

**NEWLYN PIER AND HARBOUR**

**ACCOUNTS FOR THE YEAR ENDED  
31<sup>st</sup> MARCH 2011**

## NEWLYN PIER AND HARBOUR

## COMMISSIONERS' REPORT

The commissioners present their report, together with the financial statements for the year ended 31<sup>st</sup> March 2011.

1. **PRINCIPAL ACTIVITY**

The principal activity of the Harbour Commissioners continues to be that of administering the affairs of Newlyn Pier and Harbour. The Harbour Commissioners are also responsible for the administration of pilotage services as a competent harbour authority under the Pilotage Act 1987.

2. **REVIEW OF BUSINESS**

A summary of the results of the year's operations is given on page 5 of the financial statements. The commissioners report that the surplus before taxation amounted to £94,049.

The commissioners are actively looking at schemes to improve the facilities at the harbour.

3. **COMMISSIONERS**

The following commissioners held office during the year:

Mr W Stevenson	Retired	31 <sup>st</sup> May 2010		
Mr M Williams	Retired	31 <sup>st</sup> May 2010		
Mr G Adams	Retired	31 <sup>st</sup> May 2010		
Col E Bolitho	Retired	30 <sup>th</sup> November 2010		
Mr G McCabe	Appointed	29 <sup>th</sup> April 2010	(Chairman)	
Mr R Tovey	Appointed	29 <sup>th</sup> April 2010		
Mr S Hicks	Retired	31 <sup>st</sup> May 2010		
Mr D Stevens	Appointed	31 <sup>st</sup> May 2010		
Mr N Howell	Appointed	31 <sup>st</sup> May 2010	Retired	7 <sup>th</sup> September 2011
Mr K Bennetts	Appointed	31 <sup>st</sup> May 2010		
Mr J Lambourn	Appointed	31 <sup>st</sup> May 2010	Retired	7 <sup>th</sup> September 2011
Mr G Caplin	Appointed	31 <sup>st</sup> May 2010		
Mr D Munday	Appointed	31 <sup>st</sup> May 2010	Retired	30 <sup>th</sup> May 2011
Mr A Munson	Appointed	31 <sup>st</sup> May 2010		
Miss J Taylor	Appointed	31 <sup>st</sup> May 2010	Retired	30 <sup>th</sup> May 2011
Miss E Stevenson	Appointed	9 <sup>th</sup> June 2010		
Mr A Bell	Appointed	9 <sup>th</sup> June 2010	Resigned	6 <sup>th</sup> October 2010
Mr M Collier	Appointed	31 <sup>st</sup> May 2010		

A new board of commissioners was elected on the 31<sup>st</sup> May 2010 under the Harbour Revision Order which came into effect on that date. Col. Bolitho, Mr McCabe and Mr Tovey remain as members of the new board.

4. **VALUATION**

A valuation of the harbour properties at £6,743,800 was made by Messrs Scott Burrige Chick in March 2006.

5. **DEFINED BENEFIT SCHEME**

It has recently come to light that the pension scheme operated on behalf of the Harbour's employees is a defined benefit scheme. As such, there is no actuarial valuation available for the 2011 or 2010 accounting years and the accounts do not include any related asset or liability which may have arisen as part of the scheme. The Commissioners will request a valuation for 2012 and at that point the accounts will include full disclosure of the pension value.

## NEWLYN PIER AND HARBOUR

## COMMISSIONERS' REPORT (continued...)

6. **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.

Company law 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 entity 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 entity will continue in business.

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

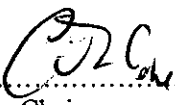
7. **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the commissioners are aware, there is no relevant audit information of which the entity'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 entity's auditors are aware of that information.

8. **AUDITORS**

A resolution proposing that Kelsall Steele Limited be re-appointed as auditors of the entity will be put to the Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
.....  
G McCabe – Chairman

Date: 14 November 2012

**Report of the Independent Auditors to the Commissioners of  
Newlyn Pier & Harbour**

We have audited the financial statements of Newlyn Pier & Harbour for the year ended 31 March 2011 on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the entity's Commissioners, as a body, in accordance with the Harbours Act 1964. Our audit work has been undertaken so that we might state to the entity's 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 entity and the entity's Commissioners as a body, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditors**

As explained more fully in the Statement of Commissioners' Responsibilities set out on page 2, the Commissioners are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the entity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Commissioners; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Commissioners to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Basis for qualified opinion on financial statements**

The financial statements do not currently include any related asset or liability with regard to the defined pension benefit scheme.

