Authority has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Defined benefit pension obligation

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.

Dart Harbour and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank and other loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank and other loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank and other loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Staff numbers

The average number of persons employed by the Authority (including members) during the year, was 42 (2020 - 36).

4 Intangible assets

	Computer software £	Total £
Cost or valuation		
At 1 January 2021	25,640	25,640
At 31 December 2021	25,640	25,640
Amortisation		
At 1 January 2021	25,640	25,640
At 31 December 2021	25,640	25,640
Carrying amount		
At 31 December 2021	-	-

Dart Harbour and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

5 Tangible assets

	Land and buildings £	Navigation facilities, pontoon and jetty £	Boats £	Plant and machinery £	Total £
Cost or valuation					
At 1 January 2021	1,478,495	2,783,024	470,655	447,409	5,179,583
Additions	-	213,444	29,458	11,200	254,102
Disposals	-	-	(24,950)	-	(24,950)
At 31 December 2021	<u>1,478,495</u>	<u>2,996,468</u>	<u>475,163</u>	<u>458,609</u>	<u>5,408,735</u>
Depreciation					
At 1 January 2021	284,013	1,663,659	232,902	356,907	2,537,481
Charge for the year	21,725	92,256	47,196	15,267	176,444
Eliminated on disposal	-	-	(24,950)	-	(24,950)
At 31 December 2021	<u>305,738</u>	<u>1,755,915</u>	<u>255,148</u>	<u>372,174</u>	<u>2,688,975</u>
Carrying amount					
At 31 December 2021	<u>1,172,757</u>	<u>1,240,553</u>	<u>220,015</u>	<u>86,435</u>	<u>2,719,760</u>
At 31 December 2020	<u>1,194,482</u>	<u>1,119,365</u>	<u>237,753</u>	<u>90,502</u>	<u>2,642,102</u>

Freehold land of £90,000 in both 2021 and 2020 is not depreciated.

Dart Harbour and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

Tangible assets continued ...

Included within the net book value of land and buildings above is £870,530 (2020 - £892,255) in respect of freehold land and buildings £302,227 (2020 - £302,227 in respect of long leasehold land and buildings).

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.

6 Investments

	2021 £	2020 £
Other investments	3,000	3,000

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the Authority holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Significant interests				
Dart House Limited	1 Dart House, 6 Oxford Street, Dartmouth, Devon, England, TQ6 9AL	£1 Ordinary	33.3%	33.3%
	England			

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 2021 were £11,548 after a profit of £410 (2020 reserves and share capital were £11,138 after a profit of £225).

7 Stocks

	2021 £	2020 £
Other inventories	39,192	28,021

Dart Harbour and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

8 Debtors

	2021 £	2020 £
Current		
Trade debtors	18,116	29,047
Prepayments	83,196	75,930
Other debtors	35,763	1,144
	<u>137,075</u>	<u>106,121</u>

9 Current asset investments

	2021 £	2020 £
Bank waiting list deposit accounts	<u>123,104</u>	<u>108,403</u>

Dart Harbour and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

10 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Pilots National Pension Fund loan		35,019	33,267
Trade creditors		174,899	179,225
Taxation and social security		10,030	119,270
Other creditors		125,972	112,247
Accruals and deferred income		410,443	377,553
		<u>756,363</u>	<u>821,562</u>

Creditors: amounts falling due after more than one year

	2021 £	2020 £
Due after one year		
Pilots National Pension Fund loan	<u>277,220</u>	<u>312,051</u>

	2021 £	2020 £
Due after more than five years		
After more than five years by instalments	<u>118,969</u>	<u>161,517</u>

11 Pension and other schemes

Defined contribution pension scheme

The Authority operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Authority to the scheme and amounted to £43,603 (2020 - £31,790).

Contributions totalling £2,869 (2020 - £3,844) were payable to the scheme at the end of the year and are included in creditors.

Dart Harbour and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

Defined benefit pension schemes

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 2021.

The most recent triennial actuarial valuation for funding purposes completed by the scheme actuary on 04/03/2022 determined contributions on pensionable salaries from the employer of nil and employees of 5%. There were no amounts outstanding at the year end.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £35,000 (2020 - £31,790).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £37,000 (2020 - £14,000).

