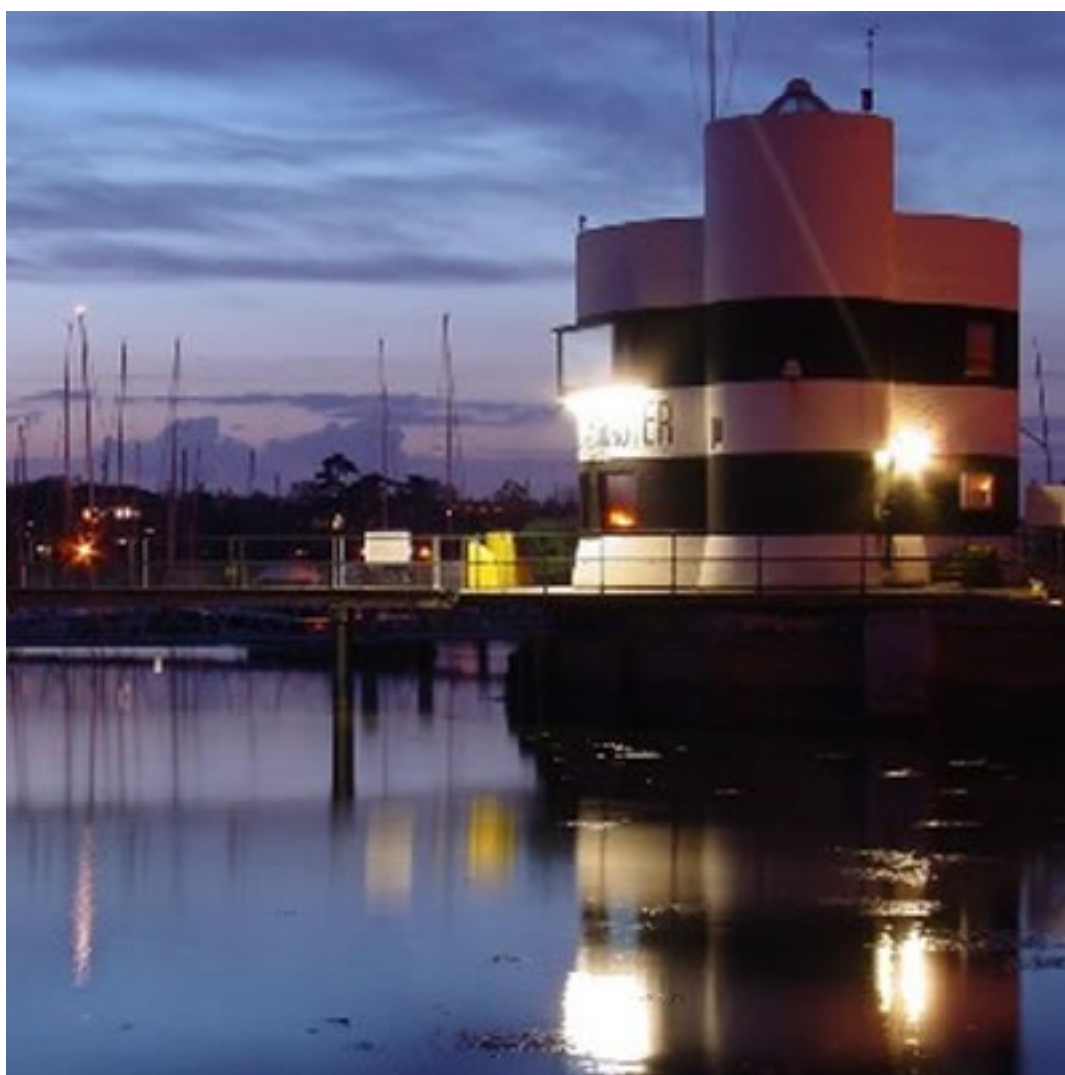


River Hamble Harbour Authority

Report of the Board and unaudited financial statements
for the year ended 31 March 2019



River Hamble Harbour Authority
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for the period ended 31 March 2019

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River Hamble Harbour Authority

Report of the Board for the year ended 31 March 2019

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:
 - 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 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:

No charitable donations were made during the year (2018/19 £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 12 July 2019 and signed on its behalf by Councillor Keith Evans.

