



ANNUAL REPORT & ACCOUNTS

**FOR THE YEAR ENDED
31 MARCH 2020**



VERITY loading scrap for Liverpool January 2020 © Mike Nash

INDEX

| | |
|--|-------|
| Report of the Trustees | 3-15 |
| Annual Performance Review | 16-17 |
| Trustees Responsibilities | 18 |
| Report of the Auditors to the Trustees | 19-21 |
| Income & Expenditure Account | 22 |
| Balance Sheet | 23 |
| Notes to the Accounts | 24-33 |

CHAIRMAN'S REPORT

I have pleasure in introducing the Gloucester Harbour Trustees annual report and accounts.

Ships continue to increase in size. In order to mitigate any future trading impact of this trend for the port, we are in ongoing discussions with Highways England and the Department for Transport regarding a re-definition of tonnage restrictions for ships passing under the Severn bridges. Currently trade remains steady.

Our stakeholder engagement continues to move ahead. This year, we further raised our profile by holding our annual conference at a new larger venue (Gloucestershire Science & Technology Park, Berkeley Green). This was well attended and a very successful event.

During the year we said goodbye to two trustees and appointed two extremely experienced replacements, so the board remains strong and highly committed.

Once again, I can report that our strategic and financial plans are robust and we remain confident about the future.

As with any organisation, we are only as good as our people and once again my thanks go to our hugely dedicated team.



Gordon Craig
Chairman of Gloucester Harbour Trustees



Sun setting over the Severn at Sharpness April 2019 c Mike Nash

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 authorised 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. 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, Trustees receive no remuneration other than occasional expenses incurred in carrying out our duties and functions.

TRUSTEES' ATTENDANCE RECORD

| Trustee | Possible Attendances | Actual Attendances |
|------------------|----------------------|--------------------|
| Gordon Craig | 4 | 4 |
| Nigel Vaughan | 4 | 3 |
| John Christie | 4 | 3 |
| Mike Johnson | 4 | 4 |
| Barry Leat | 4 | 1 |
| Carl Merry | 4 | 4 |
| Anthony Potts | 4 | 2 |
| Garry Strickland | 4 | 4 |
| Geoffrey Comer | 4 | 4 |
| Mike Studden | 2 | 2 |

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 three months. The full-time Harbour Master is

responsible for matters relating to navigational safety and supervising the maintenance of radar and other navigation aids including lights, buoys, beacons and daymarks. The Harbour Master is also responsible for environmental management issues. Financial and administrative support is provided by two experienced part-time members of staff.



CELTICA HAV arriving with potash from Teesport, BEV-D engaged in ploughing March 2020 © Mike Nash

TRUSTEES AND OFFICERS – MARCH 2020



Gordon Craig
Chairman

Gordon is a retired management consultant. He is a Stroud District Councillor, chairman of the Bristol Channel Yachting Association and a board member of Citizens Advice. He is a keen sailor and a member of both Thornbury Sailing Club and Cardiff Bay Yacht Club



Nigel Vaughan
Vice Chairman

Nigel is a chartered electrical and systems engineer and owned a successful, locally-based engineering science consultancy. He has always been interested in ships and the sea, is a former Royal Navy officer, and has enjoyed sailing in and recreational flying above, the Severn estuary for over 30 years. Nigel is also GHT's 'Designated Person'.



John Christie

John is retired after a career in river pollution control and management. He was on the Board of Young Enterprise, Gloucestershire and a Business Advisor to enterprising companies in school. John has been involved in Toastmasters International receiving its highest award and serving as Area Director in Wales and the South West. A longstanding member of Lydney Yacht Club and Commodore for five years, John sails regularly in the Bristol Channel and Severn Estuary.



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
(retired December 2019)

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
(retired December 2019)

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.



Geoffrey Comer

Geoffrey retired after a long a career that started as an apprentice with Rolls Royce and ended as a Chief Financial Officer working with international engineering and property services groups. He spent 6 years as a non-executive director of Ipswich Port Authority prior to its privatisation.



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. In addition to carrying out this statutory function he arranges the maintenance of the 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.



