

River Hamble Harbour Authority

Report of the Board and unaudited financial statements
for the year ended 31 March 2023



River Hamble Harbour Authority
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for the period ended 31 March 2023

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River Hamble Harbour Authority

Report of the Board for the year ended 31 March 2023

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 Seán Woodward (Chairman)
 - Councillor Keith House
 - Councillor Michael Ford
- Independent Board Members:
 - David Jobson (Recreation)
 - Chris Moody (Marine Industry)
 - Nikki Hiorns (Environment)
- Marine Director:
 - Jason Scott (Harbour Master)

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 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:

No charitable donations were made during the year (2021/22 £nil).

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 Financial Reporting Standard 102 Section 1A *Small Entities* 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 07 July 2023 and signed on its behalf by Councillor Seán Woodward.

River Hamble Harbour Authority

Harbour Master's report
for the year ended 31 March 2023

Marine Director's Annual Report

Last year, the Harbour Board approved a 1% increase in Harbour Dues against a background of increasing inflation and wider uncertainty in financial markets. These accounts demonstrate that the decision made last year balanced effectively the needs of the Authority and paid due consideration to the needs of our River Users in challenging times. The surplus generated last year will help moderate the effect of necessary increases in expenditure this year.

Visitors' income has remained favourable albeit at a slightly reduced level compared with 2021/22. This was expected. Our Waiting List for ever-popular and competitively-priced moorings remains healthy. Work with the Crown Estate to take advantage of any opportunity to develop the mooring pattern to meet customers' requirement and bear down on the length of time spent on the Waiting List is ongoing. The consistently higher levels of income seen over the past three years give confidence that our forecast outturn next year is sound. This is further underpinned by visitors' receipts at the time of writing this report.

Expenditure has been in line with that expected. Here, we have taken advantage of opportunity to build reserves in a measured way and enhance our resilience in the short, mid and longer term. Our decision to replace our hard-working Cheetah patrol craft with new, robust, High Density Polyethylene recyclable craft this Summer is an illustration of how this has worked. First year savings on running costs are expected to be in the order of £11,000 owing to reduced maintenance requirements and will, importantly, also deliver greater operational availability. In the medium term, the need to replace outboard engines will disappear generating savings. The positive longer-term impact on the Asset Replacement Reserve (ARR) has already been advertised, with an expected hull life of around 40 years. The new craft are now reaching completion with a forecast delivery date in June. Further projects such as refurbishment of the Warsash Bridge in September will have a similarly favourable long-term impact on the ARR, obviating the requirement for larger scale investment at the end of the decade.

Our final accounts this year show the Revenue Reserve at 10% of gross Revenue and therefore at the maximum allowed under Board policy with our contribution of £42,000 to the Asset Replacement Reserve made. Our £10,208 surplus this year is a windfall which can be used in a number of ways. A strong recommendation is made for its exceptional retention in Revenue (taking the balance temporarily above 10%), given the pressure visible in the Forward Budget for a draw against our projected shortfall in 2023/24. These Annual Accounts and the Forward Budget will be considered in our further deliberation on the setting of next year's Harbour Dues.

Jason Scott

Marine Director and Harbour Master River Hamble Harbour Authority

Accountant's report
for the year ended 31 March 2023

These accounts have been prepared in accordance with the requirements of the Companies Act 2006 and comprise the Income Statement, the Statement of Financial Position and related notes.

The River Hamble Harbour Authority meets the small company criteria contained in section 382 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 2015 and are published at <https://www.hants.gov.uk/aboutthecouncil/budgetspendingandperformance/accounts>

Signed:

Date:

Rob Sarfas
Corporate Accounting Manager

River Hamble Harbour Authority

**Income and Expenditure statement
for the year ended 31 March 2023**

	Notes	2022/23 £	2021/22 £
Turnover	2	631,166	643,208
Other operating income	3 & 12	106,827	75,890
		737,993	719,098
Staff costs	4		
Salaries		388,007	364,645
National Insurance		37,073	35,230
Pension Contributions		65,248	61,825
Other employee expenses		3,687	3,220
		494,015	464,920
Depreciation and other amounts written off tangible and intangible fixed assets	11	32,938	32,417
Other operating charges			
Rent/Rates/Leases	5	35,929	36,915
Utilities		4,420	3,913
Other Premises Costs		3,078	3,637
Boats - Repairs & Expenses	6	16,832	11,097
Staff Travel		254	194
Insurance		1,600	1,600
Office Expenses	7	44,204	40,962
Environmental Maintenance	8	2,294	2,598
Public Jetties & Navigational Safety Services provided by Hampshire County Council	9	39,195	37,198
Other Services (including Designated Person)		11,285	9,570
Oil Spill Response		4,786	4,366
CCTV		145	146
Projects funded by Reserves	10	4,891	7,480
		172,670	175,355
Profit/(loss) for the financial year	15	38,370	46,406

River Hamble Harbour Authority

**Statement of Financial Position
as at 31 March 2023**

	Notes	2022/23		2021/22	
		£	£	£	£
Fixed assets	11				
Tangible assets			276,158		310,361
Assets under construction			<u>173,773</u>		<u>0</u>
			449,931		310,361
Current assets					
Debtors	13	24,512		23,016	
Cash at bank and in hand		<u>948,501</u>		<u>1,078,626</u>	
		973,013		1,101,642	
Creditors: Amounts falling due within one year	14	425,017		452,446	
Net current assets			<u>547,996</u>		<u>649,196</u>
Total assets less current liabilities			997,927		959,557
Net assets			<u>997,927</u>		<u>959,557</u>
Reserves					
Profit and loss account	15		<u>997,927</u>		<u>959,557</u>
			<u>997,927</u>		<u>959,557</u>

For the year ended 31 March 2023 the River Hamble Harbour Authority was entitled to exemption from audit 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 Financial Reporting Standard 102 Section 1A *Small Entities*.

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

_____ on _____
Councillor Seán Woodward
Chairman of the Board

The notes on pages 11 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 2023

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with Financial Reporting Standard 102 Section 1A *Small Entities*.

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. A full year of depreciation is applied in the year of purchase.

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.

	2022/23	2021/22
	£	£
Marinas and Boatyards	453,897	466,904
River Moorings	107,356	105,289
Jetty Charges	28,829	26,532
Mooring and Towing Charges	1,980	457
Commercial and Pleasure craft	14,130	12,087
Total Harbour Dues	606,192	611,269
Visitors	24,974	31,939
Total turnover	<u>631,166</u>	<u>643,208</u>

3 Other operating income

	2022/23	2021/22
	£	£
Crown Estate Management Fee	71,275	71,275
Miscellaneous Income	7,335	3,310
Interest	15,628	1,305
Profit on disposal of assets	12,589	0
Other Funding	0	0
Total other operating income	<u>106,827</u>	<u>75,890</u>

4 Employees

	2022/23	2021/22
Staff numbers	12	12

5 Rent Rates Leases

	2022/23	2021/22
	£	£
Rent - Oil Spill Response Equipment Unit	4,638	4,380
Rent - Crown Estates	7,901	8,593
Rent - Warsash Jetty	2,105	2,243
Rent - Visitors Pontoon	2,105	2,243
Rent - Hamble Jetty	2,105	2,243
Rent - Fishermans Pontoon	2,105	2,243
Business Rates - River Hamble Harbour	14,970	14,970
	<u>35,929</u>	<u>36,915</u>

6 Boat repairs & expenses

	2022/23	2021/22
	£	£
Repair, Maintenance and Boat Refurbishment	6,752	3,955
Vehicle Running Expenses (Fuel)	7,821	5,829
Tools (including Chandlery)	2,259	1,313
	<u>16,832</u>	<u>11,097</u>

7 Office expenses

	2022/23	2021/22
	£	£
Equipment	1,332	1,364
First Aid Supplies/Health & Safety	205	202
Printing & Stationery	2,971	1,934
Catering/General	1,558	946
Protective Clothing and Safety Equipment	3,636	3,785
IT Charges	8,086	6,906
Postage	23	201
Subscriptions	1,682	1,817
Promotional Events/Publicity/Publications	3,636	3,793
Credit Card Charges (re Income Collection)	21,075	20,014
	<u>44,204</u>	<u>40,962</u>

