



# **ANNUAL REPORT & ACCOUNTS**

**FOR THE YEAR ENDED  
31 MARCH 2018**



May 2018 Kaskelot moving down river towards Severn Bridges © Colin Beckett

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## CHAIRMAN'S REPORT

I have pleasure in introducing the Gloucester Harbour Trustees Annual Report and Accounts and I would like to thank past Chairman John Beevor for all his work and for handing over the reins of GHT in fine order.

2017/18 heralded our entry into a projected period of financial uncertainty as indicated in our last Annual Report. The tonnage through Sharpness dock which generates our income reduced slightly vs the previous year and early projections, while many costs continued to rise. The local port operator, Sharpness Dock Ltd continues to maintain close liaison with us, so we have been able to plan for this and our finances remain healthy.

Looking forward, we continue to face significant uncertainty. However, we have a robust 5-year plan and remain confident about the future.



**Gordon Craig**  
**Chairman of Gloucester Harbour Trustees**



the Prosna passing moored yachts at Thornbury © Ken Elsey

# INTRODUCTION

GHT is the statutory harbour authority for the Gloucester Harbour. It is also a competent harbour authority and is classed as a trust port. Its main duties and responsibilities are to provide a pilotage service, provide and maintain navigation aids and generally ensure the safety of navigation within the Gloucester Harbour. Its powers are derived from general legislation and local Acts and Orders.

The Gloucester Harbour covers a large area of the Severn from seawards of the Second Severn Crossing to the weirs at Llanthony and Maisemore near Gloucester. It also includes the River Wye downstream of Bigsweir Bridge.



Pilotage is compulsory for all vessels whose length overall is 30 metres or above and this service is provided by self-employed pilots licensed by GHT. There are between 350 and 400 commercial vessel movements in and out of Sharpness Dock each year. A sand dredger also operates in the Gloucester Harbour on a regular basis; leisure craft make up the remainder of the traffic.

GHT does not own or operate any docks, quays, marinas or loading/unloading facilities. The dock at Sharpness is owned by the Canal & River Trust (CRT) with whom GHT has an important working interface. However, the dock and the dry dock at Sharpness are operated by private sector companies.

In this report we have taken note of the guidelines outlined by the Department for Transport in 'Ports Good Governance Guidance' and have incorporated as much information on target setting, benchmarking and identifying a stakeholder benefit as is reasonable given the size and scope of GHT's operations.

## AIMS AND OBJECTIVES

Our primary responsibility and overriding concern is the safety of navigation within the Gloucester Harbour and to this end provide a pilotage service and aids to navigation.

We aim to run a safe, efficient, cost-effective and sustainable operation for the benefit of all harbour users and the wider community. In doing so, we have regard to the standards prescribed for trust ports and the requirements of the Port Marine Safety Code and endeavour to fulfil our statutory responsibilities whilst meeting the changing needs of all Harbour users.

We also aim to maximise the quality and value for money of GHT's services and maintain the conservancy dues and pilotage charges at a competitive level, whilst remaining financially viable. As a not-for-profit organisation, we aim to break-even each year with any surplus reinvested for the benefit of the Harbour. In addition, we maintain a small contingency fund which has built up over the years through prudent management and is kept in reserve to deal with any unforeseen emergency.

We continue to modernise the navigation aids whenever the opportunity arises, especially where this reduces the costs of on-going maintenance and improves performance and reliability and/or has environmental benefits.

## THE TRUSTEES

We are responsible for the overall strategy and performance of GHT and manage it in an open and transparent way and in accordance with the guidance issued by the Department for Transport.

Trustees are appointed for terms of three years under the Gloucester Harbour Revision (Constitution) Order 2002. Part of the Board retires each year and applications are invited in successive years from those with an interest or expertise in a variety of areas including maritime, community, environmental or maritime commercial matters. GHT's Harbour Master as the Principal Operational Officer is also a Trustee ex officio.

Trustees are appointed as individuals with the appropriate skills and knowledge to support GHT's work and are not representatives of any organisation or interest. Apart from the Chairman, we receive no remuneration other than occasional expenses incurred in carrying out our duties and functions.

### TRUSTEES' ATTENDANCE RECORD

Trustee	Possible Attendances	Actual Attendances
John Beevor	6	6
John Christie	6	6
Gordon Craig	6	4
Derek Hughes	6	3
Mike Johnson	6	6
Barry Leat	6	5
Carl Merry	6	6
Anthony Potts	6	6
Garry Strickland	6	6
Nigel Vaughan	6	6

The day-to-day running of the Authority is carried out by a small team based at Sharpness who report to the formal meetings of the Trustees which are held every two months. The full-time Marine Officer acts as

GHT's Harbour Master and is responsible for maintaining the pilot watch radar system and supervising the maintenance of the other navigation aids including lights, buoys, beacons and daymarks. He is also responsible for environmental management issues. Financial and administrative support is provided by two experienced part-time members of staff.



October 2017 view up The Severn © Colin Beckett

# TRUSTEES AND OFFICERS - MARCH 2018



**Gordon Craig**  
Chairman  
(January 2018)

Gordon is a retired management consultant. He is currently a Stroud District Councillor and sits on a variety of local trusts and committees. He is a keen sailor and an active member of Thornbury Sailing Club. He is chairman of the Bristol Channel Yachting Association and is also a RYA south west committee member.



**John Beevor**  
Ex-Chairman  
(January 2012-December 2017)

During his career John has enjoyed a career as a corporate lawyer working for a variety of national and international institutions. He has led the Trustees since 2012 as Chairman and retired from GHT in December 2017.



**Derek Hughes**  
Vice Chairman

Derek is an experienced shipping agent, broker and ship manager for a fleet of dry cargo vessels. He has been involved in the establishment and operation of port facilities and the introduction of new trading routes between the west of Scotland, Ireland and England.



**Carl Merry**

Carl is a Master Mariner and a Gloucester Pilot with command experience in the short and middle sea trade. He has also served as a pilot on the East coast. As a keen yachtsman he enjoys sailing the waters of the Bristol Channel and also supports the Willow Trust as a volunteer skipper.



**Barry Leat**

A retired metallurgist, Barry is a well-known figure in the area having been dinghy and yacht sailing in the estuary and much further beyond for over fifty years. Barry is a long-standing RYA member and Yachtmaster, and remains an active member of Thornbury Sailing Club where he is a former Commodore.



**Anthony Potts**

Anthony is a retired accountant and has enjoyed an extensive business and professional career, having served on four local authorities, many local charities and trusts, and has been a JP since 1984. A keen narrow-boater, he is a past Chairman of the Gloucestershire branch of the Inland Waterways Association and brings a wealth of financial expertise to the Board.