Mike Studden

Appointed in July 2019, Mike is a retired public health scientist with a background in government, commercial consultancy sector, local government and the armed forces and brings additional skills in risk assessment and corporate governance to the Board. Currently Chairman of the Cotswold Edge and Severn Vale Tourism Network, Member of GFirst LEP Tourism and Visitor Economy Group and Hon. Treasurer of Berkeley Community Trust, his many interests include the marine environment, shipbuilding and engineering.



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 (pp16-17).

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 attend regular refresher courses to maintain their MCA 5p qualification.

OTHER SAFETY MATTERS

GHT's Harbour Master and the authorised pilots liaise regularly with CRT staff on matters affecting the navigation and safety of vessels passing through the harbour to and from the port of Sharpness. Notices to Mariners are promulgated as required, and advice to small craft is regularly reviewed and updated.

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.

Passage planning is as important for leisure sailors as for larger commercial vessels. Leisure boaters can find much useful information on our website to assist in 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. The website provides 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 the characteristics of two lights were altered 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 | 99.81% | 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.

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, three Class 1 and one Class 2 – vessels of all sizes are thus managed with no delays.

Pilot Exemption Certificates have been issued to the two masters of a dredger working in the Gloucester Harbour and these are reviewed annually.

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 2019.

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 over 280 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.

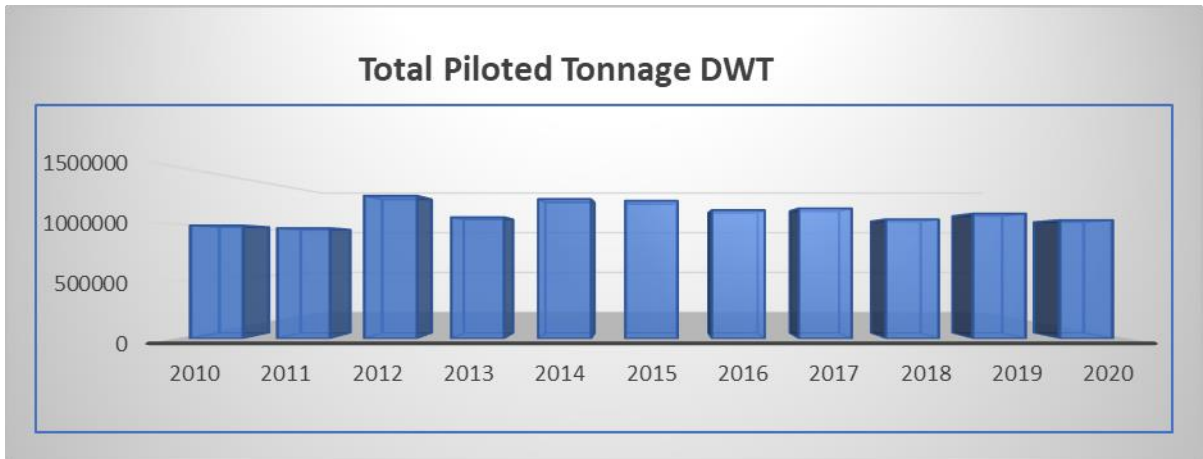
THE ENVIRONMENT

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.

