

**REPORT OF THE COMMISSIONERS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
FOR
SAUNDERSFOOT HARBOUR COMMISSIONERS**

SAUNDERSFOOT HARBOUR COMMISSIONERS

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SAUNDERSFOOT HARBOUR COMMISSIONERS

TRUST PORT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019

COMMISSIONERS:

Mr P W Evans CBE
Mr T Sangster
Mr J Codd
Mr P Baker
Mr A Evans
Mrs W Goldsworthy
Mr D McDermott
Mr P Parker

CHIEF EXECUTIVE OFFICER: Mr M Davies

REGISTERED OFFICE:

The Harbour Office
Saundersfoot
Pembrokeshire
SA69 9HE

AUDITORS:

LHP Auditors Ltd
Llys Deri
Parc Pensarn
Carmarthen
Carmarthenshire
SA31 2NF

SAUNDERSFOOT HARBOUR COMMISSIONERS

REPORT OF THE COMMISSIONERS FOR THE YEAR ENDED 31 MARCH 2019

The Commissioners present their Report with the financial statements of the trust port for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activity of Saundersfoot Harbour Commissioners for the year under review was that of a harbour undertaking.

REVIEW OF BUSINESS

Business Plan Review 2018 - 2019

Current Position

The Trust Port of Saundersfoot (TPOS) has performed well over the past year when considering the significant disruption that the Phase 2 build program has had on both the marine and terrestrial operation of the harbour. The entity has seen only a modest drop in total income from the previous year which, overall, is a better performance than was expected.

Expenditure has equally been affected with an increase from last year in several areas due to legal and banking fees; unforeseen maintenance; staff costs associated with increased minimal wage rates and a new Commercial Manager post; building rates for commercial vacant premises; and depreciation.

Depreciation is accounted for as the write off of expenditure on fixed assets, written off over their economic useful life, with rates of write off being noted in note 1 to the financial statements.

Looking Forward

The TPOS Phase 2 developments are currently progressing well, with full planning permission granted on the final two developments - Ocean Square & Heritage Schooner. However, both applications were delayed due to unforeseen matters with regards to NRW flood map issues, which required further work to the planning submission and resulted in a 4 month delay.

The TPOS revised expectation of the completion of Phase 2 build program will be by late August 2020, well within our grant funding deadline of January 2021.

Phase 2 Proposed completion

1. National Events Deck: - Complete
2. Marine Centre of Excellence: - Commencement October 2018 & Completion December 2019
3. Coastal Schooner: - Commencement October 2019 & Completion July 2020
4. Ocean Square Heritage: - Commencement October 2019 & Completion August 2020

The overall scheme will establish 29 new commercial premises and approximately 90 new full-time job opportunities.

The premises will be advertised as leases with a minimum of 1 year period, to be released by September 2019. They will be placed within local and National publications to ensure the widest possible promotion campaign, with the aim of attracting new businesses to the region as well as offering opportunity to local entrepreneurs for start-up initiatives or further expansion to their current premises.

Phase 3

Funding for Phase 3 is progressing well with funding secured for the Canoe Rapids and Rescue Centre awarded via round 4 of the Coastal Communities fund. The Coastal Sea Water Lido requires further work prior to seeking funding support.

SAUNDERSFOOT HARBOUR COMMISSIONERS

REPORT OF THE COMMISSIONERS FOR THE YEAR ENDED 31 MARCH 2019

Facility Maintenance and Equipment

The following table identifies the assets within each area and annual maintenance / refurbishment / replacement in 2018 – 2019 and refurbishment replacement 2019 - 2020

