

FOWEY HARBOUR COMMISSIONERS
INCORPORATED UNDER THE PIER AND HARBOUR ORDERS 1937 TO
2021
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

FOWEY HARBOUR COMMISSIONERS

INFORMATION

Commissioners

Captain W Mitchell
Mr N Gill
Mr M Lewis
Mr T Rumbelow
Mr M Bailey
Mr J Scullion
Mr H Rowe
Mr A Brigden
Dr D Farrar

Chairman
Vice Chairman

Captain P Thomas

Chief Executive

FOWEY HARBOUR COMMISSIONERS INCORPORATED UNDER THE PIER AND HARBOUR ORDERS 1937 TO 2021

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FOWEY HARBOUR COMMISSIONERS

REPORT OF THE COMMISSIONERS

FOR THE YEAR ENDED 31 DECEMBER 2021

The Fowey Harbour Commissioners present their annual report and the audited financial statements for the year ended 31 December 2021.

Principal activities

The principal activities carried out by the Commissioners are the provision of general harbour facilities for commercial and non-commercial vessels; the provision of the services of tugs, when required by vessels entering or leaving the harbour and at other harbours; and the provision of the pilotage services at Fowey, Par and Charlestown.

Statement of Commissioners' Responsibilities

The purpose of this statement is to distinguish the Commissioners' responsibilities for the financial statements from those of the auditors.

Section 42 of the Harbours Act 1964, as amended by the Transport Act 1981, requires the Commissioners to prepare the Report of the Commissioners and the financial statements for each financial year in accordance with applicable laws and regulations. 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). The financial statements are required by law to give a true and fair view of the state of affairs of the Commissioners and of the profit or loss of the Commissioners 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Commissioners will continue in business.

The Board of Commissioners is responsible for keeping adequate accounting records that are sufficient to show and explain the Commissioners' transactions and disclose with reasonable accuracy at any time the financial position of the Commissioners and enable them to ensure that the financial statements comply with Section 42 of the Harbour Act 1964, as amended by the Transport Act 1981 and the Statutory Harbour Undertakings (form of accounts etc) (General) Regulations 1983. They are also responsible for safeguarding the assets of the Commissioners and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Board of Commissioners is responsible for the maintenance and integrity of the corporate and financial information included on the Commissioners' website.

Statement of disclosure to auditors

(a) The Commissioners confirm that so far as they are aware, there is no relevant audit information of which the Commissioners' auditors are unaware; and

(b) they have taken all the steps that they ought to have taken as Commissioners in order to make them aware of any relevant audit information and to establish that the Commissioners' auditors are aware of that information.

On behalf of the board

.....
Captain P Thomas
Chief Executive
.....

FOWEY HARBOUR COMMISSIONERS

INDEPENDENT AUDITORS' REPORT

TO THE FOWEY HARBOUR COMMISSIONERS

Qualified opinion

We have audited the financial statements of Fowey Harbour Commissioners (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* Section 1A (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the 'Basis for qualified opinion' section of our report, the financial statements:

- give a true and fair view of the state of the Commissioners' affairs as at 31 December 2021 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the appropriate provisions of Section 42 of the Harbours Act 1964, as amended by the Transport Act 1981 and comply with the Statutory Harbour Undertakings (form of accounts etc) (General) Regulations 1983.

Basis for qualified 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 Commissioners in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with their requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Whilst disclosure has been made in note 5 to the accounts about the assets and liabilities of the defined benefit pension scheme operated by the Commissioners, the full requirements of FRS 102 Section 28 to recognise the assets and liabilities and losses and gains in the financial statements have not been met.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Commissioners' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Commissioners with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Commissioners are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

FOWEY HARBOUR COMMISSIONERS

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE FOWEY HARBOUR COMMISSIONERS

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the organisation 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; 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 in preparing the Commissioners' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of Commissioners

As explained more fully in the Commissioners' responsibilities statement, set out on page 1, the Commissioners are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair, and for such internal control as they determine 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 Commissioners are responsible for assessing the entity'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 or to cease operations, or have no realistic alternative than 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 an auditors' report that includes our opinion. Reasonable assurance is a high level 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance about actual and potential litigation and claims and consideration of compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing legal fee invoices to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness.

FOWEY HARBOUR COMMISSIONERS

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE FOWEY HARBOUR COMMISSIONERS

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Commissioners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and with the requirements of the appropriate elements of the Statutory Harbour Undertakings Regulations 1983 and Section 42 of the Harbours Act 1964 as amended by the Transport Act 1981. Our audit work has been undertaken so that we might state to the 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 Commissioners as a body, for our audit work, for this report, or for the opinions we have formed.