8 Environmental Maintenance

	2022/23	2021/22
	£	£
Waste Collection	1,313	1,642
Clearance of Warsash Slipway	940	860
Miscellaneous Environmental Maintenance Expenditure	41	96
	<u>2,294</u>	<u>2,598</u>

9 Services provided by Hampshire County Council

	2022/23	2021/22
	£	£
Accountancy	21,600	21,600
Transaction processing	2,488	2,488
Tax/cash management	200	200
Internal audit	3,410	3,410
Legal Services	2,456	2,044
Democratic Services	8,056	6,499
	<u>38,210</u>	<u>36,241</u>

Contribution to Solent Forum	985	957
	39,195	37,198
	39,195	37,198

No separate charge is currently levied for the following:

- Rent and general 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

10 Projects funded by Reserves

	2022/23	2021/22
	£	£
Navigation Lights	0	1,908
Boat Engine Maintenance	3,632	5,572
Weather Station	1,259	0
	4,891	7,480
	4,891	7,480

11 Tangible fixed assets

	Marks, Beacons, Lights, Piles, Buoys	Bridges, Walkways, Jetties	Boats	Other	Total
	£	£	£	£	£
Cost					
At 1 April 2022	181,568	688,990	77,725	137,871	1,086,154
Additions	0	0	0	3,646	3,646
Disposals	0	0	(22,500)	0	(22,500)
Assets Under Construction	0	0	173,773	0	173,773
Transfers	0	0	0	0	0
At 31 March 2023	181,568	688,990	228,998	141,517	1,241,073
Depreciation					
At 1 April 2022	148,688	449,943	57,196	119,966	775,793
Charge for the year	3,842	18,623	5,432	5,041	32,938
On disposals	0	0	(17,589)	0	(17,589)
At 31 March 2023	152,530	468,566	45,039	125,007	791,142

Net book values

At 31 March 2023	29,038	220,424	183,959	16,510	449,931
At 31 March 2022	32,880	239,047	20,529	17,905	310,361

12 Disposal of assets

	2022/23
	£
Cost:	
RIB	15,000
Boat engine	7,500
	<u>22,500</u>
Less cumulative depreciation	(17,589)
Net book value	4,911
Sale proceeds	(17,500)
	<u><u>12,589</u></u>
Profit on disposal of assets	

13 Debtors

	2022/23	2021/22
	£	£
Trade debtors	20,933	21,516
Prepayments and accrued income	3,579	1,500
	<u>24,512</u>	<u>23,016</u>

No debtor amounts fall due after more than one year

14 Creditors: amounts falling due within one year

	2022/23	2021/22
	£	£
Trade creditors	12,930	26,086
Accruals and deferred income	412,087	426,360
	<u>425,017</u>	<u>452,446</u>

No creditor amounts fall due after more than one year

15 Profit and Loss Account

	Total £
At 1 April 2022	959,557
Transfers to/(from) Profit and Loss account	<u>38,370</u>
At 31 March 2023	<u><u>997,927</u></u>

16 Movement in reserves

	Cash backed Reserves					
	General Reserve £	Asset Enhance 'ment £	Asset Replace 'ment £	Total cash backed Reserves £	Asset backed Reserves £	Total Reserves £
Original as at 1 April 2022	73,705	67,489	508,002	649,196	310,361	959,557
AER contribution 2021/22	(11,505)	11,505	0	0	0	0
Revised as at 1 April 2022	62,200	78,994	508,002	649,196	310,361	959,557
Movement:						
2022/23 surplus	38,370	0	0	38,370	0	38,370
Transfers:						
Asset additions	0	0	(3,646)	(3,646)	3,646	0
Asset disposals	0	0	17,500	17,500	(17,500)	0
Asset under construction	0	0	(173,773)	(173,773)	173,773	0
Depreciation	32,938	0	0	32,938	(32,938)	0
Profit on disposal of assets	(12,589)	0	0	(12,589)	12,589	0
Asset contribution	(42,000)	0	42,000	0	0	0
Projects	4,891	(1,259)	(3,632)	0	0	0
Interest	(11,402)	1,556	9,846	0	0	0
Total movement	<u>10,208</u>	<u>297</u>	<u>(111,705)</u>	<u>(101,200)</u>	<u>139,570</u>	<u>38,370</u>
As at 31 March 2023	<u><u>72,408</u></u>	<u><u>79,291</u></u>	<u><u>396,297</u></u>	<u><u>547,996</u></u>	<u><u>449,931</u></u>	<u><u>997,927</u></u>

