



ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2022



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CHAIRMAN'S REPORT

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

Our income is reliant on commercial harbour dues into the port of Sharpness, a trade which is totally out with our control, so liaison with The Canal & River Trust, who own the port and Victoria Group who operate the port, is an important part of our financial vision. In 2021/22 tonnage to and from the port was slightly down, versus previous year and forecasts, resulting in a deficit financial position before interest and taxation.

During the year we have considered any future impact the war in Ukraine might have on trade to Sharpness and have also taken the opportunity to re-examine our level of reserves versus projected risk. While we believe our reserves reflect identified risks, we feel it prudent to plan for a gradual increase in coming years.

Our annual stakeholder conference was once again cancelled due to the pandemic, however stakeholders were sent a copy of the annual report and invited to contact our office with any questions or points of interest. Plans are already in place for a resumption of the conference in the year 2022/23.

Looking ahead I can once again report that our strategic and financial plans are well considered and robust.

On behalf of the Trustees I would like to pay tribute to all our staff for their skill, dedication and support throughout the year.

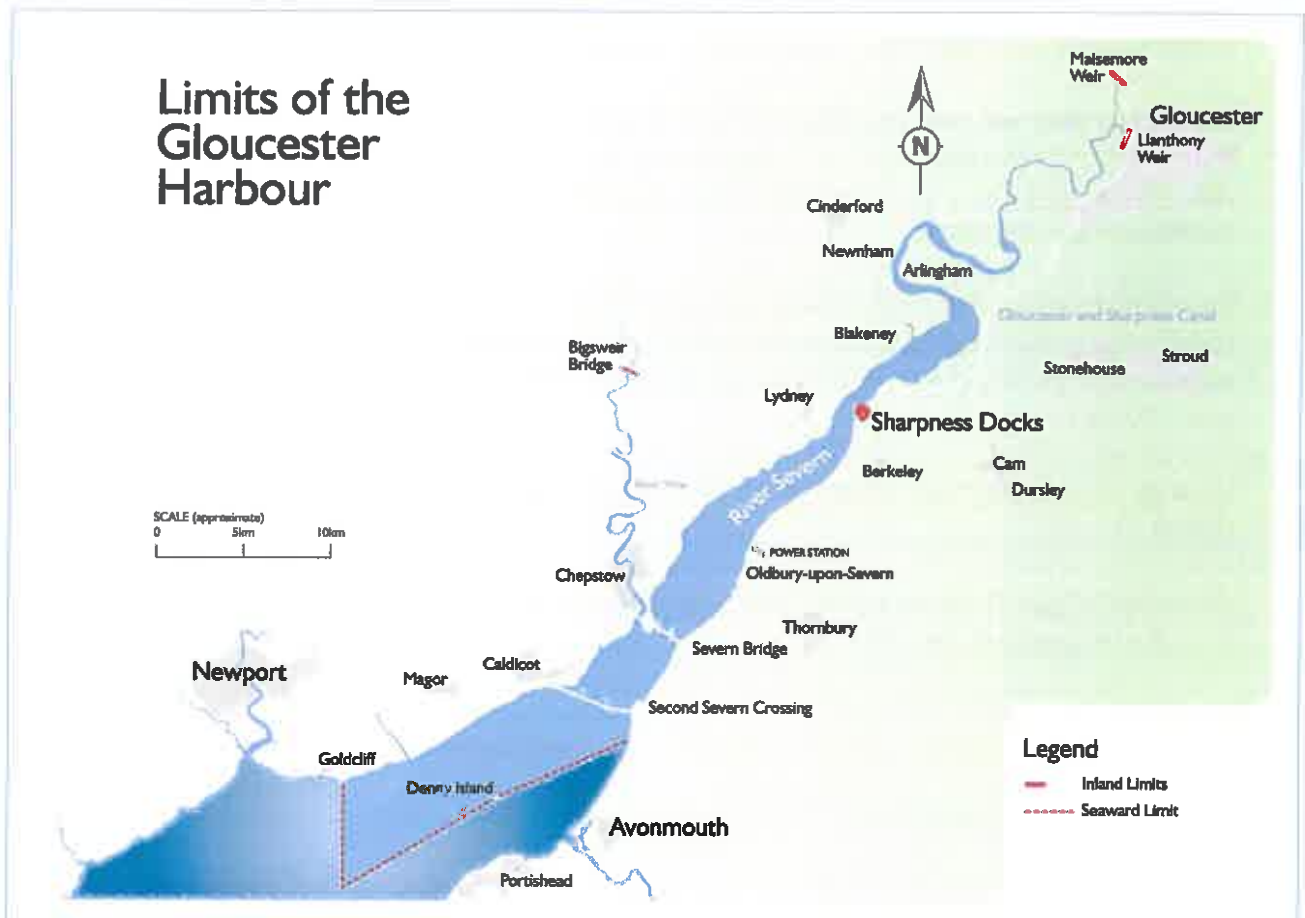


Gordon Craig
Chairman of Gloucester Harbour Trustees

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 about 300 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, moorings, 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	4
John Christie	4	4
Mike Johnson	4	4
Carl Merry	4	3
Garry Strickland	4	3
Geoffrey Comer	4	4
Mike Studden	4	4
Stewart Henderson	4	4

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 conservancy, navigational safety and ensuring the maintenance of 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.

TRUSTEES AND OFFICERS – MARCH 2021



**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'.



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.



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.



Mike Johnson

With a Merchant Navy background aboard a range of vessels world-wide, and subsequent years working as master and engineer of large motor yachts, Mike joined the Trustees in 1997 and fulfilled the role of harbourmaster for several years before retiring in 2021.



Stewart Henderson

The Trustees' Harbour Master, Stewart joined GHT in February 2021 after a successful career planning, supervising and participating in marine operations at a number of ports around the UK and abroad. Stewart is a keen sailor and well-known on the estuary. As the Principal Operational Officer he is a Trustee *ex-officio*