Asset	Annual Maintenance	Complete 2018 - 2019	Programmed work 2019 - 2020
Harbour Area			
Inner Moorings	Regular inspection pre and post season	Worn chain replacement up to C49 -62	Further chain maintenance required on front rows of centre moorings C64 - 94
Outer Moorings	Installed 2014 season Serviced before installation each year	No further moorings to be deployed this year	Review of visitor moorings numbers to support events and deeper drafted vessels
Harbour Walls	Minor damage to walls repaired each year when required surveyed every 15 years	Damage to walls due to storm Dec 2018	Work to stabilise walls completed by WB Griffiths. Work required to enhance the damaged section with the existing wall
Sluice impoundment area	Sluice gates each month and detailed inspection every 3 years	Sediment removed March	To be reviewed annually
Sailing Club Dinghy Park	Inspected by Harbour Master / CEO annually	Inspection by Harbour Team	Inspection by Harbour Team
Slipway	Inspected daily Planned winter maintenance	Annual surface repair complete	Annual Surface repair
Harbour Office	Painted every 2 years Electrical tested every 3 years	Painted	To be painted April 2020
Staff Office	Painted every 2 years Electrical tested every 3 years	Painted	To be painted April 2020
Commercial Trip Boat Ticket Office	Inspected annually by Harbour Master / CEO	New office designed and Installed	To be maintained by Harbour Team Second unit to be hired out May 2019
Commercial storage units	Inspected annually by Harbour Master	Still under review as part of the Phase 2 Development	To form part of Phase 2 new facilities in 2020 - 2021
Harbour boat Launch	Serviced before start of each summer season	Full service undertaken	Full service Required Feb 2020
JCB	Service annually	Serviced	Service Jan 2020
Tender Racking	Service annually	Racking tier positions amended	Racking positions to be reviewed Nov 2019
Canoe and Kayak racking	Service annually	Small rack fabricated	To be reviewed Jan 2020
Security Posts	Service annually	Serviced and new locking system installed	To be reviewed Jan 2020
Ford Tractor 7810 New Dry boat racking	-	Serviced Feb 2019	Service required Feb 2020
Linde H70	Service annually	Serviced Feb 2019	Serviced Feb 2020
WISE 16T sling Lift	Service annually	Serviced Jan 2019	To be serviced Jan 2020
Ford Tractor 8210	Service annually	Serviced Jan 2019	To be serviced Jan 2020
Car Park Area			
Harbour Furniture	Annual maintenance	Complete	Maintenance required 2019
Harbour CCTV	Annual maintenance	Replace all remaining analogue system	Review of all our CCTV with regards to new Phase 2 building
Public Toilet	Annual maintenance	Review Dec 2018	Danfo to take over toilet maintenance
Car park area	Annual maintenance	complete	Review Dec 2019
Pedestrian path	Annual maintenance	Annual maintenance required	Annual maintenance review Jan 2020
Signage	Annual maintenance	completed	Replace all no bilingual signs and amend slipway notices
Planting areas	Seasonal planting and weeding	Planting Competed	Season planting and weeding
Car park automatic ticket machines	Weekly / monthly maintenance	Review alternate ticket machines as well as chip and pin Dec 2019	New Chip and pin to be installed
Harbour Lighting columns	Sight inspection each Columns	Install a 10 lighting columns Phase 2: - deferred to 2020	Review lighting for Ocean Square Heritage schooner

SAUNDERSFOOT HARBOUR COMMISSIONERS

REPORT OF THE COMMISSIONERS FOR THE YEAR ENDED 31 MARCH 2019

Key Performance Indicators

Harbour's operational plan reviewed 2018 – 2019 and proposed 2019 - 2020

	2018 – 2019 KPI targets	Achieved	2019 - 2020
Expenditure Savings			
Dredging contracts	Maintain Budget	Yes	To maintain budget
Waste management	Tender waste management contract Dec 2019 (Commercial Manager) BIFFA	Yes	Review on completion of Phase 2
Utility contracts	To unite all power utility contracts to one provider 2019	Yes	Review on completion of Phase 2
Annual maintenance costs	New equipment purchased reducing expensive contract hire such as Jet washing and Generator	ongoing	Further equipment required; however, this will be budget driven
Income improvement			
Outer Harbour moorings	To achieve £3,000 revenue to cover licencing cost by 2019	Achieved	To maintain 2020
Additional maritime services provision	To review racking needs	ongoing	Additional racking spaces required for 2020 on completion of the Marine Centre of Excellence
Commercial facility hire	Unit 3 utilised for display of the harbour Phase 2 developments	Yes Unit 1, as 2 and 3 let out for the majority of 2019	To be demolished as part of Phase 2
Commercial licencing fees	Raise only by RPI	Yes 2.4%	Raise by RPI 2020 to be agreed
Overall net annual profit	To increase net profit	Phase 2 build temporarily stalling growth	To review and maintain annual growth whilst Phase 2 build is underway
Operational improvement			
Range of maritime facilities on offer	Appoint contractors for MCOE and Ocean Square and Heritage vessel 2019	All Contractors appointed 2019	Build completion of Phase 2 August 2020
Longer seasonal operational use	Ongoing as part of the Harbour Commissioners Phase 2 strategy.	Ongoing	Ongoing as part of the Harbour Commissioners Phase 2 strategy.
Dredged channel maintenance	Improvement to harbour channel as part of Phase 3	To be reviewed	To be reviewed 2020
Marketing Saundersfoot Harbour	Included within the Commercial Manager JD	Yes	To reviewed Jan 2020
Staff training	Course offered to senior team to offer opportunities for staff to improve customer care and maritime skills.	Yes	Staff needs reviewed as well as further staff training undertaken by Harbour Master and Deputy staff
Sickness absence	To instigate sickness review meetings on staff return to review measures to reduce sickness absence	Ongoing	Ongoing
Mooring waiting list	Display harbour leisure mooring waiting list on the harbours website	Yes	To maintain
Harbour Newsletter / Press release	Commercial manager to undertake in addition to Facebook account.	Yes	To maintain