River Hamble Harbour Authority

Harbour Master's report
for the year ended 31 March 2019

With the primary responsibility of any Harbour Authority being safety and with our income and expenditure under close scrutiny to ensure that that responsibility is sustained, this year's granular focus on our accounts has been as important as ever. Asking of ourselves the question 'what is it that we are here to do?' and reminding ourselves of the imperative requirement to maintain our essential operational capabilities to ensure that non-discretionary, statutory tasks are carried out in the long-term has been the central focus of our deliberations in analysing our financial position.

This report will not be a long one as our financial position is not complicated. It will set the context within which we are now operating; one of reduced expenditure over the past ten years, yet also one of reduced income. These reductions have meant that necessary and continued draws on our Revenue Reserve to make good our Reserve contribution cannot be sustained.

The Harbour Authority is in a secure position in terms of our Asset Replacement Reserve which is now being deployed routinely to ensure that our operational assets are maintained efficiently. The continuation of our annual contribution to this Reserve of £35,000 has been judged to be correct, based on existing estimates. Nevertheless, our Revenue position has, despite imaginative steps having been taken to reduce expenditure, become tighter as income has fallen marginally. Looking back over the past ten years shows how the position has altered. In 2009/10, gross income stood at £682,303 and gross expenditure at £645,086, giving a revenue surplus of £37,217. In 2010, the Harbour Board made the correct decision at the time to both transfer £180,000 from a growing Revenue Reserve to the Asset Replacement Reserve and reduce Annual Harbour Dues by 10%. The annual contribution from Revenue to Capital was also reduced from £43,000 per annum to £35,000 per annum. Over the past ten years, that decision has stood the Authority in good stead and ensured Harbour Dues payers' value-for-money. Adjustments in Harbour Dues have since been made each year based on considered judgment of the financial position of the day. Harbour Dues have been raised on three out of ten years for a maximum of 1.5% and Harbour Dues today stand at a level that is 7% less than in 2009. For 2018/19, our gross income (excluding bank interest received) has been £610,450 and our gross expenditure (excluding depreciation and projects funded from reserves) has been £594,575. This means that our income today stands at a level that is 10.5% less than in 2009. Expenditure is at a level that is 8% less than in 2009, despite the impact of pay increases and additional pension contributions for a staff component that is not in scope for reduction. Inter alia, this is because single-staff operations are in the main unfeasible and patrol capability and persistence over 364 days each year is fundamental to the safety of River Users. It must be recognised too that staff have

also been responsible for major savings in our wider expenditure, notably in slipway clearance and the repair of essential infrastructure.

It is important to note that granular analysis of around 4,000 transactions has enabled this Authority to get to grips with all options for reductions in expenditure. That these opportunities have been taken is clearly visible in the figures of this report where our expenditure on supplies and services illustrates in microcosm the savings made. Here, expenditure in 2009 stood at £153,102. That same figure in 2018/19 stood at £102,437 or 33% less.

This set of accounts shows compellingly that we know how our money is spent and that expenditure cannot be reduced further. The Board's decision to apply correctly the funds set aside for asset replacement to that Reserve has eased to the extent practicable the unavoidable and increasing pressure, brought about by wage and pension increases outside the control of either HCC or the Harbour Authority. Derived from that, the inescapable conclusion is that income must be increased. The Harbour Authority is in a strong position to take the necessary steps in good time. How that is achieved is the subject of another paper to be taken at this round of 2019 Governance meetings.

Jason Scott
Marine Director and Harbour Master

River Hamble Harbour Authority

Accountant's report
for the year ended 31 March 2019

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:

Anne Hibbert
Corporate Accounting Manager

River Hamble Harbour Authority

**Income and Expenditure statement
for the year ended 31 March 2019**

	Notes	2018/19 £	2017/18 £
Turnover	2	532,663	523,685
Other operating income	3	81,464	73,478
		<u>614,127</u>	<u>597,163</u>
Staff costs	4		
Salaries		344,636	335,581
National Insurance		32,536	33,380
Pension Contributions		71,227	64,801
Other employee expenses		5,795	3,071
		<u>454,194</u>	<u>436,833</u>
Depreciation and other amounts written off tangible and intangible fixed assets	11	38,984	(52,241)
Other operating charges			
Rent/Rates/Leases	5	32,754	22,783
Utilities		3,420	4,168
Other Premises Costs		2,177	1,615
Boats - Repairs & Expenses	6	9,944	27,308
Staff Travel		1,132	816
Insurance		1,690	1,600
Office Expenses	7	26,986	25,594
Environmental Maintenance	8	4,012	16,813
Public Jetties & Navigational Safety		5,812	18,031
Services provided by Hampshire County Council	9	38,465	42,999
Other Services (including Designated Person)		9,570	9,570
Oil Spill Response		4,290	4,523
CCTV		130	119
Projects funded by Reserves	10	12,663	2,500
		<u>153,045</u>	<u>178,439</u>
Profit/(loss) for the financial year	14	<u>(32,095)</u>	<u>34,132</u>

