

NEWPORT HARBOUR COMMISSIONERS
Audited Financial Statements
31 March 2018

WALTER HUNTER & CO LIMITED
Chartered accountant & statutory auditor
24 Bridge Street
Newport
South Wales
NP20 4SF

NEWPORT HARBOUR COMMISSIONERS

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

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NEWPORT HARBOUR COMMISSIONERS

COMMISSIONERS ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

The Commissioners present their report and the financial statements of the authority for the year ended 31 March 2018.

Commissioners

The Commissioners who served the organisation during the year were as follows:

J Neale - Chairman	
S Davison	
J Guy	
M James	(appointed 8 th November 2017)
G Jug	
R McDonald	(re-appointed 8 th November 2017)
A Speight	
R Steed	(appointed 13 th December 2017)
E Watts	(appointed 13 th December 2017)

During the year the term of office ended for the following Commissioners:

W Mitchell 8th November 2017

LEGAL STATUS

The Newport Harbour Commissioners is a body created by Statute as enshrined in the Newport (South Wales) Harbour Acts and Orders 1836 to 2003. The Commissioner's area of jurisdiction, as defined in the Newport (Monmouthshire) Harbour Act 1890, is as follows:

“Those parts of the Bristol Channel and Rivers Usk and Ebbw which lie between an imaginary line drawn in a S.79°W. true direction from Goldcliff until it meets the shore of the Bristol Channel eastward of the Peterstone Wentlooge Church and the bridge over the River Usk at Newbridge and the bridge carrying the South Wales Railway of the Great Western Railway Company over the River Ebbw and the banks and shores of such parts of the said channel and rivers and any works on such banks and shores and all streams, pools, creeks, havens, bays and inlets within those limits”.

The key responsibilities of the Commissioners are as follows:

A) Safety and navigation

- Regulation of navigation within statutory Harbour limits
- Provision of a pilotage service
- Local lighthouse authority establishing and maintaining lights and marks
- Removal of wrecks
- Hydrographic surveying of Harbour area

B) Enforcement

- To make and enforce byelaws relating to the conduct of vessels
- To act upon observations of contracted Marine staff and stakeholders to ensure compliance with byelaws

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COMMISSIONERS ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

C) Pollution

- Development of Harbour oil spill contingency plans Environmental
- Management Duties under Habitats Directive to review consents

D) Other

- Prepare Ports Contingency Plans
- Comply with Guide for Good Governance for Trust Ports

An annual detailed review of the Commissioner's compliance with the Port Marine Safety Code is undertaken by the Designated Person, an independent expert on the Code. The last review took place in autumn 2017, and no major deviances from the Code were reported.

KEY MATTERS ARISING DURING THE YEAR

Local Issues

- The dredged Channel has remained in a good condition throughout the year.
- Remedial work on the East Usk Lighthouse has been completed which has alleviated the previously ongoing problem with excess water around the base of the lighthouse.
- Trinity House carried out an inspection of the local aids to navigation at Newport in November 2017 and all were found to be in good working and efficient order.
- Two buoys were replaced in this year.
- Work continues to update the present Service Level Agreement between Associated British Ports and the Newport Harbour Commissioners that covers the provision of Pilotage Services and Harbour Master Duties. ABP wishes to continue the working relationship with Newport Harbour Commissioners and provide the Harbour Master functions and services currently provided on the Usk.
- Constructive dialogue with the Commissioner's stakeholders continued throughout the period, including ABP and the River berth operators.

Matters of national importance

M4 Relief Road

The Public Enquiry into the proposed new M4 has now been completed and the recommendations are awaited. The Commissioners have withdrawn their objection to the proposed scheme.

Tidal Lagoon

It seems unlikely that a Tidal Lagoon will be constructed adjacent to Newport Harbour in the foreseeable future, but the Commissioners will keep this matter under constant review.

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COMMISSIONERS ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

FINANCIAL POSITION

Harbour dues receivable have increased by 4% from 2017 due to increased shipping volumes and the full year effect of the increase in harbour dues which took effect on 1 January 2016. The financial situation is satisfactory.

