

# River Hamble Harbour Authority

Report of the Board and unaudited financial statements  
for the year ended 31 March 2016



**River Hamble Harbour Authority****Contents**

	<b>Page</b>
Report of the Board	3
Harbour Master's report	5
Accountant's report	8
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	12

## River Hamble Harbour Authority

Report of the Board  
for the year ended 31 March 2016

Hampshire County Council is the statutory Harbour Authority for the River Hamble Harbour. Responsibility for the governance of the River Hamble was transferred to Hampshire County Council in 1970 and the harbour has operated as a municipal port ever since.

Section 42 of the Harbours Act 1964, as amended by paragraph 10 of Schedule 6 to the Transport Act 1981, requires every statutory Harbour Authority to prepare an annual statement of accounts for the harbour activities in accordance with the requirements of the Companies Act 2006, for submission to the Secretary of State for Transport.

All harbour undertakings carried out by Hampshire County Council are part of the County Council's service provision to residents, and there is no separate legal entity in place to which the provisions apply. As such these accounts have been prepared for the River Hamble Harbour Authority in a style which is consistent with the reporting requirements of the Companies Act 2006.

Hampshire County Council delegates its executive decision making function to the River Hamble Harbour Board. The County Council and the representatives on the Harbour Board form a democratically accountable body responsible for overseeing the operation of the harbour and the impacts from it. The following members served on the Harbour Board during the year:

- Hampshire County Council:
  - Councillor Keith Evans (Chairman)
  - Councillor Keith House
  - Councillor Peter Latham
- Independent Board Members:
  - David Jobson (Recreation)
  - Chris Moody (Marine Industry)
  - Nikki Hiorns (Environment)
- Marine Director:
  - David Evans (Harbour Master) *[until 20/07/2015]*
  - Jason Scott (Harbour Master) *[from 23/07/2015]*

In addition, the River Hamble Management Committee (constituted in accordance with the River Hamble Harbour Revision Order 1969, as subsequently amended) provides policy advice to the Harbour Board and is responsible for scrutinising the Harbour Board's decisions. The Management Committee is comprised of nineteen

members: ten County Councillors (one of whom acts as the Committee Chairman), three District Council Councillors (one from Eastleigh, one from Fareham and one from Winchester) and representatives from each of the following interested parties: Associated British Ports; Association of River Hamble Yacht Clubs; British Marine Federation; Hamble River Boatyard and Marine Operators Association; the Berth and Mooring Holders; and the Royal Yachting Association.

**Principal Activities:**

The principal activities of the Harbour Authority during the period under review were the management of moorings, pontoons and associated harbour facilities, and ensuring the safe and efficient operation of the River Hamble Harbour.

**Political and Charitable donations:**

Charitable donations of £70,000 were made during the year (2014/15 £nil):

Hamble Lifeboat Limited	£70,000
-------------------------	---------

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and in keeping with the requirements of Section 42 of the Harbours Act 1964.

The financial statements were approved and authorised for issue by the Board on 5 July 2016 and signed on its behalf by Councillor Keith Evans.

## **River Hamble Harbour Authority**

### Harbour Master's report for the year ended 31 March 2016

2015/16 saw significant change in the Harbour Management Team. David Evans retired and was replaced by Jason Scott in July. Wendy Stowe moved to the Beaulieu River in January and will be replaced by David Shakespeare in April 2016. The early priority was to conduct a review of the Safety Management System to ensure compliance with the Port Marine Safety Code.

On the financial front, the Authority remains in a sound position. As a result, the Harbour Board agreed this year to not increase Harbour Dues for private or commercial customers; a prudent decision which was welcomed in an uncertain financial climate. Income streams were as expected and the Authority was able to deliver and build within budget the much needed modifications to the Warsash Slipway. Overall expenditure on training was slightly greater than budgeted owing to the turnover in key management staff. Two engines on one of the Patrol Boats have been replaced as part of a rolling programme in readiness for the new season. Harbour Office staff remain alert to opportunities to enhance income and to minimise expenditure where it is safe to do so.