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 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.



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.



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.

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 provide assurance that the Harbour is operated safely and efficiently and that safety and environmental risks are reduced to as low as practicable so as to safeguard the Harbour, its users, stakeholders and environment.

Our Safety Management Plan and Hazard Assessment database, which are regularly reviewed and updated to take account of any changes to activities within the Harbour, set out the procedures which must be followed. 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.

All procedures and policies are subject to audit by a suitably qualified and experienced person each year to ensure that compliance with the PMSC is maintained, and every few years this audit is conducted by an individual who entirely external to GHT management. 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 on February 2021.

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.

A Safety Management Forum involving all relevant stakeholders meets approximately every six months to review any recent incidents or near misses and discuss lessons learnt and any consequential amendments to the Safety Management System and Safety Risk Register

A detailed performance review of compliance with the PMSC is attached as Appendix A (pp15-16).

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 4/5p qualification.

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 challenging 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 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 exceeds the targets set by Trinity House. Any minor outages during the year were quickly rectified, and liaison regarding navigation aids maintained by third parties has been clear and productive.

Category	No. of A to Ns	Availability	GLA Requirement
1	0	n/a	99.80%
2	42	99.91%	99.00%
3	46	100%	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, as evidenced by the complete renewal of an ageing light tower during early 2022.



Replacement of Redcliffe front light February 2022

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 three authorised Class 1 pilots and one authorised Class 3 Pilot (shortly to be qualified as 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 2021.

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 291 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.

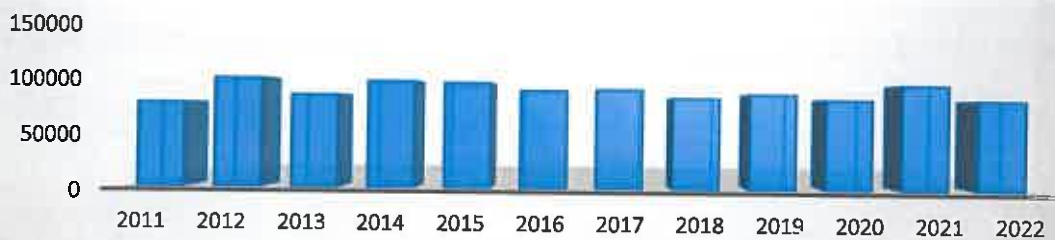
We maintain close links with the bodies responsible for the management of the River Wye (Marine) Special Area of Conservation (SAC), and the Severn Estuary SAC and continue to consult Natural England, Natural Resources Wales and the Environment Agency on matters of mutual interest in relation to the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