The Commissioners continue to keep the level of Harbour Dues under constant review.

Responsibilities of the Authority and the Commissioners

The Commissioners are responsible for preparing the financial statements in accordance with the following law and regulations:

Newport (Monmouthshire) Harbour Acts 1836, 1869 and 1890, and the Statutory Harbour Undertakings (Form of Account etc.) Regulations of 1969 and 1983 require the Newport Harbour Commissioners (the "Authority") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Authority, and of the profit and loss of the Authority for that period.

In preparing those financial statements, the Authority's Commissioners are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in business.

The Authority's Commissioners are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Authority and to enable them to ensure that the financial statements comply with Newport (Monmouthshire) Harbour Acts 1836, 1869 and 1890, and the Statutory Harbour Undertakings (Form of Account etc.) Regulations of 1969 and 1983.

They are also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Authority's Commissioners are aware:

- there is no relevant audit information of which the Authority's auditors are unaware: and
- that each of the Authority's Commissioners 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.

Signed on behalf of Newport Harbour Commissioners on 13th June 2018.

J. C. Neale
Chairman

NEWPORT HARBOUR COMMISSIONERS

INDEPENDENT AUDITOR'S REPORT TO THE NEWPORT HARBOUR COMMISSIONERS

YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of Newport Harbour Commissioners (the 'Authority') for the year ended 31 March 2018 which comprise the statement of financial activities, statement of financial position, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Authority's members, as a body. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's Commissioners as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Authority's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with Newport (Monmouthshire) Harbour Acts 1836, 1869 and 1890 and the Statutory Harbour Undertakings (Form of Account etc.) Regulations of 1969 and 1983.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 Authority's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authority has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority'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.

NEWPORT HARBOUR COMMISSIONERS

INDEPENDENT AUDITOR'S REPORT TO THE NEWPORT HARBOUR COMMISSIONERS

YEAR ENDED 31 MARCH 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authority is responsible for the other information. 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.

Opinions 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 Commissioner's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Commissioner's annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, we have not identified material misstatements in the Commissioner's annual report.

We have nothing to report in respect of the following matters in relation to which legislation 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 Commissioner's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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INDEPENDENT AUDITOR'S REPORT TO THE NEWPORT HARBOUR COMMISSIONERS

YEAR ENDED 31 MARCH 2018

Responsibilities of the Authority

As explained more fully in the statement of the Commissioner's responsibilities on Page 3, the Authority is 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 Authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authority is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Authority.
- Conclude on the appropriateness of the Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT TO THE NEWPORT HARBOUR COMMISSIONERS

YEAR ENDED 31 MARCH 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ZOE GOODWIN BSc FCA

For and on behalf of
WALTER HUNTER & CO LIMITED
Chartered Accountants & Statutory Auditor

24 Bridge Street
Newport
South Wales
NP20 4SF

13th June 2018

NEWPORT HARBOUR COMMISSIONERS

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
OPERATING INCOME		
Harbour dues on ships	208,031	199,399
Bank interest receivable	240	732
Sundry services and facilities	2,097	104
	<u>210,368</u>	<u>200,235</u>
RESOURCES EXPENDED		
Operating and maintenance expenditure		
Harbour Master services and LPS	48,370	46,947
Insurance	6,027	5,408
Repairs to buoys and lighthouse	10,091	11,718
Hydrographic survey	-	5,000
Harbour generally	690	300
	<u>65,178</u>	<u>69,373</u>
Dredging expenditure		
Current year contribution	47,647	46,282
Prior year dredging adjustment	341	3,157
	<u>47,988</u>	<u>49,439</u>
Administrative and general expenses		
Chairmans remuneration	8,500	6,000
Consultancy and management services	31,505	31,951
Upkeep of offices and establishment expenses	-	37
General administrative expenses	3,956	3,977
Insurance	5,111	5,083
Auditors remuneration	1,880	1,845
	<u>50,952</u>	<u>48,893</u>
TOTAL RESOURCES EXPENDED	<u>164,118</u>	<u>167,705</u>
Net Incoming resources for the year before depreciation	<u>46,250</u>	<u>32,530</u>
Depreciation	(6,925)	(4,570)
Net Incoming resources for the year before taxation	<u>39,325</u>	<u>27,960</u>
TOTAL INCOMING RESOURCES FOR THE YEAR	<u>39,325</u>	<u>27,960</u>

The notes on pages 10 to 12 form part of these financial statements.