Jane Webb (Senior Statutory Auditor)
for and on behalf of Phillips Frith LLP
Chartered Accountants
Statutory Auditors

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9 Tregarne Terrace
St Austell
Cornwall
PL25 4DD

FOWEY HARBOUR COMMISSIONERS

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	£
Turnover		2,625,616	2,169,433
Cost of sales		(1,856,837)	(1,569,184)
Gross profit		<u>768,779</u>	<u>600,249</u>
Administrative expenses		(729,261)	(624,283)
Operating profit/(loss)	3	39,518	(24,034)
Interest receivable and similar income		34	441
Interest payable and similar expenses		(20,429)	(24,915)
Coronavirus job retention scheme grant		2,886	81,071
Profit before taxation		<u>22,009</u>	<u>32,563</u>
Tax on profit	4	(9,624)	(11,219)
Profit for the year	11	<u><u>12,385</u></u>	<u><u>21,344</u></u>

FOWEY HARBOUR COMMISSIONERS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Property, plant and equipment	6		4,441,408		4,508,026
Current assets					
Stock		71,038		57,392	
Debtors	7	233,786		382,558	
Cash at bank and in hand		946,877		809,192	
		<u>1,251,701</u>		<u>1,249,142</u>	
Creditors: amounts falling due within one year	8	<u>(283,221)</u>		<u>(340,550)</u>	
Net current assets			968,480		908,592
Total assets less current liabilities			<u>5,409,888</u>		<u>5,416,618</u>
Creditors: amounts falling due after more than one year	9		(634,451)		(663,190)
Provisions for liabilities	10		<u>(592,511)</u>		<u>(582,887)</u>
			<u>4,182,926</u>		<u>4,170,541</u>
Reserves					
Revaluation reserve	11		1,650,589		1,650,589
Other reserves	11		600,000		64,686
Profit and loss account	11		1,932,337		2,455,266
Total equity			<u>4,182,926</u>		<u>4,170,541</u>

These financial statements have been prepared in accordance with the small companies' regime and with the provisions of FRS 102 Section 1A .

Approved by the Commissioners for issue on and signed on its behalf by:

.....
Capt W Mitchell
Chairman

.....
Capt P Thomas
Chief Executive

FOWEY HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

The entity is a trust port, governed by a Board of Commissioners. It is not limited by shares and as such does not have a share capital. The entity is incorporated under the Pier and Harbour Order (Fowey) Confirmation Acts 1937 to 2021. The address of the registered office is The Harbour Office, Albert Quay, Fowey, Cornwall PL23 1AJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102) and in accordance with the appropriate provisions of Section 42 of the Harbours Act 1964, as amended by the Transport Act 1981 and with the Statutory Harbour Undertakings (form of accounts etc) (General) Regulations 1983. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Sale of goods

Turnover from the sale of goods is recognised at the point of sale.

Rendering of services

Turnover is recognised on completion of the service.

FOWEY HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.3 Property, plant and equipment and depreciation

Land and buildings include the harbour offices and various other buildings and land around the port of Fowey. Land and buildings are carried at their revalued amounts, being fair value at the date of valuation less subsequent depreciation and impairment losses. Revaluations are performed by professional qualified valuers with sufficient regularity to ensure that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any revaluation increase in the carrying amount of land and buildings is recognised in other comprehensive income and included in a revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously expended. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve in equity; decreases exceeding the balance in the revaluation reserve relating to an asset are recognised in the income statement.

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	2% per annum
Harbour improvements	5% and 15% per annum
Plant and machinery	5% to 33 1/3% per annum
Tugs	10% to 20% per annum
Leisure facilities	5% to 33 1/3% per annum
Pilot boats	5% to 10% per annum
Penmarlam	5% to 25% per annum

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in the profit and loss account.

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.4 Stock

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell and consist of consumable stores and goods for resale. Costs are calculated on an average cost basis after making due allowance for obsolete and slow moving stock.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

FOWEY HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 Financial instruments

The Commissioners have elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Commissioners' balance sheet when the entity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Classification of financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other administrative expenses.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Commissioners' liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Commissioners have a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

FOWEY HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 Going concern

The financial statements have been prepared on the going concern basis. After making due enquiries the Commissioners have reasonable expectation that the trust port has adequate resources to continue in operational existence for the foreseeable future and recognise that the Port could not cease to function without the approval of the Secretary of State through the issue of a Harbour Closure Notice. For these reasons they continue to adopt the going concern basis in preparing the financial statements.

2 Employees

No remuneration is paid to Commissioners other than to the Chief Executive who is the Harbour Master.