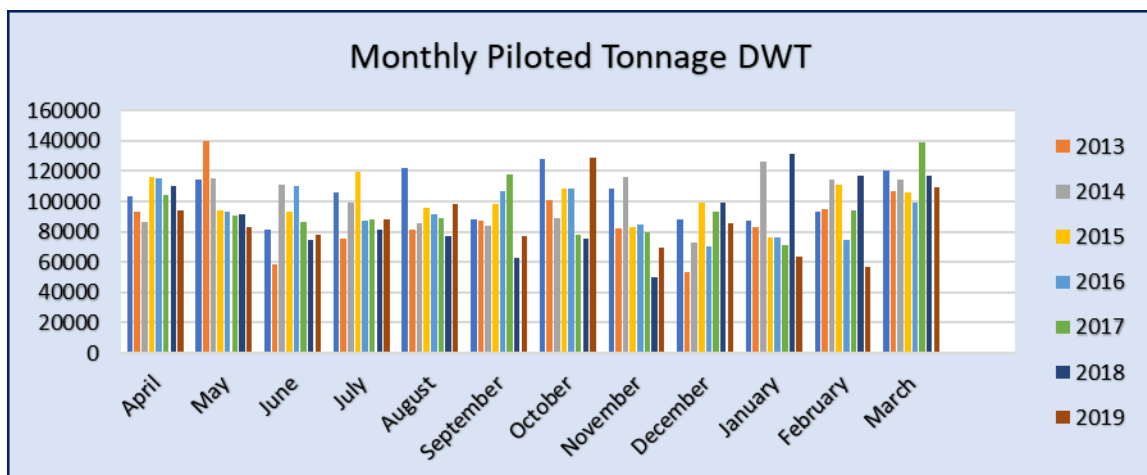
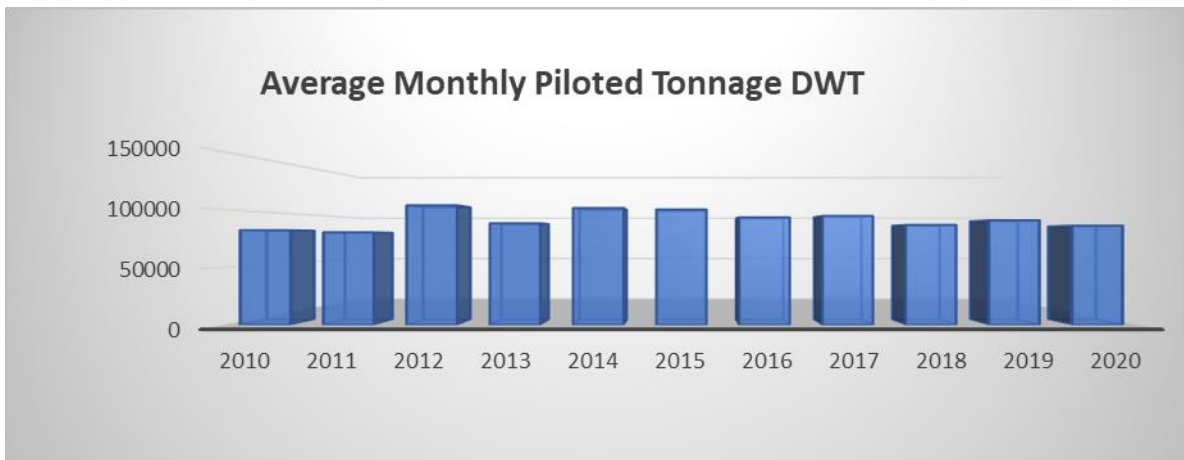
We maintain close links with the bodies responsible for the management of the River Wye (Marine) Special Area of Conservation (SAC), and the Severn Estuary SAC and continue to consult Natural England, Natural Resources Wales and the Environment Agency on matters of mutual interest in relation to the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