NEWPORT HARBOUR COMMISSIONERS

STATEMENT OF FINANCIAL POSITION

31 MARCH 2018

	Note	2018 £	£	2017 £
Fixed assets				
Tangible assets	5		52,347	37,976
Investments	6		6,500	6,500
			<u>58,847</u>	<u>44,476</u>
Current assets				
Debtors	7	40,276		34,997
Cash at bank and in hand		140,660		182,188
		<u>180,936</u>		<u>217,185</u>
Creditors: amounts falling due within one year	8	21,441		82,644
Net current assets			<u>159,495</u>	<u>134,541</u>
Total assets less current liabilities			<u>218,342</u>	<u>179,017</u>
Capital and reserves				
Revaluation reserve			6,500	6,500
Profit and loss account			211,842	172,517
Total funds			<u>218,342</u>	<u>179,017</u>

These financial statements were approved and signed on 13 June 2018 by the Newport Harbour Commissioners and are signed on their behalf by:

J Neale
(Chairman)

J Lloyd
(Clerk to the Commissioners)

The notes on pages 10 to 12 form part of these financial statements.

NEWPORT HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

1. GENERAL INFORMATION

The Newport Harbour Commissioners is a body created by Statute as enshrined in the Newport (South Wales) Harbour Acts and Orders 1836 to 2003. The address of the registered office is 24 Bridge Street, Newport, South Wales, NP20 4SF.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102, As such, advantage has been taken of the following disclosure exemptions:

No cash flow statement has been presented for the authority.

Incoming resources

Harbour dues levied on vessels entering and using the harbour during the year were at a rate which came into force on the under-mentioned date:

From 1 January 2016 - £0.065 per gross tonne

Fixed assets and fixed asset investments

Fixed assets are stated at original cost or valuation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Buoys, leading lights, plant etc. - by equal instalments over the estimated working life.

Fixed asset investments represent the value of the Chairman's chain of office. This valuation was made by the Commissioners on 31st March 1996 based on the market value of gold content.

NEWPORT HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

4. NET INCOMING RESOURCES FOR THE YEAR BEFORE TAXATION

This is stated after charging:

	2018	2017
	£	£
Chairman's fees	8,500	6,000
Auditor's fees	1,880	1,845
Depreciation	<u>6,925</u>	<u>4,570</u>

5. TANGIBLE FIXED ASSETS

	Buoy, leading lights, plant, etc. £
COST OR VALUATION	
At 1 April 2017	106,676
Additions	<u>22,660</u>
At 31 March 2018	<u><u>129,336</u></u>
DEPRECIATION	
At 1 April 2017	70,064
Charge for the year	<u>6,925</u>
At 31 March 2018	<u><u>76,989</u></u>
NET BOOK VALUE	
At 31 March 2018	<u><u>52,347</u></u>
At 31 March 2017	<u><u>36,612</u></u>

6. INVESTMENTS

Chairman's chain of office

	£
VALUATION	
At 1 April 2017 and 31 March 2018	<u><u>6,500</u></u>
NET BOOK VALUE	
At 31 March 2018 and 31 March 2017	<u><u>6,500</u></u>

Fixed asset investments represent the value of the Chairman's chain of office. This valuation was made by the Commissioners on 31st March 1996 based on the market value of gold content.

NEWPORT HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

7. DEBTORS

	2018	2017
	£	£
Trade debtors	23,258	29,659
VAT recoverable	12,421	2,711
Prepayments and accrued income	4,597	2,627
	<u>40,276</u>	<u>34,997</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	21,441	82,644
	<u>21,441</u>	<u>82,644</u>

9. RELATED PARTY TRANSACTIONS

During the year the Chairman Mr J Neale was also the Director of Oleron Marine Limited. The Commissioners paid Oleron Marine Limited £8,500 in respect of Chairman's services.