

NEWLYN PIER AND HARBOUR
Audited Financial Statements
For the Year ended 31 March 2012

NEWLYN PIER AND HARBOUR

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NEWLYN PIER AND HARBOUR

INFORMATION

COMMISSIONERS:

G McCabe
K Bennetts
M Collier
Miss E Stevenson
A Munson
D Stevens
R Salvidge
R Clifford-Wing
P Corin
G Brown
G Trubody

REGISTERED OFFICE:

Harbour Office
Newlyn
Cornwall
TR18 5HW

SENIOR STATUTORY AUDITOR:

B Pooley FCA

AUDITORS:

Kelsall Steele Ltd
Woodlands Court
Truro Business Park
Truro
Cornwall
TR4 9NH

NEWLYN PIER AND HARBOUR

COMMISSIONERS' REPORT

The Commissioners present their report, together with the financial statements for the year ended 31 March 2012.

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 6 of the financial statements. The Commissioners report that the profit for the year before taxation amounted to £124,083.

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

3. COMMISSIONERS

Mr G McCabe	Appointed	29 April 2010	(Chairman)	
Mr R Tovey	Appointed	29 April 2010	Retired	30 May 2012
Mr D Stevens	Appointed	31 May 2010		
Mr N Howell	Appointed	31 May 2010	Retired	7 September 2011
Mr K Bennetts	Appointed	31 May 2010		
Mr J Lamborn	Appointed	31 May 2010	Retired	7 September 2011
Mr G Caplin	Appointed	31 May 2010	Retired	30 May 2012
Mr D Munday	Appointed	31 May 2010	Retired	30 May 2011
Mr A Munson	Appointed	31 May 2010		
Miss J Taylor	Appointed	31 May 2010	Retired	30 May 2011
Miss E Stevenson	Appointed	9 June 2010		
Mr A Bell	Appointed	9 June 2010	Retired	6 October 2011
Mr M Collier	Appointed	31 May 2010		
Mr R Clifford-Wing	Appointed	7 December 2011	(Vice-Chairman)	
Mr R Salvidge	Appointed	7 December 2011		
Mr P Corin	Appointed	7 December 2011		
Mr G Brown	Appointed	13 June 2012		
Mr G Trubody	Appointed	13 June 2012		

A new Board of Commissioners was elected on 31 May 2010 under the Harbour Revision Order which came into effect on that date.

4. VALUATION

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

5. 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:-

NEWLYN PIER AND HARBOUR

COMMISSIONERS' REPORT (continued...)

- 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.

6. 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.

7. 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:

Signed: R Clifford-Wing (Vice-Chairman)

Date: 18 November 2014

NEWLYN PIER AND HARBOUR

REPORT OF THE INDEPENDENT AUDITORS TO THE COMMISSIONERS

We have audited the financial statements of Newlyn Pier & Harbour for the year ended 31 March 2012 on pages 6 to 16. 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 auditors' 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 Commissioners and Auditors

As explained more fully in the Statement of Commissioners' Responsibilities set out on pages 2 and 3, 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.

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 2012 and of its profit for the year then ended;
- 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 (Pilotage Accounts) Regulations 1988 and the Companies Act 2006.

Emphasis of matter

As disclosed in note 17 it was identified during the audit that not all supporting documentation with regard to wages and value added tax had been retained. Our opinion is not qualified in respect of this matter.

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.