**Nigel Vaughan**

Appointed in 2016, Nigel is the most recent person to join the board. A chartered electrical and systems engineer and former owner of a medium-sized engineering science consultancy, Nigel also enjoys sailing and recreational flying, having sailed and flown over the Severn estuary for over 30 years. Nigel (since November 2017) is also GHT's Designated Person.



**Garry Strickland**

Garry is the Director and General Manager of Sharpness Dock Ltd, the port operator at Sharpness. He is Chairman of the Merchant Navy Welfare Board Bristol Port Welfare Committee and a member of the GFirst Local Enterprise Board Transport and Logistics Group.



**John Christie**

John is retired after a career in river pollution control. He is on the Board for Young Enterprise, Gloucestershire, has worked with schools as a YE Business Advisor and is involved with Toastmasters International. A long-standing member of Lydney Yacht Club, John sails regularly in the Severn Estuary and Bristol Channel.



**Mike Johnson**

With a Merchant Navy background aboard a range of vessels world-wide, and subsequent years working as a skipper and engineer aboard large yachts, Mike joined the Trustees in 1997 and has fulfilled the role of harbour master for a number of years. He is responsible for maintaining the pilot watch radar system and supervising the maintenance of the other navigation aids including lights, buoys, beacons and daymarks as well as advising Trustees on environmental management issues. He is a Trustee ex officio as their Principal Operating Officer.



**Susan Hill**

Susan, our Finance Officer, is an experienced AAT who works for a number of local clients and joined GHT in January 2015. When not at work, Susan is a leading light in the Gloucestershire Guiding movement and also enjoys exploring the canal network with friends.



**Hazel Smith**

The Trustees' Admin Officer and Clerk, Hazel joined GHT in July 2017, bringing with her a significant range of skills acquired during her many years working at the top level of local government.



# SAFETY

## PORT MARINE SAFETY CODE

Like all harbour authorities, we have a duty to comply with the nationally agreed standards for safe marine operations within our waters set out in the Port Marine Safety Code and its associated Guide to Good Practice.

Our Safety Management Plan, which is regularly reviewed and updated to take account of any changes to activities within the harbour, sets out the procedures which must be followed in order to comply with these criteria. We have recently introduced a new hazard assessment system which has enabled us to assess and rank risks more effectively and monitor the actions taken to mitigate them. The latest edition of GHT's Safety Management Plan is published on our website.

We are pleased to report that there have been no incidents or emergencies in the Gloucester Harbour in the last twelve months.

Safety is of paramount importance to us and, as Duty Holder, we operate in compliance with the Port Marine Safety Code (PMSC). We, therefore, adopt practices and put in place controls to ensure that, wherever possible, the Harbour is operated safely and efficiently so as to safeguard the Harbour, its users and stakeholders and that these measures protect the environment of the Harbour. We are committed to undertaking these duties and responsibilities in a safe and efficient manner.

All procedures and policies are subject to an external independent audit each year to ensure that compliance with the PMSC is maintained. The results of this review are reported to the Board by GHT's Designated Person. Any comments and updates are incorporated into GHT's Safety Management Plan (SMP).

As Duty Holder, we are required by the Maritime and Coastguard Agency to formally certify our continuing compliance with the standards required by the Port Marine Safety Code at three yearly intervals. Our last triennial Statement of Compliance was signed at our meeting on 16 March 2018.

A detailed performance review of compliance with the PMSC is attached as Appendix A (pp18-19).

## TRAINING

GHT has a duty under the Port Marine Safety Code to ensure that its staff and contractors are properly qualified for the roles they fulfil and provides additional training as appropriate. For instance, the Harbour Master and Senior Pilot have recently attended refresher courses to maintain their MCA 5p qualification.

## OTHER SAFETY MATTERS

GHT's Harbour Master continues to provide advice to the Canal & River Trust on navigational issues at Sharpness and has regular meetings with CRT staff, in particular CRT's recently appointed supervisor at Sharpness. This liaison enables good communication between the two organisations and ensures that safety issues are dealt with more effectively.

# RECREATION

The Gloucester Harbour provides a large area for recreational sailing, boating, angling and, in the upper reaches of the Severn when tides are large, surfing or canoeing the famous Severn Bore. Although our waters carry a fearsome reputation for sailors and boaters unfamiliar with them, there is a huge area of safe water available two hours either side of high water, and with proper prior research and passage planning, they provide interesting and attractive environs to be enjoyed but treated with respect.



August 2017 The Balmoral © Mike Nash

Passage planning is as important for leisure sailors as for larger commercial vessels. Leisure boaters can find much useful information on our website and, in particular, two documents entitled: 'Safety Guidance for Small Craft and Other Users of the Harbour' and 'Guidance Notes for Small Boat Passage of the River Severn'. These give useful information on passage planning and safe navigation in the potentially hazardous waters of the Harbour. In addition, we continue to liaise with national and local organisations in order to ensure that the information published to help boaters navigating in the Harbour area is correct.

We hope that the recent redesign of website will make information more readily available to leisure sailors in a format compatible with mobile phones as well as computers.

## AIDS TO NAVIGATION

Each year Trinity House inspects the local aids to navigation and conducts an audit of availability together with a check on compliance. Everything was found to be in good order on both occasions this year and we were pleased that the availability of all the aids was well within the targets set by Trinity House. A small number of minor outages during the year were quickly rectified, and a redundant aid to navigation was discontinued with the agreement of Trinity House.

Category	No. of A to Ns	Availability	GLA Requirement
1	2	100%	99.80%
2	42	99.98%	99.00%
3	52	99.63%	97.00%

GHT has a standard programme of routine maintenance to ensure that all aids are kept working properly. This is supplemented by a rolling programme of planned improvements which is regularly reviewed to ensure that the aids are effective, efficient and conform to current health and safety standards.

## NARLWOOD BEACONS

The remedial work undertaken last year to stabilise the Narlwood Beacons has not proved as effective as had been hoped. A proposal to replace the current structures with new towers, which would be more stable and require less routine maintenance, will thus be implemented during 2018.

## PILOT WATCH RADAR SYSTEM

The future of the PWR has been discussed with Highways England which took responsibility for the Second Severn Crossing at the end of the Concession Period in January 2018. Improvements in the navigation equipment available aboard ships and the availability of small portable units which can access up-to-date charts and AIS/GPS information have led to ongoing discussions on the best way forward to ensure the continued safety of ships navigating in the vicinity of the Second Severn Crossing.

## PILOTAGE

The Pilotage Directions are reviewed regularly and updated as necessary to reflect the changing nature of the ships coming to Sharpness – which are gradually becoming larger with deeper drafts - and ensure that the measures in place remain appropriate to ensure their safe passage. The latest edition is available on GHT's website together with a list of the current dues and charges.

The pilotage service is provided by the self-employed pilots, authorised by GHT as the competent harbour authority, who make up the Gloucester Pilots Partnership LLP (GPP).