The average number of persons employed by the Commissioners during the year was:

	2021	2020
Full time	25	25
Part time	5	5
	<u>30</u>	<u>30</u>

3 Operating profit

	2021	2020
	£	£
Operating profit is stated after charging/crediting:		
Depreciation of tangible assets	140,519	143,239
Loss on disposal of tangible fixed assets	4,072	-
Auditors' remuneration	5,700	5,900
	<u>150,291</u>	<u>149,139</u>

4 Taxation

	2021	2020
	£	£
Deferred tax		
Deferred tax charge	9,624	11,219
	<u>9,624</u>	<u>11,219</u>

The entity has unused tax losses of £287,372 (2020: £343,008) available for carry forward against future trading profits.

FOWEY HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Pensions

Defined benefit pension scheme

The Commissioners operate a retirement pension scheme (The Fowey Harbour Commissioners Retirement Benefits Scheme) providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Commissioners. Contributions to the scheme are charged to the revenue account so as to spread the cost of pensions over employees' working lives with the Commissioners. On 1 August 2011 the scheme was closed to further benefit accrual. All active members were offered membership of a group personal pension plan.

The contributions are determined by a qualified actuary on the basis of triennial valuations. The most recent valuation was at 1 April 2021 and was completed using the Defined Accrued Benefits Funding method. The assumptions that have the most significant effect on the results of the valuation are those relating to the discount rate, the rate of increase in pensions, and the longevity of members. It was assumed that the discount rate would be 3.3% per annum, that pensions accrued prior to 1 April 2001 would increase at the rate of 3.3% per annum, and pensions accrued thereafter would increase at 3.3% per annum. The latest mortality table and projections have been adopted, with a long term rate of improvement in post retirement mortality of 1.5% per annum for males and 1.25% per annum for females. Other assumptions included:

Recovery plan return on assets 4.3%

Retail price inflation (RPI) 3.4%

Consumer price inflation (CPI) 2.6%

The most recent actuarial valuation carried out at 1 April 2021 showed that the market value of the Scheme's assets was £4,752,000 and the value of the Scheme's liabilities was £6,004,000. Therefore the Scheme had a deficit of £1,252,000 and the funding level against technical provisions was 79%.

To repay the deficit, the Commissioners and Trustees have agreed annual deficit reduction contributions of £80,250 increasing by 3% per annum compound each year from 1 April 2023. This plan will remove the deficit over 10 years.

The Commissioners meet the administration costs of the scheme.

In addition to the contributions to the Pension Scheme, the Commissioners pay for additional insurance elements to obtain life assurance and death in service. Premiums paid during the year ended 31 December 2021 were £4,942 (2020: £3,565).

The Commissioners have considered the implications of full compliance with FRS 102 Section 28 which requires the assets and liabilities and gains and losses of the Scheme to be recognised in the financial statements.

The information needed for full compliance could be obtained from the Scheme's actuary, but at considerable cost.

Having given due regard to any possible benefits of including this information, the Commissioners do not believe that incurring the additional costs would be a worthwhile application of the funds generated from the port users.

Money purchase pension scheme

The Commissioners operate a money purchase pension scheme on behalf of their employees. The assets of the scheme are held separately from those of the Fowey Harbour Commissioners in an independently administered fund. The pension cost charge represents contributions payable by the Commissioners to the fund and amounted to £54,134 for the year ended 31 December 2021 (£56,981: 2020).

The balance of outstanding contributions included in other creditors at 31 December 2021 was £6,223 (2020: £7,265).

FOWEY HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Property, plant and equipment

	Land and buildings £	Harbour improvements £	Plant and equipment £	Tugs £
Cost or valuation				
At 1 January 2021	2,592,700	468,751	1,468,245	1,000,359
Additions	-	-	80,029	-
Disposals	-	-	(17,058)	(5,190)
At 31 December 2021	2,592,700	468,751	1,531,216	995,169
Depreciation				
At 1 January 2021	129,840	155,257	680,161	625,869
On disposals	-	-	(14,768)	(4,942)
Charge for the year	7,229	7,499	44,588	38,326
At 31 December 2021	137,069	162,756	709,981	659,253
Net book value				
At 31 December 2021	2,455,631	305,995	821,235	335,916
At 31 December 2020	2,462,860	313,494	788,084	374,490
	Leisure facilities £	Pilot boats £	Penmarlam £	Total £
Cost or valuation				
At 1 January 2021	636,987	147,058	500,074	6,814,174
Additions	-	-	-	80,029
Disposals	(11,946)	-	(18,685)	(52,879)
At 31 December 2021	625,041	147,058	481,389	6,841,324
Depreciation				
At 1 January 2021	500,367	83,410	131,244	2,306,148
On disposals	(11,236)	-	(15,805)	(46,751)
Charge for the year	21,266	6,918	14,693	140,519
At 31 December 2021	510,397	90,328	130,132	2,399,916
Net book value				
At 31 December 2021	114,644	56,730	351,257	4,441,408
At 31 December 2020	136,620	63,648	368,830	4,508,026

Land and buildings were revalued in June 2010 by J Greenhalgh FRICS of May Whetter & Grose on the basis of open market value. The excess of £1,000,000 was credited to the revaluation reserve. The Commissioners are of the opinion that the valuation is still reasonable at 31 December 2021 and therefore a further revaluation is not necessary.