Budgetary Requirements:-

The Harbour car park surface and its pay and display machines are in need of significant upgrade to ensure suitability for purpose over the coming years. It was therefore agreed by the Harbour Board to purchase five new pay and display machines that would offer greater flexibility to its customers, offering chip and pin facilities. Equally, the car park will need a full resurface and remarking in the next few years. It was therefore felt appropriate to fund this expenditure by increasing the car park hourly rate by 50p, noting that no increase has been levied against the hourly rate since 2012 and thus bringing this charge in parity with the rest of the Harbour increases over the past 7 years.

SAUNDERSFOOT HARBOUR COMMISSIONERS

REPORT OF THE COMMISSIONERS FOR THE YEAR ENDED 31 MARCH 2019

Risk Assessment: -

Currently there are no high or medium risk issues, with all low risk areas continually monitored, such as the completion of the remaining Phase 2 development, to be compliant within the funding deadline of January 2021 set by Welsh Government and European Funding.

Commercial Risk Assessment: -

In light of the harbour's extensive investment with regards to the Phase 2 development and subsequent operation of these facilities by 2020, the Commissioner Board approved the setting up of 3 Commissioner led working groups whose members have a particle strength within each of the areas.

These working groups comprise of: -

- Finance and Audit working group
- Commercial working group
- Ports working group

Each of the working groups meet on a monthly basis and are supported by the CEO and senior staff members. They are tasked to review their ongoing operational areas and equally make proposals to the full Commissioner Board based on relationship to the development strategy / risk / and future initiatives.

Each of the group's meetings are minuted and forwarded to all Board members, to be discussed at the quarterly full Commissioner Board meetings.

Revision of the Harbour Order: -

The Commissioner Board has undertaken a considerable amount of work over the past year, with the support of Welsh Government, with regards its 2011 Harbour Order, to ensure that future governance and the ability to discharge its duties has been updated against national guidance such as Modernising Trust Ports (second addition), to ensure that it is fit for purpose with regards to the forthcoming Phase 2 developments.

It is envisaged that a first draft of the new Harbour Order will be forwarded to Welsh Government and subsequent Harbour stakeholders by the end of 2019 for comment.

Partnership Working: -

Through an outwardly looking approach, the TPOS has been able to successfully engage with private sector bodies, as well as local and National Government departments, working directly with relevant executive team members and Welsh Assembly Ministers.

Conclusion: -

The TPOS Wales International Coastal Centre strategy is well underway and will be a significant development for Wales increasing the regions infrastructure, establishing Saundersfoot as an iconic visitor coastal destination and a centre of excellence for maritime activity.

Through sound governance, the TPOS will ensure that it secures all its assets from risk, through maximising its revenue potential, preventative maintenance programme and development of its staff skill set to meeting the Harbour's current and future requirements

Implicit with these aims is the continuation of prudent financial management ensuring that expenditure is carefully monitored and that new sources of income explored, maximising the harbour's potential for future generations.

SAUNDERSFOOT HARBOUR COMMISSIONERS

REPORT OF THE COMMISSIONERS FOR THE YEAR ENDED 31 MARCH 2019

COMMISSIONERS

The commissioners shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

Mr P W Evans CBE
Mr T Sangster
Mr J Codd
Mr P Baker
Mr A Evans
Mrs W Goldsworthy
Mr D McDermott
Mr P Parker

STATEMENT OF COMMISSIONERS' RESPONSIBILITIES

The Commissioners are responsible for preparing the Report of the Commissioners and the financial statements in accordance with applicable law and regulations.

The Harbours Act 1964 as amended by the Transport Act 1981 requires the Commissioners to prepare financial statements for each financial year. Under that law, the Commissioners 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 Commissioners 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 trust port and of the surplus or deficit of the entity for that period. In preparing these financial statements, the Commissioners are required to:

- select suitable accounting policies and then 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 trust port will continue in business.