NEWLYN PIER AND HARBOUR

**REPORT OF THE INDEPENDENT AUDITORS
TO THE COMMISSIONERS
(continued...)**

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 21 November 2014

NEWLYN PIER AND HARBOUR
REVENUE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012		2011 as restated	
		£	£	£	£
TURNOVER					
Dues, water and other charges, etc			730,222		642,009
Rents receivable:					
Offices, car and lorry park, water sites and acknowledgements			124,045		126,568
Fishing permits			30		62
Pay & Display parking			<u>21,284</u>		<u>23,544</u>
			875,581		792,183
EXPENDITURE					
Repairs and maintenance works etc		113,917		138,747	
Market boxes		9,895		13,596	
Skip hire		31,009		27,778	
Staff costs	3	223,877		225,821	
Light and heating		61,659		44,186	
Water supply		20		20	
Printing, stationery, advertising, Telephone and facsimile		5,475		7,059	
General insurance		49,673		46,566	
Rates		47,896		61,119	
General expenses		12,803		8,623	
Audit fee		3,500		3,200	
Legal and professional charges		86,290		45,634	
Depreciation of harbour properties		37,484		37,484	
Depreciation of equipment		140,487		140,276	
Security		4,540		4,897	
Bad debts written off		24,356		5,080	
Contract labour		5,686		4,293	
Bank interest and charges		6,051		9,757	
Redundancy		13,044		-	
Costs re new fish market		<u>-</u>		<u>7,125</u>	
			<u>877,662</u>		<u>831,261</u>
OPERATING LOSS					
			(2,081)		(39,078)
Government grants written back		123,127		123,127	
Interest received		37		-	
Grant from Cornwall Council		-		10,000	
OTHER FINANCE INCOME/COSTS					
Interest income on pension scheme assets		<u>3,000</u>		<u>-</u>	
			<u>126,164</u>		<u>133,127</u>
PROFIT on ordinary activities before taxation					
			124,083		94,049
TAXATION	6		<u>200</u>		<u>-</u>
PROFIT on ordinary activities after Taxation carried forward					
	14		<u>124,283</u>		<u>94,049</u>

The notes on pages 9 to 16 form an integral part of these financial statements

NEWLYN PIER AND HARBOUR

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012	2011 as restated
		£	£
PROFIT FOR THE FINANCIAL YEAR		124,283	94,048
Actuarial losses on pension scheme		(23,254)	-
		-----	-----
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		101,029	94,048
			=====
Prior year adjustments	7	(36,800)	

TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		64,229	
		=====	

The notes on pages 9 to 16 form an integral part of these financial statements

NEWLYN PIER AND HARBOUR

**BALANCE SHEET
AS AT 31 MARCH 2012**

	Note	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		2,801,006		2,978,629
CURRENT ASSETS					
Debtors	9	521,887		335,907	
Cash at bank and in hand		73		60	
		-----		-----	
		521,960		335,967	
CREDITORS: Amounts falling due within one year	10	271,347		232,679	
		-----		-----	
NET CURRENT ASSETS			250,613		103,288
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITES			3,051,619		3,081,917
ACCRUALS AND DEFERRED INCOME	12		(1,588,410)		(1,711,537)
PENSION LIABILITY	14		(37,600)		(36,800)
			-----		-----
			1,425,609		1,333,580
			=====		=====
CAPITAL AND RESERVES	13				
Capital Reserves			1,222,598		1,240,294
Revenue reserves					
General			(29,817)		(139,542)
Dredging			120,000		120,000
Capital works			112,828		112,828
			-----		-----
			1,425,609		1,333,580
			=====		=====

Signed:

Vice Chairman R Clifford-Wing

Commissioner R Parsons

The financial statements were approved at a meeting of the Commissioners on 18 November 2014.

The notes on pages 9 to 16 form an integral part of these financial statements

NEWLYN PIER AND HARBOUR

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

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 and properties	100 years	Grading & Traceability	10 years
Small boat Pontoons	25 years	North pier lighting	10 years

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

- e) Deferred taxation
Deferred taxation 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 profits 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.

- 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.

The notes on pages 9 to 16 form an integral part of these financial statements

NEWLYN PIER AND HARBOUR

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the entity.