17 Reserves Policy

The Harbour Board approved a reserves policy on 18 May 2007 which provided for the following three reserves:

- Asset Enhancement Reserve (AER) – £320,000 for a programme of future opportunities.
- Asset Replacement Reserve (ARR) – to replace all Harbour Authority Assets and provide maintenance dredges over a 25-year cycle. An Annual contribution of £43,000, later reduced to £35,000, to be received from revenue.
- Revenue Reserve (RR, also known as the General Reserve) – to hold annual surpluses totalling no more than 10% of the gross revenue budget (for 2022/23 this equates to £65,100). Any excess to be transferred to the AER, returned to mooring holders or to fund one-off revenue budget pressures as approved by the Board.

On 1 April 2022 the Harbour Board approved the following changes to the reserves policy in relation to the Asset Replacement Reserve:

- Increase the annual revenue contribution from £35,000 to £42,000, with future increases linked to the Asset Replacement register reporting agreed in principle.
- Introduction of a £100,000 minimum reserves balance policy to improve future resilience.

The reserves policy is kept under continuous review, to ensure the reserves continue to be at the level the River Hamble needs to operate effectively in accordance with its aims, needs and objectives and taking into account potential risks and contingencies that may arise from time to time, and in the context of a separate risk management policy.

The Board review the level of Harbour Dues annually in the context of the Revenue Reserve balance and expected income and expenditure, revising the rates as required to maintain an appropriate balance in the Revenue Reserve.

The Board also annually reviews the fixed asset register to ensure that the contribution to the Asset Replacement Reserve is appropriate to meet all anticipated expenditure on the replacement or maintenance of assets, revising the contribution when necessary.

The Asset Enhancement Reserve is used for exceptional, non-essential expenditure to enhance the enjoyment of the River Hamble for river users, and funds are therefore transferred into this reserve from time to time as funds allow.

River Hamble Harbour Authority Management Accounts	2022/23 Year End Position			
	Revised Budget	Period 6 Forecast Outturn	Year End Actuals	Variance to Budget
	£	£	£	£
EXPENDITURE				
Staff Related				
Salaries	486,000	486,000	490,328	4,328
Training	3,000	2,000	1,666	(1,334)
Professional Subscriptions	2,000	2,000	2,021	21
Sub-Total Staff Related	491,000	490,000	494,015	3,015
Premises				
Rent / Rates	35,000	35,000	35,929	929
Electricity	2,000	3,000	3,132	1,132
Gas	1,000	1,000	665	(335)
Water / Sewerage	1,000	1,000	623	(377)
Repair & Maintenance (including Health & Safety Modifications)	3,000	3,000	3,223	223
Sub-Total Premises	42,000	43,000	43,572	1,572
Transport				
Repair, Maintenance & Boat Refurbishment	4,000	4,000	6,752	2,752
Vehicle Running Expenses (Fuel)	5,000	7,000	7,821	2,821
Tools (including Chandlery)	2,000	3,000	2,259	259
Car Allowances / Staff Travel	1,000	-	254	(746)
Insurance	2,000	2,000	1,600	(400)
Sub-Total Transport	14,000	16,000	18,686	4,686
Supplies & Services				
Office Expenses	38,000	40,000	44,204	6,204
Environmental Maintenance	4,000	2,000	2,294	(1,706)
Public Jetties & Navigational Safety	5,000	7,000	3,757	(1,243)
Central Department Charges	43,000	43,000	39,195	(3,805)
Designated Person	10,000	11,000	11,285	1,285
Oil Spill Response	4,000	5,000	4,786	786
Sub-Total Supplies & Services	104,000	108,000	105,521	1,521
GROSS EXPENDITURE	651,000	657,000	661,794	10,794