The Commissioners are responsible for keeping adequate accounting records that are sufficient to show and explain the trust port's transactions and disclose with reasonable accuracy at any time the financial position of the entity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the trust port and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Commissioners are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the trust port's auditors are unaware, and each Commissioner has taken all the steps that he or she ought to have taken as a Commissioner in order to make himself or herself aware of any relevant audit information and to establish that the trust port's auditors are aware of that information.

AUDITORS

The auditors, LHP Auditors Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

SAUNDERSFOOT HARBOUR COMMISSIONERS

REPORT OF THE COMMISSIONERS FOR THE YEAR ENDED 31 MARCH 2019

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Mr P W Evans CBE - Commissioner

Date: 06.11.2019.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SAUNDERSFOOT HARBOUR COMMISSIONERS

Opinion

We have audited the financial statements of Saundersfoot Harbour Commissioners for the year ended 31 March 2019 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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 trust port's affairs as at 31 March 2019 and of its deficit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the trust port 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 commissioners' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the commissioners have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the trust port'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.

Other information

The commissioners are responsible for the other information. The other information comprises the information in the Report of the Commissioners, but does not include the financial statements and our Report of the Auditors 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Commissioners for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Commissioners has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SAUNDERSFOOT HARBOUR COMMISSIONERS

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust port and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Commissioners.

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 commissioners' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the commissioners were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Commissioners.

Responsibilities of commissioners

As explained more fully in the Statement of Commissioners' Responsibilities set out on page two, the commissioners 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 commissioners determine 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 commissioners are responsible for assessing the trust port'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 commissioners either intend to liquidate the trust port or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the trust port'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 trust port's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust port and the trust port's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Williams (Senior Statutory Auditor)
for and on behalf of LHP Auditors Ltd
Llys Deri
Parc Pensarn
Carmarthen
Carmarthenshire
SA31 2NF

Date: 05.11.2019

SAUNDERSFOOT HARBOUR COMMISSIONERS

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	31.3.19 £	31.3.18 £
INCOME		461,730	472,276
Direct costs		<u>320,789</u>	<u>290,213</u>
GROSS SURPLUS		140,941	182,063
Administrative expenses		<u>256,470</u>	<u>200,661</u>
		(115,529)	(18,598)
Other operating income		<u>69,004</u>	<u>60,629</u>
OPERATING (DEFICIT)/SURPLUS	4	(46,525)	42,031
Interest receivable and similar income		<u>134</u>	<u>1</u>
		(46,391)	42,032
Interest payable and similar expenses		<u>12,189</u>	<u>6,531</u>
(DEFICIT)/SURPLUS BEFORE TAXATION		(58,580)	35,501
Tax on (deficit)/surplus		<u>(8,528)</u>	<u>6,457</u>
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR		(50,052)	29,044
Retained earnings at beginning of year		<u>157,630</u>	<u>128,586</u>
RETAINED EARNINGS AT END OF YEAR		<u>107,578</u>	<u>157,630</u>

The notes form part of these financial statements

SAUNDERSFOOT HARBOUR COMMISSIONERS

BALANCE SHEET 31 MARCH 2019

	Notes	31.3.19		31.3.18	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		3,812,537		2,117,898
CURRENT ASSETS					
Debtors	6	595,973		106,860	
Cash at bank and in hand		<u>395,110</u>		<u>203,871</u>	
		991,083		310,731	
CREDITORS					
Amounts falling due within one year	7	<u>702,330</u>		<u>350,206</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>288,753</u>		<u>(39,475)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,101,290		2,078,423
CREDITORS					
Amounts falling due after more than one year	8		(676,519)		(190,517)
PROVISIONS FOR LIABILITIES			(55,344)		(62,496)
ACCRUALS AND DEFERRED INCOME			(3,261,849)		(1,667,780)
NET ASSETS			<u>107,578</u>		<u>157,630</u>
RESERVES					
Income and expenditure account			<u>107,578</u>		<u>157,630</u>
			<u>107,578</u>		<u>157,630</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Commissioners on 06.11.2019 and were signed on its behalf by:


.....
Mr P W Evans CBE - Commissioner


.....
Mr D McDermott - Commissioner

The notes form part of these financial statements

SAUNDERSFOOT HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. STATUTORY INFORMATION

Saundersfoot Harbour Commissioners is a trust port entity. The trust port's statutory information can be found on the Trust Port Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in order to comply with the Harbours Act 1964, as amended by the Transport Act 1981 and the Statutory Harbour Undertakings Regulations 1983. Given that the Harbours Act 1964 provides that the financial statements must be prepared in order to comply with the Companies Acts 1948 to 2006 and that the undertaking would qualify as a "small company" under Companies Act 2006, these financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements have been prepared on the assumption that the undertaking is able to carry on in business as a going concern for the foreseeable future. The Commissioners consider this to be appropriate having regard to the fact that they believe that the undertaking has sufficient liquid funds at its disposal. Consequently the Commissioners have adopted the going concern basis for accounting.