FINANCE

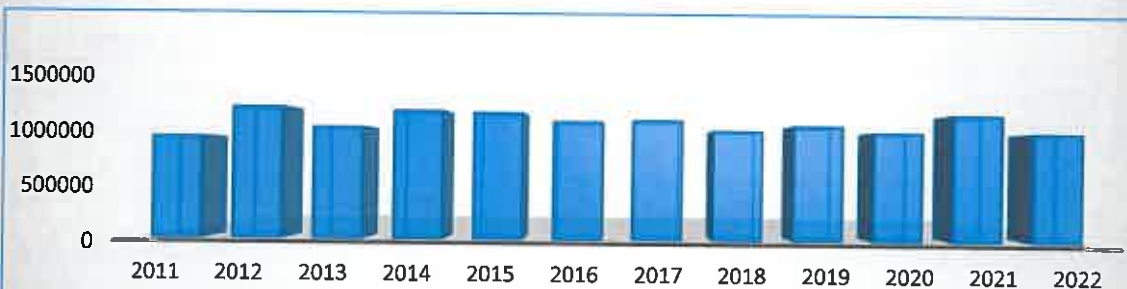
GHT is a conservancy body and does not own any land or own/operate any docks, quays or moorings, so we are not in a position to generate income from cargo handling, leisure boat use, or other commercial activities. Most of our income is derived from the charges levied on ships sailing to or from the 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 1,100,000 dwt.

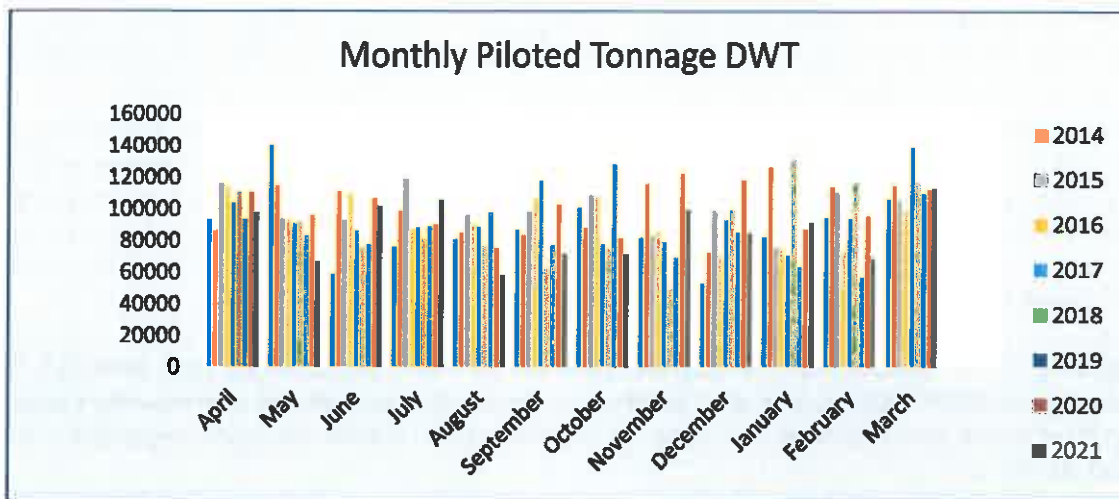
At the beginning of the financial year we took the view the level of shipping would again achieve at least a monthly average of 90,000 piloted dwt over the year. In the event, a lower level of trade was experienced throughout the financial year which led to the average monthly piloted dwt for the year being less than forecast at just under 86,087 dwt.