GPP organises pilotage on a day-to-day basis on behalf of GHT in consultation with the Harbour Master. It also provides relief harbour master services when GHT's Harbour Master is unavailable.

Traffic levels are carefully monitored to ensure that the appropriate number of pilots are authorised to manage these safely. There are currently four authorised pilots, this number being maintained by the appointment of Brendan Richardson who replaced Bill Payne (retirement) in July. Brendan comes to us having gained a wealth of experience as a pilot on the Tees and has quickly become familiar with the Severn Estuary. We wish Bill all the best in his retirement after eighteen years' service as a Gloucester pilot. Pilot Exemption Certificates have been issued to the two masters and first mates of a dredger working in the Gloucester Harbour and these are reviewed annually.

During the year the 'Monika Muller' and the 'Eva Maria Muller' which have been bringing cement to Sharpness several times a month since 1999 sailed from the port for the last time. The contract has now passed to another company and we are seeing regular visits from ships such as the 'Reggedijk', the 'Isseldijk' and the 'Voornedijk' which are all considerably larger than those which have visited Sharpness in the past. Working practices are regularly reviewed to ensure that these larger ships can enter and leave the dock safely.

## TRADE

Sharpness is a major national importer of cement and a significant regional importer of animal feed and fertiliser for the agricultural industry which is distributed throughout Gloucestershire and beyond. In addition, it provides a regional facility for the import and export of grain and has facilities for receiving and exporting scrap metal from the region. The port is thus a key asset to the economy of the local and wider community and supports a considerable number of jobs, both directly and indirectly. The port operator, Sharpness Dock Ltd, works hard in conjunction with its major clients to ensure that Sharpness continues to thrive.

To put this into context, Dragon Alfa Cement Ltd, based in Sharpness and a wholly owned subsidiary of the Cementos Portland Valderrivas group of companies, imported more cement into Sharpness than any other port in the country in the calendar year 2017.

Our role in supporting Sharpness and the wider Harbour area is to enable the safe passage of the vessels sailing to and from the port through the provision of the pilotage service and aids to navigation. In the last twelve months, there has been a total of 310 piloted commercial ship movements (excluding dredger activity) through the Harbour carrying a variety of cargoes including cement, fertiliser, minerals and animal feed. In addition, about 500 leisure vessels transit the Gloucester Harbour via Sharpness Docks each year.



January 2018 Russian Vessel Pola Sevastiana © Mike Nash

## THE ENVIRONMENT

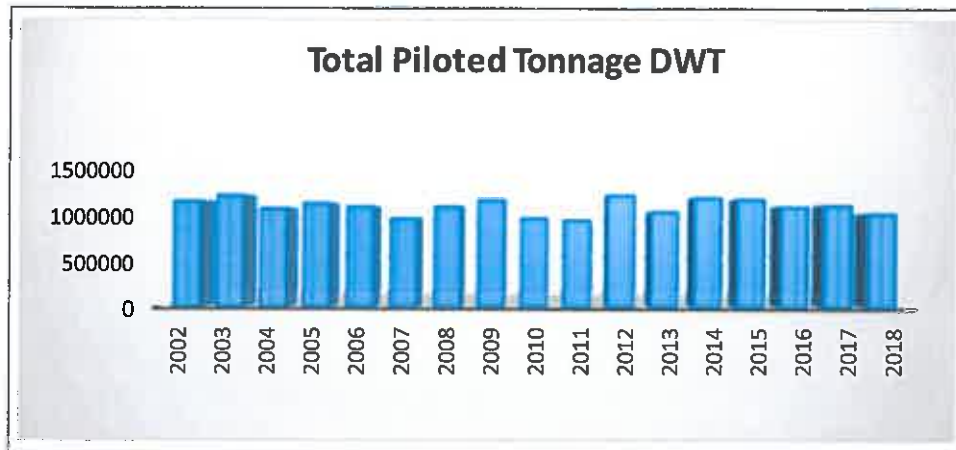
The Severn Estuary and River Wye are protected by extensive national, European and international legislation which place environmental duties on public and private bodies. In particular, this requires GHT to have regard to the environmental impact of any proposed works or activities in the Harbour. However, whilst we recognise the importance of preserving and enhancing the natural habitat and its flora and fauna as part of our environmental responsibilities as a public body, we are conscious that GHT is primarily a navigation authority and we must, therefore, manage and maintain the delicate balance between conservation and the statutory right of navigation within the Gloucester Harbour for vessels of all types.

We maintain close links with the bodies responsible for the management of the River Wye (Marine) Special Area of Conservation (SAC), and the Severn Estuary SAC and continue to consult Natural England, Natural Resources Wales and the Environment Agency on matters of mutual interest in relation to the Severn Estuary and the River Wye and provide advice on navigational matters when appropriate.

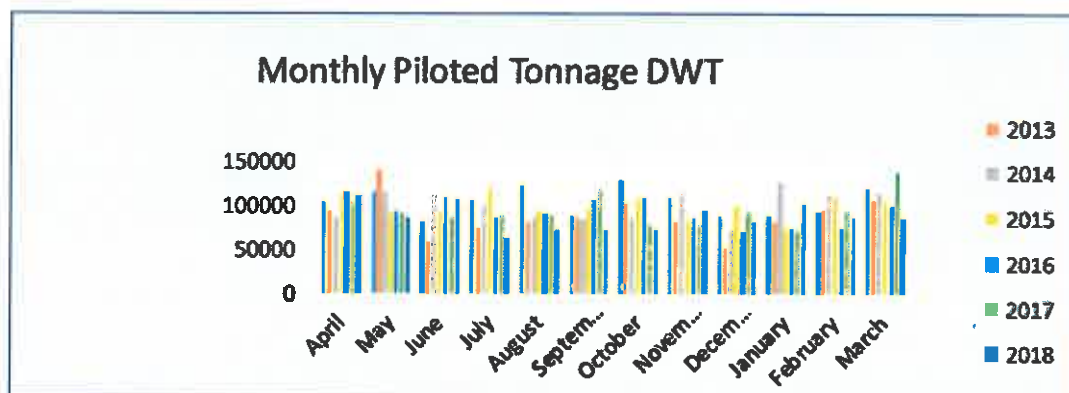
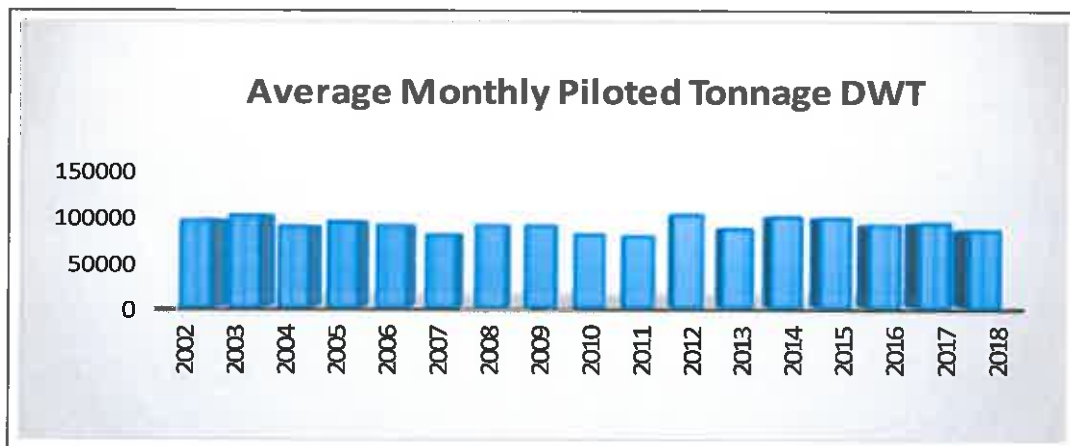
## FINANCE

