

BRIGHTLINGSEA HARBOUR COMMISSIONERS
STRATEGIC REPORT, REPORT OF THE COMMISSIONERS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

BAKER, CHAPMAN & BUSSEY
Chartered Accountants

COLCHESTER

and

BRAINTREE

BRIGHTLINGSEA HARBOUR COMMISSIONERS

**BUSINESS INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2017**

CHAIRMAN: Mr. J. Addison

HARBOUR MASTER: Mr. J. Thomas (Appointed 24th October 2016)

REGISTERED OFFICE: 4 Copperas Road
Brightlingsea
Essex
CO7 0AP

AUDITORS: Baker Chapman & Bussey
Chartered Accountants and Registered Auditor
3 North Hill
Colchester
CO1 1DZ

BRIGHTLINGSEA HARBOUR COMMISSIONERS

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FOR THE YEAR ENDED 31ST MARCH 2017**

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BRIGHTLINGSEA HARBOUR COMMISSIONERS

STRATEGIC REPORT OF THE COMMISSIONERS FOR THE YEAR ENDED 31ST MARCH 2017

The Commissioners present their strategic report for the year ended 31st March 2017.

INTRODUCTION

Brightlingsea Harbour is a Trust Port and as such is an independent statutory body governed by its own unique statute. There are no shareholders or owners, and any surplus is ploughed back into the Port for the benefit of the stakeholders of the Trust Port. This annual report encompasses the advice within the Modernising Trust Ports (2nd Edition) publication which highlighted a need for a general improvement in the openness and accountability with which Trust Ports conduct their business.

Brightlingsea Harbour is a small mixed leisure and commercial Port with a rich heritage and is within a nature conservation area of international importance. The harbour comprises of a commercial wharf, a marina and several boatyards and provides a total of about 500 berths and moorings which can accommodate boats of up to 50 feet (15m) and 8 feet (2.5m) draft. Facilities at the harbour have steadily been upgraded over recent years and now include a water taxi and ferry service, fuelling facilities, scrubbing posts, access to toilets and showers, and a laundry.

Brightlingsea Harbour was established by an Act of Parliament in 1927 as a Trust Port. It is an independent statutory body governed by a board of Trustees known as Commissioners, comprising the Chairman, the Harbour Master, and a number of other non-executive Commissioners. The Chairman and non-executive Commissioners are all unpaid volunteers and their appointment is based on the skills and knowledge they bring to the organisation. They are selected and appointed, after the positions are publicly advertised, for a four year period. The Harbour Master is a Commissioner as well as a full time employee.

As Trustees for the harbour, Brightlingsea Harbour Commissioners (BHC) have responsibilities to the Department of Transport and stakeholders to serve local and regional interests, with an ultimate goal to safeguard the Harbour and to hand it on in the same or better condition to succeeding generations. Stakeholders are not specifically defined but are considered to include Harbour users, the local community, local businesses and central government.

The Commissioners, under the Port Marine Safety Code, are accountable for marine safety within the Harbour and as such are required to formally and actively consider the safety of people using the Harbour and its environment. This responsibility includes the requirement to conduct channel surveys, maintain navigation marks and prepare for civil contingencies.

The limits of the statutory harbour includes all the waters in Brightlingsea Creek to the east of a line drawn between the Martello Tower at Point Clear and Bateman's Tower in Brightlingsea, with the exception of the area of St Osyth boatyard. Following the closure of the Port of Colchester, Brightlingsea Harbour Commissioners assumed the responsibility for maintaining all the navigation marks and providing pilotage in the River Colne downstream of Roman River. The regulation of these waters is governed by Brightlingsea Harbour Acts and Orders 1927 to 2002, and the Colchester Borough Council Act 2001.

BHC are publicly accountable for the execution of their duties and have the power to enforce Harbour dues to cover the costs of discharging their statutory obligations. These dues are payable by all users of the Harbour.

STAKEHOLDERS

It is important to understand who Brightlingsea Harbour's stakeholders are; it is not simply the marine community. Port users, the local Brightlingsea community of 10,000 people, local businesses, port employees, related interest groups and the national economy are also considered. The interests of all stakeholders in the Port are recognised by the Commissioners and guide their decisions. If there are conflicts of interest between stakeholders, the Commissioners will exercise their duty to strike a balance that respects the interests of all, not just one group of stakeholders. The Commissioners will consider the objectives of the port, including commercial considerations, and what constitutes the 'common good' for all stakeholders (current and future) and the port itself using the guiding principles shown on the following page:

BRIGHTLINGSEA HARBOUR COMMISSIONERS

STRATEGIC REPORT OF THE COMMISSIONERS (Cont'd) FOR THE YEAR ENDED 31ST MARCH 2017

STAKEHOLDERS (Cont'd)

- Ensure sufficient water depth is established and maintained,
- Maintain, protect and enhance our natural environment,
- Maintain similar mix and number of moorings,
- Establish dedicated area for visiting boats,
- Identify gaps in services and, where appropriate, either work with others to provide or provide ourselves,
- Work towards achieving relevant quality standards (eg. ISO, Eco Port),
- Establish a financial model which ensures sustainability, phased capital equipment replacement and a regular maintenance schedule,
- Maintain and build strong working relationships with all harbour users and stakeholders,
- Provide value for money.