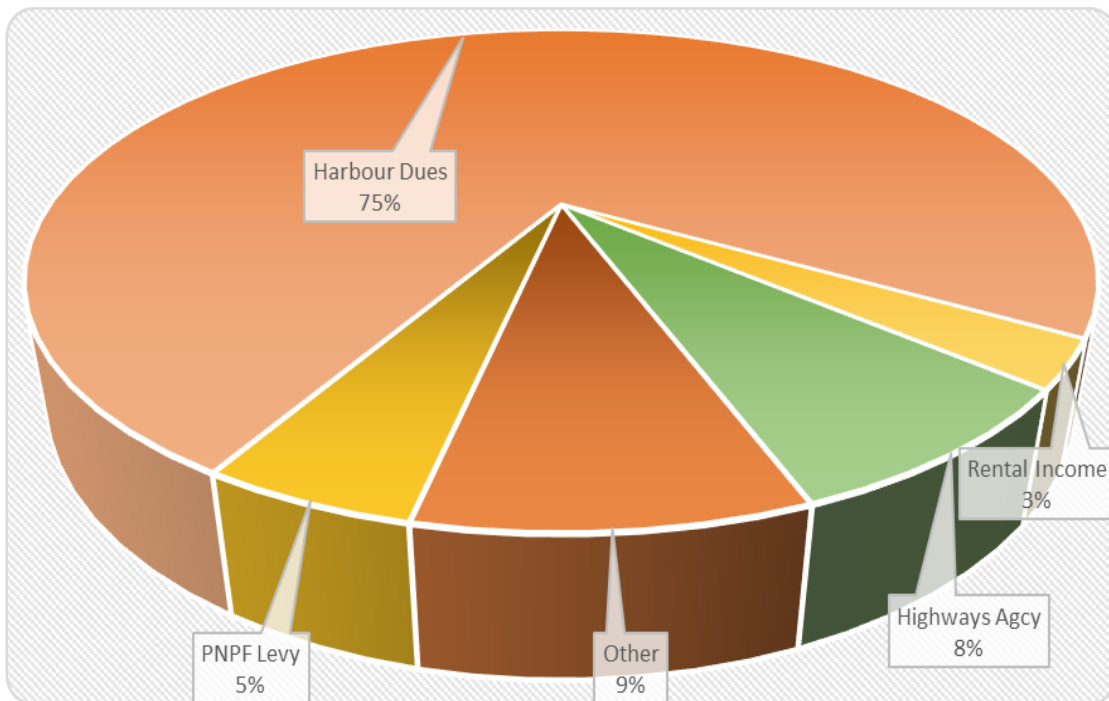


At the beginning of the financial year we took the view the level of shipping would again achieve at least a monthly average of 90,000 piloted dwt over the year and calculated that we could continue to cover our costs by maintaining the harbour dues at the same rate for a further year. In the event, 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 under 86,600 dwt.

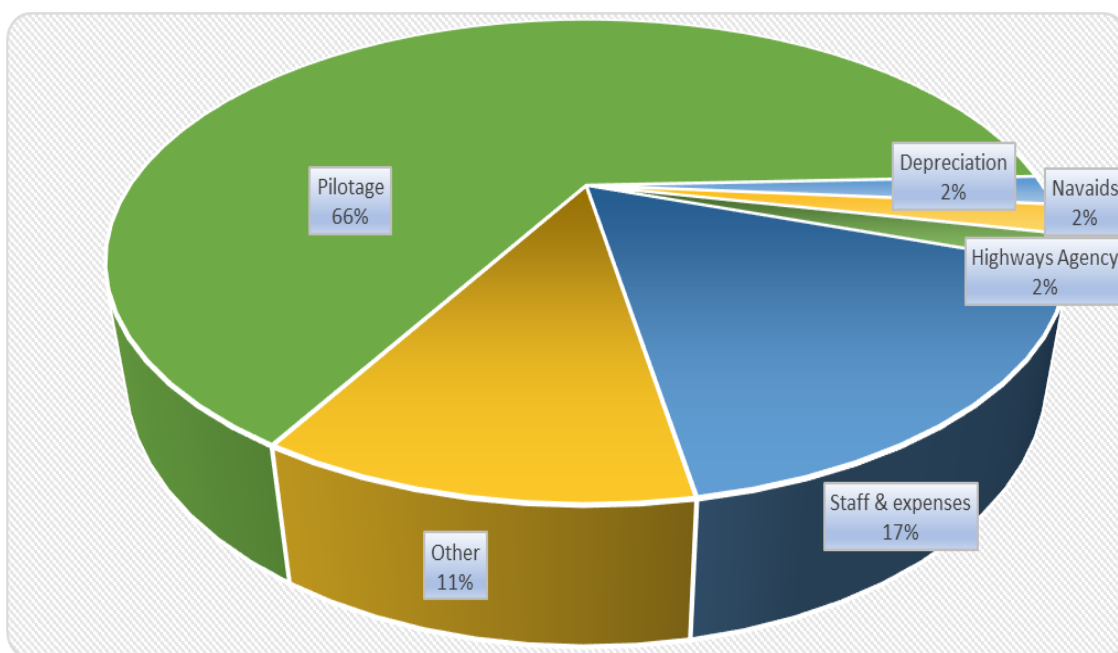


The reduced level of trade and the impact of gradually rising expenses has led to an operating surplus in 2019/20 of £555 before depreciation, taxation and investments are taken into account.