GHT is a conservancy body and does not own any land or own/operate any docks or quays, so we are not in a position to generate income from cargo handling, leisure boat use, or other commercial activities. Most

of our income is derived from the charges levied on ships sailing to or from the port of Sharpness. Our financial stability is, therefore, dependent on the level of traffic using the port, which is operated by a private sector company. In recent years, the total annual piloted tonnage of the ships using Sharpness has been in the region of 900,000 to 1,200,000 dwt.

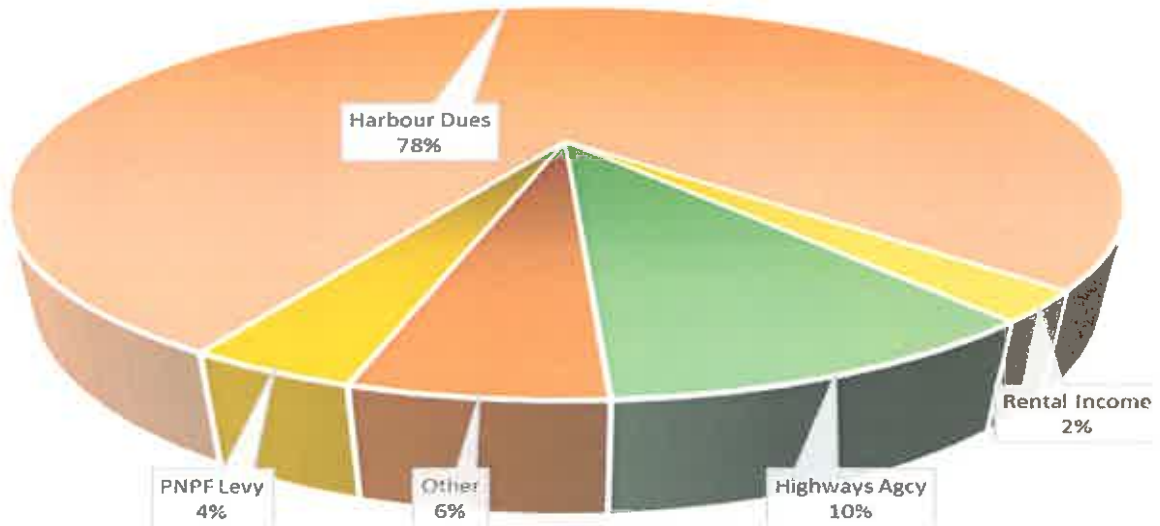


At the beginning of the financial year we took the view the level of shipping would again achieve at least a monthly average of 90,000 piloted dwt over the year and calculated that we could continue to cover our costs by maintaining the harbour dues at the same rate for a further year. In the event, a lower level of trade was experienced throughout the financial year which led to the average monthly piloted dwt for the year being less than forecast at just over 86,600 dwt.

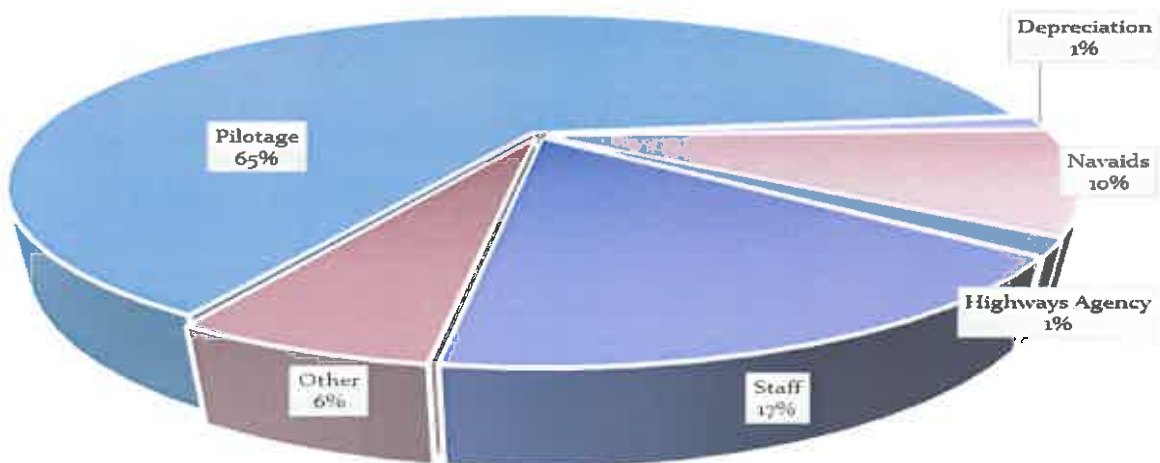


The reduced level of trade and the impact of gradually rising expenses has led to an operating surplus in 2017/18 of £2029 before depreciation, taxation and investments are taken into account.

