

LITTLEHAMPTON HARBOUR BOARD

Statement of Accounts

for Year Ended 31 March 2018

LITTLEHAMPTON HARBOUR BOARD

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LITTLEHAMPTON HARBOUR BOARD

Board Information for the Year Ended 31st March 2018

Chairman

Mr P Bush

Members

Cllr G Blampied

Mr T Drennan

Cllr R Elkins (Vice Chairman)

Cllr D Edwards

Mrs J Mockridge

Mr R O'Callaghan

Mr Roberts

Mr R Spencer

Cllr Dr J. M. M. Walsh

Harbour Manager

M Johnson

Responsible Financial Officer (R.F.O.)

C. Braby, Treasurer

Clerk to the Board

Ms S Simpson

Auditors

PKF Littlejohn LLP
1 Westferry Circus, Canary Wharf, London E14 4HD

LITTLEHAMPTON HARBOUR BOARD EXPLANATORY FOREWORD TO THE 2017/18 STATEMENT OF ACCOUNTS

The final outcome for the year was a deficit of £75,935 a total shortfall against budget of £75,973.

Trading

Operational Income, that is to say the day to day operation of the harbour but excluding investment interest, and the recovery of rates paid out in past years, amounted to £361,291, slightly below budget. Operational expense at £411,924 was £6,524 above budget.

Non Trading

The Board managed during the year to recover a significant sum of rating charges relating to previous years.

Challenge to Harbour Dues on pontoons

As highlighted in last year's accounting statements under contingent liabilities, the Board's charging of dues on pontoons was challenged in the courts during the year and the judgement handed down found in favour of the claimant. As a result the claimant was awarded compensation amounting to £3,000 for past charges and has claimed reimbursement of costs amounting to £14,648 which are currently the subject of discussion with the Board. As expected following the decision of the court, claims have been lodged by two businesses operating in the harbour and the Arun Yacht club. Acting on legal advice, the Board have made a collective part 36 settlement offer of £42,000. This sum together with the costs referred to above have been charged to these accounts.¹

This successful challenge to the pontoon dues and the subsequent challenge by other parties has inevitably generated significant costs which were never foreseen when the budget was compiled.

	2017/18 Actual £	2017/18 Budget £	2016/17 £
Operational Income	361,291	366,143	418,145
Bank Interest	69	450	222
Other Income	4,446	800	6,829
Rate Recoveries	18,544	0	0
Operational expense	(411,924)	(405,400)	(444,482)
Court costs and settlement claims	(88,406)	(0)	(0)
Loan repayments	(164,368)	(166,368)	(166,639)
Capital Expense	(0)	(0)	(20,275)
Precept Income	204,413	204,413	206,457
TOTAL	(75,935)	38	257

¹ The claim referred to above has now been settled at the figure charged to the accounts

Impact on Reserves

The Board commenced the year with Earmarked Reserves of £67,594 and a General Reserve Fund of £35,000. The deficit for this year will have to be met in the first instance from Earmarked Reserves with the balance coming out of the General Reserve Fund. Under Part 2 of the West Sussex Act 1972, 22 (2), this fund must be maintained at a minimum sum of £35,000 thus any shortfall needs to be recouped from Precept at the earliest opportunity.

Comparison with last year

Operational Income reduced over 2016/17 by £57,000. This year has seen the continuation of a significant decline in the number of commercial ships visiting the harbour with only 5 ships this year, (14 in 2016-17). This accounted for a £19,000 reduction in income whilst earnings from third party contracted work was £33,000 less than the previous year. Operational expense on the other hand was substantially below 2016/17 by £33,000 of which infrastructure repairs and maintenance accounted for £22,000.

LITTLEHAMPTON HARBOUR BOARD

Income and Expenditure Account for Year Ended 31st March 2018

	2018 £	2018 £	2017 £
INCOME			
Commercial Harbour Dues	9,917		23,501
Pilotage Service	9,622		14,605
Footbridge	26,937		26,937
Commercial Rents	144,621		142,163
Chargeable Services	36,186		75,035
Harbour Dues-Leisure Craft	53,058		57,819
Moorings	80,950		78,085
Income from Investments	69		222
Miscellaneous Income	22,990		6,829
Local Authority Precepts	204,413		206,457
TOTAL INCOME		588,763	631,653
EXPENDITURE			
Employee costs	246,266		242,800
Accounting, Admin and Audit	15,170		15,194
Legal and Professional Fees	110,626		26,824
Repairs and Maintenance-Premises	12,847		14,133
Repairs and Maintenance-Moorings	1,967		4,206
Repairs and Maintenance-Harbour Structures	3,443		25,622
Repairs and Maintenance-Navigational	13,114		7,231
Repairs and Maintenance-Boats and Vehicles	17,765		17,734
Equipment Hire	3,029		5,385
Rent and Rates	6,588		7,738
Light and Heat	2,613		3,169
Printing and Stationery	4,731		4,905
Insurance	30,383		29,981
IT services	8,665		9,024
Telephone	1,407		1,383
Training and Conferences	2,204		3,961
Other administration expense	12,431		12,821
Recoverable Costs	3,320		9,214
Bank and Credit Card charges	3,761		3,157
Capital Expenditure	0		20,275
Loan Repayments	164,368		166,639
TOTAL EXPENDITURE		664,698	631,396
		(75,935)	257
INCOME LESS EXPENDITURE			
GENERAL FUND ANALYSIS			
Income for the Year		588,763	631,653
Expenditure for the Year		(664,698)	(631,396)
Transfer to Reserves (see note 7)		(75,935)	257