Income - £575k

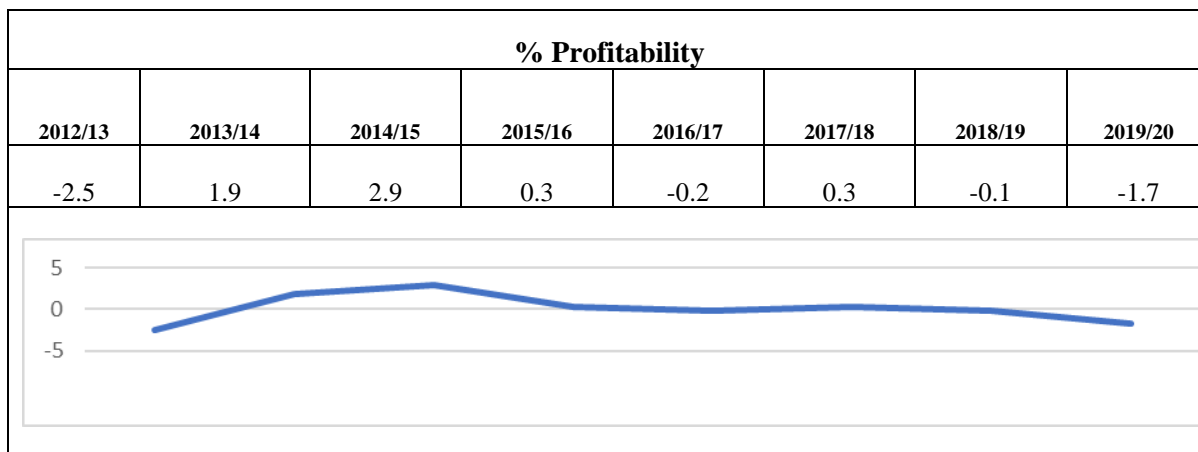


Expenditure - £584k



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 2020 was -1.7%. 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 3p per dwt on our harbour dues, with any shortfall made up from reserve funds. The total contributed during 2019/20 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.

Our website is regularly updated and 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 assessment**
- **Investment in software associated with the tide gauge to improve tidal prediction**

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 2019/20 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, the effects of inflation and reduced income from other sources have required a modest increase in harbour dues.

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.

GLOUCESTER HARBOUR TRUSTEES
PORT MARINE SAFETY CODE
ANNUAL PERFORMANCE REVIEW 2019/20

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 2020 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 2019 there were over 500 commercial vessel movements through the harbour area, 258 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 3,241 dwt in 2010 to 4,000 dwt in 2019.

| Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------|------|------|------|------|------|------|------|------|------|------|
| No of vessels | 297 | 401 | 336 | 367 | 349 | 311 | 310 | 283 | 286 | 258 |
| Average DWT | 3241 | 3101 | 3146 | 3311 | 3439 | 3596 | 3657 | 3674 | 3805 | 4000 |

- 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.
- 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 of a sand dredger operating in the harbour. These PECs are reviewed annually. 166 acts of pilotage under a PEC were undertaken during 2018.
- 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 | 99.81% | 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) the trustee has taken all the steps that he ought to have taken as a trustee in order to make themselves 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 31 July 2020 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 2020

We have audited the financial statements of Gloucester Harbour Trustees for the year ended 31 March 2020 on pages 22 to 33. 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 2020 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 18, 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

.....

