

The Teignmouth Harbour Commission

Annual Report

Year Ended 31 March 2009

The Teignmouth Harbour Commission

Annual Report

Year Ended 31 March 2009

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The Teignmouth Harbour Commission

Commissioners' Report

The Commissioners submit their report and the audited financial statements for the year ended 31 March 2009.

Results

The trading loss for the year after tax was £13,395.

Principal Activity

The Commission's principal activity during the year was the operation of Teignmouth Harbour.

Commissioners

The Commissioners who served during the year were as follows:

J Grammer	Chairman of Teignmouth Harbour Commission Selected by Harbour Commission under Trust Port legislation
C B Greenwell BSc(Eng) C.Eng. MICE	Vice Chairman of Teignmouth Harbour Commission Selected by Harbour Commission under Trust Port legislation
S Astbury	Selected by Harbour Commission under Trust Port legislation
M Rowe	Selected by Harbour Commission under Trust Port legislation
P Robinson FCCA	Selected by Harbour Commission under Trust Port legislation
R Smith	Selected by Harbour Commission under Trust Port legislation
O Vince	Selected by Harbour Commission under Trust Port legislation
D Clifton	Selected by Harbour Commission under Trust Port legislation
M Layton (reappointed 1 June 2008)	Selected by Harbour Commission under Trust Port legislation

Harbour Master:

Commander D M Vaughan OBE RN was appointed Harbour Master with effect from 20 April 2008.

Chief Executive Officer of the Teignmouth Harbour Commission:

G G N Bond LL.B. (resigned 30 November 2008) but continues as the Commission's legal advisor.

Commander D M Vaughan OBE RN (appointed 1 December 2008)

The Teignmouth Harbour Commission

Commissioners' Report

Statement of Commissioners' Responsibilities

The Harbours Act 1964 as amended by subsequent legislation requires the commissioners to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the commission and of the profit or loss of the commission for that period. In preparing those financial statements, the commissioners are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the commission will continue in business.

The commissioners are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Teignmouth Harbour Commission and to enable them to ensure that the accounts comply with the Harbours Act 1964 as amended by subsequent legislation, in particular, the Statutory Harbour Undertakings (Pilotage Accounts). They are also responsible for safeguarding the assets of the Commission and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the commissioners are aware:

- there is no relevant audit information of which the Commission's auditors are unaware; and
- the Commissioner's have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Teignmouth Harbour Commission

Commissioners' Report

Key Performance Indicators

The more relevant Key Performance Indicators covering the activities of the Commission are detailed below:

	2009	2008
Tonnage	524,861	631,028
Number of Acts of Pilotage	570	691
Return on Capital Employed	(1.6%)	4.4%

Small Company Provisions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Commission

D M VAUGHAN OBE RN
Chief Executive Officer of the Commission

The Teignmouth Harbour Commission

Independent Auditors' Report to the Commissioners

Year Ended 31 March 2009

We have audited the financial statements of The Teignmouth Harbour Commission for the year ended 31 March 2009 which comprise the Profit and Loss Account, Balance Sheet, Statement of Source and Application of Funds and related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the commissioners, as a body, as required by the Harbours Act 1964. Our audit work has been undertaken so that we might state to the commissioners 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 commission and the commissioners as a body, for this report or for the opinions we have formed.

Respective Responsibilities of Commissioners and Auditors

The responsibilities of the Commissioners' for preparing the Commissioners' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Commissioners' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Harbours Act 1964 and subsequent legislation. We also report to you if, in our opinion, the Commissioner's Report is consistent with the financial statements, if the commission has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding commissioners' remuneration and transactions with the company is not disclosed.

We read the Commissioners' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the commissioners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the commission's circumstances, consistently applied and adequately disclosed.

The Teignmouth Harbour Commission

Independent Auditors' Report to the Commissioners

Year Ended 31 March 2009

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Commission's affairs as at 31 March 2009 and of the loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Harbours Act 1964, and subsequent legislation, which require the accounts to be prepared in accordance with the Companies Act 1985;
- the information given in the Commissioners' Report is consistent with the financial statements.