Compliance with the Port Marine Safety Code has been audited twice during the year by our Designated Person with no major problems or non-conformities to report. The second of the years' reviews was conducted in October by the new Harbour Master and a new representative of Regs4Ships, Captain Langford, in order to cast a new set of eyes on an established system. A number of minor adjustments have been made and the System remains fit for purpose.

A range of applications for Harbour Works Consent has been received and a number of major developments have taken place. Work was completed at the Royal Southern Yacht Club and Royal Air Force Yacht Club to create the Prince Philip Yacht Haven, which was opened officially by His Royal Highness himself in July. As well as the completion of the Warsash Slipway work, the Harbour Authority has consulted on and obtained Board approval to proceed to tender with the plan to connect the Harbour Master's Jetty with the existing Fishermen's Pontoon. This plan is aimed at increasing the number of tender berths available at Warsash and in doing so enhance accessibility of mid-stream moorings.

The Winter Season saw the completion, on time, of an extensive pile replacement programme by the Crown Estate. The work sought to make a modest but not insignificant improvement to the number of moorings available in shortage categories and facilitate the use of discontinuous rather than more expensive continuous pontoons.

There have been numerous applications to install pontoons on pile and fore-and aft moorings at various locations throughout the River. Each of these also requires planning permission and each is considered on its merits from the navigational safety point of view before Harbour Works Consent is granted.

Sadly, a small criminal element continues to operate in the Hamble, as elsewhere. The Harbour Authority supports the local Marine and land-based Police whenever necessary to ensure those responsible are brought to justice. Smart Water continues to help with deterring crime on the River and the effect continues to be noticeable. Kits are still available from the Harbour Office. Anyone selling SmartWater-marked boats or equipment is reminded to advise SmartWater accordingly.

The Harbour Authority continues to campaign on a number of key safety issues to improve River Users' awareness. Among these, the need for improved understanding of the utility of kill cords on boats with outboard engines following last year's tragic RIB accident in Padstow, remains centrally important. Floating key rings with the words 'Think Kill Cord' continue to be issued to anyone who wants one, to act as a reminder. Separately, the need to promote deeper and wider understanding of the application of the Collision Regulations has become evident and a long-term programme of education and support has begun. The Harbour Authority took account of a small number of safety issues involving swimming in the River and liaised with the RNLI and local Police and Community Support Officers to promote the RNLI's 'Respect the Water' campaign.

Management of the mid-stream moorings and the moorings Waiting List, on behalf of the Crown Estate continues. The length of the waiting list remains steady which offers a clear indication that the Hamble remains attractive. The List is still longest in the most popular 32-40ft length category although effort is made where possible to promote movement. This year, for example, the small number of berths made available by the development of the 'L' Pile Run bore some fruit. There is hope for those who still wait.

With a new management team, there has been an increased focus on training. A number of table top exercises have been conducted with First Responders both to promote greater awareness of capability and understanding of the demarcation of responsibility in the event of an incident. The most significant of these was a multi-agency table top exercise in September, co-ordinated by the Harbour Authority and involving the MCA, the Police, the RNLI and Hamble Lifeboat. The exercise sought to resolve a number of challenges relating to Command and Control. The outcomes included improved understanding for external authorities of the statutory responsibilities of Harbour Authorities and improved awareness on the part of the Harbour Authority of the challenges facing attendant external authorities.

Environmentally, both the new Harbour Master and Deputy have now been trained to the level required in oil spill response management. Equipment stocks are maintained at the correct level. Separately, the study commissioned by the Harbour Authority into the feasibility of re-use of dredging arisings to promote Salt Marsh stability has been conducted. Full results of the study will be published in due course.

The agreed River Hamble monitoring programme following ABP's operation to dredge and deepen the main channel has revealed a single area where accretion has been in excess of that normally expected. Arrangements have been made in accordance with the agreement made between the River Hamble Harbour Authority and ABP to reimburse the land owner in question for the cost of redress. The agreement between the RHHA and ABP will continue to apply in the event that future operations to widen the channel in Southampton Water take place.

Jason Scott  
Marine Director and Harbour Master

**River Hamble Harbour Authority**

Accountant's report  
for the year ended 31 March 2016

These accounts have been prepared in accordance with the requirements of the Companies Act 2006 and comprise the Profit and Loss Account, the Balance Sheet and related notes.