Six monthly meetings of the Commercial Advisory and Leisure and Recreational Advisory Groups have been held, and provided valuable input to the harbour commissioners. Greater use of the harbour's website, twitter and Facebook to promulgate information, including minutes of commissioners' meetings, has been made. Stakeholder engagement is welcomed and opportunities for more information exchange will continue to be explored.

PRINCIPAL ACTIVITIES

The demand for mid-stream pontoon moorings remained high, whilst the Harbour had spare capacity in the more traditional swinging and fore and aft moorings.

The numbers of visiting boats, water taxi and ferry passengers remained at similar levels to the previous year, with just over 2,200 visiting boats, over 15,000 taxi passengers and over 18,000 ferry passengers.

Commercial activity to Oliver's Wharf increased gradually, whilst sales of fuel dropped to under 400,000 litres in the year. However, fuel provision remains a key service provided to Harbour users.

The management of the Colne River Navigation to Wivenhoe from the Bench Head buoy on behalf of Colchester Borough Council.

Charitable events, donations, schools engagement and schools week, where the Harbour engages with schools to educate and stimulate future harbour users.

The Commissioners have allocated £250,000 from reserves to ensure the water depths in the Harbour are retained or enhanced. During the initial stages of this project, and in liaison with four European partners, a European Union grant was obtained to support and increase the capacity of this four year project. More details are available via the Harbour website; www.brightlingseaharbour.org. In developing this project the Harbour benefitted from its experience of managing the Waterside Marina dredging project on behalf of the administrator.

BRIGHTLINGSEA HARBOUR COMMISSIONERS

STRATEGIC REPORT OF THE COMMISSIONERS (Cont'd) FOR THE YEAR ENDED 31ST MARCH 2017

FINANCIAL POSITION

The budget was set for the 2016/17 financial year which aimed to achieve approximately a 6% contribution to reserves at the end of the year. This was achieved however, the contribution from reserves which had previously been allocated to the project was used, so appears in the Profit and Loss account as a loss.

The turnover for the year ending 31st March 2017 was £591,452, with a loss after taxation of £28,346. This loss was the result of expenditure allocated from reserves on the USAR dredging costs, of which 60% is reclaimable as grant income.

BHC remains in a sound financial position with a satisfactory level of reserves. The current Commissioners' approach to allocating these reserves is as follows:-

- £250,000 was set aside in 2016 to cover the net costs of the EU funded project. This fund will be utilised as monies are spent. This year £119,079 was allocated against the fund. A further transfer of £30,000 was made as extra works will be undertaken,

- A minimum of £300,000 to ensure BHC has the ability to cover a full year's operational expenditure,

- A proportion of the remaining reserves allocated on a year on year basis to BHC emerging Capital Equipment Replacement programme.

CAPITAL SPENDING

BHC continued with the ongoing operations of the Harbour including the major USAR dredging project. Costs continually rise and with that in mind the budget was set for the 2016/17 financial year.

EQUIPMENT

Annual contributions in terms of asset depreciation have previously maintained the Harbour's inventory. It should be understood that the current cost to replace, or where appropriate, repair all of the Harbour's operational assets, would be a minimum of £750,000. This figure should always be sought when building and planning reserves, however this has often varied. So for the financial year 2017/18 a fully costed, comprehensive repair and replacement plan has been established and budgeted for until 2056, to ensure that we have the money available when needed. With prices based on costs as at 2016, the plan estimates at least £60,000 will be transferred to reserves annually until 2032, reducing to £40,000 until 2039, then £32,000.

DREDGING

The harbour requires sufficient depth of water to maintain its commercial activities therefore a requirement to dredge frequently exists in three specific areas:

Commercial

- The Harbour main channel entrance up to the town pontoon, maintaining a depth of 1m below Chart Datum (CD),

- The Town pontoon to Oliver's Wharf and Fuel Barge, maintaining a depth of 0.75m below CD,

- Area of the Fuel Barge, maintaining a depth of 0.75m below CD.

Leisure Harbour

- The pontoons and moorings in the South channel dredged to a depth of 0.75m below CD.

Leisure Marina

- The Marina depth maintained frequently ensuring that sediment is always in suspension and periodically dredged to a depth of 2m.

We have set aside £250,000 from reserves over the next 3 years as our contribution to the USAR project. We will receive additional grant funding of £525,000 which will allow us to deliver the USAR project, which includes dredging of the harbour in these areas.