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 2020

| | Notes | 2020 | 2019 |
|---|-------|----------------|---------------|
| | | £ | £ |
| Income | 2 | 574,651 | 686,323 |
| Expenditure | 3 | 574,096 | 678,674 |
| Operating surplus before depreciation, interest and taxation | | 555 | 7,649 |
| Provision for depreciation | 8 | (10,218) | (8,169) |
| Profit on disposal of fixed assets | | - | - |
| Surplus/(deficit) before interest and taxation | | (9,663) | (520) |
| Income from investments | 11 | 12,513 | 12,790 |
| Profit/(Loss) on disposal of Investments | 11 | 7,649 | 35,093 |
| Net Surplus/deficit before taxation | 4 | 10,499 | 47,363 |
| UK corporation tax | 5 | (1,443) | (3,698) |
| Deferred taxation | 6 | (5,468) | 3,025 |
| Net Surplus/deficit for the year | 12 | 3,588 | 46,690 |
| | | ===== | ===== |

GLOUCESTER HARBOUR TRUSTEES

Balance Sheet as at 31 March 2020

| | Notes | 2020 | 2019 |
|---|-------|----------------|----------------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | 8 | 57,061 | 67,279 |
| | | <hr/> | <hr/> |
| | | 57,061 | 67,279 |
| | | <hr/> | <hr/> |
| Current assets | | | |
| Debtors: due within one year | 9 | 76,743 | 99,231 |
| Bank balances | | 284,509 | 286,939 |
| Cash | | 38 | 49 |
| Other Investments | 11 | 500,339 | 484,264 |
| | | <hr/> | <hr/> |
| | | 861,629 | 870,483 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 10 | 62,208 | 88,025 |
| | | <hr/> | <hr/> |
| Net current assets | | 799,421 | 782,458 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 856,482 | 849,737 |
| Long Term Liabilities | | | |
| Creditors: amounts falling due after more than one year | 10 | 168,325 | 170,636 |
| | | <hr/> | <hr/> |
| Total Assets less Total Liabilities | | 688,157 | 679,101 |
| Provisions for liabilities and charges | 6 | (2,380) | 3,088 |
| | | <hr/> | <hr/> |
| Net assets | | 685,777 | 682,189 |
| | | ===== | ===== |
| Capital and reserves | | | |
| Income and expenditure reserve | 12 | 685,777 | 682,189 |
| | | ===== | ===== |

Signed on behalf of the Trustees



G Craig (Chairman)

S Hill (Finance Officer)

Dated:

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2020

I Principal accounting policies

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.

Basis of Accounting

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

Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation is calculated on a straight line basis so that tangible fixed assets are written off over their estimated useful lives on a straight line basis at the following rates:

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

Turnover

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

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.

Other Investments

Investments are valued at historical cost less any provision made for permanent diminution in value.

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.

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2020

2 Income

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Harbour Dues (Pilotage & Conservancy)* | 432,288 | 481,516 |
| PNPF Levy | 30,960 | 32,645 |
| Pilotage Exemption Certificate income | - | 120 |
| Pilot Boat | 30,365 | - |
| Conservancy Dues income | 7,740 | 7,080 |
| Highways Agency – contribution to ship protection measures | 44,701 | 52,226 |
| Magnox Sites - contribution to repairs, maintenance and lighting | 2,310 | 4,055 |
| Bank interest received | 870 | 822 |
| Navigation House rental & service charges income | 18,576 | 19,334 |
| Other income** | 6,841 | 6,300 |
| Narlwood Beacon | - | 82,225 |
| Total Income | 574,651 | 686,323 |
| | ===== | ===== |

* 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 2020

3 Expenditure

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Conservancy and Administration | | |
| Navigational aids: renewals, repairs and maintenance | 9,524 | 112,128 |
| Beacon and radar costs on behalf of Highways Agency | 15,362 | 7,459 |
| Highways Agency – non-routine work | - | 85 |
| Lighting supplies | 1,030 | 5,385 |
| Workshop accommodation costs | 7,793 | 7,705 |
| Vehicle costs | 2,174 | 1,658 |
| Boat costs | 1,528 | 290 |
| Navigation House costs | 15,810 | 15,609 |
| Office Costs | 14,863 | 18,684 |
| Salary Costs | 83,016 | 80,483 |
| Trustee and staff expenses | 13,674 | 10,489 |
| Audit fee | 3,600 | 3,380 |
| Subscriptions and licences | 1,948 | 1,513 |
| River surveys | 10,952 | 4,510 |
| Bathymetric Survey | - | 4,050 |
| Oil spill measures | - | 460 |
| Investment administration charges and Bank Charges | 4,154 | 4116 |
| | 185,428 | 278,004 |
| | ===== | ===== |
| | 2020 | 2019 |
| | £ | £ |
| Pilotage | | |
| Pilots' contract | 314,846 | 324,388 |
| Boarding and landing fee | 30,894 | 31,415 |
| Pilots' lodge facilities | 12,780 | 9,895 |
| Training | - | 4,800 |
| Other pilotage costs | 148 | 172 |
| PNPF | 30,000 | 30,000 |
| | 388,668 | 400,670 |
| | ===== | ===== |
| Total Expenditure | 574,096 | 678,674 |
| | ===== | ===== |