The River Hamble Harbour Authority meets the small company criteria contained in sections 382 and 383 of the Companies Act 2006.

Under section 477 of the Companies Act 2006, a company that qualifies as a small company is exempt from the requirements of the Act relating to the audit of accounts for that year. These accounts are therefore presented unaudited.

The financial transactions, assets and liabilities of the River Hamble Harbour Authority are also included within the statutory accounts of Hampshire County Council. These are presented in accordance with the Accounts & Audit Regulations 2011 and are published at <http://www3.hants.gov.uk/finance/treasurers-statementofaccounts.htm>.

Signed:

Date:

Anne Hibbert  
Corporate Accounting Manager

## River Hamble Harbour Authority

### Profit and loss account for the year ended 31 March 2016

	Notes	2015/16 £	2014/15 £
<b>Turnover</b>	2	528,583	528,919
<b>Other operating income</b>	3	71,848	69,706
		<u>600,431</u>	<u>598,625</u>
<b>Staff costs</b>	4		
Salaries		319,856	304,267
National Insurance		23,757	21,625
Pension Contributions		56,713	53,932
Other employee expenses		9,962	4,819
Staff Advertising / Interview Expenses		3,211	0
		<u>413,499</u>	<u>384,643</u>
Depreciation and other amounts written off tangible and intangible fixed assets	10	36,483	34,113
<b>Other operating charges</b>			
Rent/Rates/Leases	5	12,855	19,090
Utilities		2,370	2,770
Other Premises Costs		1,215	1,294
Boats - Repairs & Expenses	6	16,249	10,048
Staff Travel		1,312	1,495
Insurance		1,600	1,600
Office Expenses	7	27,803	22,630
Environmental Maintenance		8,577	9,464
Public Jetties & Navigational Safety		16,255	7,873
Services provided by Hampshire County Council	8	37,758	42,469
Other Services inc Designated Person		8,500	8,500
Oil Spill Response		3,034	3,551
CCTV		100	100
The Crown Estate Settlement		6,985	4,801
Projects funded by Reserves	9	170,157	17,025
		<u>314,770</u>	<u>152,710</u>
<b>Profit/(loss) for the financial year</b>	13	<u><b>(164,321)</b></u>	<u><b>27,159</b></u>

## River Hamble Harbour Authority

### Balance sheet as at 31 March 2016

	Notes	2015/16 £	2015/16 £	2014/15 £	2014/15 £
<b>Fixed assets</b>					
Tangible assets	10		338,165		375,018
<b>Current assets</b>					
Debtors	11	22,262		2,826	
Cash at bank and in hand		994,894		1,167,647	
		<u>1,017,156</u>		<u>1,170,473</u>	
<b>Creditors: Amounts falling due within one year</b>					
	12	372,803		398,653	
<b>Net current assets</b>					
			<u>644,352</u>		<u>771,820</u>
<b>Total assets less current liabilities</b>					
			982,517		1,146,838
<b>Net assets</b>					
			<u><u>982,517</u></u>		<u><u>1,146,838</u></u>
<b>Reserves</b>					
Profit and loss account	13		982,517		1,146,838
			<u><u>982,517</u></u>		<u><u>1,146,838</u></u>

For the year ended 31 March 2016 the River Hamble Harbour Authority was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No notice has been received in accordance with section 476 of the Companies Act 2006 that requires the River Hamble Harbour Authority to obtain an audit.

The Board acknowledges its responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing accounts which give a true and fair view of the state of affairs of the River Hamble Harbour and of the profit or loss for the financial year.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the Harbour Board and signed on its behalf by

\_\_\_\_\_ on \_\_\_\_\_  
Councillor Keith Evans  
Chairman of the Board

The notes on pages 12 to 17 form an integral part of these financial statements.

## River Hamble Harbour Authority

Notes to the financial statements  
for the year ended 31 March 2016

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

#### 1.2 Turnover

Turnover represents the total value, excluding value added tax, of sales made during the year and derives from the provision of goods and services falling within the River Hamble Harbour Authority's ordinary activities.