The valuation of freehold buildings on which depreciation is charged amounted to £355,000. There is no historical cost of these buildings.

FOWEY HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Property, plant and equipment

(Continued)

Freehold land and buildings with a carrying amount of £390,475 (2020: £397,575) have been pledged to secure borrowings of the Commissioners. The Commissioners are not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

7 Debtors

Amounts falling due within one year:

	2021 £	2020 £
Trade debtors	196,323	316,186
Other debtors	37,463	66,372
	<u>233,786</u>	<u>382,558</u>

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts (secured)	28,000	28,000
Trade creditors	58,901	112,741
Taxation and social security	23,370	24,300
Other creditors	172,950	175,509
	<u>283,221</u>	<u>340,550</u>

9 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans	634,451	663,190
	<u>634,451</u>	<u>663,190</u>
Analysis of loans		
Wholly repayable within five years	662,451	691,190
Included in current liabilities	(28,000)	(28,000)
	<u>634,451</u>	<u>663,190</u>

The bank borrowing is secured on assets which are not operationally essential to the discharge of the statutory duties of the Harbour Commissioners.

FOWEY HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Provisions for liabilities

	Deferred tax liability
	£
Balance at 1 January 2021	582,887
Profit and loss account	9,624
	<hr/>
Balance at 31 December 2021	592,511
	<hr/> <hr/>

The deferred tax liability is made up as follows:

	2021	2020
	£	£
Accelerated capital allowances	257,268	260,883
Tax on potential gain on revaluation reserve	387,175	387,175
Tax losses available	(51,932)	(65,171)
	<hr/>	<hr/>
	592,511	582,887
	<hr/> <hr/>	<hr/> <hr/>

FRS 102 adoption

FRS 102 requires the recognition of the deferred tax liability arising on the revaluation of freehold land and buildings. This is the case even where there is no intention to dispose of these assets. The deferred tax liability as at 31 December 2021 includes an amount of £387,175 (2020: £387,175) to comply with this requirement. £133,000 of this provision relates to the valuation of the river fundus which cannot be disposed of without permission from the Secretary of State.

FOWEY HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Statement of movements on reserves

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2021	1,650,589	64,686	2,455,266
Profit for the year	-	-	12,385
Transfer to replacement reserve	-	535,314	(535,314)
Balance at 31 December 2021	<u>1,650,589</u>	<u>600,000</u>	<u>1,932,337</u>

Other reserves

Replacement reserve

Balance at 1 January 2021	64,686
Transfer from profit and loss account	535,314
Balance at 31 December 2021	<u>600,000</u>

The transfer made to this reserve in the year reflected the need to designate funds for the replacement of vessels and large plant essential to port operations.

There is no issued share capital and the Commissioners do not hold any personal interest in the reserves of the undertaking which is incorporated under the Pier and Harbour Orders 1937 to 2021.

12 Contingencies

Pilots National Pension Fund

The Pilots National Pension Fund (PNPF) is a defined benefit scheme, membership of which is at the discretion of individual pilots. The scheme has a significant deficit and the Trustees of the PNPF sought guidance from the Courts on the extent of its powers to address the deficit. The result was that the deficit has been the subject of a national recovery plan contributed to by Competent Harbour Authorities (CHA's), (as defined by the Pilotage Act 1987) and as a CHA the Fowey Harbour Commissioners have, while not accepting liability for the deficit, agreed to assist in reducing the deficit by making an affordable annual contribution.

13 Borrowing powers

The Fowey Harbour Revision Order 2021 allows the Commissioners to borrow up to £2 million, adjusted in line with RPI, secured on assets and revenues. At 31 December 2021 the adjusted figure is £3,713,617.

The Order also permits temporary borrowing, by way of overdraft or otherwise, up to £250,000 adjusted in line with RPI. At 31 December 2021 the adjusted figure is £464,202.

FOWEY HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Related party relationships and transactions

Other transactions

During the period the Commissioners used the services of Cornubia Marine LLP trading as Fowey Pilots. Captain P Thomas, chief executive, and Captain W Mitchell, chairman, and their wives are the members of this LLP. Purchases of services from the LLP for the year amounted to £132,314 (2020: £85,690). The balance owing by the Fowey Harbour Commissioners at the year end was £6,789 (2020: £1,194). All transactions were at normal commercial rates.