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2020

| | 2020 | 2019 |
|---|--------------|--------------|
| 4 Surplus/Deficit before Taxation | 10,499 | 47,363 |
| Deficit before taxation is stated after charging/(crediting) | | |
| Depreciation charge for the year:- | | |
| Tangible owned fixed assets | 10,218 | 8,169 |
| Adjustment on disposal of investments | 7,649 | 35,093 |
| Auditor's remuneration | 3,600 | 3,380 |
| | | |
| 5 Taxation | 2020 | 2019 |
| Domestic current year tax:- | | |
| UK Corporation Tax at 19% (2019: 19%) | 1,443 | 3,698 |
| Adjustment for prior year | - | - |
| | <hr/> | <hr/> |
| | 1,443 | 3,698 |
| Current tax charge | ===== | ===== |
| Factors affecting the tax charge for the year:- | | |
| Profit on ordinary activities before tax | 10,499 | 47,363 |
| | ===== | ===== |
| Surplus on ordinary activities before tax multiplied by standard rate of tax - 19% (2019: 19%) | | |
| | 1,995 | 8,999 |
| | <hr/> | <hr/> |
| Effect of :- | | |
| Depreciation | 1,941 | 1,552 |
| Capital allowances | (35) | (3,380) |
| Other tax adjustments | (2,458) | (3,473) |
| | <hr/> | <hr/> |
| | (552) | (5,301) |
| | <hr/> | <hr/> |
| Current tax charge | 1,443 | 3,698 |
| | ===== | ===== |

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2020

6 Deferred Taxation

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

| | 2020 | 2019 |
|-------------------------------------|-------------|-------------|
| | £ | £ |
| Accelerated Capital Allowances | (2,380) | 3,088 |
| | ----- | ----- |
| Deferred taxation asset/(liability) | (2,380) | 3,088 |
| | ===== | ===== |
| | | £ |
| Balance at 1 April 2019 | 3,088 | 63 |
| Movement in the year | (5,468) | 3,025 |
| | ----- | ----- |
| Balance at 31 March 2020 | (2,380) | 3,088 |
| | ===== | ===== |

7 Employees

The average weekly number of persons employed during the year was

| | 2020 | 2019 |
|--|-------------|-------------|
| | 2 | 2 |
| | == | == |

Staff costs (for the above persons):-

| | | |
|-----------------------|--------|--------|
| Wages and salaries | 70,056 | 67,982 |
| Pension contributions | 9,522 | 9,271 |
| Social security costs | 3,438 | 3,230 |

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2020

8 Fixed Assets

| | Motor Vehicles | Equipment | Office Furniture | Marine Equipment | Property | Total |
|-----------------------|-------------------|-----------|---------------------|---------------------|----------|---------|
| | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | |
| At 1 April 2019 | 20,060 | 39,649 | 5,800 | 72,703 | 157,646 | 295,858 |
| Additions | | | | | | |
| Disposals | | | | | | |
| At 31 March 2020 | 20,060 | 39,649 | 5,800 | 72,703 | 157,646 | 295,858 |
| Depreciation | | | | | | |
| At 1 April 2019 | 20,060 | 38,467 | 5,800 | 56,604 | 107,648 | 228,579 |
| Charge for year | | 399 | - | 3,513 | 6,306 | 10,218 |
| Disposals | | | | | | |
| At 31 March 2020 | 20,060 | 38,866 | 5,800 | 60,117 | 113,954 | 238,797 |
| Net book value | | | | | | |
| At 31 March 2020 | - | 783 | - | 12,586 | 43,692 | 57,061 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| At 31 March 2019 | - | 1,182 | - | 16,099 | 49,998 | 67,279 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2020