#### 1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, on a straight line basis.

### 2 Turnover

The total turnover for the year has been derived from the River Hamble Harbour Authority's principal activity, wholly undertaken in the UK.

	<b>2015/16</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>
Marinas and Boatyards	378,326	371,336
River Moorings	102,789	99,466
Jetty Charges	13,966	11,897
Miscellaneous Income - Commercial and Pleasure craft	4,956	7,879
Net Sublet Income	10,441	9,422
Total Harbour Dues	<u>510,478</u>	<u>500,000</u>
Visitors	18,105	28,919
Total turnover	<u><u>528,583</u></u>	<u><u>528,919</u></u>

**3 Other operating income**

	<b>2015/16</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>
Crown Estate Management Fee	55,034	56,761
Miscellaneous Income	6,958	6,023
Interest	7,196	4,702
Other Funding	2,660	2,220
<b>Total other operating income</b>	<b>71,848</b>	<b>69,706</b>

**4 Employees**

	<b>2015/16</b>	<b>2014/15</b>
Staff numbers	11	10

**5 Rent Rates Leases**

	<b>2015/16</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>
Rent - Oil Spill Response Equipment Unit	3,594	3,600
Rent - Crown Estates	(3,280)	3,280
Rent - Warsash Jetty	1,640	1,640
Rent - Visitors Pontoon	1,640	1,640
Rent - Hamble Jetty	1,640	1,640
Rent - Fishermans Pontoon	1,640	1,640
Rent - Harbour Master's Office	5	5
Business Rates - River Hamble Harbour	5,976	5,452
Business Rates - 5B Stone Pier Yard Shore Road	0	193
	<b>12,855</b>	<b>19,090</b>

**6 Boat repairs & expenses**

	<b>2015/16</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>
Repair, Maintenance and Boat Refurbishment	14,462	6,360
Vehicle Running Expenses (Fuel)	99	2,530
Tools (including Chandlery)	1,688	1,158
	<b>16,249</b>	<b>10,048</b>

**7 Office expenses**

	<b>2015/16</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>
Equipment	1,103	1,011
First Aid Supplies/Health & Safety	279	34
Printing & Stationery	4,601	3,552
Catering/General	2,357	1,684
Retail (Crabbing Equipment)	445	838
Room Hire	325	888
Protective Clothing	5,180	5,629
IT Charges	4,425	2,708
Postage	2,001	2,348
Subscriptions	3,080	3,227
Phones	0	78
Promotional Events/Publicity/Publications	3,230	0
Credit Card Charges	777	633
	<u>27,803</u>	<u>22,630</u>

**8 Services provided by Hampshire County Council**

	<b>2015/16</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>
Accountancy	21,200	21,199
Transaction processing	2,488	2,488
Tax/cash management	200	200
Internal audit	3,410	3,410
Legal Services	3,164	5,301
Democratic Services	6,437	9,031
	<u>36,899</u>	<u>41,629</u>
Contribution to Solent Forum	859	840
	<u>37,758</u>	<u>42,469</u>

No charge is levied for the following

- Rent and repair costs associated with the Harbour Office
- Access to and use of the County Council's IT infrastructure and systems
- Insurance, apart from a nominal premium of £1,600 relating to the Patrol Boats

## 9 Projects funded by Reserves

	2015/16 £	2014/15 £
PhD - Sacrificial Anodes	5,000	2,500
Warsash Slipway	68,657	3,992
Contribution to Hamble Lifeboat Station	70,000	0
Sediment Management Desktop Study	23,100	0
Marine pile and sign	3,400	0
Hamble Jetty Visual Impact	0	1,878
Jetty Signs	0	684
Learning Zone Project	0	0
Bespoke Floating Keyrings	0	2,400
River Hamble Games	0	1,340
Slipway signs and posts	0	1,214
Visitors Guide	0	3,017
	<u>170,157</u>	<u>17,025</u>