## Income - £576k

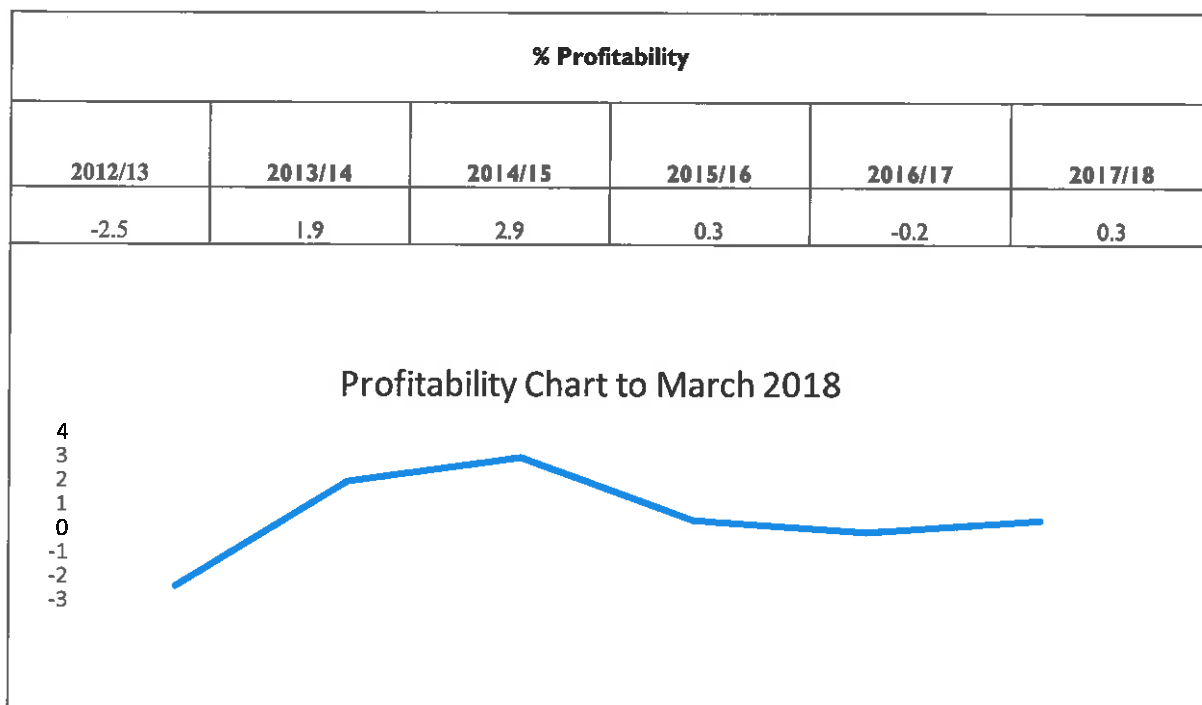


## Expenditure - £582k



Most of the performance indicators identified by the DfT for benchmarking are difficult to apply to GHT as it is solely a conservancy body responsible for pilotage and navigation and has no conventional port infrastructure to operate and maintain. We have, therefore, chosen to measure our performance using profitability, defined as deficit / surplus before interest and taxation divided by turnover, as our benchmark.

Using this formula, profitability for the year ended 31 March 2018 was 0.3%. The table below shows how this compares with the previous five years. The peaks and troughs correlate to a dip in trade followed by an increase in harbour dues with profitability reducing again as the effects of inflation are felt.



We continue to maintain a reserve fund to be used for major modernisation projects and to deal with operational emergencies.

### PILOTS' NATIONAL PENSION FUND (PNPF)

GHT continues to make an affordable contribution to the deficit in the PNPF. This is funded by an additional 2p per dwt on our harbour dues, with any shortfall made up from reserve funds. The total contributed during 2017/18 was £30,000.

## STAKEHOLDER BENEFIT

The Department for Transport's guidance to trust ports, which, unlike public companies, have no shareholders, recommends that they identify their stakeholders and offer a 'benefit' as if they were shareholders. We are in the fortunate position of having generated modest surpluses in recent years and regularly consider the best way of using these funds for the benefit of our stakeholders – all users of the Harbour.

Recently, we have concentrated on some of our 'behind the scenes' activities to improve the quality of the information we make available. For instance, a lot of effort has gone into updating the tidal information at Sharpness so that trends can be identified, and specific tide heights predicted to manage passages on particular tides more safely.

Another project to improve communication with stakeholders has been a revamp of our website to give it a new look and, hopefully, make it easier for readers to navigate around the pages. It contains a wide range of information for leisure sailors and commercial vessels, as well as people

with a more general interest in the Harbour. We would encourage people to sign-up to receive email news and updates.

## STAKEHOLDER SUMMARY

- Investment in Hazman software to improve risk assessment
- Investment in software associated with the tide gauge to improve tidal prediction
- Improvements to the website to make it easier for users to access relevant information

## STAKEHOLDER ENGAGEMENT

GHT has many stakeholders, both core stakeholders and a wider stakeholder community. We attach considerable importance to communication and consultation with these stakeholders.

GHT's core stakeholders include the Victoria Group which operates Sharpness Dock and whose commercial performance as a port has a crucial impact on the financial health of GHT, Gloucester Pilots' Partnership (GPP) which provides pilotage on behalf of GHT, GHT's staff and contractors, the Canal and River Trust (CRT) which owns and manages the docks infrastructure at Sharpness including staffing the lock. Other major stakeholders are the Department for Transport which sets policy for Trust Ports, and Trinity House which has legal oversight of the fitness for purpose of all aids to navigation provided by GHT.

Formal processes are in place to ensure good communication across and management of these interfaces with our core stakeholders. There is day-to-day interaction between GHT's Harbourmaster, the pilots and CRT. The Board of GHT Trustees presently includes a pilot and the manager of Sharpness Docks. In addition, GHT is planning to strengthen further these interactions through working groups associated with the business and safety aspects of the harbour users.

Because GHT's jurisdiction extends over a large expanse of waterway, it is unsurprising that there are a large number of wider stakeholders with whom we have interfaces. These include, for example: marine industrial and sand dredging operations, the Port of Bristol and Associated British Ports (SE Wales), through whose waters vessels transit when bound into and from Sharpness; Sharpness Shipyard and Drydock; Highways England, who manage the M4 and M48 crossings; the power companies responsible for the nuclear sites at Oldbury and Berkeley; contiguous Local Authorities; water companies and drainage boards; nature conservation agencies; leisure users (sailing and boating clubs, fishing and angling, etc); the Association of Severn Estuary Relevant Authorities. We maintain a comprehensive website to inform stakeholders and hold an annual stakeholder event. Our Harbourmaster and Trustees attend meetings with various of these organisations as necessary.

## THE YEAR AHEAD

The financial year 2017/18 followed the slight downward trend of the several previous years. When considering the year ahead, we have again concluded that basing our forecasts on a monthly piloted dwt average of 90,000 is a realistic assumption. However, having maintained an unchanged rate for over four consecutive years, the effects of inflation have finally caught up with us and this level of income produced will no longer be sufficient. We have, therefore agreed to a modest increase in harbour dues.



We face a period of uncertainty in the coming year. The discussions with Highways England on the future of the Pilot Watch Radar system may have financial implications for GHT. We will have to consider carefully how best to deal with a potential loss of income which may lead to further increases in our harbour dues in the future.

In common with many other organisations which are involved in trade with the EU, we are unable to quantify yet what, if any, effect Brexit will bring. However, we hope that Sharpness will continue to flourish as now.



October 2017 Pelican of London and tug boat Kingston © Mike Nash

**GLOUCESTER HARBOUR TRUSTEES**  
**PORT MARINE SAFETY CODE**  
**ANNUAL PERFORMANCE REVIEW 2017**

### Marine Safety

The Gloucester Harbour Trustees aim to undertake and regulate marine operations in order to safeguard the harbour, its users, the public and the environment and comply with the requirements of the Port Marine Safety Code (PMSC).