BRIGHTLINGSEA HARBOUR COMMISSIONERS

STRATEGIC REPORT OF THE COMMISSIONERS (Cont'd) FOR THE YEAR ENDED 31ST MARCH 2017

MARINE ACTIVITIES

Leisure Moorings

The pontoons out in the Creek are at capacity and the demand is high with a number of applicants on a waiting list. Over the next few years, as we add or replace piles and carry out pontoon maintenance, we will look for opportunities to increase the number of pontoon berths.

Marina

We were awarded the management of the Waterside Marina facility at the end of the financial year 2016/17, so have yet to develop a detailed financial plan for the 2018/19 financial year. However, it is envisaged that some restructuring is required, an enhanced maintenance dredging programme developed and a significant marketing strategy employed. We have made provision of £35,000 to cover rental and costs, which will be recovered from revenues generated by residents and visitors.

It was agreed that berth holders would continue with the financial year 2016/17 tariff for the financial year 2017/18.

We will invest a minimum of £10,000 into maintenance; dredging will be conducted regularly to avoid drying out berths, aiming to extend the periods between more comprehensive dredging and reducing cost.

Taxi

The water taxi facility enables resident mooring holders and visitors to cross between boats and the Town Jetty. It runs throughout the year during office hours. Taxi hours are extended into the evenings at weekends and during the main season. The Commissioners subsidise (and will continue to subsidise) this service, recognising the importance to users.

Colne Navigation

The Harbour's management of the River Colne navigation from the Bench Head Buoy to Wivenhoe continues. The inspection, maintenance, repair and replacement of buoys is carried out at regular intervals to ensure it is fit for purpose in providing safe navigation for mariners using the River Colne. The capital value of the Buoys is £114,000, however the cost to inspect, replace, service and maintain buoys annually is approximately £80,000.

Personal Water Craft (PWC)

The Harbour committed to investing £10,000 over 2 financial years in the education, control and policing of the Harbour and River Colne by users of faster personal watercraft. Large signs have been erected at launching locations, waterproof leaflets have been distributed to users, alongside visits to clubs and PWC launch areas. There have also been a number of prosecutions. Users' and Harbour staff reports suggest there has been a reduction in incidents of speeding and many more examples of compliance.

Visitors

The Harbour has a part to play in attracting visitors. In this 2016/17 financial year, we invested £2,000 in advertising for 2017/18 members of Harbour staff will embrace this responsibility by visiting other ports, advertising, taking part in marketing videos and producing a visitors' guide. There is always more that we can do, but ultimately visitors come to visit Brightlingsea not just the Harbour. The Harbour will continue to work closely with the Town to build our profile.

BRIGHTLINGSEA HARBOUR COMMISSIONERS

STRATEGIC REPORT OF THE COMMISSIONERS (Cont'd) FOR THE YEAR ENDED 31ST MARCH 2017

Ferry

Use it or lose it' is a phrase often attributed to travel options which do not attract public subsidy. The Ferry to Point Clear and East Mersea, although not a commuter line, does offer passengers the ability to travel between locations which would have otherwise a longer journey by car or bus. The prices reflect the cost of running the service.

Wharf and commercial activity

Oliver's Wharf still provides a working trade platform for import and export from the UK. The Wharf is run by a local businessman who relies on the Commissioners to maintain a channel depth of 1m below CD. The first year of the dredging plan has achieved this. The Harbour will maintain the dredged depth.

The Harbour will also continue to engage with other commercial operators to provide support where required in the same manner as we do with DONG, our largest commercial operator.

Charitable causes

Many of the projects we get involved with are non-profit making and in most cases are at a cost to the Harbour. One such example is Schools' Week'; the stakeholders (school children) spend a day being shown the marine environment aboard fishing vessels, ferries and historical smacks. This is not only educational but aims to inspire potential future Harbour users. The Harbour invested £2,500 in the project in this financial year and will continue to do so in the future.

We regularly donate sums to local charities; Brightlingsea in Bloom, the local RNLI, the Samaritans and First Responders, to name but a few.

In addition, we provide free passage on our resources to those engaged in charitable work.

School engagement

Other than Schools' Week, we also support visits from schools outside the area to the Harbour by subsidising fare and rates. Occasionally we send members of Harbour staff to visit schools and tell them about what we do; 'Meet the Skipper' element of Buoyed Up <http://www.sirthomasliptonfoundation.org/buoyed-up.html> is one such example.

OTHER ACTIVITIES

The Harbour does not operate in isolation and is therefore reliant on positive business relationships across the marine sector locally. When any of those services ceases or requires support, we are prepared to assist or where appropriate, replace until such time as that business can be handed over. Budgets will be decided on a case by case basis.