**Unqualified with an emphasis of matter**

In our opinion the financial statements:

- give a true and fair view of the state of the entity's affairs as at 31 March 2011 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Harbours Act 1964, the Statutory Harbour Undertakings (Accounts etc.) Regulations 1983 and the Companies Act 2006.

**Emphasis of matter**

As the existence of a defined benefit scheme has recently come to light, there is uncertainty as to the value of any asset or liability which may have arisen within the entity's defined benefit scheme as disclosed in full in the Report of the Commissioners and in note 12 to the financial statements. The provision of a full actuarial report for 2012 will enable us to reflect full details of the pension scheme in the year to 31 March 2012.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

**Report of the Independent Auditors to the Members of  
Newlyn Pier & Harbour**

**Matters on which we are required to report by exception**

We have nothing to report, other than noted above in the emphasis of matter 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 entities regime and take advantage of the small entities' exemption in preparing the Report of the Commissioners.

Bernard Pooley FCA (Senior Statutory Auditor)  
for and on behalf of Kelsall Steele Ltd  
Statutory Auditors  
Woodlands Court  
Truro Business Park  
Truro  
Cornwall  
TR4 9NH

Date: .....

19<sup>th</sup> November 2012

## NEWLYN PIER AND HARBOUR

REVENUE ACCOUNT  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011

	Note	2011		2010	
		£	£	£	£
<b>TURNOVER</b>					
Dues, water and other charges, etc.			642,009		561,948
<b>Rents receivable:</b>					
Offices, car and lorry park, water sites and acknowledgements			126,568		121,637
Fishing permits			62		80
Pay & Display parking			23,544		26,058
			<u>792,183</u>		<u>709,723</u>
<b>EXPENDITURE</b>					
Repairs and maintenance of works etc		138,747		82,428	
Site Investigation		-		35,447	
Market boxes		13,596		7,672	
Skip hire		27,778		23,072	
Staff costs	2	225,821		218,203	
Lighting and heating		44,186		53,109	
Water supply		20		10	
Printing, stationery, advertising, telephone and facsimile		7,059		5,803	
General insurance		46,566		42,123	
Rates		61,119		59,320	
General expenses		8,623		9,509	
Audit fee		3,200		3,750	
Legal and professional charges		45,634		39,178	
Depreciation of harbour properties		37,484		37,484	
Depreciation of equipment		140,276		140,773	
Security		4,897		4,551	
Bad debts written off		5,080		11,696	
Contract labour		4,293		-	
Bank interest and charges		9,757		14,311	
Profit on sale of assets		-		(30)	
Costs re new fish market		7,125		-	
			<u>831,261</u>		<u>788,409</u>
<b>OPERATING DEFICIT</b>					
			(39,078)		(78,686)
Government grants written back		123,127		123,127	
Sundry income		-		75	
Supplement on late repayment		-		1,764	
Grant from Cornwall Council		10,000		-	
			<u>133,127</u>		<u>124,966</u>
<b>SURPLUS on ordinary activities before taxation</b>					
			94,049		46,280
<b>TAXATION</b>					
	3		-		-
<b>SURPLUS on ordinary activities after taxation carried forward</b>					
	9		<u>94,049</u>		<u>46,280</u>

The notes on pages 8 to 13 form an integral part of these financial statements.

**NEWLYN PIER AND HARBOUR**  
**REVENUE ACCOUNT (continued)**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011**

**CONTINUING OPERATIONS**

None of the entity's activities were acquired or discontinued during the above two financial years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The entity has no recognised gains or losses other than the surplus for the year.


## NEWLYN PIER AND HARBOUR

BALANCE SHEET  
AS AT 31<sup>ST</sup> MARCH 2011

	Note	£	2011 £	£	2010 £
<b>FIXED ASSETS</b>					
Tangible assets	4		2,978,629		3,153,429
<b>CURRENT ASSETS</b>					
Debtors	5	335,907		305,526	
Cash at bank and in hand		60		38	
		<u>335,967</u>		<u>305,564</u>	
<b>CREDITORS: amounts falling due within one year</b>					
	6	<u>232,679</u>		<u>348,000</u>	
<b>NET CURRENT ASSETS (LIABILITIES)</b>			<u>103,288</u>		<u>(42,436)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,081,917		3,110,993
<b>ACCRUALS AND DEFERRED INCOME</b>			<u>(1,711,537)</u>		<u>(1,834,664)</u>
			<u>1,370,380</u>		<u>1,276,329</u>
<b>CAPITAL AND RESERVES</b>					
Capital Reserves	9		1,277,094		1,318,767
Revenue reserves					
General			(139,542)		(275,266)
Dredging			120,000		120,000
Capital works			112,828		112,828
			<u>1,370,380</u>		<u>1,276,329</u>

Chairman of the commissioners -

G McCabe



Clerk to the commissioners -

A T Munson



The financial statements were approved at a meeting of the commissioners on

2 May 2012



## NEWLYN PIER AND HARBOUR

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011

## 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

## a) Accounting convention

The accounts are prepared under the historical cost convention.