River Hamble Harbour Authority Management Accounts	2022/23 Year End Position			
	Revised Budget	Period 6 Forecast Outturn	Year End Actuals	Variance to Budget
	£	£	£	£
INCOME				
Harbour Dues	(559,000)	(580,000)	(561,253)	(2,253)
Crown Estate Funding	(71,000)	(71,000)	(71,275)	(275)
Visitor Income	(45,000)	(63,000)	(67,933)	(22,933)
Miscellaneous Income	(3,000)	(4,000)	(7,335)	(4,335)
Towing Charges	(9,000)	(2,000)	(1,980)	7,020
Other Funding	(1,000)	-	-	1,000
Interest	-	(3,000)	(4,226)	(4,226)
GROSS INCOME	(688,000)	(723,000)	(714,002)	(26,002)
NET REVENUE FUNDED EXPENDITURE	(37,000)	(66,000)	(52,208)	(15,208)
Contribution to Asset Replacement Reserve	42,000	42,000	42,000	-
Net surplus to Revenue Reserve	(5,000)	3,000	10,208	15,208
Net surplus to Asset Enhancement Reserve	-	21,000	0	0
INCOME / EXPENDITURE ON RESERVES				
Asset Enhancement	3,000	-	1,259	(1,741)
Asset Replacement - Projects	16,000	54,000	3,632	(12,368)
Asset Replacement - Additions	-	344,000	177,419	177,419
Asset Replacement - Disposals	-	(78,000)	(17,500)	(17,500)
Revenue Reserve	-	-	-	-
Expenditure from Reserves	19,000	320,000	164,810	145,810
Interest on Reserves				
Asset Enhancement Interest	-	(1,000)	(1,556)	(1,556)
Asset Replacement Interest	(1,000)	(7,000)	(9,846)	(8,846)
Income on Reserves	(1,000)	(8,000)	(11,402)	(10,402)
NET RESERVES FUNDED EXPENDITURE	18,000	312,000	153,408	135,408
TOTAL NET EXPENDITURE	(19,000)	246,000	101,200	120,200

River Hamble Harbour Authority Management Accounts	2022/23 Year End Position			
	Revised Budget	Period 6 Forecast Outturn	Year End Actuals	Variance to Budget
	£	£	£	£
RESERVES				
Contribution to Asset Replacement Reserves	42,000	42,000	42,000	-
Transfer To / (From) Revenue Reserve	(5,000)	3,000	10,208	15,208
Transfer To / (From) Asset Enhancement Reserve	-	21,000	-	-
	37,000	66,000	52,208	15,208
Transfer Interest to Reserves	1,000	8,000	11,402	10,402
Transfers from Reserves - Projects	(19,000)	(320,000)	(164,810)	(145,810)
Total Transfers To / (From) Reserves	(18,000)	(312,000)	(153,408)	(135,408)
TOTAL TRANSFERS TO / (FROM) RESERVES	19,000	(246,000)	(101,200)	(120,200)

River Hamble Harbour Authority				
Further detail on Harbour Dues, Visitors Income, Office Expenses and Central Department Charges				
	2022/23 Year End Position			
	Revised Budget	Period 6 Forecast Outturn	Actuals	Variance to Budget
	£	£	£	£
Harbour Dues Income				
Marinas and Boatyards	(446,000)	(473,000)	(453,897)	(7,897)
River Moorings	(113,000)	(107,000)	(107,356)	5,644
Total Harbour Dues Income	(559,000)	(580,000)	(561,253)	(2,253)
Visitor Income				
Mid Stream Visitors Pontoon	(17,000)	(24,000)	(24,974)	(7,974)
Warsash Jetty	(18,000)	(24,000)	(24,704)	(6,704)
Hamble Jetty	(3,000)	(4,000)	(4,125)	(1,125)
Commercial and Pleasure Craft Income	(7,000)	(11,000)	(14,130)	(7,130)
Total Visitor Income	(45,000)	(63,000)	(67,933)	(22,933)
Office Expenses				
Equipment	1,000	2,000	1,332	332
First Aid Supplies / Health & Safety	1,000	1,000	205	(795)
Printing & Stationery	2,000	2,000	2,971	971
Catering / General	1,000	1,000	1,558	558
Protective Clothing and Safety Equipment	3,000	4,000	3,636	636
IT Charges	7,000	7,000	8,086	1,086
Postage	1,000	-	23	(977)
Subscriptions	2,000	2,000	1,682	(318)
Promotional Events / Publicity /Publications	3,000	3,000	3,636	636
Retail (Crabbing Equipment)	1,000	-	-	(1,000)
Credit Card Charges (re Income Collection)	16,000	18,000	21,075	5,075
Total Office Expenses	38,000	40,000	44,204	6,204