| 9 Debtors | 2020 | 2019 |
|--|-------------|-------------|
| | £ | £ |
| Amounts falling due within one year | | |
| Pilotage fees | 52,536 | 54,858 |
| Highways Agency | 1,894 | 17,320 |
| Magnox Sites | - | - |
| Canal & River Trust | 19,650 | 26,238 |
| HMRC (VAT) | 579 | - |
| Other debtors | 2,084 | 815 |
| | <hr/> | <hr/> |
| | 76,743 | 99,231 |
| | ===== | ===== |

| 10 Creditors | 2020 | 2019 |
|---|-------------|-------------|
| | £ | £ |
| Short Term : Amounts falling due within one year:- | | |
| Other creditors | 47,331 | 51,705 |
| Corporation Tax | 1,444 | 3,698 |
| Highways Agency | - | 20,000 |
| H M Revenue and Customs (PAYE) | 3,946 | 3,133 |
| Deferred income credit – Magnox * | 1,489 | 1,489 |
| Deferred income credit – Magnox ** | 8,000 | 8,000 |
| | <hr/> | <hr/> |
| | 62,208 | 84,329 |
| | ===== | ===== |

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

| | | |
|-----------------------------------|---------|---------|
| Deferred income credit - Magnox * | 14,198 | 16,376 |
| - Magnox ** | 154,127 | 154,260 |
| | <hr/> | <hr/> |
| | 168,325 | 170,636 |
| | ===== | ===== |

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 Beacon

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2020

II Other Investments

| | 2020 | 2019 |
|---|----------|----------|
| | £ | £ |
| Listed Investments | 493,407 | 479,972 |
| Cash | 6,932 | 4,292 |
| | <hr/> | <hr/> |
| | 500,339 | 484,264 |
| | ===== | ===== |
| The market value of other investments as at the balance sheet date:- | | |
| Listed investments | 548,488 | 585,208 |
| Cash | 6,932 | 4,292 |
| | <hr/> | <hr/> |
| | 555,420 | 589,500 |
| | ===== | ===== |
| Acquisitions | 71,569 | 124,945 |
| Disposals | (58,134) | (80,197) |
| Movement in cash balance | 2,640 | (890) |
| | <hr/> | <hr/> |
| | 16,075 | 43,858 |
| | ===== | ===== |
| Income Received:- | | |
| Dividends | 9,979 | 10,342 |
| Interest (net of tax) | 2,534 | 2,448 |
| Disposals adjustment | 7,649 | 35,093 |
| Administration charges | (4,087) | (4,025) |
| | <hr/> | <hr/> |
| | 16,075 | 43,858 |
| | ===== | ===== |

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2020

12 Income and Expenditure Reserve

| | £ |
|--------------------------|---------|
| Balance at 1 April 2019 | 682,189 |
| Surplus for year | 3,588 |
| | <hr/> |
| Balance at 31 March 2020 | 685,777 |
| | ===== |

13 Financial commitments

At 31 March 2020 the trust had annual commitments under a non-cancellable operating lease as follows:

| | 2020 | Land | 2019 |
|----------------------------|-------|------|-------|
| | £ | | £ |
| Expiry date: | | | |
| Within one year | - | | - |
| Between two and five years | - | | - |
| In over five years | 1,560 | | 1,560 |
| | <hr/> | | <hr/> |
| | 1,560 | | 1,560 |
| | ===== | | ===== |

14 Pension Costs

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

| Defined contribution | 2020 | 2019 |
|---|-------|-------|
| | £ | £ |
| Contributions payable by the authority for the year | 9,522 | 9,271 |

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 2020

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 2020.

16 Related Party Transactions

£8,118 (2019-£7,904) was paid to G Craig for his duties as Chairman of the Trustees

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