Dart Harbour and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2021	2020
	£	£
Fair value of scheme assets	1,858,000	1,792,000
Present value of defined benefit obligation	(1,377,000)	(1,360,000)
Defined benefit pension scheme surplus	<u>481,000</u>	<u>432,000</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2021
	£
Present value at start of year	1,360,000
Current service cost	38,000
Interest cost	21,000
Actuarial gains and losses	(48,000)
Contributions by scheme participants	<u>6,000</u>
Present value at end of year	<u>1,377,000</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2021
	£
Fair value at start of year	1,792,000
Interest income	27,000
Actuarial gains and losses	33,000
Contributions by scheme participants	<u>6,000</u>
Fair value at end of year	<u>1,858,000</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2021	2020
	£	£
Cash and cash equivalents	39,000	56,000
Equity instruments	93,000	89,000
Debt instruments	1,670,000	1,593,000
Property	<u>56,000</u>	<u>54,000</u>
	<u>1,858,000</u>	<u>1,792,000</u>

Dart Harbour and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

Return on scheme assets

	2021 £	2020 £
Return on scheme assets	60,000	30,000

The pension scheme has not invested in any of the Authority's own financial instruments or in properties or other assets used by the Authority.

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

	2021 %	2020 %
	3.30	2.90
	2.90	2.40
	3.30	2.90
	1.80	1.50

Post retirement mortality assumptions

	2021 Years	2020 Years
Current UK pensioners at retirement age - male	22.00	22.00
Current UK pensioners at retirement age - female	24.00	24.00
Future UK pensioners at retirement age - male	23.00	23.00
Future UK pensioners at retirement age - female	25.00	25.00

12 Obligations under leases and hire purchase contracts

Operating leases

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 Duchy of Cornwall' and the lease ends on 31 March 2031. The annual amount is variable and for 2021 was £204,694 (2020: £205,863).

13 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

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.

Dart Harbour and Navigation Authority

Notes to the Financial Statements

Year Ended 31 December 2021

14 Exceptional item

Saint Christophe

In 2020, costs in relation to counter pollution work of £101,288 following the sinking of the St Christophe in March 2016 have been written off to the Cost of Sales in the Profit and Loss Account as they are no longer deemed recoverable. All other matters with the Saint Christophe have been settled.

Dart Harbour and Navigation Authority

Detailed Profit and Loss

Year Ended 31 December 2021

	2021 £	2020 £
Turnover		
Sale of goods and provision of services	1,767,111	1,586,219
Cost of sales		
Opening stock	(28,021)	(22,368)
Closing stock	39,192	28,021
Wages and salaries	(489,967)	(440,314)
Service charge	(7,345)	(18,500)
Staff pensions (Defined contribution)	(43,603)	(26,698)
Staff pensions (Defined benefit)	(35,000)	-
Rent	(219,318)	(216,892)
Water rates	(11,292)	(9,290)
Light, heat and power	(39,612)	(31,102)
Insurance	(48,702)	(43,477)
Repairs and maintenance	(168,648)	(213,263)
Clearance costs	-	(101,288)
(Profit)/loss on disposal of tangible fixed assets	20,000	-
	<u>(1,032,316)</u>	<u>(1,095,171)</u>
Gross profit	734,795	491,048
Gross profit (%)	41.58%	30.96%
Administrative expenses		
Administrative expenses	(575,143)	(548,249)
Other operating income		
HMRC CJRS	-	43,503
Operating profit/(loss)	<u>159,652</u>	<u>(13,698)</u>
Other interest receivable and similar income		
Interest income on bank deposits	1,669	1,323
Net interest on net defined benefit pension asset	2,879	6,000
	4,548	7,323
Interest payable and similar charges		
Interest expense on other finance liabilities	<u>(4,832)</u>	<u>(5,271)</u>
Profit/(loss) before tax	<u>159,368</u>	<u>(11,646)</u>

Dart Harbour and Navigation Authority

Detailed Profit and Loss

Year Ended 31 December 2021

	2021 £	2020 £
Administration costs		
Wages and salaries	64,468	123,245
Staff pensions (Defined contribution)	-	5,092
Staff training	10,257	9,438
Staff welfare	25,923	4,850
Travelling	8,571	1,116
Waste disposal	47,397	1,450
Rates	12,834	9,597
Light, heat and power	411	1,836
Telephone and fax	9,358	8,665
Computer software and maintenance costs	24,070	42,101
Printing, postage and stationery	12,084	10,595
Trade subscriptions	12,269	7,428
Charitable donations	4,000	-
Sundry expenses	4,083	6,436
Management charges payable	7,500	23,500
Advertising	518	972
Promotional expenses	7,848	9,352
Auditor's remuneration - The audit of the company's annual accounts	12,905	5,850
Auditors' remuneration - non audit work	5,500	3,000
Legal and professional fees	99,316	134,798
Bad debts written off	-	2,640
Bank charges	29,387	17,713
Amortisation	-	1,282
Depreciation of other tangible (owned)	176,444	117,293
	<u>575,143</u>	<u>548,249</u>