River Hamble Harbour Authority				
Further detail on Harbour Dues, Visitors Income, Office Expenses and Central Department Charges				
	2022/23 Year End Position			
	Revised Budget	Period 6 Forecast Outturn	Actuals	Variance to Budget
	£	£	£	£
Central Department Charges				
Operational Finance	22,000	22,000	21,600	(400)
Integrated Business Centre / Audit / Tax Team / Finance	6,000	6,000	6,098	98
Democratic Services (Including Venue Costs)	9,000	9,000	8,056	(944)
Legal Services	5,000	5,000	2,456	(2,544)
Solent Forum Contribution	1,000	1,000	985	(15)
Total Central Department Charges	43,000	43,000	39,195	(3,805)

Notes to Appendices 2 and 3

The details of significant variations are as follows:

1. Staff related expenditure was £3,015 higher than the budget, with salary costs being £4,328 higher than budget due to higher than budgeted costs in respect of the pay award, which were partly offset by overtime costs being lower than budgeted. Training requirements were lower than expected and therefore costs were £1,334 lower than budgeted.
2. Premises costs were £1,572 higher than budgeted due to high levels of visitor income attracting higher turnover rental charges from the Crown Estate, and increased electricity costs.
3. Transport related expenditure was £4,686 higher than budget, with vehicle running expenses being £2,821 higher than budgeted due to increased fuel costs, and boats repair and maintenance costs being £2,752 higher than budgeted as additional work was carried out to ensure vessels are in good conditions for resale.
4. Office expenses were £6,204 higher than budgeted. Primarily this was due to income collection costs being £5,075 higher than budget, which resulted from increased levels of income. Printing and stationary costs were £971 higher than budgeted due to an increase to PrintSmart charges. IT related costs were £1,086 higher than budgeted due to increased Harbour Assist costs. Retail costs were zero, and therefore £1,000 under budget as, following the Covid-19 pandemic, the sale of crabbing equipment etc has yet to resume.
5. Environmental maintenance related costs were £1,706 lower than budgeted due to a reduced requirement for slipway clearances and refuse removal services.
6. Public jetties & navigational safety costs were £1,243 lower than the budget and due to a bathymetric survey not being required during the year.
7. Designated person expenditure was £1,285 higher than budgeted due to a change of supplier during the year, which will result in lower annual costs in future years.
8. Central Department Charges

The basis for the central department charges is as follows:

- Operational Finance - £21,600 based on an assessment of the time devoted to the River Hamble. This is reviewed regularly.
- Corporate Resources central charges - based on volumes and reviewed regularly. A more detailed breakdown of these services is listed below:

○ Integrated Business Centre (IBC)	£2,688
○ 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 support costs – these charges are based on actual hours worked multiplied by an hourly rate which has been benchmarked to ensure best value. £2,456 was incurred for legal advice, £2,544 lower than budget and reflecting lower meeting requirements through the year. Democratic services charges, including venue hire costs, totalled £8,056 and were £944 lower than budget.
- A charge of £985 was received from Economy, Transport & Environment for the annual Solent Forum membership contribution.

The following costs are not currently borne by the Harbour Office:

- Notional rent and general 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 relating to the Patrol Boats.