GHT aims to adopt best practice and incorporates the requirements of the PMSC within its Safety Management System. It has undertaken a formal marine risk assessment, using the newly introduced Hazman system, and the methods adopted to control risk take into account relevant legislation, minimum standards and human factors. These policies and procedures (including Pilotage and General Directions) are subject to consultation and review on an on-going basis and amended when appropriate.

### PMSC Audit - Statement of Compliance

- The annual independent audit undertaken by GHT's Designated Person in March 2018 confirmed GHT's continuing compliance with the PMSC.
- The triennial Statement of Compliance was signed by the Chairman on behalf of the Trustees as Duty Holder on 16 March 2018 and submitted to the Maritime and Coastguard Agency.

The following performance review summarises the main activities of GHT's marine operations.

### Marine Reports

- There were no shipping incidents in the Gloucester Harbour area during the year.
- Notices to Mariners are issued to interested parties when required. They are emailed direct to an established list of relevant organisations and displayed on GHT's website.
- GHT continues to engage as appropriate with organisations which have an interest in marine issues, such as yacht clubs, environmental bodies and local councils.

### Vessel Movements

- During 2017 there were over 500 commercial vessel movements through the harbour area, 293 of which were general cargo vessels visiting the port of Sharpness, with the remainder being generated by aggregate dredging activity within the harbour area. The table below shows the number of cargo vessel movements (excluding local aggregate dredging) over last ten years and demonstrates a steady level of activity which has not required significant changes to the Trustees' safety management plans. There has been a steady increase in the average size of vessels visiting Sharpness from 2,488 dwt in 2006 to 3,680 dwt in 2017.

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
No of vessels	391	380	377	293	387	344	357	370	324	293	292
Average DWT	2814	2903	2721	3241	3101	3146	3311	3439	3596	3657	3684

- The main cargoes carried were cement, fertiliser, animal feed, grain, and minerals.

- Leisure craft based at several small sailing clubs operate regularly within the harbour. In addition, approximately 500 leisure craft movements each year are undertaken by vessels transiting the harbour via Sharpness Dock.

### Pilotage

- Pilotage is compulsory for all vessels over 30m loa.
- The pilotage service is provided by the self-employed pilots, authorised by GHT as the competent harbour authority, who make up the Gloucester Pilots Partnership LLP (GPP). GPP organises pilotage on a day-to-day basis on behalf of GHT in consultation with the Harbour Master.
- There are currently three first class pilots. A fourth pilot has now achieved second class authorisation.
- A suitably qualified pilot has been available to deal with all booked commercial movements during the year. There was one occasion in 2017 when a ship was delayed (due to insufficient predicted tide height to handle two vessels booked for the same tide). There were three occasions when an off-duty pilot was called in to handle additional vessels.
- Boarding and landing services are provided by the pilot boat operated by the Bristol Port Company.
- Pilotage services are also available to recreational vessel owners if requested.
- PECs have been issued to the two masters and first mates of a sand dredger operating in the harbour. These PECs are reviewed annually. 182 acts of pilotage under a PEC were undertaken during 2017.
- The Harbour Master, the pilots, CRT staff and the port operator regularly discuss navigational issues.

### Conservancy / Aids to Navigation

- A pilot watch radar system with three stations in the estuary and a base station in Sharpness was installed for the protection of navigation following the construction of the Second Severn Crossing. This continues to perform well.
- The base station records each vessel's track which can provide useful information in the event of an incident.
- The maintenance of the Aids to Navigation is undertaken under contract. This includes a routine maintenance programme as well as responding to emergency call-outs.
- The availability of the Aids to Navigation (lights, buoys, beacons, daymarks, fog signals), including 'third party AtoNs, for the last year has been as follows:

Category	No. of A to Ns	Availability	GLA Requirement
1	2	100%	99.80%
2	42	99.98%	99.00%
3	52	99.63%	97.00%

### Pollution

- There have been no reports of incidents of pollution in the harbour area during the year.
- The Harbour Master and Senior Pilot have both completed the refresher course for their MCA Oil Spill 5p qualification.
- GHT continues to contact organisations listed in its OSCP at regular intervals to ensure that details remain up to date.

## **TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Statute requires the Trustees to prepare financial statements for each financial year. Under the Harbours Act 1964, the Trustees are required to prepare the financial statements in accordance with the provisions of the Companies Act 2006. The financial statements are prepared in accordance United Kingdom Generally Accepted Accounting Practice (UK GAAP) and to give a true and fair view of the state of affairs of the company and of the profit or loss of the authority for that period. In preparing those financial statements, the Trustees are required to:

- 1) select suitable accounting policies and then apply them consistently
- 2) make judgements and estimates that are reasonable and prudent
- 3) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 4) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **STATEMENT OF DISCLOSURE TO AUDITORS**

In the case of each of the persons who are trustees at the time when the Trustees' report is approved:

- a) so far as the trustee is aware, there is no relevant audit information (information needed by the authority's auditors in connection with preparing their report) of which the auditors are unaware; and
- b) he has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the Trustees' auditors are aware of that information.

This report was approved by the Trustees on 20 July 2018 and signed on their behalf by the Chairman.



**Gordon A.S. Craig**

## **REPORT OF THE AUDITORS TO THE TRUSTEES OF THE GLOUCESTER HARBOUR TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017**

We have audited the financial statements of Gloucester Harbour Trustees for the year ended 31 March 2018 on pages 24 to 35. The financial reporting framework that has been applied to their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the trust's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the requirements of the appropriate elements of Statutory Harbour Undertakings Regulations 1983, Companies Act 2006, Section 42 of Harbours Act 1964 as amended by the Transport Act 1981 and as amended by the Statutory Harbour Undertakings (Pilotage Accounts) Regulations 1988

### **Basis for Opinion**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statement and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **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 Trustees' Report for the financial year for which financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## **Respective responsibilities of Trustees and Auditors**

As explained more fully in the Trustees' Responsibility Statement set out on page 20, the trustees, who are also directors of the trust for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.


## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our audit report.

## Use of our report

This report is made solely to the trust's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the requirements of the appropriate elements of Statutory Harbour Undertakings Regulations 1983, Section 42 of Harbours Act 1964 as amended by the Transport Act 1981 and as amended by the Statutory Harbour Undertakings (Pilotage Accounts) Regulations 1988. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Mr S J Humphries (Senior Statutory Auditor)**  
For and on behalf of **Griffiths Marshall**

.....23rd August 2018.....