## b) Turnover

Turnover represents income receivable net of value added tax.

## c) Government and EEC grants

Grants received before 1990 are deducted from the cost of the relevant fixed assets. Depreciation is calculated on the net cost.

Grants received since 1990 are treated as a deferred credit and are released to the revenue account in equal instalments over the estimated useful economic life of the asset concerned.

## d) Depreciation

Depreciation is calculated to write down the cost of assets by equal instalments over their expected useful lives. The expected useful lives of the assets have been taken as:-

Fish market	50 years	Plant and equipment	4 years
Slipway	20 years	Office equipment	4 years
Cradle	15 years	Motor vehicle	4 years
Net maintenance shed	25 years	Slipway upgrade	25 years
Waterworks	10 years	Landing davits	10 years
Other harbour works		Grading & Traceability	10 years
and properties	100 years	North Pier lighting	10 years
Small Boat pontoons	25 years		

No depreciation is provided on deferred expenditure, land or capital works in progress.

## e) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, or to receive more, tax with the following exceptions:

Deferred tax assets are recognised only to the extent that the Commissioners consider that it is more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## NEWLYN PIER AND HARBOUR

NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011

## f) Accruals and deferred income

Accruals and deferred income represents grants received in the year which are to be released to subsequent year's profit and loss accounts so that they are written off over the estimated useful life of the assets.

These grants are repayable if certain conditions are not continuing to be adhered to. The Commissioners are satisfied that the conditions were and are continuing to be met.

2. STAFF COSTS	2011	2010
	£	£
Wages and salaries	200,546	194,840
Social security costs	17,950	16,067
Other pension costs	7,325	7,296
	<u>225,821</u>	<u>218,203</u>

The Harbour Commissioners receive no remuneration.

The average weekly number of employees during the year was made up as follows:-

	2011	2010
Office and administration	3	3
Harbour master's assistants	7	7
	<u>10</u>	<u>10</u>

## 3. TAXATION

	2011	2010
	£	£
Corporation Tax on profits for the year	19,750	9,719
Less losses brought forward	(19,750)	(9,719)
	<u>-</u>	<u>-</u>
There is no deferred tax adjustment due to losses brought forward	-	-
	<u>-</u>	<u>-</u>

There is no Corporation Tax due for 2011 and 2010 due to losses brought forward.

## NEWLYN PIER AND HARBOUR

NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011

## 4. TANGIBLE FIXED ASSETS

	At 01/04/10	Additions	Disposals	At 31/03/11
<b>COST</b>	£	£	£	£
South pier	30,282	-	-	30,282
North pier	72,815	-	-	72,815
Mary Williams pier	775,063	-	-	775,063
Fish market	358,250	-	-	358,250
Net maintenance shed	14,424	-	-	14,424
Offices and stores	10,657	-	-	10,657
Accreted foreshore and reclaimed land	1,510	-	-	1,510
Water works	16,561	-	-	16,561
New slipway	85,898	-	-	85,898
Plant and equipment	158,207	895	-	159,102
Office equipment	12,459	2,065	-	14,524
Motor vehicle	7,299	-	-	7,299
Slipway upgrade	500,477	-	-	500,477
Landing davits	15,903	-	-	15,903
Grading & traceability equip.	394,105	-	-	394,105
Chill chain	127,086	-	-	127,086
Upgrade electricity supply	10,142	-	-	10,142
Small Boat Pontoons	2,073,111	-	-	2,073,111
	<u>4,664,249</u>	<u>2,960</u>	<u>-</u>	<u>4,667,209</u>