STAFFING

The staffing element of the Harbour is made up of a small permanent cadre of staff which is supported by locally available seasonal staff during busier periods. The balancing of individual needs and requirements is a sensitive one and continually under review. The only way to guarantee a steady and consistent team is to ensure that revenue is maintained and enhanced by the Harbour actively engaging in advertising its activities and continuing to improve its offer.

On behalf of the Board of Commissioners:

Chairman: Mr. J. Addison

Harbour Master: Mr. J. Thomas

Dated: 22nd September 2017

BRIGHTLINGSEA HARBOUR COMMISSIONERS

REPORT OF THE COMMISSIONERS FOR THE YEAR ENDED 31ST MARCH 2017

The Commissioners present their report with the financial statements of BHC for the year ended 31st March 2017.

The Commissioners shown below have held office during the period from 1st April 2016 to the date of this report unless shown otherwise.

J. Thomas (Harbour Master) - appointed 24th October 2016

J. Addison (Chairman)

R. Page - resigned 30th September 2016

D Nicholson - appointed 30th September 2016

N. Munro

J. Carr

N. Taylor

A. Scott

F. Brown

COMMISSIONERS' RESPONSIBILITIES

The Harbours Act 1964 as amended by subsequent legislation requires the Commissioners to prepare financial statements for each year which comply with the Companies Act 2006 and are in accordance with United Kingdom Generally Accepted Accounting Practice. 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 Brightlingsea Harbour Commissioners (BHC) and of the results of BHC for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that BHC will continue in business.

The Commissioners are responsible for keeping adequate accounting records that are sufficient to show and explain BHC transactions and disclose with reasonable accuracy at any time the financial position of the BHC and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of BHC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Commissioners are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the BHC auditors are unaware, and each Commissioner has taken all the steps that he ought to have taken as a Commissioner in order to make himself aware of any relevant audit information and to establish that the BHC auditors are aware of that information.

On behalf of the Board:

Chairman: Mr. J. Addison

Harbour Master: Mr. J. Thomas

Dated: 22nd September 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE OFFICERS OF BRIGHTLINGSEA HARBOUR COMMISSIONERS

We have audited the financial statements of Brightlingsea Harbour Commissioners (BHC) for the year ended 31st March 2017 on pages 8 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to Commissioners, as a body, in accordance with the Harbours Act 1964 as amended by the Transport Act 1981 and subsequent legislation. Our audit work has been undertaken so that we might state to Commissioners those matters we are required to state to them in a Report of the Auditors 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.

Respective responsibilities of officers and auditors

As explained more fully in the Statement of Commissioners Responsibilities set out on page 6, 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, 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.

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 Commission'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 and Strategic 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of BHC affairs as at 31st March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with the requirements of the Harbours Act 1964, the Statutory Harbour Undertakings (Accounts, etc) Regulations 1983, the Companies Act 2006 and the Brightlingsea Harbour Orders 1927 to 2002 in so far as the provisions of those Orders apply to these financial statements; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Opinion 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 Commissioners and Strategic 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 applicable legal requirements.

In the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, we have not identified material misstatements in the Commissioners and Strategic report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the applicable law and regulatory requirements 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.

Andrew Taylor (Senior Statutory Auditor)

For and on behalf of Baker Chapman & Bussey

Statutory Auditor, 3 North Hill, Colchester, Essex CO1 1DZ

Date: 9th October 2017

BRIGHTLINGSEA HARBOUR COMMISSIONERS

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2017**

	Notes	2017 £	2016 £
TURNOVER			
- Sale of goods		174,034	192,065
- Sale of services		417,418	616,417
		<hr/>	<hr/>
		591,452	808,482
Cost of sales		(683,389)	(710,978)
		<hr/>	<hr/>
GROSS (LOSS) PROFIT		(91,937)	97,504
Administrative expenses		(138,737)	(131,572)
Other operating income			
- Grants		182,446	7,369
- Other income		7,003	4,504
		<hr/>	<hr/>
OPERATING LOSS		(41,225)	(22,195)
Interest receivable and similar income		4,932	5,596
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(36,293)	(16,599)
Tax on loss on ordinary activities	5	7,947	3,319
		<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR		(£28,346)	(£13,280)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 16 form part of these financial statements

BRIGHTLINGSEA HARBOUR COMMISSIONERS

**BALANCE SHEET
31ST MARCH 2017**

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		289,788		299,121
CURRENT ASSETS					
Stocks	7	8,505		5,313	
Debtors: amounts falling due within one year	8	213,787		150,342	
Prepayments and accrued income		7,304		27,427	
Cash at Bank and in Hand		702,391		697,352	
		<hr/>		<hr/>	
		931,987		880,434	
		<hr/>		<hr/>	
CREDITORS					
Amounts falling due within one year	9	316,877		238,351	
		<hr/>		<hr/>	
NET CURRENT ASSETS			615,110		642,083
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			904,898		941,204
PROVISION FOR LIABILITIES	11		(13,074)		(21,034)
			<hr/>		<hr/>
NET ASSETS			£891,824		£920,170
			<hr/> <hr/>		<hr/> <hr/>
RESERVES					
Retained earnings	12		£891,824		£920,170
			<hr/> <hr/>		<hr/> <hr/>