Francis Clark
Chartered Accountants
23 Devon Square
Newton Abbot
Devon
TQ12 2HU

16 September 2009

FRANCIS CLARK
Registered Auditors

The Teignmouth Harbour Commission

Profit and Loss Account

Year Ended 31 March 2009

	Notes	2009 £	2008 £
Ship, Cargo and Mooring dues		365,766	381,120
Operating and maintenance of Harbour and River		255,597	225,979
		<u>110,169</u>	<u>155,141</u>
Pilotage services		16,277	33,806
Gross profit	2	<u>126,446</u>	<u>188,947</u>
Administration and general expenditure		177,674	180,333
Operating (loss)/profit		<u>(51,228)</u>	<u>8,614</u>
Profit on sale of investment		-	850
		<u>(51,228)</u>	<u>9,464</u>
Investment and sundry income	3	35,903	36,472
(Loss)/profit for the year before taxation		<u>(15,325)</u>	<u>45,936</u>
Taxation	5	(1,930)	11,418
(Loss)/profit retained	12	<u><u>(13,395)</u></u>	<u><u>34,518</u></u>

The Teignmouth Harbour Commission

Balance Sheet

Year Ended 31 March 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	6	276,781	262,593
Investments	7	2,152	2,152
		<u>278,933</u>	<u>264,745</u>
Current assets			
Debtors	8	104,186	65,836
Cash at bank and in hand		666,213	703,404
		<u>770,399</u>	<u>769,240</u>
Creditors - Amounts falling due within one year	9	200,270	171,545
		<u>570,129</u>	<u>597,695</u>
Net current assets			
		<u>570,129</u>	<u>597,695</u>
Total assets less current liabilities		849,062	862,440
Provisions for liabilities and charges			
Deferred taxation	11	(45,000)	(44,983)
		<u>804,062</u>	<u>817,457</u>
Reserves	12	804,062	817,457

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Commission on 15 September 2009 and signed on its behalf by

J GRAMMER
Commissioner

P ROBINSON
Commissioner

The Teignmouth Harbour Commission

Statement of Source and Application of Funds

Year Ended 31 March 2009

	2009 £	2008 £
Source of funds		
(Loss)/profit before taxation and profit from sale of investments	(15,325)	45,086
Adjustment for items not involving the movement of funds:		
Depreciation (net)	39,745	36,308
Total generated from operations	24,420	81,394
Funds from other sources		
Sale of investment	-	1,648
	24,420	83,042
Application of funds		
Taxation paid	12,653	14,439
Purchase of tangible assets	53,933	16,858
	66,586	31,297
	(42,166)	51,745
(Decrease)/increase in working capital		
Debtors	36,550	(25,386)
Creditors	(41,525)	26,813
	(4,975)	1,427
Movement in net liquid funds:		
Bank balances and cash	(37,191)	50,318
	(42,166)	51,745

The Teignmouth Harbour Commission

Notes and Accounting Policies

Year Ended 31 March 2009

1 Accounting Policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). The following principal accounting policies have been applied.

(a) **Format of accounts**

In the opinion of the commissioners, the standard format of the profit and loss account as laid down by the Companies Act 1985, Schedule 4 would not present a fair view of the results of the commission. Accordingly, the format of the profit and loss account has been amended as permitted by Section 226(5) of the Companies Act 1985.

(b) **Turnover**

The ship, cargo, mooring dues and tug dredger hire income shown in the Profit and Loss Account and the boarding and landing fees shown in the Income from Pilotage Analysis statement represents amounts receivable during the year, exclusive of Value Added Tax.

(c) **Tangible fixed assets and depreciation**

All tangible fixed assets are initially recorded at cost. Tangible assets other than freehold property are depreciated over their estimated useful lives, at the following rates:

Commercial vessels	5% Straight line
Pontoons	5% Straight line
Expenditure on trot and moorings	10% Straight line
Harbour equipment	15% Straight line
Office furniture and equipment	15% and 20% Straight line
Motor vehicle	25% Straight line
Computer equipment	15% and 33.33% Straight line

The depreciation rates have been changed this year so as to write off the cost of the assets over a more realistic useful economic life.

(d) **Investments**

Investments are stated at cost.

(e) **Deferred taxation**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and for accounting purposes which have occurred but not reversed by the balance sheet date, except as otherwise required by the FRSEE.

(f) **Pension Costs**

The Commission makes employer contributions to personal pension schemes on behalf of employees. The contributions paid are charged to the profit and loss account.