3. STAFF COSTS

	2012	2011 as restated
	£	£
Wages and salaries	206,667	200,546
Social security costs	17,210	17,950
Other pension costs	-	7,325
	-----	-----
	223,877	225,821
	=====	=====

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

	2012	2011 as restated
Office and administration	3	3
Harbour master's assistants	7	7
	-----	-----
	10	10
	=====	=====

4. OPERATING PROFIT

	2012	2011 as restated
	£	£
The operating profit is stated after charging:		
Depreciation – owned assets	177,971	177,760
Auditors' remuneration	3,500	3,200
	=====	=====
Harbour Commissioners' remuneration and other benefits	-	-
	=====	=====

**5. INTEREST RECEIVABLE AND
SIMILAR INCOME**

	2012	2011 as restated
	£	£
Late payment interest	37	-
	=====	=====

The notes on pages 9 to 16 form an integral part of these financial statements

NEWLYN PIER AND HARBOUR

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

6. TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows:-

	2012	2011 as restated
	£	£
Deferred tax	(200)	-
	-----	-----
	(200)	-
	=====	=====

UK corporation tax was charged at 20% in 2012.

Factors affecting the tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:-

	2012	2011 as restated
	£	£
Profit on ordinary activities before tax	124,083	94,049
	=====	=====
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 – 21%)	24,817	19,750
Effects of:		
Losses brought forward	(24,817)	(19,750)
	-----	-----
Current tax credit	-	-
	=====	=====

7. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been made in the 2011 accounts in respect of the Defined Benefit Pension Scheme liabilities as at 31 March 2011 as follows:-

	£
Pension credit balance brought forward at 31 March 2011	46,000
Deferred tax provided	(9,200)

Balance carried forward as at 1 April 2011	36,800
	=====

NEWLYN PIER AND HARBOUR

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

8. TANGIBLE FIXED ASSETS

	At 01.04.11 £	Additions £	Disposals £	At 31.03.12 £
COST				
South Pier	30,282	-	-	30,282
North Pier	72,815	-	-	72,815
Mary Williams Pier	775,064	-	-	775,064
Fish Market	358,250	-	-	358,250
Net Maintenance Shed	14,425	-	-	14,425
Offices and stores	10,657	-	-	10,657
Accreted foreshore & reclaimed land	1,510	-	-	1,510
Water works	16,561	-	-	16,561
New slipway	85,898	-	-	85,898
Plant and equipment	159,101	-	-	159,101
Office equipment	14,524	348	-	14,872
Motor vehicle	7,299	-	-	7,299
Slipway upgrade	500,476	-	-	500,476
Landing davits	15,903	-	-	15,903
Grading & traceability equipment	394,106	-	-	394,106
Chill chain	127,086	-	-	127,086
Upgrade electricity supply	10,142	-	-	10,142
Small Boat Pontoons	2,073,111	-	-	2,073,111
	<u>4,667,210</u>	<u>348</u>	<u>-</u>	<u>4,667,558</u>

	At 01.04.11 £	Charge for the year £	Eliminated on disposal £	At 31.03.12 £	Net book amounts £
DEPRECIATION AND NET BOOK AMOUNTS					
South Pier	29,071	236	-	29,307	975
North Pier	69,240	1,023	-	70,263	2,552
Mary Williams pier	225,726	7,961	-	233,687	541,377
Fish Market	164,680	7,170	-	171,850	186,400
Net Maintenance Shed	13,264	580	-	13,844	581
Offices and stores	7,749	93	-	7,842	2,815
Accreted foreshore & reclaimed land	1,507	-	-	1,507	3
Water works	16,561	-	-	16,561	-
New slipway	65,298	402	-	65,700	20,198
Plant and equipment	157,244	644	-	157,888	1,213
Office equipment	12,847	603	-	13,450	1,422
Motor vehicle	1,946	1,460	-	3,406	3,893
Slipway upgrade	140,133	20,019	-	160,152	340,324
Landing davits	11,133	1,590	-	12,723	3,180
Grading & traceability equip.	275,281	39,543	-	314,824	79,282
Chill chain	76,252	12,709	-	88,961	38,125
Upgrade electricity supply	6,085	1,014	-	7,099	3,043
Small Boat Pontoons	414,564	82,924	-	497,488	1,575,623
	<u>1,688,581</u>	<u>177,971</u>	<u>-</u>	<u>1,866,552</u>	<u>2,801,006</u>

At 31 March 2012, the costs of fixed assets (before deduction of grants £2,580,321) amounted to £7,247,879. The related accumulated depreciation provisions would amount to £3,508,888 (2011 - £3,200,306).

