

NEWPORT HARBOUR COMMISSIONERS
Audited Financial Statements
31 March 2017

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 2017

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NEWPORT HARBOUR COMMISSIONERS

COMMISSIONERS ANNUAL REPORT

YEAR ENDED 31 March 2017

The Commissioners present their report and the financial statements of the company for the year ended 31 March 2017.

Commissioners

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

J Neale - Chairman (Appointed 12th October 2016)

S Davidson

J Guy

G Jug

R McDonald

W Mitchell

A Speight

C Crick (Resigned 12th October 2016)

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

C) Pollution

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

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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 2016, 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 on 11th August 2015 and all were found to be in good working and efficient order except for three extinguished lighted lanterns.
- No significant issues have occurred with the channel buoys or shore lights and beacons although two buoys will be replaced in summer 2017.
- 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

As at today's date, the Public Enquiry into the proposed new M4 continues. The Commissioners have confirmed their position, and continue to object to the proposed scheme. The Commissioner's support the variation to the Black Route proposed by ABP in their objections. We believe that constructing a motorway across a major infrastructure asset would have a serious impact on the local economy. The costs of administering the Commissioners, which is a non-profit making organisation, would also have to be covered by the remaining stakeholders through increased dues.

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.

NEWPORT HARBOUR COMMISSIONERS

COMMISSIONERS ANNUAL REPORT

YEAR ENDED 31 March 2017

FINANCIAL POSITION

The harbour dues have increased by 36% due to increased shipping volumes and the full year effect of the increase in harbour dues. The financial situation is satisfactory.

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

Commissioners' Responsibilities

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 14th June 2017.

J. C. Neale
Chairman

NEWPORT HARBOUR COMMISSIONERS
INDEPENDENT AUDITOR'S REPORT TO THE
NEWPORT HARBOUR COMMISSIONERS

YEAR ENDED 31 MARCH 2017

We have audited the financial statements of The Newport Harbour Commissioners (the "Authority") for the year ended 31 March 2017 which comprise the statement of comprehensive income, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Authority's Commissioners, as a body. Our audit work has been undertaken so that we might state to the Authority'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 Authority and the Authority's Commissioners as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF AUTHORITY AND AUDITORS

As explained more fully in the Commissioners' responsibilities statement, 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 relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We report to you our opinion as to whether the financial statements give a true and fair view.

In addition we report to you if, in our opinion, the Authority has not kept proper accounting records, and if we have not received all the information and explanations we require for our audit.

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 Authority'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 Commissioner's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

NEWPORT HARBOUR COMMISSIONERS
INDEPENDENT AUDITOR'S REPORT TO THE
NEWPORT HARBOUR COMMISSIONERS *(continued)*

YEAR ENDED 31 MARCH 2017

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Authority's affairs as at 31 March 2017 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.

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

14th June 2017

NEWPORT HARBOUR COMMISSIONERS

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
OPERATING INCOME		
Harbour dues on ships	199,399	146,758
Bank interest receivable	732	635
Sundry services and facilities	104	96
	<u>200,235</u>	<u>147,489</u>
RESOURCES EXPENDED		
Operating and maintenance expenditure		
Harbour Master services and LPS	46,947	50,213
Insurance	5,408	5,257
Repairs to buoys and lighthouse	11,718	10,191
Hydrographic survey	5,000	-
Harbour generally	300	300
	<u>69,373</u>	<u>65,961</u>
Dredging expenditure		
Current year contribution	46,282	33,658
Prior year dredging adjustment	3,157	(755)
	<u>49,439</u>	<u>32,903</u>
Administrative and general expenses		
Staff salaries and National Insurance contributions	6,000	6,000
Consultancy and management services	31,951	30,971
Upkeep of offices and establishment expenses	37	377
General administrative expenses	3,977	4,250
Insurance	5,083	4,946
Auditors remuneration	1,845	1,810
	<u>48,893</u>	<u>48,354</u>
TOTAL RESOURCES EXPENDED	<u>167,705</u>	<u>147,218</u>
Net Incoming resources for the year before depreciation	<u>32,530</u>	<u>271</u>
Depreciation	(4,570)	(3,931)
Net Incoming / (Outgoing) resources for the year before taxation	<u>27,960</u>	<u>(3,660)</u>
TOTAL INCOMING / (OUTGOING) RESOURCES FOR THE YEAR	<u>27,960</u>	<u>(3,660)</u>

The notes on pages 8 to 10 form part of these financial statements.

NEWPORT HARBOUR COMMISSIONERS

STATEMENT OF FINANCIAL POSITION

31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	37,976	33,932
Investments	6	6,500	6,500
		<u>44,476</u>	<u>40,432</u>
Current assets			
Debtors	7	34,997	25,233
Cash at bank and in hand		182,188	147,351
		<u>217,185</u>	<u>172,584</u>
Creditors: amounts falling due within one year	8	82,644	61,959
Net current assets		<u>134,541</u>	<u>110,625</u>
Total assets less current liabilities		<u>179,017</u>	<u>151,057</u>
Capital and reserves			
Revaluation reserve		6,500	6,500
Profit and loss account		172,517	144,557
Total funds		<u>179,017</u>	<u>151,057</u>

These financial statements were approved and signed on 14 June 2017 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 8 to 10 form part of these financial statements.

NEWPORT HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

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.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 10.

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 company.

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.

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NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2017

4. Net Incoming/ (Outgoing) resources for the year before taxation

This is stated after charging:

	2017	2016
	£	£
Chairman's fees	6,000	6,000
Auditor's fees	1,845	1,810
Depreciation	<u>4,570</u>	<u>3,931</u>

5. TANGIBLE FIXED ASSETS

	Buoys, leading lights, plant, etc.
	£
COST OR VALUATION	
At 1 April 2016	99,426
Additions	<u>8,614</u>
At 31 March 2017	<u>108,040</u>
DEPRECIATION	
At 1 April 2016	65,494
Charge for the year	<u>4,570</u>
At 31 March 2017	<u>70,064</u>
NET BOOK VALUE	
At 31 March 2017	<u>37,976</u>
At 31 March 2016	<u>33,932</u>

6. INVESTMENTS

Chairman's chain of office

	£
VALUATION	
At 1 April 2016 and 31 March 2017	<u>6,500</u>
NET BOOK VALUE	
At 31 March 2017 and 31 March 2016	<u>6,500</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 *(continued)*
YEAR ENDED 31 MARCH 2017

7. Debtors

	2017	2016
	£	£
Trade debtors	29,659	22,180
VAT recoverable	2,711	487
Prepayments and accrued income	2,627	2,566
	<u>34,997</u>	<u>25,233</u>

8. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	82,644	61,959
	<u>82,644</u>	<u>61,959</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 £2,500 in respect of Chairman's services.

10. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2015.

No transitional adjustments were required in equity or profit or loss for the year.