Average Monthly Piloted Tonnage DWT



Total Piloted Tonnage DWT

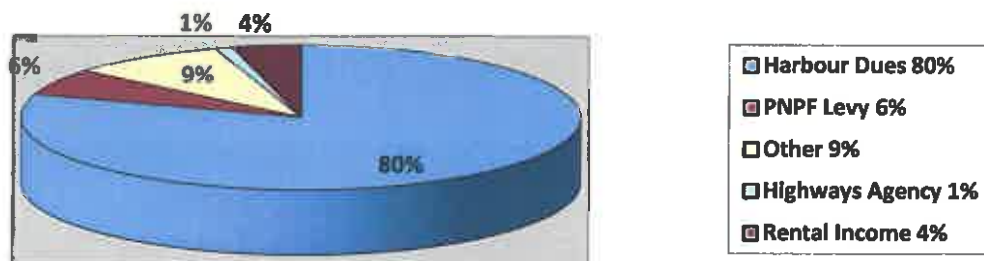




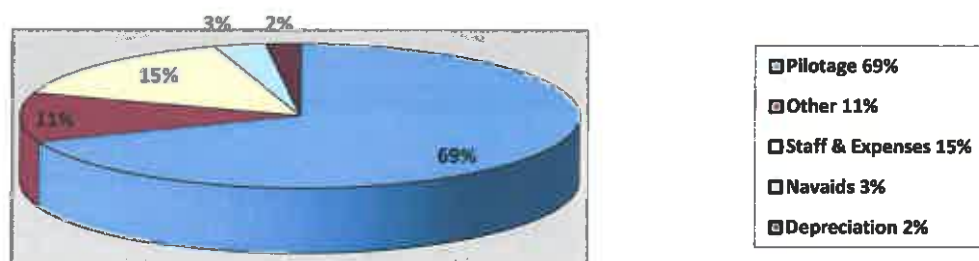
The reduced level of trade and the impact of gradually rising expenses has led to an operating deficit in 2021/22 of £20,279 before depreciation, taxation and investments are taken into account.

Following a change in required accounting presentation, for the first time the Income and Expenditure account includes the cumulative unrealised gain from investments of £125,862 of which £25,869 arose in the financial year.

Income - £559k

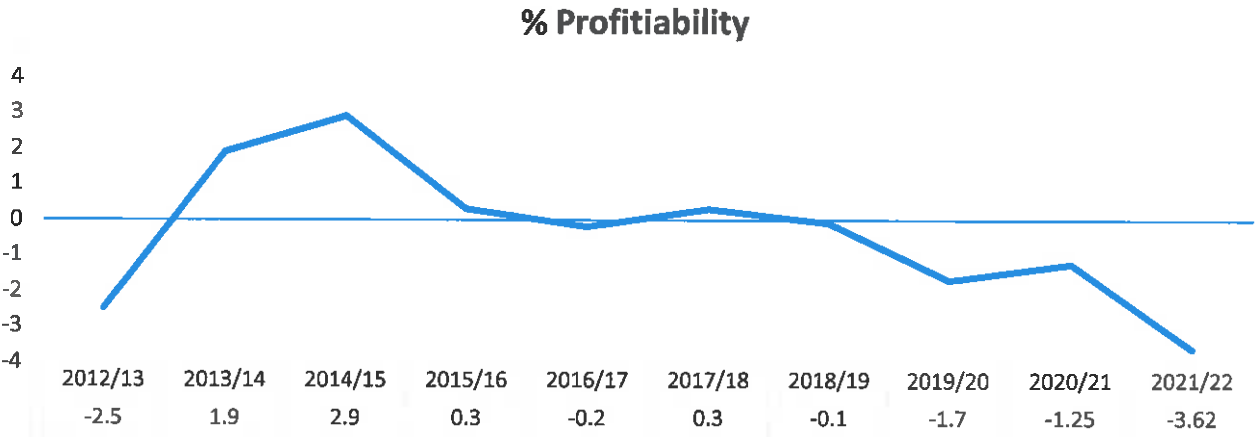


Expenditure - £579k



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 2022 was -3.62%. The table below shows how this compares with previous 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 contributions to the deficit in the PNPF. This is funded by an affordable levy applied to all vessels using the pilotage service. The total contributed during 2021/22 was £31,199.

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 regularly consider the best way of using any surplus 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, continued effort goes 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.

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, and 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 within the harbour area.

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.

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 decommissioning authorities responsible for the nuclear sites at Oldbury and Berkeley; contiguous Local Authorities; water companies and drainage boards; local landowners; 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 but the annual stakeholder event did not take place again this year due to continued caution around Covid-19. Our Harbourmaster and Trustees attend meetings with various of these organisations as necessary, and a stakeholder event is once again planned for 2022.