The notes on pages 6-9 form part of these accounts

LITTLEHAMPTON HARBOUR BOARD

Balance Sheet as at 31st March 2018

	Note	2018	2018 £	2017
LONG TERM ASSETS				
INVESTMENTS AT COST		-	-	
CURRENT ASSETS				
DEBTORS	3	38,533	49,732	
CASH AT BANK & IN HAND		70,619	135,862	
PUBLIC SECTOR INVESTMENT FUND		50,019	-	
TOTAL ASSETS			159,171	185,594
CURRENT LIABILITIES				
CREDITORS	4		132,512	83,000
CONTINGENT LIABILITIES	5		-	-
NET ASSETS			26,659	102,594
REPRESENTED BY				
GENERAL FUND	7		26,659	35,000
EARMARKED RESERVES	7		-	67,594
			26,659	102,594

The above statement represents fairly the financial position of the Board as at 31st March 2018 and reflects its income and expenditure during the year.

Signed: 
Chairman

18TH JUNE 2018
Date

Signed: 
Responsible Financial Officer

30TH APRIL 2018
Date

The notes on pages 6-9 form part of these accounts

LITTLEHAMPTON HARBOUR BOARD

Notes to the Accounts 2017/2018

1 Fixed Assets

	Operational Freehold Land and Buildings	Vehicles and Equipment	Infrastructure Assets	Commercial Assets	Total
	£	£	£	£	£
At 1 April 2017	1,812,550	427,019	6,813,875	198,354	9,251,798
Revaluation	-	-	-	-	-
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
At 31 March 2018	1,812,550	427,019	6,813,875	198,354	9,251,798

As part of the Littlehampton Town Flood Defence works carried out on behalf of the Environment Agency, Arun Parade, Nelson Steps and the Pier Road retaining wall were completely rebuilt during 2015. All these assets were treated as disposals and the new structures treated as additions and were valued at insurance rebuild cost. Ownership of these assets is currently under review with the Environment Agency and Arun District Council

Fixed Assets owned by the Board include the following

Operational Land & Buildings

Harbour Offices & Toilets
Land at Town Quay
Workshops & Land
Customs House & Land
Land at UMA Wharf
Land at Railway Wharf
Land at Pages Wharf

Vehicles & Equipment

Multi Purpose Pilot & Work Boat
Tools & Equipment
Office Furniture
Telephone system
Work boat
Vehicle
Patrol Rib

Infrastructure Assets

West Beach Groyne
West Pier
West Training Wall
East Pier
East Training Wall (Dicker Works)
Arun Parade
Pier Road wall
Town Quay (Piling & Structure)
Railway Wharf (Piling)
UMA Wharf (Mass Concrete)
Lighthouse
Mooring Piles West bank
East Navigation Light

Commercial Assets

Pier Road pontoons
Town Quay Pontoon
Dukes Wharf Pontoons
Workshop Pontoons
Access Gangway Workshop
Scrubbing Piles

LITTLEHAMPTON HARBOUR BOARD

Notes to the Accounts 2017/2018

	2018 £	2017 £
2 Borrowings		
The Board's borrowings as at 31 March 2018		
West Sussex County Council	266,900	282,600
Public Works Loan Board	904,565	990,885
	<u>1,171,465</u>	<u>1,273,485</u>
Analysis of Loans by maturity		
Maturing in		
0-5 years	53,216	5,582
5-10 years	682,349	809,803
10-15 years	-	-
after 15 years	435,900	458,100
	<u>1,171,465</u>	<u>1,273,485</u>
3 Debtors	2018 £	2017 £
Trade Debtors (net of potential bad debt reserve)	14,302	27,529
V A T Recoverable	-	-
Accrued Income	-	-
Arun District Council (Payroll Deposit)	-	16,400
Prepayments	22,317	5,785
PayPal	1,914	18
	<u>38,533</u>	<u>49,732</u>
4 Creditors and Accrued Expenses	2018 £	2017 £
Trade Creditors	31,855	35,626
Credit Card	2,082	3,495
Accrued Expense	93,544	41,435
VAT	5,031	2,443
	<u>132,512</u>	<u>83,000</u>

LITTLEHAMPTON HARBOUR BOARD

Notes to the Accounts 2017/2018

5 **Contigent Liabilities**

As highlighted in the Foreword to these accounts there remains unsettled claims following the court judgement with regard to past charges for harbour dues on pontoons. Following legal advice the Board have made a Part 36 settlement offer of £42,000 this sum has been charged to these accounts. At the close of the Financial Year this matter remained unresolved.

6 ***Pension Costs***

In 2017/2018 the Board paid employer's contributions of £27,365 (£26,074) representing 19.3% (19.3%) of employees' pensionable pay into West Sussex County Council Pension Fund, which provides members with defined benefits based on pay and service. The contribution rate is determined by the Fund's actuary, Hymans Robertson, based on triennial actuarial valuations, the last such review was in March 2017 which has set the rate for the next 3 years (2017/18 to 2019/20) at 19.3%. Under pensions regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund.

Further information can be found in West Sussex County Council Pension Fund Annual Report which is available on request from County Hall, Chichester.

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Notes to the Accounts 2017/2018

7 Reserves

General Reserves	£
Opening Reserve as at April 2017	35,000
Transfers Out	(8,341)
Transfers In	0
Closing Reserve as at 31st March 2018	<u>26,659</u>
Earmarked Reserves	
Opening Reserve as at April 2017	67,594
2017/18 Deficit	(75,935)
Transfer from General Reserve	8,341
Closing Earmarked Reserves as at 31st March 2018	<u>0</u>
Total Reserves as at 31st March 2018	<u><u>26,659</u></u>