These financial statements were approved by the Board of Commissioners on 22nd September 2017 and were signed on its behalf by:

Chairman: Mr. J. Addison

The notes on pages 12 to 16 form part of these financial statements

BRIGHTLINGSEA HARBOUR COMMISSIONERS

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2017**

	Reserve fund	Dredging project fund	Retained earnings	Total equity
	£	£	£	£
Balance at 1st April 2015	1,000	0	932,450	933,450
Changes in equity				
Total comprehensive income	0	0	(13,280)	(13,280)
Transfers	299,000	250,000	(549,000)	0
Balance at 31st March 2016	300,000	250,000	370,170	920,170
Changes in equity				
Total comprehensive income	0	0	(28,346)	(28,346)
Transfers	0	(119,079)	119,079	0
Transfers	0	30,000	(30,000)	0
Balance at 31st March 2017	300,000	160,921	430,903	891,824

Dredging Project Reserve

£250,000 was set aside in 2016 to cover the net costs of the EU funded project. This fund will be utilised as monies are spent. This year £119,079 was allocated against the fund. A further transfer of £30,000 was made as extra works will be undertaken.

Reserve Fund

A minimum of £300,000 to ensure BHC has the ability to cover a full year's operational expenditure,

BRIGHTLINGSEA HARBOUR COMMISSIONERS

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2017**

	Notes	2017		2016	
		£	£	£	£
Cash outflows from operating activities					
(Loss) before taxation			(36,293)		(16,599)
Depreciation charges		27,728		35,639	
(Loss) profit on disposal of fixed assets		960		(375)	
(Increase) decrease in stocks		(3,192)		803	
(Increase) in debtors		(41,211)		(108,641)	
Increase in creditors		78,526		8,820	
Finance income		(4,932)		(5,596)	
			<hr/>	<hr/>	
			57,879		(69,350)
			<hr/>	<hr/>	
Cash inflow / (outflow) from operations			21,586		(85,949)
Tax paid			(2,124)		(2,649)
			<hr/>	<hr/>	
Net cash inflow / (outflow) from operating activities			19,462		(88,598)
			<hr/>	<hr/>	
Capital expenditure and cash flows from investing activities					
Purchase of tangible fixed assets			(19,355)		(25,724)
Sale of tangible fixed assets			0		375
Interest received			4,932		5,596
			<hr/>	<hr/>	
Net cash outflow from investing activities			(14,423)		(19,753)
			<hr/>	<hr/>	
Increase (decrease) in cash and cash equivalents			5,039		(108,351)
Cash and cash equivalents at beginning of year			697,352		805,703
			<hr/>	<hr/>	
Cash and cash equivalents at end of year			£702,391		£697,352
			<hr/> <hr/>	<hr/> <hr/>	

The notes on pages 12 to 16 form part of these financial statements

BRIGHTLINGSEA HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

1. STATUTORY INFORMATION

Brightlingsea Harbour Commissioners was established by an Act of Parliament in 1927 as a Trust Port. It is an independent statutory body governed by a board of eight Trustees known as Commissioners. The registered office is 4 Copperas Road, Brightlingsea, Essex CO7 0AP.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents harbour, mooring and pilotage dues and income from Colchester Borough Council, ferry, town hard, and boat park, wind farm, fuel sales and sundry income at invoice value excluding Value Added Tax. Turnover is recognised for the period to which it relates.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	No depreciation
Ferry Boats	20% on cost
Harbour Boats	20% on cost
Boat Engines	33.33% on cost
Pontoons	10% on cost
Mooring and Scrubbing posts	5% on cost
Equipment and Fittings	20% and 33.33% on cost
Fuel Barge and Pontoon	10% and 20% on cost

The freehold property consists of office buildings, workshop and stores, the Wreck House and the oyster beds which in the Commissioners opinion, if they were depreciated would not show a true and fair view. If depreciation had been charged the Commissioners estimate that the charge would be £3,648 (2016: £3,368) which is not considered material.

At each balance sheet date, the Commissioners review the carrying amount of tangible fixed assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss.

Deferred Tax

Deferred Tax is recognised in respect of all timing differences where the transactions or events that give the Commissioners an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. The tax rate used is the estimated rate expected to apply when the timing differences are expected to reverse.

Stock

Stock of fuel is valued at the lower of cost and net realisable value.