THE YEAR AHEAD

The financial year 2021/22 had a reduced shipping tonnage volume compared with the previous year and showed a downward trend in terms of profitability. When considering the year ahead, we have concluded that, despite initial optimism in terms of tonnage, in fact there is unlikely to be much increase over 2021/22 and are therefore basing our forecasts on a monthly piloted dwt average similar to that of 2021/22. The effects of inflation and generally rapidly rising costs, coupled with the need to replenish and retain reserve levels, will require substantial rises in tariffs for 2022/23.

In the current period of uncertainty regarding the situation with inflation and the UK economy generally, along with the situation in Ukraine, we are unable to predict the situation for the future with any certainty. However, we hope that trade through Sharpness will continue to be steady as at present and there still be opportunities for growth.

GLOUCESTER HARBOUR TRUSTEES
PORT MARINE SAFETY CODE
ANNUAL PERFORMANCE REVIEW 2021/22

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 industry standard “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

- An assessment undertaken by GHT’s Designated Person in February 2021 confirmed GHT’s continuing compliance with the PMSC. An external audit carried out in April 2022 further confirmed compliance.
- The triennial Statement of Compliance was signed by the Chairman on behalf of the Trustees as Duty Holder in February 2021 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 2021 there were over 500 commercial vessel movements through the harbour area, 291 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 3,146 dwt in 2012 to 3,550 dwt in 2021.

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
No of vessels	336	367	349	311	310	283	286	258	317	291
Average DWT	3146	3311	3439	3596	3657	3674	3805	4000	3793	3550

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

- Leisure craft based at several 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 and a fourth third class pilot (soon eligible for promotion to second class).
- 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. 190 acts of pilotage under a PEC were undertaken from April 2021 – March 2022.
- The Harbour Master, the pilots, CRT staff and the port operator regularly discuss navigational issues.

Conservancy / Aids to Navigation

- The radar system installed for the protection of navigation following the construction of the Second Severn Crossing (Prince of Wales Bridge) has been removed with navigational information now being provided by portable GPS/AIS equipment issued to the pilots.
- One radar station has been retained to provide coverage of the upper estuary. Radar data is recorded and can provide useful information in the event of an incident.
- The maintenance of the Aids to Navigation is managed by the Harbour Master, with outside contractors used where required. This includes a routine maintenance programme as well as responding to emergency callouts.
- 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	0	n/a	99.80%
2	42	99.91%	99.00%
3	46	100%	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 both have up to date certification for their MCA Oil Spill 4/5p qualification.
- GHT continues to contact organisations listed in its Oil Spill Contingency Plan 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 with the 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 22 July 2022 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 2022

We have audited the financial statements of Gloucester Harbour Trustees for the year ended 31 March 2022 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 2022 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of

irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to Gloucester Harbour Trustees and the industry in which it operates and, considered the risk of acts by Management and Trustees of Gloucester Harbour Trustees which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006 and Employment Law. We made enquiries of the Trustees to obtain further understanding of risks of non-compliance.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management regarding known or suspected instances of non-compliance with laws and regulations;
- review of minutes of the Board meetings throughout the year; and
- obtaining an understanding of the control environment in place to prevent and detect irregularities.

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 2022

	Notes	2022	2021
		£	£
Income	2	559,316	624,346
Expenditure	3	567,499	620,311
Operating surplus/(deficit) before depreciation, interest and taxation		(8,183)	4,035
Provision for depreciation	8	(12,096)	(11,830)
Profit on disposal of fixed assets		-	-
Surplus/(deficit) before interest and taxation		(20,279)	(7,795)
Income from investments	11	13,217	10,385
Profit/(Loss) on disposal of Investments	11	5,573	24,213
Unrealised gain from investments	11	125,862	-
Net Surplus/(deficit) before taxation	4	124,373	26,803
UK corporation tax	5	2,808	(3,971)
Deferred taxation	6	(1,469)	(29)
Net Surplus/(deficit) for the year	12	125,712	22,803
		=====	=====