(g) **Restatement of comparatives**

An adjustment has been made to the comparative figures to reclassify £63,762 of administration and general expenditure to operating and maintenance of Harbour and River, which in the opinion of the Commissioners is a more appropriate treatment. As this is a redistribution between expense types, there is no overall affect on either the disclosed profit before taxation or the net assets of the previous year.

The Teignmouth Harbour Commission

Notes and Accounting Policies

Year Ended 31 March 2009

2	Gross Profit	2009	2008
		£	£
	Turnover		
	Revenue from Harbour Activities:		
	Dues: on ships	67,260	76,670
	on goods	121,553	142,432
		<hr/>	<hr/>
	Moorings fees	188,813	219,102
	Revenue from Pilotage	154,397	144,613
	Income from Tug Dredger	51,578	64,004
	Other revenue	18,016	13,550
		4,540	3,855
		<hr/>	<hr/>
		417,344	445,124
		<hr/>	<hr/>
	Cost of sales		
	Operating and maintenance	152,110	132,366
	Dredging	102,624	89,999
	Depreciation	36,164	33,812
		<hr/>	<hr/>
		290,898	256,177
		<hr/>	<hr/>
	Gross Profit	126,446	188,947
		<hr/> <hr/>	<hr/> <hr/>
3	Investment and Sundry Income	2009	2008
		£	£
	Franked investment income	427	336
	Bank deposit account interest	35,476	36,130
	Interest on corporation tax	-	6
		<hr/>	<hr/>
		35,903	36,472
		<hr/> <hr/>	<hr/> <hr/>
	Franked investment income	Date	Tax
		payable	credit
			received
			£ p
	Astra Zeneca plc 322 US\$0.25 ordinary shares		£ p
	First interim to 31/12/08	13/09/08	89.51
	Second Interim year to 31/12/08	16/03/09	337.45
		<hr/>	<hr/>
		47.44	426.96
		<hr/> <hr/>	<hr/> <hr/>
4	Loss/profit on Ordinary Activities Before Taxation	2009	2008
		£	£
	The loss/profit on ordinary activities before taxation is after charging:		
	Auditors' remuneration	4,116	4,183
	Depreciation written off tangible fixed assets	39,745	36,308
	Operating lease rentals - property	43,216	40,298
		<hr/>	<hr/>
		<hr/> <hr/>	<hr/> <hr/>

The Teignmouth Harbour Commission

Notes and Accounting Policies

Year Ended 31 March 2009

5 Taxation

The taxation charge based on the results for the year is made up as follows:

	2009 £	2008 £
UK Corporation tax at 20% (2008: 20%)	(1,800)	12,800
Over provision in previous year	(147)	(161)
Deferred taxation (note 11)	17	(1,221)
	<u>(1,930)</u>	<u>11,418</u>

6 Fixed Assets

	At 1 April 2008 £	Additions £	Disposals £	At 31 March 2009 £
Cost				
Commercial vessels	566,927	-	-	566,927
Pontoons	26,723	15,900	-	42,623
Trots and moorings	6,850	-	-	6,850
Harbour equipment	43,636	31,543	-	75,179
Office furniture and equipment	10,033	290	-	10,323
Motor vehicle	-	6,200	-	6,200
Computer equipment	9,950	-	-	9,950
Freehold property	410	-	-	410
	<u>664,529</u>	<u>53,933</u>	<u>-</u>	<u>718,462</u>
	At 1 April 2008 £	Charge for year £	Eliminated on disposals £	At 31 March 2009 £
Depreciation				
Commercial vessels	356,356	28,347	-	384,703
Pontoons	5,686	2,056	-	7,742
Trots and moorings	3,922	587	-	4,509
Harbour equipment	30,762	4,011	-	34,773
Office furniture and equipment	2,281	1,358	-	3,639
Motor vehicle	-	1,163	-	1,163
Computer equipment	2,929	2,223	-	5,152
Freehold property	-	-	-	-
	<u>401,936</u>	<u>39,745</u>	<u>-</u>	<u>441,681</u>
	At 31 March 2008 £			At 31 March 2009 £
Net book amounts				
Commercial vessels	210,571			182,224
Pontoons	21,037			34,881
Trots and moorings	2,928			2,341
Harbour equipment	12,874			40,406
Office furniture and equipment	7,752			6,684
Motor vehicle	-			5,037
Computer equipment	7,021			4,798
Freehold property	410			410
	<u>262,593</u>			<u>276,781</u>
The Phillip Lucette Beacon at Cost	1,534			1,534
Less: The Phillip Lucette Memorial Fund	1,534			1,534
	<u>-</u>			<u>-</u>