Grants

Grants received are recognised in the Profit and Loss Account in the period that they are due unless they are received as a contribution towards specific expenditure on fixed assets, in which case the income is matched to the expenditure and therefore recognised over the expected useful economic life of the related asset.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the Profit and Loss Account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Cash and cash equivalents

Cash is represented by bank and cash in hand and deposits with financial institutions. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

BRIGHTLINGSEA HARBOUR COMMISSIONERS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017**

3. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation - owned assets	27,728	35,639
Loss (profit) on disposal of fixed assets	960	(375)
Auditors remuneration	4,500	4,500
Non-Audit services - Other	6,000	5,750
- Taxation	500	500
Operating leases	10,836	11,518
	<u> </u>	<u> </u>

4. STAFF COSTS

	2017	2016
	£	£
Salaries	242,647	281,066
Social security costs	18,174	19,563
Pension - Auto enrolment defined contributions	727	-
	<u> </u>	<u> </u>
	261,548	300,629
	<u> </u>	<u> </u>

The average monthly number of employees during the year was 21 (2016: 19).
Aggregate remuneration paid to Commissioners was £34,710 (2016: £58,751).

5. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	-	(148)
Adjustment in respect of prior periods	13	-
Deferred tax:		
Origination and reversal of timing differences	(3,571)	(3,171)
Losses carried forward	(3,337)	-
Change in tax rate	(1,052)	-
	<u> </u>	<u> </u>
Tax credit on loss on ordinary activities	(7,947)	(3,319)
	<u> </u>	<u> </u>

Reconciliation of total tax charge included in profit and loss

Loss on ordinary activities before tax	(36,293)	(16,599)
	<u> </u>	<u> </u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%)	(7,259)	(3,319)
Effects of:		
Changes in tax rate on corporation tax	364	-
Changes in tax rate on deferred tax opening position	(1,052)	-
	<u> </u>	<u> </u>
Total tax credit	(7,947)	(3,319)
	<u> </u>	<u> </u>

BRIGHTLINGSEA HARBOUR COMMISSIONERS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017**

6. TANGIBLE FIXED ASSETS

	Fuel Barge	Boats	Pontoons, Moorings & Scrubbing posts	Equipment & Fittings	Freehold Property	TOTAL
COST OR VALUATION	£	£	£	£	£	£
At 1st April 2016	158,220	138,505	322,680	64,603	168,431	852,439
Additions	0	3,560	0	1,795	14,000	19,355
Disposals	0	(3,965)	0	(2,400)	0	(6,365)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2017	158,220	138,100	322,680	63,998	182,431	865,429
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION						
1st April 2016	85,297	132,990	279,603	55,428	0	553,318
Charge for year	14,083	4,216	6,557	2,872	0	27,728
Eliminated on disposal	0	(3,965)	0	(1,440)	0	(5,405)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2017	99,380	133,241	286,160	56,860	0	575,641
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE						
At 31st March 2017	58,840	4,859	36,520	7,138	182,431	289,788
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2016	72,923	5,515	43,077	9,175	168,431	299,121
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

7. STOCKS

	2017 £	2016 £
Fuel	8,505	5,313
	<hr/>	<hr/>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	12,704	33,953
Other debtors	198,569	115,988
Corporation Tax	2,514	401
	<hr/>	<hr/>
	213,787	150,342
	<hr/>	<hr/>

Other debtors include the grant receivable from the USAR dredging project amounting to £186,955 (2016: £5,870).

BRIGHTLINGSEA HARBOUR COMMISSIONERS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade Creditors	33,641	121,424
Social security and other taxes	46,646	8,848
Deferred Income - Mooring fees in advance	141,827	95,361
Accruals - General	23,563	12,718
Accruals - Dredging costs	71,200	0
	<hr/>	<hr/>
	316,877	238,351
	<hr/> <hr/>	<hr/> <hr/>

10. LEASING COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases;

	2017	2016
	£	£
Lease which expires		
Within one year	7,125	8,638
	<hr/>	<hr/>
	7,125	8,638
	<hr/> <hr/>	<hr/> <hr/>

Brightlingsea Harbour Commissioners has a lease on the site for the fuel barge for which it pays an index linked annual rent of £5,000 and a variable 5p per litre charge based on volumes sold, subject to a £5,000 pa limit. The lease provided for a break clause in December 2016 and then yearly thereafter. The commitment shown above is to the next break point. The lease payments recognised as an expense in the accounts were £9,412 (2016: £11,518).

11. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax		
Advanced capital allowances	13,074	21,034
	<hr/> <hr/>	<hr/> <hr/>
		Deferred tax
		£
Balance at 1st April 2016		21,034
Credit to Profit and Loss Account during the year		(7,960)
		<hr/>
Balance at 31st March 2017		13,074
		<hr/> <hr/>

BRIGHTLINGSEA HARBOUR COMMISSIONERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

12. RESERVES

	Retained earnings £	Dredging project	Reserve fund £	Totals £
At 1st April 2016	370,170	250,000	300,000	920,170
Loss for the year	(28,346)	0	0	(28,346)
Transfer to/from reserve fund	89,079	(89,079)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2017	430,903	160,921	300,000	891,824
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

There is no issued share capital and the Commissioners do not hold any personal interest in the reserves of the undertaking.