**Chartered Accountants**  
**Statutory Auditor**

**Beaumont House**  
**172 Southgate Street**  
**Gloucester**  
**GL1 2EZ**

## GLOUCESTER HARBOUR TRUSTEES

### Income and expenditure account for the year ended 31 March 2018

	Notes	2018	2017
		£	£
Income	2	576,465	577,353
Expenditure	3	567,422	571,714
<b>Operating surplus before depreciation, interest and taxation</b>		<u>9,043</u>	<u>5,639</u>
Provision for depreciation	8	(7,014)	(6,798)
Profit on disposal of fixed assets		-	-
<b>Surplus/(deficit) before interest and taxation</b>		<u>2,029</u>	<u>(1,159)</u>
Income from investments	11	12,150	11,116
Profit/(Loss) on disposal of Investments	11	33,618	(404)
<b>Net Surplus/deficit before taxation</b>	4	<u>47,797</u>	<u>9,553</u>
UK corporation tax	5	(6,083)	(1,203)
Deferred taxation	6	(86)	67
<b>Net Surplus/deficit for the year</b>	12	<u>41,628</u> =====	<u>8,417</u> =====



# GLOUCESTER HARBOUR TRUSTEES

## Balance Sheet as at 31 March 2018

	Notes	2018	2017
		£	£
<b>Fixed assets</b>			
Tangible assets	8	57,886	64,402
		<u>57,886</u>	<u>64,402</u>
<b>Current assets</b>			
Debtors: due within one year	9	276,102	88,727
Bank balances		246,218	139,082
Cash		191	62
Other Investments	11	440,406	398,634
		<u>962,917</u>	<u>626,505</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	214,291	80,269
		<u>748,626</u>	<u>546,236</u>
<b>Net current assets</b>			
		<u>806,512</u>	<u>610,638</u>
<b>Total assets less current liabilities</b>			
<b>Long Term Liabilities</b>			
Creditors: amounts falling due after more than one year	10	171,076	16,916
		<u>635,436</u>	<u>593,722</u>
<b>Total Assets less Total Liabilities</b>			
Provisions for liabilities and charges	6	63	149
		<u>635,499</u>	<u>593,871</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Income and expenditure reserve	12	<u>635,499</u>	<u>593,871</u>

Signed on behalf of the Trustees

G Craig (Chairman)



S Hill (Finance Officer)

Dated: 23/8/18

## **GLOUCESTER HARBOUR TRUSTEES**

### **Notes to the accounts for the year ended 31 March 2018**

#### **I. Principal accounting policies**

##### **Trust Information**

Gloucester Harbour Trustees is a statutory harbour authority. The primary office is Navigation House, The Docks, Sharpness, Berkeley, Gloucestershire, GL13 9UD.

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

##### **Accounting convention**

The financial statements have been prepared on the historical cost basis of accounting.

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

##### **Going Concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Turnover**

Turnover, which excludes value added tax, represents predominately the value of harbour dues and conservancy fees due for the year.

##### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following straight line bases:

Motor vehicles	20%
Office equipment and furniture	20%
Trade and marine equipment	20%
Building	4%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

##### **Impairment of Fixed Assets**

At each reporting end date, the trust reviews the carrying amounts of its tangible 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).

##### **Fixed Asset Investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### **Financial Instruments**

The trust has 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 trust's balance sheet when the trust becomes part 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.

### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

### ***Basic 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.

### **Deferred Income**

Income is deferred when the donor specifies the income is for a future period or applies conditions that cannot be met until a future period.

### **Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

### **Pensions**

The authority operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the income and expenditure account in the year in which they are payable. GHT also pay affordable contributions towards the Pilot's National Pension Fund and these contributions are charged to the Income and Expenditure account on an accruals basis.

**Notes to the accounts**  
**For the year ended 31 March 2018**  
**2 Income**

	<b>2018</b>	<b>2017</b>
	£	£
Harbour Dues (Pilotage & Conservancy)*	436,738	452,061
PNPF Levy	20,774	22,672
Pilotage Exemption Certificate income	210	60
Conservancy Dues income	6,305	11,838
Highways Agency – contribution to ship protection measures	55,827	56,066
Highways Agency – non-routine upgrades	0	0
Magnox Sites - contribution to repairs, maintenance and lighting	12,285	10,386
Bank interest received	392	552
Licensing fees received	0	0
Navigation House rental & service charges income	30,208	15,920
Other income **	13,255	7,798
Narlwood Beacon	471	0
<b>Total Income</b>	<b>576,465</b>	<b>577,353</b>
	=====	=====

\* Includes charge for use of pilot boat

\*\* Includes Reimbursement of CRT River Surveys

## GLOUCESTER HARBOUR TRUSTEES

### Notes to the accounts for the year ended 31 March 2018

#### 3 Expenditure

	2018	2017
	£	£
<b>Conservancy and Administration</b>		
Navigation aids: renewals, repairs and maintenance	12,013	14,805
Beacon and radar costs on behalf of Highways Agency	8,117	5,552
Highways Agency – non-routine work	280	0
Lighting supplies	4,409	979
Workshop accommodation costs	7,382	7,164
Vehicle costs	1,617	1,175
Boat costs	1,569	303
Lights maintenance contract	1,675	4,500
Navigation House costs	16,918	19,909
Office Costs	16,850	17,983
Salary Costs	83,523	94,353
Trustee and staff expenses	12,708	11,409
Audit fee	3,340	3,200
Subscriptions and licences	624	424
River surveys	15,982	4,574
Bathymetric Survey	4,050	0
Professional advice and expenses	0	0
Oil spill measures	0	0
Investment administration charges	3,997	3,799
	195,054	190,129
	195,054	190,129
	2018	2017
	£	£
<b>Pilotage</b>		
Pilots' contract	297,253	308,531
Boarding and landing fee	29,782	32,830
Pilots' lodge facilities	9,532	9,300
Training	5,666	0
Other pilotage costs	135	924
PNPF	30,000	30,000
	372,368	381,585
	372,368	381,585
<b>Total Expenditure</b>	<b>567,422</b>	<b>571,714</b>
	<b>567,422</b>	<b>571,714</b>

**GLOUCESTER HARBOUR TRUSTEES**

**Notes to the accounts  
for the year ended 31 March 2018**

	<b>2018</b>	<b>2017</b>
<b>4 Surplus/Deficit before Taxation</b>	<b>47,797</b>	<b>9,553</b>
Deficit before taxation is stated after charging/(crediting)		
Depreciation charge for the year:-		
Tangible owned fixed assets	7,014	6,798
Adjustment on disposal of investments	33,618	404
Auditor's remuneration	3,340	3,200
<b>5 Taxation</b>	<b>2018</b>	<b>2017</b>
Domestic current year tax:-		
UK Corporation Tax at 19% (2017: 20%)	6,083	1,203
Adjustment for prior year	-	-
	<hr/>	<hr/>
	<b>6,083</b>	<b>1,203</b>
Current tax charge	=====	=====
Factors affecting the tax charge for the year:-		
Profit on ordinary activities before tax	47,797	9,553
	=====	=====
Surplus on ordinary activities before tax multiplied by standard rate of tax - 19% (2017: 20%)	9,081	1,911
	<hr/>	<hr/>
Effect of :-		
Depreciation	1,403	1,360
Capital allowances	(773)	(367)
Other tax adjustments	(3,628)	(1,701)
	<hr/>	<hr/>
	<b>(2,998)</b>	<b>(708)</b>
	<hr/>	<hr/>
<b>Current tax charge</b>	<b>6,083</b>	<b>1,203</b>
	<hr/> <hr/>	<hr/> <hr/>