Turnover

Income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Land and buildings	- at varying rates on cost
Plant and machinery etc	- 10% on cost and at varying rates on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

SAUNDERSFOOT HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2019

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to surplus or deficit over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to surplus or deficit on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The trust port operates a defined contribution pension scheme. Contributions payable to the trust port's pension scheme are charged to profit or loss in the period to which they relate.

Government grants

Grants on capital expenditure are credited to a deferred revenue account and are released to the Income and Expenditure Account over the expected useful life of the relevant tangible fixed asset by instalments. Revenue grants are credited in the same period as the relevant expenditure.

3. EMPLOYEES

The average number of employees during the year was 15 (2018 - 12).

4. OPERATING (DEFICIT)/SURPLUS

The operating deficit (2018 - operating surplus) is stated after charging:

	31.3.19	31.3.18
	£	£
Depreciation - owned assets	<u>114,895</u>	<u>109,925</u>

SAUNDERSFOOT HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2019

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 April 2018	2,157,278	569,482	2,726,760
Additions	1,799,338	13,291	1,812,629
Disposals	<u>-</u>	<u>(10,250)</u>	<u>(10,250)</u>
At 31 March 2019	<u>3,956,616</u>	<u>572,523</u>	<u>4,529,139</u>
DEPRECIATION			
At 1 April 2018	368,312	240,550	608,862
Charge for year	67,055	50,935	117,990
Eliminated on disposal	<u>-</u>	<u>(10,250)</u>	<u>(10,250)</u>
At 31 March 2019	<u>435,367</u>	<u>281,235</u>	<u>716,602</u>
NET BOOK VALUE			
At 31 March 2019	<u>3,521,249</u>	<u>291,288</u>	<u>3,812,537</u>
At 31 March 2018	<u>1,788,966</u>	<u>328,932</u>	<u>2,117,898</u>

Included in the cost of freehold land, buildings and permanent structures is the harbour at £25,000. The harbour was valued in 1958 by Cooke and Arkwright, professional valuers, on the basis of an open market value for existing use. The original cost of the harbour was £nil and its net book value as at 31 March 2019 was £nil (2018 - £nil).

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery etc £
COST	
At 1 April 2018 and 31 March 2019	<u>30,950</u>
DEPRECIATION	
At 1 April 2018	6,190
Charge for year	<u>3,095</u>
At 31 March 2019	<u>9,285</u>
NET BOOK VALUE	
At 31 March 2019	<u>21,665</u>
At 31 March 2018	<u>24,760</u>

SAUNDERSFOOT HARBOUR COMMISSIONERS

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019**

6.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.3.19	31.3.18
		£	£
	Trade debtors	18,427	33,230
	Other debtors	<u>577,546</u>	<u>73,630</u>
		<u>595,973</u>	<u>106,860</u>
7.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.3.19	31.3.18
		£	£
	Bank loans and overdrafts	520,923	32,388
	Hire purchase contracts	5,390	5,390
	Trade creditors	54,382	174,646
	Taxation and social security	5,430	10,400
	Other creditors	<u>116,205</u>	<u>127,382</u>
		<u>702,330</u>	<u>350,206</u>
8.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	31.3.19	31.3.18
		£	£
	Bank loans	664,883	173,491
	Hire purchase contracts	<u>11,636</u>	<u>17,026</u>
		<u>676,519</u>	<u>190,517</u>
	Amounts falling due in more than five years:		
	Repayable by instalments		
	Bank loans more 5 yr by instal	<u>465,807</u>	<u>55,969</u>
9.	SECURED DEBTS		
	The following secured debts are included within creditors:		
		31.3.19	31.3.18
		£	£
	Bank loans	1,185,806	205,879
	Hire purchase contracts	<u>17,026</u>	<u>22,416</u>
		<u>1,202,832</u>	<u>228,295</u>

10. RELATED PARTY DISCLOSURES

During the year, all Commissioners are provided with complimentary season tickets for the car park.

Commissioners who paid for moorings and boat lift costs on the harbour were as follows:
Mr D McDermott £963 (2018 £902), Mr A Evans £255 (2018 £251) and Mr P W Evans CBE £292 (2018 £287).