13. RELATED PARTIES

The Commissioners do from time to time use the services provided by the entity, but these are always provided at commercial rates.

The Commissioners; J Thomas (from 24th October 2016), N Taylor, J Carr were employed by Brightlingsea Harbour Commissioners and were paid salaries at commercial rates. J Addison was paid fees as a self employed consultant.

14. CAPITAL COMMITMENTS

1) Grants

Brightlingsea Harbour Commissioners, with four European partners, secured funding in 2016 for a 'Using Sediment as a Resource' project, which seeks to research various ways of using marine-dredged sediment.

There are three main purposes for this project as far as Brightlingsea Harbour is concerned:-

- Dredging of the main and south channels in order to establish water levels between 0.5m and 1.0m below chart datum,
- To enhance the saltmarsh areas already designated as sites of special scientific interest,
- To evaluate the most effective ways of maintaining water levels within the Harbour in future.

By joining with four partners and committing to the European grant the Commission assured of external expertise to assist with immediate dredging and silt removal issues and long term solutions to the Harbour accretion and sediment build up. In addition the European grant helps keep costs to a manageable level. Brightlingsea Harbour Commissioners has committed to a total cost of €775,000 of which 60% will be grant funded and 40% funded from reserves. Additional works are expected for this project and a further £30,000 has been allocated to the reserve fund.

2) Former Oyster Beds

Brightlingsea Harbour Commissioners have agreed to purchase another former oyster bed, which is currently leased from the present owner to provide certain moorings in the South Channel, at a total cost of £14,000.

BRIGHTLINGSEA HARBOUR COMMISSIONERS

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2017**

	Notes	2017 £	2016 £
INCOME			
Mooring Dues		188,580	195,288
Commercial (sect.26) Harbour Light Dues		43,144	53,860
Pilotage Charges (Pilotage Act 1987)		11,442	6,898
Colchester Borough Council		99,106	97,386
Dredging of Marina		4,973	165,974
Repair and Service Pontoon		8,000	-
Ferry Income		25,966	21,017
Town Boat Park		11,341	11,137
Town Hard Income		6,647	8,678
Town Jetty repairs		2,470	348
Marine Services		497	845
Water Taxi Income		13,152	15,506
		<hr/>	<hr/>
		415,318	576,937
Sundry Income		7,003	4,504
Bank Interest Received		4,932	5,596
Grants Received		1,361	1,499
		<hr/>	<hr/>
		428,614	588,536
Less:			
Expenses		406,607	594,204
Less: element of USAR grant attributable to staff and overhead costs		(34,957)	-
Depreciation		14,605	17,701
		<hr/>	<hr/>
		42,359	(23,369)
Fuel net profit	1	24,446	22,751
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES		66,805	(618)
USAR Dredging Grant net cost	2	(103,098)	(15,981)
		<hr/>	<hr/>
LOSS BEFORE TAXATION		(£36,293)	(£16,599)
		<hr/> <hr/>	<hr/> <hr/>

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BRIGHTLINGSEA HARBOUR COMMISSIONERS

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2017**

	2017	2016
	£	£
EXPENDITURE		
Advertising	2,392	2,167
Audit and Accountancy	11,930	10,750
Bank Charges and Exchange Differences	2,511	2,134
Colne Boat Costs	1,560	11,416
Colne Buoy Maintenance	8,645	6,431
Colne Ranger – Water Taxi	843	2,812
Consultancy Fees	-	420
Dredging of Marina	6,868	142,470
Environmental Costs	5,076	3,930
Ex-gratia payments	-	16,198
Ferry Costs	6,138	8,462
General Expenses	6,640	6,689
Harbour Boat Costs	9,362	7,397
Harbour Equipment Maintenance	6,088	5,980
Heating and Lighting	2,641	2,273
Insurances	21,492	22,177
Legal Fees	1,978	7,041
Office Costs	12,970	13,318
Pilot Fees	688	1,816
Rates	6,345	6,290
Rent	3,390	6,067
Repairs to Property	5,947	1,877
Safety Clothing and Equipment	2,512	2,312
Salaries	261,548	284,431
Subscriptions	2,127	2,588
Schools Sailing	7,800	6,825
Telephone	1,454	1,440
Town Jetty / Boat Park Costs	204	-
Town Hard Costs	596	2,254
Training	850	5,615
Travelling	650	624
Wreck recovery costs	5,362	-
	<hr/>	<hr/>
	£406,607	£594,204
	<hr/> <hr/>	<hr/> <hr/>
DEPRECIATION		
Pontoons & Moorings & Scrubbing posts	6,557	6,546
Equipment & Fittings	2,872	3,228
Boats	4,216	8,302
Loss (profit) on disposal	960	(375)
	<hr/>	<hr/>
	£14,605	£17,701
	<hr/> <hr/>	<hr/> <hr/>