The Teignmouth Harbour Commission

Notes and Accounting Policies

Year Ended 31 March 2009

7 Fixed Assets - Investments

	Cost		Market value	
	2009 £	2008 £	2009 £	2008 £
J.P.M.F. Global Fund Accumulation shares (formerly Save & Prosper Securities Ltd Growth Fund) 3596.579 units	1,696	1,696	17,012	22,058
Astra Zeneca plc 322 US\$0.25 ordinary shares	456	456	7,892	6,066
	<u>2,152</u>	<u>2,152</u>	<u>24,904</u>	<u>28,124</u>

8 Debtors

	2009 £	2008 £
Ship and cargo dues	42,194	38,698
Prepayments and accrued income	60,192	27,138
Corporation tax	1,800	-
	<u>104,186</u>	<u>65,836</u>

9 Creditors

	2009 £	2008 £
Amounts falling due within one year:		
Corporation tax	-	12,800
Other taxation and social security	3,968	2,544
Value Added Tax	3,555	4,654
Operating creditors	90,687	52,810
Mooring dues received in advance	102,060	98,737
	<u>200,270</u>	<u>171,545</u>

The Teignmouth Harbour Commission

Notes and Accounting Policies

Year Ended 31 March 2009

10 Commitments under Operating Leases

At 31 March 2009, the Commission had aggregate commitments under non-cancellable operating leases as follows: -

	2009	2008
	£	£
Operating leases which expire		
Within 1 year	9,205	3,791
Within 2-5 years	5,405	7,895
After more than 5 years	27,606	28,612
	<u>42,216</u>	<u>40,298</u>

11 Provisions for Liabilities and Charges

2009
£

Deferred taxation

At 1 April 2008 44,983
Charge to profit and loss account 17

At 31 March 2009 **45,000**

Deferred taxation has been fully provided in respect of accelerated capital allowances.

12 Reserves

	Revenue	Replacement	
	account	vessels	Total
	£	reserve fund	£
At 1 April 2008	333,691	483,766	817,457
Loss for the year	(13,395)	-	(13,395)
	<u>320,296</u>	<u>483,766</u>	<u>804,062</u>
Transfer to Replacement vessels reserve fund	(11,227)	11,227	-
At 31 March 2009	<u>309,069</u>	<u>494,993</u>	<u>804,062</u>

The transfer of reserves in respect of replacement vessels takes account of net income received from pilotage after the provision for taxation.

The Teignmouth Harbour Commission

Notes and Accounting Policies

Year Ended 31 March 2009

13 Related Party Transactions

The following disclosures are required by Financial Reporting Standard No 8 "Related Party Disclosures".

- a) During the year the Commission traded with companies in which certain Commissioners hold an interest or key management position as follows:

Name of commissioner	Name of related party - Relationship	Value of transactions in year		Balance outstanding at 31 March	
		2009	2008	2009	2008
		£	£	£	£
Sales					
M Rowe	Sibelco UK European Shipping Manager	64,297	68,977	17,765	11,873
Operating Cost					
M Layton	Teign Diving Centre & Associated Businesses Director	12,910	19,825	565	-
Chief Executive Office G G N Bond	Tozers, Solicitors Partner	12,000	37,667	-	11,100

- b) The Commission is a self governing body and is under the control of the Commissioners.
- c) During the year the Commission were charged for accountancy and administrative services totalling £14,060 (2008: £14,060) by Commissioner P Robinson FCCA.
- d) All Commissioners also received £104 (2008: £104) each to cover expenses of holding office.

14 Capital Commitments

The Commission had outstanding capital commitments at the Balance Sheet date of £Nil (2008: £14,000).

15 Contingent Liability

Pilots National Pension Fund

The Association of Participating Bodies of the Pilots National Pension Fund has contacted all ports to inform them that there is a very substantial deficit on the Pilots National Pension Fund. The Teignmouth Harbour Commission have never employed pilots under contracts of employment and have, with ports in a similar position, sought legal advice to strongly resist the suggestion that they will be required to contribute to remedy the shortfall.

At the date that the Commission approved these accounts, the outcome of this matter could not be predicted.