

PORT OF WORKINGTON

STATEMENT OF ACCOUNTS

For the year ending 31st March 2020

CONTENTS

	Page Number
Explanatory Foreword	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Statement of Accounts	5
Statement of Responsibilities for the Statement of Accounts	9
Auditor's Report	10

EXPLANATORY FOREWORD

The Statement of Accounts provides a summary of the overall financial position of The Port of Workington which is the responsibility of Cumbria County Council.

The Workington Harbour Act 1974 transferred ownership of the Port from the British Steel Corporation to Cumbria County Council. The Council is now the designated Harbour Authority for the Port.

Additional information can be obtained from the Port of Workington www.portofworkington.co.uk.

The Statement of Accounts has been prepared to meet the requirements of the Harbours Act 1964 (Section 42) and in accordance with the requirements of the Companies Act 2006. A copy of the Statement of Accounts and the auditor's report must be sent to the Secretary of State for Transport.

Profit and Loss Account for the Year Ending 31st March 2020

This statement shows the expenditure and income for the Port of Workington for the year ended 31st March 2020

2018/19		2019/20
£		£
525,234	Employee Costs	532,606
374,801	Premises Costs	398,797
500,274	Transport Costs	658,157
17,073	Supplies & Services	20,998
984,311	Depreciation	983,286
0	Revenue Contribution to Capital Outlay	50,000
10,467	Loss on Disposals of PP&E	5,800
2,412,160	Total Expenditure	2,649,643
(1,779,014)	Income & Charges	(1,683,145)
(198,205)	Insurance Related Income	0
(1,977,219)	Total Income	(1,683,145)
434,941	Loss for the Year	966,498

BALANCE SHEET as at 31st March 2020

This statement shows the value of the assets and liabilities for the Port of Workington for the year ended 31st March 2020.

31st March 2019		31st March 2020	Note
£		£	
	Property, Plant & Equipment		
17,066,367	Land & Buildings	16,432,794	
1,780,686	Vehicles & Plant	1,625,922	
2,880,555	Surplus Assets	2,719,775	
21,727,609	Total Property, Plant & Equipment	20,778,491	2
	Current Assets		
0	Cash	0	
0	Total Current Assets	0	
21,727,609	Total Assets	20,778,491	
	Current Liabilities		
0	Creditors	0	3
0	Total Current Liabilities	0	
21,727,609	Net Assets	20,778,491	
	Capital & Reserves		
(21,727,609)	Capital & Reserves	(20,778,491)	
(21,727,609)	Total Capital & Reserves	(20,778,491)	

NOTES TO THE STATEMENTS

1 Accounting Policies

i. General Principles

The Statement of Accounts summarises the Harbour Authority transactions for the 2019/20 financial year and its position at the year-end of 31st March 2020. The Harbour Authority is required to prepare an annual Statement of Accounts to meet the requirements of the Harbours Act 1964 (Section 42) and in accordance with the requirements of the Companies Act 2006.

ii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Harbour Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Harbour Authority.
- Revenue from the provision of services is recognised when the Harbour Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Harbour Authority.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

iii. Overheads and Support Services

The costs of overhead and support services are charged to those that benefit from the supply or service.

iv. Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenues and Customs. VAT receivable is excluded from income.

v. Infrastructure and Land & Buildings

The accounting policy included in Cumbria County Council's Statement of Accounts for Other Land & Buildings has been applied with regard to Land & Building Assets. Full details can be found in a copy of that Statement – the key points are included below.

Assets that have physical substance and are held for use in the production or supply of goods or services, or for administrative purposes and that are expected to be used during more than one financial year are classed as Land & Buildings.

Recognition – Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that the future economic benefits or service potential associated with the item will flow to the Harbour Authority and the cost of the item can be measured reliably.

Measurement – Assets are initially measured at cost, comprising:

- a) the purchase price
 - b) any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
 - c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located
- Assets are then carried in the balance sheet using the following measurement basis:

- Land and Buildings – Fair value, determined by Market Value

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Each asset is revalued at least every five years. Further revaluations may take place between the scheduled investigations where the Valuers deem there have been material changes in the value of the relevant asset or assets.

Impairment – Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Depreciation

Depreciation is provided for on all Buildings assets by the systematic allocation of their depreciable amounts over their useful lives.

Depreciation is calculated on the following bases:

- Land & Buildings– Straight line allocation over the useful life of the property as estimated by the valuer.

2 Property, Plant & Equipment

Cost	Land & Buildings	Vehicles & Plant	Surplus Assets	Total Property, Plant & Equipment
At 1st April 2019 GBV	18,325,218	2,140,300	3,202,115	23,667,633
Additions	0	49,968	0	49,968
Disposals	0	(20,000)	0	(20,000)
Reclassification - other	0	0	0	0
As at 31 March 2020	18,325,218	2,170,268	3,202,115	23,697,601
Depreciation and Impairment				
At 1st April 2019 Accum Depn	(1,258,851)	(359,614)	(321,560)	(1,940,024)
Depreciation charge for the Year	(633,574)	(188,932)	(160,780)	(983,286)
Depreciation on Disposal	0	4,200	0	4,200
As at 31 March 2020	(1,892,424)	(544,346)	(482,340)	(2,919,110)
Net Book Value 31st March 2020	16,432,794	1,625,922	2,719,775	20,778,491
Net Book Value 31st March 2019	17,066,367	1,780,686	2,880,555	21,727,609

3 Creditors

There are no outstanding creditors for 2019/20 or 2018/19.

FURTHER INFORMATION

Interested persons have a statutory right to inspect the Accounts, during the public inspection, before the annual audit is completed. Anyone wishing further information or explanation on the Accounts should contact:

Julie Crellin
Director of Finance (S151 Officer)
Cumbria County Council
Finance
Cumbria House
117 Botchergate
Carlisle
CA1 1RD

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Harbour Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For the Harbour Authority that officer is Cumbria County Council's Chief Finance Officer (Director of Finance);
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the Statement of Accounts.

The Chief Finance Officer's Responsibilities

The Director of Finance is responsible for the preparation of the Harbour Authority's Statement of Accounts in accordance the requirements of the Harbours Act 1964 (Section 42) and in accordance with the requirements of the Companies Act 2006.

In preparing this Statement of Accounts, the Head of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts gives a true and fair view of the financial position of Harbour Authority at the accounting date and its income and expenditure for the year ended 31st March 2020.

Signed:

Julie Crellin, Director of Finance (S151 Officer)

Date 23rd November 2020

Certificate of Approval of the Harbour Authority's Statement of Accounts

I certify that the accounts set out in this document have been considered by the Council's Audit and Assurance Committee at its meeting held on 23rd November 2020 and have been approved by a resolution of this Committee.

Signed on behalf of Cumbria County Council

Chair of Audit & Assurance Committee

Date 23rd November 2020

INDEPENDENT AUDITORS REPORT