	At 01/04/10	Charge for the year	Eliminated on disposal	At 31/03/11	Net book amounts
<b>DEPRECIATION AND NET BOOK AMOUNTS</b>	£	£	£	£	£
South pier	28,835	237	-	29,072	1,210
North pier	68,217	1,023	-	69,240	3,575
Mary Williams pier	217,765	7,961	-	225,726	549,337
Fish market	157,510	7,169	-	164,679	193,571
Net maintenance shed	12,683	580	-	13,263	1,161
Offices and stores	7,657	93	-	7,750	2,907
Accreted foreshore and reclaimed land	1,507	-	-	1,507	3
Water works	16,561	-	-	16,561	-
New slipway	64,896	402	-	65,298	20,600
Plant and equipment	156,806	439	-	157,245	1,857
Office equipment	12,459	387	-	12,846	1,678
Motor vehicle	487	1,460	-	1,947	5,352
Slipway upgrade	120,114	20,019	-	140,133	360,344
Landing davits	9,542	1,590	-	11,132	4,771
Grading & traceability	235,531	39,750	-	275,281	118,824
Chill chain	63,543	12,709	-	76,252	50,834
Upgrade electricity	5,070	1,014	-	6,084	4,058
Small Boat Pontoons	331,637	82,927	-	414,564	1,658,547
	<u>1,510,820</u>	<u>177,760</u>	<u>-</u>	<u>1,688,580</u>	<u>2,978,629</u>

At 31<sup>st</sup> March 2011, the costs of fixed assets (before deduction of grants £2,580,321) amounted to £7,247,530. The related accumulated depreciation provisions would amount to £3,200,306 (2010 - £2,853,811).

## NEWLYN PIER AND HARBOUR

NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 20115. **DEBTORS** - amounts falling due within one year

	2011	2010
	£	£
Operating debtors	304,069	259,665
Prepayments	18,045	26,042
VAT	13,793	19,819
	<u>335,907</u>	<u>305,526</u>

6. **CREDITORS** - amounts falling due within one year

	2011	2010
	£	£
Operating creditors	75,441	72,515
Bank overdraft	128,512	239,052
Accruals	28,726	36,433
	<u>232,679</u>	<u>348,000</u>

The bank overdraft is unsecured.

7. **OPERATING LEASE COMMITMENTS**

At 31<sup>st</sup> March 2011 the entity had an annual commitment under a non-cancellable operating lease as follows:

	2011	2010
	£	£
Expiring between one and two years	2,242	2,322
	<u>2,242</u>	<u>2,322</u>

8. **ACCRUALS AND DEFERRED INCOME**

The grants received in respect of capital expenditure on plant and equipment and infrastructure within the harbour are being written back to the Revenue Account over the useful life of the asset for which the grant was received.

## NEWLYN PIER AND HARBOUR

NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011

## 9. MOVEMENT ON RESERVES

	Capital	Revenue		Capital Works
		General	Dredging	
	£	£	£	£
Accumulated capital and allocated Reserve account 1 <sup>st</sup> April 2010	1,318,767		120,000	112,828
Revenue reserves 1 <sup>st</sup> April 2010		(275,266)		
Transfer from capital reserves	(41,673)	41,673		
	<u>1,277,094</u>	<u>(233,593)</u>		
Rounding adjustment		2		
Movement in year				
Revenue surplus for the year		94,049		
At 31 <sup>st</sup> March 2011	<u>1,277,094</u>	<u>(139,542)</u>	<u>120,000</u>	<u>112,828</u>

## 10. MOVEMENT ON CAPITAL RESERVE

	£	£
Depreciation		(177,760)
Additions - deferred expenditure and other capital assets		<u>2,960</u>
		(174,800)
Deferred grants written off in the year		<u>133,127</u>
Transfer to Capital Reserve		<u>(41,673)</u>

## NEWLYN PIER AND HARBOUR

NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011

## 11. RELATED PARTY DISCLOSURES

During the year the following Commissioners have had dealings with the Harbour

		£	Outstanding 2011 £	Outstanding 2010 £
W Stevenson	Dues paid	44,562	-	92,792
G Adams	Car park permits purchased	2,444	-	26,509
S Hicks	Dues paid through W Stevenson & Son		-	329
Col E Bolitho	Rent received	20	-	-
K Bennetts	Dues paid	318		
	Rent paid	1,718	1,936	-
N Howell	Dues paid	610		
	Rent paid	1,822	1,712	-
J Lambourn	Dues paid	1,380	1,380	-
Miss E Stevenson	Dues paid	268,990		
	Rents paid	20,805		
	Lorry Park permits purchased	1,652		
	Charges for electricity on shop	2,811	135,303	-
D Stevens	Dues paid	610	320	-
	Dues paid via Plymouth Trawlers	22,010	2,823	-
Miss J Taylor	Rent paid	410	-	-

## 12. DEFINED BENEFIT SCHEME

It has recently come to light that the pension scheme operated on behalf of the Harbour's employees is a defined benefit scheme. As such, there is no actuarial valuation available for the 2011 or 2010 accounting years and the accounts do not include any related asset or liability which may have arisen as part of the scheme. The Commissioners will request a valuation for 2012 and at that point the accounts will include full disclosure of the pension value.