River Hamble Harbour Authority

Statement of Financial Position
as at 31 March 2019

	Notes	2018/19 £	2018/19 £	2017/18 £	2017/18 £
Fixed assets					
Tangible assets	11		378,310		409,794
Current assets					
Debtors	12	29,265		20,549	
Cash at bank and in hand		931,855		925,206	
		<u>961,120</u>		<u>945,755</u>	
Creditors: Amounts falling due within one year					
	13	376,409		360,433	
Net current assets					
			<u>584,711</u>		<u>585,322</u>
Total assets less current liabilities					
			963,021		995,116
Net assets					
			<u>963,021</u>		<u>995,116</u>
Reserves					
Profit and loss account	14		<u>963,021</u>		<u>995,116</u>
			<u>963,021</u>		<u>995,116</u>

For the year ended 31 March 2019 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 Keith Evans
Chairman of the Board

The notes on pages 11 to 16 form an integral part of these financial statements.

River Hamble Harbour Authority

Notes to the financial statements
for the year ended 31 March 2019

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.

	2018/19	2017/18
	£	£
Marinas and Boatyards	379,485	378,604
River Moorings	100,140	96,951
Jetty Charges	21,803	16,135
Mooring and Towing Charges	9,019	2,662
Miscellaneous Income - Commercial and Pleasure craft	5,779	5,614
Sublet, Waiting List & Late Payment Fee Income	0	5,885
Total Harbour Dues	<u>516,226</u>	<u>505,851</u>
Visitors	16,437	17,834
Total turnover	<u><u>532,663</u></u>	<u><u>523,685</u></u>

3 Other operating income

	2018/19	2017/18
	£	£
Crown Estate Management Fee	68,300	63,635
Miscellaneous Income	7,543	5,918
Interest	4,625	2,960
Other Funding	996	965
Total other operating income	<u>81,464</u>	<u>73,478</u>

4 Employees

	2018/19	2017/18
Staff numbers	12	12

5 Rent Rates Leases

	2018/19	2017/18
	£	£
Rent - Oil Spill Response Equipment Unit	3,903	4,196
Rent - Crown Estates	13,171	4,351
Rent - Warsash Jetty	1,829	1,829
Rent - Visitors Pontoon	1,829	1,829
Rent - Hamble Jetty	1,829	1,829
Rent - Fishermans Pontoon	1,829	1,829
Rent - Harbour Master's Office	(5)	5
Business Rates - River Hamble Harbour	8,369	6,915
	<u>32,754</u>	<u>22,783</u>

6 Boat repairs & expenses

	2018/19	2017/18
	£	£
Repair, Maintenance and Boat Refurbishment	3,825	23,068
Vehicle Running Expenses (Fuel)	3,877	2,589
Tools (including Chandlery)	2,242	1,651
	<u>9,944</u>	<u>27,308</u>

7 Office expenses

	2018/19	2017/18
	£	£
Equipment	1,013	1,838
First Aid Supplies/Health & Safety	715	2,230
Printing & Stationery	4,719	3,941
Catering/General	1,221	1,131
Retail (Crabbing Equipment)	693	652
Room Hire	415	210
Protective Clothing and Safety Equipment	3,557	7,513
IT Charges	2,479	0
Postage	1,220	2,089
Subscriptions	1,685	678
Phones	0	135
Promotional Events/Publicity/Publications	4,817	2,374
Credit Card Charges (re Income Collection)	4,452	2,803
	<u>26,986</u>	<u>25,594</u>

8 Environmental Maintenance

	2018/19	2017/18
	£	£
Waste Collection	837	1,545
Clearance of Warsash Slipway	3,175	15,070
Miscellaneous Environmental Maintenance Expenditure	0	198
	<u>4,012</u>	<u>16,813</u>