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BRIGHTLINGSEA HARBOUR COMMISSIONERS

**DETAILED INCOME STATEMENT - NOTES
FOR THE YEAR ENDED 31ST MARCH 2017**

1. FUEL	2017		2016	
	£	£	£	£
Income	166,034		192,065	
Annual standing charge	10,100		33,480	
	<hr/>		<hr/>	
		176,134		225,545
Opening fuel stock	5,313		6,116	
Purchases	129,055		167,834	
Berthing rights	5,836		5,752	
Commission paid	3,576		5,766	
Tank hire and maintenance	2,330		5,076	
Depreciation	14,083		17,563	
Closing fuel stock	(8,505)		(5,313)	
	<hr/>		<hr/>	
		151,688		202,794
		<hr/>		<hr/>
Total Net Profit		£24,446		£22,751
		<hr/> <hr/>		<hr/> <hr/>
2. DREDGING PROJECT AND USAR GRANT COSTS		2017		2016
		£		£
Income		-		6,000
Direct costs excluding staff and overheads		(249,226)		(27,851)
		<hr/>		<hr/>
Net costs		(249,226)		(21,851)
Grant receivable		181,085		5,870
Element of grant attributable to staff and overhead costs		(34,957)		-
		<hr/>		<hr/>
Total net cost		(£103,098)		(£15,981)
		<hr/> <hr/>		<hr/> <hr/>

USAR Project

In 2016 Brightlingsea Harbour Commissioners entered into a four year project that aims to increase the adoption of new solutions for a more efficient use of natural resources and materials using sediment as a resource. The project is partially funded by a European grant which will repay 60% of the eligible costs. Net costs are borne by Brightlingsea Harbour Commissioners.

The grant allows for a recovery of staff and overhead costs based on a fixed percentage of direct costs. The staff and overheads are not specifically matched to the project and this element of the grant is offset against the Commissions' overheads.

BRIGHTLINGSEA HARBOUR COMMISSIONERS

**DETAILED INCOME STATEMENT - NOTES
FOR THE YEAR ENDED 31ST MARCH 2017**

3. INCOME

	2017							Total £
	CBC £	Harbour £	Pilotage £	Ferry £	Dredging £	Fuel £	Dredging £	
Harbour Dues		43,144						43,144
Pilotage			11,442					11,442
Mooring Dues		188,580						188,580
Colchester Borough Council	99,106							99,106
Ferry				25,966				25,966
Town Hard and Boat Park		20,458						20,458
Marine Services		497						497
Repair and Service Pontoon		8,000						8,000
Dredging					4,973			4,973
Water Taxi		13,152						13,152
Fuel						176,134		176,134
	<u>£99,106</u>	<u>£273,831</u>	<u>£11,442</u>	<u>£25,966</u>	<u>£4,973</u>	<u>£176,134</u>	<u>£0</u>	<u>£591,452</u>

	2016							Total £
	CBC £	Harbour £	Pilotage £	Ferry £	Dredging £	Fuel £	Dredging £	
Harbour Dues		53,860						53,860
Pilotage			6,898					6,898
Mooring Dues		195,288						195,288
Colchester Borough Council	97,386							97,386
Ferry				21,017				21,017
Town Hard and Boat Park		20,163						20,163
Marine Services		845						845
Dredging					165,974		6,000	171,974
Water Taxi		15,506						15,506
Fuel						225,545		225,545
	<u>£97,386</u>	<u>£285,662</u>	<u>£6,898</u>	<u>£21,017</u>	<u>£165,974</u>	<u>£225,545</u>	<u>£6,000</u>	<u>£808,482</u>

4. EXPENDITURE

	2017				2016			
	Harbour £	Pilotage £	Fuel £	Dredging £	Harbour £	Pilotage £	Fuel £	Dredging £
Operating Costs	260,314	688	137,605	256,094	318,346	1,816	185,231	170,321
Administration	138,737				131,572			
Depreciation	14,605		14,083		17,701		17,563	
	<u>£413,656</u>	<u>£688</u>	<u>£151,688</u>	<u>£256,094</u>	<u>£467,619</u>	<u>£1,816</u>	<u>£202,794</u>	<u>£170,321</u>
Total	<u>£822,126</u>				<u>£842,550</u>			

5. TOWN COUNCIL HARD, JETTY AND BOAT PARK

	2017 £	2016 £
Income	20,458	20,163
Costs:		
Maintenance and Repairs	(4,420)	(1,790)
Salaries	(17,324)	(17,324)
Net loss / profit	(£1,286)	£1,049

The Commission is licensed by Brightlingsea Town Council to maintain and repair these areas and it charges fees to the public to cover these costs.

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