GLOUCESTER HARBOUR TRUSTEES

Balance Sheet as at 31 March 2022

	Notes	2022	2021
		£	£
Fixed assets			
Tangible assets	8	59,696	53,291
		<u>59,696</u>	<u>53,291</u>
Current assets			
Debtors: due within one year	9	75,742	76,897
Bank balances		129,370	146,132
Cash		167	129
Other Investments	11	813,192	690,777
		<u>1,018,471</u>	<u>913,935</u>
Current liabilities			
Creditors: amounts falling due within one year	10	79,169	88,077
		<u>939,302</u>	<u>825,858</u>
Net current assets			
		<u>998,998</u>	<u>879,149</u>
Total assets less current liabilities			
		<u>998,998</u>	<u>879,149</u>
Long Term Liabilities			
Creditors: amounts falling due after more than one year	10	160,828	168,160
		<u>838,170</u>	<u>710,989</u>
Total Assets less Total Liabilities			
Provisions for liabilities and charges	6	(3,878)	(2,409)
		<u>834,292</u>	<u>708,580</u>
Net assets			
		<u>834,292</u>	<u>708,580</u>
Capital and reserves			
Income and expenditure reserve	12	834,292	708,580
		<u>834,292</u>	<u>708,580</u>

Signed on behalf of the Trustees

G Craig (Chairman)




S Hill (Finance Officer)

Dated: 12/9/22

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2022

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 market value (where there is an active market) adjusting for any impairment if it were to arise.

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 2022

2 Income

	2022	2021
	£	£
Harbour Dues (Pilotage & Conservancy)*	449,414	515,264
PNPF Levy	30,991	36,067
Pilotage Exemption Certificate income	100	100
Pilot Boat	34,580	37,960
Conservancy Dues income	9,345	8,754
Highways Agency – contribution to ship protection measures	8,601	6,882
Magnox Sites - contribution to repairs, maintenance and lighting	6,896	348
Bank interest received	37	134
Navigation House rental & service charges income	19,152	7,115
Other income**	200	11,722
Total Income	559,316	624,346
	=====	=====

* Includes charge for use of pilot boat

** Includes £10k Covid support grant received in 2021

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2022

	2022	2021
4 Surplus/(Deficit) before Taxation	124,373	26,803
Surplus before taxation is stated after charging/(crediting)		
Depreciation charge for the year:-		
Tangible owned fixed assets	12,096	11,830
Adjustment on disposal of investments	5,573	24,213
Auditor's remuneration	3,525	3,460
5 Taxation	2022	2021
Domestic current year tax:-		
UK Corporation Tax at 19% (2021: 19%)	-	3,971
Adjustment for prior year	(2,808)	-
	<hr/>	<hr/>
	(2,808)	3,971
Current tax charge	=====	=====
Factors affecting the tax charge for the year:-		
Profit on ordinary activities before tax	124,373	26,803
	=====	=====
Surplus on ordinary activities before tax multiplied by standard rate of tax - 19% (2021: 19%)	23,631	5,093
	<hr/>	<hr/>
Effect of :-		
Depreciation	2,298	2,248
Capital allowances	(4,553)	(1,560)
Investment in shares	(26,108)	-
Other tax adjustments		(1,810)
Losses carried forward	1,924	
	<hr/>	<hr/>
	(26,439)	(1,122)
	<hr/>	<hr/>
Current tax charge/(repayment)	(2,808)	3,971
	=====	=====

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2022

3 Expenditure

	2022	2021
	£	£
Conservancy and Administration		
Navigational aids: renewals, repairs and maintenance	18,664	16,755
Beacon and radar costs on behalf of Highways Agency	(746)	418
Lighting supplies	1,077	1,609
Workshop accommodation costs	7,508	6,113
Vehicle costs	1,023	1,350
Boat costs	1,124	3,599
Navigation House costs	16,217	18,932
Office Costs	17,473	15,665
Salary Costs	70,906	79,084
Trustee and staff expenses	15,694	16,414
Audit fee	3,525	3,460
Subscriptions and licences	2,035	2,004
River surveys	4,791	3,404
Investment administration charges and Bank Charges	7,323	4,130
	166,614	172,937
	=====	=====
	2022	2021
	£	£
Pilotage		
Pilots' contract	319,395	357,789
Boarding and landing fee	35,156	38,299
Pilots' lodge facilities	10,873	10,350
Training	3,600	4,000
Other pilotage costs	662	693
PNPF	31,199	36,242
	400,885	447,373
	=====	=====
Total Expenditure	567,499	620,311
	=====	=====