9 Services provided by Hampshire County Council

	2018/19	2017/18
	£	£
Accountancy	21,600	21,600
Transaction processing	2,488	2,488
Tax/cash management	200	200
Internal audit	3,410	3,410
Legal Services	2,812	5,960
Democratic Services	7,050	8,460
	<hr/> 37,560	<hr/> 42,118
Contribution to Solent Forum	905	881
	<hr/> 38,465	<hr/> 42,999

No separate charge is currently 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

10 Projects funded by Reserves

	2018/19	2017/18
	£	£
PhD - Sacrificial Anodes	0	2,500
Hamble Jetty	3,840	0
River signage	865	0
Decking	1,675	0
Warsash Jetty	4,116	0
Boat engine sale	(833)	0
River Hamble Games	3,000	0
	<hr/> 12,663	<hr/> 2,500

11 Tangible fixed assets

	Marks, Beacons, Lights, Piles, Buoys	Bridges, Walkways, Jetties	Boats	Other	Total
	£	£	£	£	£
Cost					
At 1 April 2018	180,068	678,725	55,000	127,744	1,041,537
Additions	0	0	7,500	0	7,500
Disposals	0	0	0	0	0
Transfers	0	0	0	0	0
At 31 March 2019	180,068	678,725	62,500	127,744	1,049,037
Depreciation					
At 1 April 2018	128,250	367,939	29,332	106,222	631,743
Charge for the year	6,301	22,774	6,834	3,075	38,984
On disposals	0	0	0	0	0
Adjustments	0	0	0	0	0
At 31 March 2019	134,551	390,713	36,166	109,297	670,727
Net book values					
At 31 March 2019	45,517	288,012	26,334	18,447	378,310
At 31 March 2018	51,818	310,786	25,668	21,522	409,794

12 Debtors

	2018/19	2017/18
	£	£
Trade debtors	27,765	20,549
Prepayments and accrued income	1,500	0
	<u>29,265</u>	<u>20,549</u>

No debtor amounts fall due after more than one year

13 Creditors: amounts falling due within one year

	2018/19	2017/18
	£	£
Trade creditors	6,886	0
Accruals and deferred income	369,523	360,433
	<u>376,409</u>	<u>360,433</u>

No creditor amounts fall due after more than one year

14 Profit and Loss Account

	Total
	£
At 1 April 2018	995,116
Transfers to/(from) Profit and Loss account	<u>(32,095)</u>
At 31 March 2019	<u>963,021</u>

15 Movement in reserves

	Cash backed Reserves			Total cash backed Reserves (£)	Asset backed Reserves (£)	Total Reserves (£)
	General Reserve (£)	Asset Enhancement (£)	Asset Replacement (£)			
As at 1 April 2018	35,294	69,760	480,268	585,322	409,794	995,116
Movement:						
2018/19 deficit	(32,095)	0	0	(32,095)	0	(32,095)
Transfers:						
Asset additions	0	0	(7,500)	(7,500)	7,500	0
Depreciation	38,984	0	0	38,984	(38,984)	0
Asset contribution	(35,000)	0	35,000	0	0	0
Projects	12,663	(3,000)	(9,663)	0	0	0
Interest	(3,676)	465	3,211	0	0	0
Total movement	<u>(19,124)</u>	<u>(2,535)</u>	<u>21,048</u>	<u>(611)</u>	<u>(31,474)</u>	<u>(32,095)</u>
As at 31 March 2019	<u>16,170</u>	<u>67,225</u>	<u>501,316</u>	<u>584,711</u>	<u>378,310</u>	<u>963,021</u>