## 10 Tangible fixed assets

	Marks, Beacons, Lights, Piles, £	Bridges, Walkways, Jetties £	Boats £	Other £	Assets under construction £	Total £
<b>Cost</b>						
At 1 April 2015	180,068	634,000	55,000	97,000	23,144	989,212
Revaluations	0	(8,000)	0	0	0	(8,000)
Additions	0	0	0	7,630	0	7,630
Disposals	0	0	0	0	0	0
Transfers	0	0	0	23,144	(23,144)	0
At 31 March 2016	<u>180,068</u>	<u>626,000</u>	<u>55,000</u>	<u>127,774</u>	<u>0</u>	<u>988,842</u>
<b>Depreciation</b>						
At 1 April 2015	119,567	381,294	16,333	97,000	0	614,194
Charge for the year	6,127	23,267	4,333	3,077	0	36,804
On disposals	0	0	0	0	0	0
Adjustments re Revaluations	0	(321)	0	0	0	(321)
At 31 March 2016	<u>125,694</u>	<u>404,240</u>	<u>20,666</u>	<u>100,077</u>	<u>0</u>	<u>650,677</u>
<b>Net book values</b>						
<b>At 31 March 2016</b>	<u><u>54,374</u></u>	<u><u>221,760</u></u>	<u><u>34,334</u></u>	<u><u>27,697</u></u>	<u><u>0</u></u>	<u><u>338,165</u></u>
<b>At 31 March 2015</b>	<u><u>60,501</u></u>	<u><u>252,706</u></u>	<u><u>38,667</u></u>	<u><u>0</u></u>	<u><u>23,144</u></u>	<u><u>375,018</u></u>

The Assets under construction represented the cost incurred to date with regards to the implementation of the E-Harbours payment system. This asset has now been transferred to Other.

The revaluation with regards to Bridges, Walkways and Jetties refers to an adjustment to the cost price of the Hamble Jetty replacement.

**11 Debtors**

	<b>2015/16</b>	<b>2014/15</b>
	£	£
Trade debtors	19,762	2,826
Prepayments and accrued income	2,500	0
	<u>22,262</u>	<u>2,826</u>

No debtor amounts fall due after more than one year

**12 Creditors: amounts falling due within one year**

	<b>2015/16</b>	<b>2014/15</b>
	£	£
Trade creditors	6,985	33,425
Accruals and deferred income	365,818	365,228
	<u>372,803</u>	<u>398,653</u>

No creditor amounts fall due after more than one year

**13 Profit and Loss Account**

	<b>Total</b>
	£
At 1 April 2015	1,146,838
Transfers to/(from) Profit and Loss account	<u>(164,321)</u>
At 31 March 2016	<u>982,517</u>

## 14 Movement in reserves

	Cash backed Reserves			Total cash backed Reserves (£)	Asset backed Reserve (£)	Total Reserves (£)
	General Reserve £	Asset Enhancement (£)	Asset Replacement (£)			
As at 31 March 2015	146,242	260,310	365,268	771,820	375,018	1,146,838
Transfer	(39,000)	39,000	0	0	0	0
As at 1 April 2105	107,242	299,310	365,268	771,820	375,018	1,146,838
Movement:						
2015/16 deficit	(164,321)	0	0	(164,321)	0	(164,321)
Transfers:						
Asset additions	0	0	(7,630)	(7,630)	7,630	0
Revaluations	0	0	8,000	8,000	(8,000)	0
Depreciation	36,483	0	0	36,483	(36,483)	0
Asset contribution	(35,000)	0	35,000	0	0	0
Projects	170,157	(170,157)	0	0	0	0
Interest	(5,919)	1,746	4,173	0	0	0
Total movement	1,400	(168,411)	39,543	(127,468)	(36,853)	(164,321)
As at 31 March 2016	108,642	130,899	404,811	644,352	338,165	982,517