9. Total income for 2022/23 was £714,002, £26,002 above the budget of £688,000.
10. Visitor income was £22,933 higher than budget and due to the rise in yachting popularity following the relaxation of Covid-19 restrictions being sustained, larger boats continuing to stay longer and demand from boats displaced by dredging.
11. Income relating to towing charges was £7,020 below budget and due to no Crown Estate pile replacement projects taking place during the year.
12. Annual harbour dues were £2,253 higher than budget and therefore broadly in line with expected income levels.
13. Miscellaneous income was £4,335 higher than budget and due to increased demand for pile lines and irons services, plus higher levels of harbour consent work.

14. No retail income was received due to sales having not resumed following the Covid-19 pandemic.

River Hamble Harbour Authority – Reserves 2022 – 2024

	Revenue Reserve £	Asset Enhance 'ment Reserve £	Asset Replace 'ment Reserve £	Total £
Balance as at 31 March 2022	73,705	67,489	508,002	649,196
Approved Transfer to AER	(11,505)	11,505	0	0
Revised Balance as at 31 March 2022	62,200	78,994	508,002	649,196
Transfer to ARR from Revenue	(42,000)	0	42,000	0
Transfer to AER from Revenue	0	0	0	0
Asset Replacement Projects - Boat engines	0	0	(3,632)	(3,632)
Asset Replacement Additions - Purchase of New Vessels (50%) & CCTV	0	0	(177,419)	(177,419)
Asset Replacement Disposals - Sale of Old Vessel	0	0	17,500	17,500
Asset Enhancement Projects - Weather Station	0	(1,259)	0	(1,259)
Annual Interest Receivable	0	1,556	9,846	11,402
Net Surplus for the year	52,208	0	0	52,208
Balance at 31 March 2023	72,408	79,291	396,297	547,996
Transfer to ARR from Revenue	(42,000)	0	42,000	0
Transfer to AER from Revenue	0	0	0	0
Asset Replacement - Warsash Bridge Remedial Works	0	0	(94,000)	(94,000)
Asset Replacement - Purchase of New Vessels (50%)	0	0	(174,000)	(174,000)

Appendix 4

Asset Replacement - Sale of Old Vessels	0	0	60,000	60,000
Asset Enhancement - Academic studies	0	(1,000)	0	(1,000)
Annual Interest Receivable	0	2,000	5,000	7,000
Net Surplus for the year	32,000	0	0	32,000
Balance at 31 March 2024	62,408	80,291	235,297	377,996

Interest is generated on revenue reserves and is included in the net transfer to / (from) revenue reserves

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

	2022/23
	£
Profit/(loss) for the financial year from Income Statement	38,370
Add back:	
Depreciation Charge for Year	32,938
Profit on disposal of assets	(12,589)
Projects funded from reserves	4,891
Less:	
Interest on AER and ARR	(11,402)
Agreed transfer to ARR	(42,000)
Net surplus to Revenue Reserve	<u>10,208</u>

River Hamble Harbour Authority Management Accounts	2023/24 Forecast Outturn			
	2022/23 Year End Actuals	2023/24 Original Budget	2023/24 Forecast Outturn	Forecast Budget Variance
	£	£	£	£
EXPENDITURE				
Staff Related				
Salaries	490,328	515,000	515,000	-
Training	1,666	2,000	2,000	-
Professional Subscriptions	2,021	2,000	2,000	-
Sub-Total Staff Related	494,015	519,000	519,000	-
Premises				
Rent / Rates	35,929	35,000	36,000	1,000
Electricity	3,132	3,000	3,000	-
Gas	665	1,000	1,000	-
Water / Sewerage	623	1,000	1,000	-
Repair & Maintenance (including Health & Safety Modifications)	3,223	3,000	3,000	-
Sub-Total Premises	43,572	43,000	44,000	1,000
Transport				
Repair, Maintenance & Boat Refurbishment	6,752	4,000	1,000	(3,000)
Vehicle Running Expenses (Fuel)	7,821	7,000	7,000	-
Tools (including Chandlery)	2,259	2,000	2,000	-
Car Allowances / Staff Travel	254	-	-	-
Insurance	1,600	2,000	2,000	-
Sub-Total Transport	18,686	15,000	12,000	(3,000)
Supplies & Services				
Office Expenses	44,204	38,000	47,000	9,000
Environmental Maintenance	2,294	4,000	4,000	-
Public Jetties & Navigational Safety	3,757	2,000	2,000	-
Central Department Charges	39,195	41,000	41,000	-
Designated Person	11,285	7,000	7,000	-
Oil Spill Response	4,786	5,000	5,000	-
Sub-Total Supplies & Services	105,521	97,000	106,000	9,000
GROSS EXPENDITURE	661,794	674,000	681,000	7,000