River Hamble Harbour Authority

	Original Budget	P6 Forecast Outturn	Actuals	Variance to Budget
	(£) 2018/2019	(£) 2018/2019	(£) 2018/2019	(£) 2018/2019
EXPENDITURE				
Staff Related				
Salaries	443,000	449,000	448,399	5,399
Training	5,000	5,000	3,605	(1,395)
Other Employee Expenses	0	0	283	283
Professional Subscriptions	0	1,000	1,907	1,907
Sub Total Staff Related	448,000	455,000	454,194	6,194
Premises				
Rent / Rates	18,000	19,000	19,583	1,583
Electricity	2,000	2,000	1,927	(73)
Gas	1,000	1,000	1,017	17
Water / Sewerage	1,000	1,000	475	(525)
Repair & Maintenance (including Health & Safety Modifications)	1,000	2,000	1,773	773
Service Charges	0	0	379	379
Cleaning	0	0	25	25
Burglar Alarms / Security	1,000	1,000	0	(1,000)
Sub Total Premises	24,000	26,000	25,179	1,179
Transport				
Repair, Maintenance and Boat Refurbishment	3,000	3,000	3,825	825
Vehicle Running Expenses (Fuel)	3,000	3,000	3,877	877
Tools (including Chandlery)	2,000	2,000	2,242	242
Car Allowances / Staff Travel	1,000	1,000	1,132	132
Insurance	2,000	2,000	1,690	(310)
Sub Total Transport	11,000	11,000	12,765	1,765

	Original Budget	P6 Forecast Outturn	Actuals	Variance to Budget
	(£) 2018/2019	(£) 2018/2019	(£) 2018/2019	(£) 2018/2019
Supplies & Services				
Office Expenses	25,000	23,000	26,986	1,986
Environmental Maintenance	10,000	8,000	4,917	(5,083)
Public Jetties & Navigational Safety	0	6,000	5,812	5,812
Central Department Charges	42,000	42,000	37,560	(4,440)
Designated Person	9,000	9,000	9,570	570
Oil Spill Response	5,000	5,000	4,290	(710)
CCTV	0	0	130	130
Crown Estate	0	0	13,171	13,171
Sub Total Supplies & Services	91,000	93,000	102,437	11,437
Gross Expenditure (Current)	574,000	585,000	594,575	20,575
INCOME				
Harbour Dues	(482,000)	(477,000)	(479,625)	2,375
Crown Estate Funding	(67,000)	(66,000)	(68,300)	(1,300)
Visitor Income	(43,000)	(43,000)	(44,019)	(1,019)
Miscellaneous Income	(9,000)	(9,000)	(7,544)	1,456
Towing Charges	0	(7,000)	(9,019)	(9,019)
Other Funding	(5,000)	(2,000)	(996)	4,004
Interest	(1,000)	(1,000)	(949)	51
Gross Income	(607,000)	(605,000)	(610,450)	(3,450)
NET REVENUE FUNDED EXPENDITURE	(33,000)	(20,000)	(15,876)	17,124

	Original Budget	P6 Forecast Outturn	Actuals	Variance to Budget
	(£)	(£)	(£)	(£)
	2018/2019	2018/2019	2018/2019	2018/2019
Projects Funded by Reserves				
- Asset Enhancement	53,000	3,000	3,000	(50,000)
- Asset Replacement	47,000	21,000	17,163	(29,837)
- Revenue Reserve	0	0	0	0
Gross Expenditure	100,000	24,000	20,163	(79,837)
Interest on Reserves				
Interest on Reserves (AER)	0	0	(466)	(466)
Interest on Reserves (ARR)	(2,000)	(2,000)	(3,211)	(1,211)
Gross Income	(2,000)	(2,000)	(3,676)	(1,676)
NET RESERVES FUNDED EXPENDITURE	98,000	22,000	16,487	(81,513)
TOTAL NET EXPENDITURE	65,000	2,000	611	(64,389)
 RESERVES				
Contribution to Asset Replacement Reserve	33,000	20,000	35,000	2,000
Transfer Interest to Reserves	2,000	2,000	3,676	1,676
Transfers from Reserves - Projects	(100,000)	(24,000)	(20,163)	79,837
Total Transfers To/(From) Reserves	(65,000)	(2,000)	18,513	83,513
NET DEFICIT FUNDED FROM GENERAL RESERVE	0	0	19,124	19,124

River Hamble Harbour Authority

FURTHER DETAIL ON: Office Expenses; Harbour Dues Income.