## GLOUCESTER HARBOUR TRUSTEES

### Notes to the accounts for the year ended 31 March 2018

#### 6 Deferred Taxation

The deferred taxation asset/(liability) can be analysed as follows:-

	2018	2018
	£	£
Accelerated Capital Allowances	63 -----	149 -----
Deferred taxation asset/(liability)	63 =====	149 =====
		£
Balance at 1 April 2017	149	216
Movement in the year	(86) -----	(67) -----
Balance at 31 March 2018	63 =====	149 =====
<b>7 Employees</b>	<b>2018</b>	<b>2017</b>
The average weekly number of persons employed during the year was	2 ==	2 ==
Staff costs (for the above persons):-		
Wages and salaries	70,369	78,529
Pension contributions	9,587	11,345
Social security costs	3,568	4,479

## GLOUCESTER HARBOUR TRUSTEES

### Notes to the accounts for the year ended 31 March 2018

#### 8 Fixed Assets

	Motor Vehicles	Equipment	Office Furniture	Marine Equipment	Property	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2017	20,060	39,151	5,800	55,141	157,646	277,798
Additions		498				498
Disposals						
<b>At 31 March 2018</b>	<b>20,060</b>	<b>39,649</b>	<b>5,800</b>	<b>55,141</b>	<b>157,646</b>	<b>278,296</b>
<b>Depreciation</b>						
At 1 April 2017	20,060	37,359	5,800	55,141	95,036	213,396
Charge for year		708	-	-	6,306	7,014
Disposals						
<b>At 31 March 2018</b>	<b>20,060</b>	<b>38,067</b>	<b>5,800</b>	<b>55,141</b>	<b>101,342</b>	<b>220,410</b>
<b>Net book value</b>						
At 31 March 2018	0	1,582	0	0	56,304	57,886
At 31 March 2017	0	1,791	0	0	62,610	64,401



## GLOUCESTER HARBOUR TRUSTEES

### Notes to the accounts for the year ended 31 March 2018

9 Debtors	2018	2017
	£	£
<b>Amounts falling due within one year</b>		
Pilotage fees	36,018	59,727
Highways Agency	16,052	17,569
Magnox Sites	194,712	-
Canal & River Trust	28,407	150
Other debtors	913	11,281
	<hr/>	<hr/>
	276,102	88,727
	=====	=====

10 Creditors	2018	2017
	£	£
<b>Short Term : Amounts falling due within one year:-</b>		
Other creditors	42,342	52,541
Corporation Tax	6,083	1,203
Highways Agency	20,000	20,000
H M Revenue and Customs (VAT & PAYE)	54,635	5,224
Deferred income credit – Magnox *	1,401	1,301
Deferred income credit – Magnox **	8,000	-
Narlwood Beacon ***	81,830	-
	<hr/>	<hr/>
	214,291	80,269
	=====	=====

#### Long Term: Amounts falling due in more than one year:-

Deferred income credit - Magnox *	16,816	16,916
- Magnox **	154,260	-
	<hr/>	<hr/>
	171,076	16,916
	=====	=====

The deferred income credits represent:

- \* the amount remaining from BNFL Magnox Electric's one-off payment in 2005 to buy out its obligation for the maintenance of the Haywards Rock & Bull Rock Beacons
- \*\* the amount remaining from Magnox one-off payment in 2018 to buy out its obligation for the maintenance of Beacons
- \*\*\* the cost to replace Narlwood Beacons

## GLOUCESTER HARBOUR TRUSTEES

### Notes to the accounts for the year ended 31 March 2018

#### 11 Other Investments

	2018	2017
	£	£
Listed Investments	435,224	396,957
Cash	5,182	1,677
	<u>440,406</u>	<u>398,634</u>
	=====	=====
The market value of other investments as at the balance sheet date:-		
Listed investments	567,168	568,155
Cash	5,182	1,677
	<u>572,350</u>	<u>569,832</u>
	=====	=====
Acquisitions	109,215	47,048
Disposals	(70,949)	(40,741)
Movement in cash balance	3,505	606
	<u>41,771</u>	<u>6,913</u>
	=====	=====
Income Received:-		
Dividends	9,786	8,822
Interest (net of tax)	2,364	2,294
Disposals adjustment	33,618	(404)
Administration charges	(3,997)	(3,799)
	<u>41,771</u>	<u>6,913</u>
	=====	=====

## GLOUCESTER HARBOUR TRUSTEES

### Notes to the accounts for the year ended 31 March 2018

#### 12 Income and Expenditure Reserve

	£
Balance at 1 April 2017	593,871
Deficit for year	41,628
	-----
Balance at 31 March 2018	635,499
	=====

#### 13 Financial commitments

At 31 March 2018 the trust had annual commitments under a non-cancellable operating lease as follows:

	2018	Land 2017
	£	£
Expiry date:		
Within one year	-	-
Between two and five years	-	-
In over five years	1,560	1,560
	-----	-----
	1,560	1,560
	=====	=====

#### 14 Pension Costs

There are no pension costs outstanding at the balance sheet date.

Defined contribution	2018	2017
	£	£
Contributions payable by the authority for the year	9,587	11,345

The authority pays 15% of the employees' annual salary into the pension scheme.

## **GLOUCESTER HARBOUR TRUSTEES**

### **Notes to the accounts for the year ended 31 March 2018**

#### **15 Contingent Liabilities**

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. During the year ended 31 March 2010, the Trustee of the PNPF sought guidance from the Courts on the extent of its powers to address the deficit. The eventual ruling allowed the Trustee to change the rules of the PNPF as it saw fit. The Trustee of the PNPF is now seeking to recover a proportion of the shortfall from harbour authorities whose self-employed pilots are members of the scheme, as well as from harbour authorities who are employers of pilots.

The full actuarial valuation of the PNPF at 31 March 2010 reported a deficit of £186.7m. The Trustees of the PNPF attributed a deficit share of 0.9667% (£1.8m) to GHT.

GHT has never employed pilots under contracts of employment and the self-employed pilots of Gloucester Pilots Partnership are, and have always been, responsible for making their own pension contributions. GHT has therefore strenuously resisted any suggestion that it has a liability for the PNPF's deficit but has offered to contribute a fixed sum towards it. A contribution of £30,000 has been made during the year ended 31 March 2018.

#### **16 Related Party Transactions**

£7,592 (2017-£7,407) was paid to J Beavor/G Craig for his duties as Chairman of the Trustees

Michael Johnson, a trustee, is also an employee of the trust.