River Hamble Harbour Authority Management Accounts	2023/24 Forecast Outturn			
	2022/23 Year End Actuals	2023/24 Original Budget	2023/24 Forecast Outturn	Forecast Budget Variance
	£	£	£	£
RESERVES				
Contribution to Asset Replacement Reserves	42,000	42,000	42,000	-
Transfer To / (From) Revenue Reserve	10,208	2,000	(10,000)	(12,000)
Transfer To / (From) Asset Enhancement Reserve	-	2,000	-	(2,000)
	52,208	46,000	32,000	(14,000)
Transfer Interest to Reserves	11,402	7,000	7,000	-
Transfers from Reserves - Projects	(164,810)	(1,000)	(209,000)	(208,000)
Total Transfers To / (From) Reserves	(153,408)	6,000	(202,000)	(208,000)
TOTAL TRANSFERS TO / (FROM) RESERVES	(101,200)	52,000	(170,000)	(222,000)

River Hamble Harbour Authority				
Further detail on Harbour Dues, Visitors Income, Office Expenses and Central Department Charges				
	2023/24 Forecast Outturn			
	2022/23 Year End Actuals	2023/24 Original Budget	2023/24 Forecast Outturn	Forecast Budget Variance
	£	£	£	£
Harbour Dues Income				
Marinas and Boatyards	(453,897)	(471,000)	(455,000)	16,000
River Moorings	(107,356)	(108,000)	(108,000)	-
Total Harbour Dues Income	(561,253)	(579,000)	(563,000)	16,000
Visitor Income				
Mid Stream Visitors Pontoon	(24,974)	(23,000)	(25,000)	(2,000)
Warsash Jetty	(24,704)	(23,000)	(25,000)	(2,000)
Hamble Jetty	(4,125)	(4,000)	(4,000)	-
Commercial and Pleasure Craft Income	(14,130)	(10,000)	(14,000)	(4,000)
Total Visitor Income	(67,933)	(60,000)	(68,000)	(8,000)
Office Expenses				
Equipment	1,332	1,000	1,000	-
First Aid Supplies / Health & Safety	205	1,000	1,000	-
Printing & Stationery	2,971	2,000	2,000	-
Catering / General	1,558	1,000	1,000	-
Furniture	-	-	4,000	4,000
Protective Clothing and Safety Equipment	3,636	3,000	3,000	-
IT Charges	8,086	7,000	7,000	-
Postage	23	1,000	1,000	-
Subscriptions	1,682	2,000	2,000	-
Promotional Events / Publicity /Publications	3,636	3,000	3,000	-
Retail (Crabbing Equipment)	-	1,000	1,000	-
Credit Card Charges (re Income Collection)	21,075	16,000	21,000	5,000
Total Office Expenses	44,204	38,000	47,000	9,000

River Hamble Harbour Authority				
Further detail on Harbour Dues, Visitors Income, Office Expenses and Central Department Charges				
	2023/24 Forecast Outturn			
	2022/23 Year End Actuals	2023/24 Original Budget	2023/24 Forecast Outturn	Forecast Budget Variance
	£	£	£	£
Central Department Charges				
Operational Finance	21,600	22,000	22,000	-
Integrated Business Centre / Audit / Tax Team / Finance	6,098	6,000	6,000	-
Democratic Services (Including Venue Costs)	8,056	9,000	9,000	-
Legal Services	2,456	3,000	3,000	-
Solent Forum Contribution	985	1,000	1,000	-
Total Central Department Charges	39,195	41,000	41,000	-