The notes on pages 9 to 16 form an integral part of these financial statements

NEWLYN PIER AND HARBOUR

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

9. DEBTORS – amounts falling due within one year

	2012	2011 as restated
	£	£
Operating debtors	490,987	304,069
Provision for doubtful debt	(42,017)	-
Prepayments	62,801	18,045
VAT	10,116	13,793
	-----	-----
	521,887	335,907
	=====	=====

10. CREDITORS – amounts falling due within one year

	2012	2011 as restated
	£	£
Bank loans and overdrafts	93,695	128,512
Trade creditors	95,403	30,261
Site investigation	35,447	35,447
Social security and other taxes	5,253	-
VAT	5,855	5,649
Other creditors	-	3,990
Credit card balance	235	94
Pension contributions	2,572	-
Accrued expenses	32,887	28,726
	-----	-----
	271,347	232,679
	=====	=====

The bank overdraft is unsecured.

11. OPERATING LEASE COMMITMENTS

At 31 March 2012 the entity had an annual commitment under a non-cancellable operating lease as follows:-

	2012	2011 as restated
	£	£
Expiring between one and two years	2,242	2,242
	=====	=====

12. 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. During the year the amount written back to the Profit and Loss account was £123,127 and the amount carried forward to be written back in future years is £1,588,410.

NEWLYN PIER AND HARBOUR

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

14. PENSION COMMITMENTS (continued)

Value of scheme assets and liabilities

	2012	2011 as restated
	£	£
Market value of assets	436,000	-
Present value of scheme liabilities	(483,000)	(46,000)
	-----	-----
Deficit in scheme	(47,000)	(46,000)
Related deferred tax liability	9,400	9,200
	-----	-----
Net pension liability	(37,600)	(36,800)
	=====	=====

Movement in deficit during the year

Deficit in scheme at start of year	(46,000)	(46,000)
Current service cost	(9,000)	-
Contributions	28,254	-
Other finance income	3,000	-
Accrual gain/(loss)	(23,254)	-
	-----	-----
Deficit in scheme at end of year	(47,000)	(46,000)
	=====	=====

15. CAPITAL COMMITMENTS

	2012	2011 as restated
	£	£
Contracted but not provided for in the Financial statements	194,185	-
	=====	=====

During the year an initial instalment of £79,060 was paid on a new grading machine and the balance on the contract of £194,185 is due for payment in the next financial year. A Government Grant of £197,652 was received in respect to this expenditure.

NEWLYN PIER AND HARBOUR

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2012**

16. RELATED PARTY DISCLOSURES

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

		Transaction Value 2012 £	Outstanding 31.03.2012 £	Transaction Value 2011 £	Outstanding 31.03.2011 £
G Adams	Car park permits	-	-	2,444	-
K Bennetts	Dues	865	-	318	-
	Rent	1,799	1,997	1,718	1,936
Col E Bolitho	Rent received	-	-	20	-
N Howell	Dues	305	-	610	-
	Rent	1,080	-	1,822	1,712
J Lamborn	Dues	830	-	1,380	1,380
D Stevens	Dues	26,073	-	610	320
	Car park permits	250	2,915	-	-
	Dues paid via Plymouth Trawlers	-	-	22,010	2,823
Miss E Stevenson	Dues	344,867	-	268,990	-
	Rents	21,545	-	20,805	-
	Lorry park permits	1,652	-	1,652	-
	Charges for Electricity on shop	-	125,566	2,811	135,303
W Stevenson	Dues	-	-	44,562	-
Miss J Taylor	Rent	120	-	410	-
R Clifford-Wing	Dues	138	138	-	-

17. ACCOUNTING RECORDS

During the year documentation with regard to wages and value added tax had not been retained. Work has been performed subsequently to substantiate the financial information representing the missing documents and the Commissioners are of the opinion that should any variances arise as a result of these documents not being available, these would not be material and affect the users' understanding of the accounts.