	Original Budget (£) 2018/2019	P6 Forecast Outturn (£) 2018/2019	Actuals (£) 2018/2019	Variance to Budget (£) 2018/2019
Office Expenses				
Equipment	1,000	1,000	1,013	13
First Aid Supplies/Health & Safety	1,000	1,000	715	(285)
Printing & Stationery	3,000	4,000	4,720	1,720
Catering/General	1,000	1,000	1,221	221
Room Hire	0	0	415	415
Protective Clothing and Safety Equipment	3,000	3,000	3,557	557
IT Charges	5,000	2,000	2,479	(2,521)
Postage	2,000	2,000	1,220	(780)
Subscriptions	1,000	2,000	1,685	685
Phones	1,000	0	0	(1,000)
Promotional Events/Publicity/Publications	5,000	3,000	4,818	(182)
Retail (Crabbing Equipment)	1,000	1,000	693	(307)
Credit Card Charges (re Income Collection)	1,000	3,000	4,452	3,452
Sub Total	25,000	23,000	26,986	1,986

	Original Budget (£) 2018/19	P6 Forecast Outturn (£) 2018/19	Actuals (£) 2018/19	Variance to Budget (£) 2018/19
Harbour Dues				
Marinas and Boatyards	(380,000)	(380,000)	(379,484)	516
River Moorings	(102,000)	(97,000)	(100,140)	1,860
Sub Total	(482,000)	(477,000)	(479,625)	2,375
Visitor Income				
Mid Stream Visitors Pontoon	(20,000)	(20,000)	(16,437)	3,563
Warsash Jetty	(15,000)	(13,000)	(18,393)	(3,393)
Hamble Jetty	0	(2,000)	(3,411)	(3,411)
Commercial and Pleasure Craft Income	(8,000)	(8,000)	(5,779)	2,221
Sub Total	(43,000)	(43,000)	(44,019)	(1,019)

Notes to Appendices 2 and 3

The details of significant variations are as follows:

1. Staff related expenditure was £6,194 higher than the original budget, mainly due to additional overtime costs.
2. Supplies and Services expenditure was £11,437 higher than the original budget, which includes £5,812 spend on Public Jetties and Navigational Safety which has historically had no budget despite regular expenditure (a budget has been allocated for 2019/20) and a £13,171 payment to the Crown Estate for a share of income generated through the jetties covering the three financial years to 2018/19, again for which there was no budget. These pressures have been offset by an underspend of £5,083 against Environmental Maintenance due to work being carried out by Harbour Authority staff and slipway clearances only being carried out when absolutely necessary, and a £4,440 underspend against Central Departmental Charges due to lower than anticipated DAMS and Legal Services charges.
3. Within Supplies and Services there was a net overspend against Office Expenses of £1,986. This includes higher than budgeted spend for income collection charges and printing and stationary costs, offset by lower than anticipated costs on the development of the harbour management system.
4. 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)	£2,488
○ 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. £2,812 was incurred for legal advice, with the balance of £7,050 for Democratic and Member Services support.

The following costs are not currently 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 relating to the Patrol Boats
5. Total income for 2018/19 was £610,450, £3,450 above the original budget of £607,000.
 6. £9,019 was received in respect of Towing Charges income, for which there was no budget (a budget has been allocated for 2019/20).
 7. Other Funding income was £4,004 lower than budget and mainly due to the annual contribution from Fareham BC for slipway clearance not being required. Slipway clearance costs have also reduced, as shown by the Environmental Maintenance underspend.

River Hamble Harbour Authority – Reserves 2018 – 2020

	General Reserve	Asset Enhancement Reserve	Asset Replacement Reserve	TOTAL
	(£)	(£)	(£)	(£)
Balance as at 31 March 2018	35,294	69,760	480,268	585,322
Transfer to ARR from Revenue	(35,000)	0	35,000	0
River Hamble Games 2018	0	(3,000)	0	(3,000)
Asset Replacement – engine replacement, handrail refurbishment	0	0	(17,163)	(17,163)
Plus Annual Interest	0	465	3,211	3,676
Plus Net Surplus for Year	15,876	0	0	15,876
Balance at 31 March 2019	16,170	67,225	501,316	584,711
Transfer to ARR from Revenue	(35,000)	0	35,000	0
Commitments for Future Projects	0	(50,000)	0	(50,000)
Asset Replacement	0	0	(28,000)	(28,000)
Plus Estimated Annual Interest	0	0	2,000	2,000
Plus Estimated Net Surplus for Year	21,000	0	0	21,000
Predicted Balance at 31 March 2020	2,170	17,225	510,316	529,711

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

	2018/19
	£
Profit/(loss) for the financial year from Income Statement	(32,095)
Add back:	
Depreciation Charge for Year	38,984
Projects funded from reserves	12,663
Less:	
Interest on AER and ARR	(3,676)
Agreed transfer to ARR	(35,000)
Net deficit funded from General Reserve	<u>(19,124)</u>