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2022

6 Deferred Taxation

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

	2022	2021
	£	£
Accelerated Capital Allowances	(5,329)	(2,409)
Corporation tax losses carried forward	1,451	-
	-----	-----
Deferred taxation asset/(liability)	(3,878)	(2,409)
	=====	=====
		£
Balance at 1 April 2021	(2,409)	(2,380)
Movement in the year	(1,469)	(29)
	-----	-----
Balance at 31 March 2022	(3,878)	(2,409)
	=====	=====
7 Employees	2022	2021
The average weekly number of persons employed during the year was	2	2
	==	==
Staff costs (for the above persons):-		
Wages and salaries	61,506	67,885
Pension contributions	8,232	9,224
Social security costs	1,168	1,975

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts
for the year ended 31 March 2022

8 Fixed Assets

	Motor Vehicles	Equipment	Office Furniture	Marine Equipment	Property	Total
	£	£	£	£	£	£
Cost						
At 1 April 2021	20,060	39,649	5,800	73,354	157,646	296,508
Additions				18,500		18,500
Disposals						
At 31 March 2022	20,060	39,649	5,800	91,854	157,646	315,008
Depreciation						
At 1 April 2021	20,060	39,266	5,800	57,831	120,259	243,216
Charge for year		300	-	5,490	6,306	12,096
Disposals						
At 31 March 2022	20,060	39,566	5,800	63,321	126,565	255,312
Net book value						
At 31 March 2022	-	83	-	28,533	31,081	59,696
At 31 March 2021	-	383	-	15,523	37,387	53,293

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2022

9 Debtors	2022	2021
	£	£
Amounts falling due within one year		
Pilotage fees	55,776	55,892
Highways Agency	3,825	1,833
Canal & River Trust	(5,151)	1,673
HMRC (VAT)	6,391	3,659
Other debtors	14,901	13,840
	<u>75,742</u>	<u>76,897</u>
	=====	=====
 10 Creditors		
	2021	2021
	£	£
Short Term : Amounts falling due within one year:-		
Other creditors	70,650	73,024
Corporation Tax	(2,808)	3,971
H M Revenue and Customs (PAYE)	1,584	1,775
Deferred income credit – Magnox *	1,743	1,307
Deferred income credit – Magnox **	8,000	8,000
	<u>79,169</u>	<u>88,077</u>
	=====	=====
 Long Term: Amounts falling due in more than one year:-		
Deferred income credit - Magnox *	13,944	14,380
- Magnox **	146,884	153,780
	<u>160,828</u>	<u>168,160</u>
	=====	=====

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 2022

II Other Investments

	2022	2021
At cost	£	£
Listed Investments	679,510	679,137
Cash	7,728	11,640
	<u>687,238</u>	<u>690,777</u>
	=====	=====
The market value of other investments as at the balance sheet date:-		
Listed investments	805,464	779,222
Cash	7,728	11,640
	<u>813,192</u>	<u>790,862</u>
	=====	=====
Acquisitions	67,337	201,156
Disposals	(66,252)	(173,891)
Movement in cash balance	(3,912)	3,265
	<u>(2,827)</u>	<u>30,530</u>
	=====	=====
Income Received:-		
Dividends	12,637	8,496
Interest	580	1,889
Cash Withdrawal	(15,000)	0
Proceeds received over cost	5,573	24,213
Administration charges	(6,617)	(4,068)
	<u>(2,827)</u>	<u>30,530</u>
	=====	=====

GLOUCESTER HARBOUR TRUSTEES

Notes to the accounts for the year ended 31 March 2022

12 Income and Expenditure Reserve

	£
Balance at 1 April 2021	708,580
Surplus for year	125,712
	<hr/>
Balance at 31 March 2022	834,292
	=====

13 Financial commitments

At 31 March 2022 the trust had annual commitments under a non-cancellable operating lease as follows:

	2022	Land	2021
	£		£
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	2022	2021
	£	£
Contributions payable by the authority for the year	8,232	9,224

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 2022

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 £31,199 has been made during the year ended 31 March 2022.

16 Related Party Transactions

£8,231 (2021-£8,133) was paid to G Craig for his duties as Chairman of the Trustees

Stewart Henderson, a Trustee, is also an employee of the Trust.