## River Hamble Harbour Authority

	Original Budget (£) 2015/2016	Actuals (£) 2015/2016	Variance (£) 2015/2016
<b>EXPENDITURE</b>			
<b>Staff Related</b>			
Salaries	<b>385,000</b>	400,326	15,326
Training	<b>10,000</b>	9,962	(38)
Staff Advertising/Interview Expenses	<b>0</b>	3,211	3,211
Other Employee Expenses	<b>0</b>	0	0
<b>Sub Total Staff Related</b>	<b>395,000</b>	413,499	<b>18,499</b>
<b>Premises</b>			
Rent/Rates	<b>16,000</b>	12,855	(3,145)
Electricity	<b>2,000</b>	1,352	(648)
Gas	<b>1,000</b>	386	(614)
Water/Sewerage	<b>1,000</b>	632	(368)
Repair & Maintenance (including Health & Safety Modifications)	<b>1,000</b>	0	(1,000)
Service Charges	<b>0</b>	278	278
Cleaning	<b>0</b>	255	255
Burglar Alarms/Security	<b>1,000</b>	682	(318)
<b>Sub Total Premises</b>	<b>22,000</b>	16,440	<b>(5,560)</b>
<b>Transport</b>			
Repair, Maintenance and Boat Refurbishment	<b>33,000</b>	14,462	(18,538)
Vehicle Running Expenses (Fuel)	<b>6,000</b>	99	(5,901)
Tools (inc Chandlery)	<b>2,000</b>	1,688	(312)
Car Allowances/Staff Travel	<b>2,000</b>	1,312	(688)
Insurance	<b>2,000</b>	1,600	(400)
<b>Sub Total Transport</b>	<b>45,000</b>	19,161	<b>(25,839)</b>
<b>Supplies &amp; Services</b>			
Office Expenses	<b>35,000</b>	27,803	(7,197)
Environmental Maintenance	<b>17,000</b>	8,577	(8,423)
Public Jetties & Navigational Safety (including Navigational Aids)	<b>14,000</b>	16,255	2,255

	<b>Original Budget (£) 2015/2016</b>	<b>Actuals (£) 2015/2016</b>	<b>Variance (£) 2015/2016</b>
Central Department Charges	<b>50,000</b>	37,758	(12,242)
Other Services (including Designated Person)	<b>11,000</b>	8,500	(2,500)
Oil Spill Response	<b>3,000</b>	3,034	34
CCTV	<b>0</b>	100	100
The Crown Estate Settlement	<b>0</b>	6,985	6,985
<b>Sub Total Supplies &amp; Services</b>	<b>130,000</b>	109,012	<b>(20,988)</b>
<b>Gross Expenditure (Current)</b>	<b>592,000</b>	558,112	<b>(33,888)</b>
<b>INCOME</b>			
Miscellaneous Income	<b>(4,000)</b>	(6,958)	(2,958)
Interest	<b>(1,000)</b>	(1,277)	(277)
Harbour Dues	<b>(514,000)</b>	(510,478)	3,522
The Crown Estate Funding	<b>(59,000)</b>	(55,034)	3,966
Other Funding	<b>(5,000)</b>	(2,660)	2,340
Visitor Income	<b>(32,000)</b>	(18,105)	13,895
<b>Gross Income</b>	<b>(615,000)</b>	(594,512)	20,488
<b>NET REVENUE FUNDED EXPENDITURE</b>	<b>(23,000)</b>	(36,400)	<b>(13,400)</b>
<b>Projects Funded by Reserves</b>			
- Asset Enhancement	<b>105,000</b>	170,157	65,157
- Asset Replacement	<b>0</b>	(370)	(370)
- Revenue Reserve	<b>3,000</b>	0	(3,000)
<b>Gross Expenditure</b>	<b>108,000</b>	169,787	<b>61,787</b>
<b>Interest on Reserves</b>			
- Asset Enhancement	<b>(2,000)</b>	(1,746)	254
- Asset Replacement	<b>(6,000)</b>	(4,173)	1,827
<b>Gross Income</b>	<b>(8,000)</b>	(5,919)	<b>2,081</b>
<b>NET RESERVES FUNDED EXPENDITURE</b>	<b>100,000</b>	163,868	<b>63,868</b>
<b>TOTAL NET EXPENDITURE</b>	<b>77,000</b>	127,468	<b>50,468</b>

	<b>Original Budget (£) 2015/2016</b>	<b>Actuals (£) 2015/2016</b>	<b>Variance (£) 2015/2016</b>
<b>RESERVES</b>			
Contribution to Asset Replacement Reserves	<b>23,000</b>	35,000	12,000
Transfer Interest to Reserves	<b>8,000</b>	5,919	(2,081)
Transfers from Reserves - Projects	<b>(108,000)</b>	(169,787)	(61,787)
Total Transfers To/(From) Reserves	<b>(77,000)</b>	(128,868)	<b>(51,868)</b>
<b>NET SURPLUS TRANSFERRED TO GENERAL RESERVE</b>	<b>0</b>	(1,400)	<b>(1,400)</b>

## River Hamble Harbour Authority

**FURTHER DETAIL ON: Office Expenses; Other Services; Harbour Dues Income.**

	Original Budget (£) 2015/2016	Actuals (£) 2015/2016	Variance (£) 2015/2016
<b>Office Expenses</b>			
Equipment	1,000	1,103	103
First Aid Supplies/Health & Safety	0	279	279
Printing & Stationery	4,000	4,601	601
Catering/General	1,000	2,357	1,357
Retail (Crabbing Equipment)	1,000	445	(555)
Room Hire	0	325	325
Protective Clothing	5,000	5,180	180
IT Charges	14,000	4,425	(9,575)
Postage	2,000	2,001	1
Subscriptions	2,000	3,080	1,080
Phones	2,000	0	(2,000)
Promotional Events/Publicity/Publications	2,000	3,230	1,230
Credit Card Charges	1,000	777	(223)
<b>Sub Total</b>	<b>35,000</b>	<b>27,803</b>	<b>(7,197)</b>
<b>Other Services</b>			
Subscriptions/Memberships/ Licences/Designated Person	11,000	8,500	(2,500)
<b>Sub Total</b>	<b>11,000</b>	<b>8,500</b>	<b>(2,500)</b>

	Original Budget (£) 2015/2016	Actuals (£) 2015/2016	Variance (£) 2015/2016
<b>Harbour Dues</b>			
Marinas and Boatyards	<b>(381,000)</b>	(378,326)	2,674
River Moorings	<b>(102,000)</b>	(102,789)	(789)
Jetty Charges	<b>(19,000)</b>	(13,966)	5,034
Miscellaneous Income - Commercial and Pleasure craft	<b>(4,000)</b>	(4,956)	(956)
Net Sublet Income	<b>(8,000)</b>	(10,441)	(2,441)
<b>Sub Total</b>	<b>(514,000)</b>	(510,478)	<b>3,522</b>

## Notes to Appendices 2 and 3

The details of significant variations are as follows:

1. Staff related expenditure was £18,499 higher than the original budget. Salaries costs were £15,326 higher than originally budgeted, due to the additional cost of the new assistant harbour master recruited in 2015/16. Staff advertising / interview expenses associated with the appointment of the new Harbour Master, which were not included in the original budget, were £3,211.
2. Premises costs were underspent by £5,560, mainly due to lower than budgeted spend on rent/rates, utilities and premises repairs and maintenance. This includes the refund of rent charged by Crown Estates in the previous financial year, as this is taken into account in the Crown Estate funding.
3. The outturn for transport expenditure was £25,839 lower than originally budgeted. Repair, maintenance and boat refurbishment was £18,538 lower than the original budget – the replacement of the patrol boat fendering was not completed but this was offset by the purchase of two new engines for the patrol boats (although this in turn was partially offset by the buyback of the old engines). Also, Vehicle Running Expenses (Fuel) costs are lower than budgeted partly due to the fuel rebate being overclaimed. This has been rectified in the 2016/17 financial year.
4. Supplies and Services expenditure was £20,988 lower than the original budget, with Central Department Charges being £12,242 lower than budgeted and Office Expenses being £7,197 lower than anticipated. This was as a result of lower than originally planned expenditure on IT charges, due to the costs relating to further development of the E-Harbours system not being required following a review.
5. The environmental maintenance budget was underspent by £8,423, due mainly to fewer clearances of seaweed from the Warsash slipway as a result of the modification work carried out.
6. Central Department Charges

The basis for the central department charges is detailed as follows:

- Operational Finance - £21,200 based on an assessment of the time devoted to the River Hamble and reviewed regularly
- Corporate Resources central charges – based on 2012/13 volumes and reviewed regularly. A more detailed breakdown of these services is listed below:

○ Integrated Business Centre (IBC)	£2,488
○ Tax/Cash Management	£200
○ Audit Services	<u>£3,410</u>
	£6,098

- The charge for Audit Services is an SLA to cover audit requirements, both for specific site visits to the River Hamble and to cover systems and processes used by the River Hamble, such as payroll and IT systems
- Legal Services and Democratic Services – these charges are based on actual hours worked multiplied by an hourly rate which has been benchmarked to ensure best value. £3,164 was incurred for legal advice, with the balance of £6,437 for Democratic and Member Services support.

The following costs are not borne by the Harbour Office:

- Notional rent and repair costs associated with the Harbour Office
  - Access to and use of the County Council's Information Technology infrastructure and systems
  - Insurance, apart from a nominal fee
7. A saving of £2,500 was made against the Other Services budget, as no additional costs were incurred in relation to the expertise of the designated person and so only the annual retainer was paid.
  8. Total income for 2015/16 was £594,512, £20,488 lower than the £615,000 presented in the original budget but just £55 higher than the income achieved in 2014/15. All income groups produced a lower than expected outturn level, with the exception of Miscellaneous Income, which was £2,958 higher than budgeted. Harbour Dues were £3,522 below budget, Visitor Income was £13,895 below budget and Other Funding was £2,340 lower than anticipated.

## River Hamble Harbour Authority - Reserves 2015/2016

	General Reserve (£)	Asset Enhancement Reserve (£)	Asset Replacement Reserve (£)	TOTAL (£)
<b>Balance at 31 March 2015</b>	<b>(146,242)</b>	<b>(260,310)</b>	<b>(365,268)</b>	<b>(771,820)</b>
Transfer from General Reserve to AER	39,000	(39,000)	0	0
<b>Balance as at 1 April 2015</b>	<b>(107,242)</b>	<b>(299,310)</b>	<b>(365,268)</b>	<b>(771,820)</b>
Contribution to Hamble Lifeboat Station	0	70,000	0	70,000
E-Harbours	0	0	7,630	7,630
Hamble Jetty Replacement	0	0	(8,000)	(8,000)
Marine Pile and Sign	0	3,400	0	3,400
PhD project - Sacrificial Anodes	0	5,000	0	5,000
Sediment Management Desktop Study	0	23,100	0	23,100
Warsash Slipway	0	68,657	0	68,657
Plus Annual Interest	0	(1,746)	(4,173)	(5,919)
Transfer to ARR from Revenue	0	0	(35,000)	(35,000)
Net Surplus for year	(1,400)	0	0	(1,400)
<b>Balance at 31 March 2016</b>	<b>(108,642)</b>	<b>(130,899)</b>	<b>(404,811)</b>	<b>(644,352)</b>
Transfer to ARR from Revenue	0	0	(35,000)	(35,000)
Surplus on standard revenue activity	(16,000)	0	0	(16,000)
PhD - Sacrificial Anodes	0	5,000	0	5,000
River Hamble Games 2016	0	3,000	0	3,000
Warsash Link Pontoon	0	55,000	0	55,000
Plus Estimated Annual Interest	0	(1,000)	(3,000)	(4,000)
Plus Estimated Net surplus for year	0	0	0	0
<b>Predicted Balance at 31 March 2016</b>	<b>(124,642)</b>	<b>(68,899)</b>	<b>(442,811)</b>	<b>(636,352)</b>
<b>Commitments for future projects</b>				
PhD - Sacrificial Anodes	0	2,500	0	2,500
<b>Balance Available</b>	<b>(124,642)</b>	<b>(66,399)</b>	<b>(442,811)</b>	<b>(633,852)</b>

Reconciliation of profit and loss to surplus generated on general revenue activities

	<b>2015/16</b>
	<b>£</b>
Profit/(loss) for the financial year from Profit and Loss account	(164,321)
Add back:	
Depreciation	36,483
Projects funded from reserves	170,157
Less:	
Interest on AER and ARR	(5,919)
Agreed transfer to ARR	(35,000)
	<u>1,400</u>