

**PORT OF WORKINGTON**

**STATEMENT OF ACCOUNTS**

For the year ending 31st March 2018

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## **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](http://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 31<sup>st</sup> March 2018

This statement shows the expenditure and income for the Port of Workington for the year ended 31st March 2018.

<b>2016/17</b>	<b>2017/18</b>
<b>£</b>	<b>£</b>
654,499 Employee Costs	526,089
256,869 Premises Costs	321,042
559,155 Transport Costs	753,084
21,592 Supplies & Services	18,748
1,161,280 Depreciation	1,027,902
-460,965 Revaluations	1,685,053
0 Loss on Disposals of PP&E	17,600
<b>2,192,430 Total Expenditure</b>	<b>4,349,519</b>
-1,264,973 Income & Charges	-1,685,308
-214,596 Insurance Related Income	0
<b>-1,479,569 Total Income</b>	<b>-1,685,308</b>
<b>712,861 Loss for the Year</b>	<b>2,664,211</b>

**BALANCE SHEET as at 31<sup>st</sup> March 2018**

This statement shows the value of the assets and liabilities for the Port of Workington for the year ended 31st March 2018.

<b>31st March 2017 £</b>		<b>31st March 2018 £</b>	<b>Note</b>
	<b>Property, Plant &amp; Equipment</b>		
19,736,057	Land & Buildings	17,670,750	
2,088,850	Vehicles & Plant	2,006,566	
1,500	Furniture & Equipment	1,286	
<u>3,202,115</u>	Surplus Assets	<u>3,041,335</u>	
<b>25,028,522</b>	<b>Total Property, Plant &amp; Equipment</b>	<b>22,719,937</b>	2
	<b>Current Assets</b>		
<u>500</u>	Cash	<u>0</u>	
<b>500</b>	<b>Total Current Assets</b>	<b>0</b>	
<b>25,029,022</b>	<b>Total Assets</b>	<b>22,719,937</b>	
	<b>Current Liabilities</b>		
<u>0</u>	Creditors	<u>-273,284</u>	3
<b>0</b>	<b>Total Current Liabilities</b>	<b>-273,284</b>	
<b>25,029,022</b>	<b>Net Assets</b>	<b>22,446,652</b>	
	<b>Capital &amp; Reserves</b>		
<u>-25,029,022</u>	Capital & Reserves	<u>-22,446,652</u>	
<b>-25,029,022</b>	<b>Total Capital &amp; Reserves</b>	<b>-22,446,652</b>	

## **NOTES TO THE STATEMENTS**

### **1 Accounting Policies**

#### **i. General Principles**

The Statement of Accounts summarises the Harbour Authority transactions for the 2017/18 financial year and its position at the year-end of 31st March 2018. 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

	Land & Buildings	Vehicles & Plant	Furniture & Equipment	Surplus Assets	Total Property, Plant & Equipment
<b>Cost</b>					
At 1st April 2017 GBV	19,752,356	2,088,850	1,500	3,202,115	25,044,821
Additions	312,020	109,950	0	0	421,970
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-1,766,609	0	0	0	-1,766,609
Disposals	0	-19,000	0	0	-19,000
<b>As at 31 March 2018</b>	<b>18,297,767</b>	<b>2,179,800</b>	<b>1,500</b>	<b>3,202,115</b>	<b>23,681,182</b>
<b>Depreciation and Impairment</b>					
At 1st April 2017 Accum Depn	-16,299	0	0	0	-16,299
Depreciation charge for the Year	-692,274	-174,634	-214	-160,780	-1,027,902
Depreciation written out to Surplus/Deficit on the Provision of Services	81,556	0	0	0	81,556
Depreciation on Disposal	0	1,400	0	0	1,400
<b>As at 31 March 2018</b>	<b>-627,017</b>	<b>-173,234</b>	<b>-214</b>	<b>-160,780</b>	<b>-961,245</b>
<b>Net Book Value 31st March 2018</b>	<b>17,670,750</b>	<b>2,006,566</b>	<b>1,286</b>	<b>3,041,335</b>	<b>22,719,936</b>
<b>Net Book Value 31st March 2017</b>	<b>19,736,057</b>	<b>2,088,850</b>	<b>1,500</b>	<b>3,202,115</b>	<b>25,028,522</b>

## 3 Creditors

The creditors at 31<sup>st</sup> March 2018 relate to Port dredging operations carried out in 2017/18. There were no outstanding creditors for 2016/17.

**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 2018.

Signed:

Julie Crellin, Director of Finance (S151 Officer)

Date 27<sup>th</sup> July 2018

### **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 27<sup>th</sup> July 2018 and have been approved by a resolution of this Committee.

Signed on behalf of Cumbria County Council

Chair of Audit & Assurance Committee

Date 27<sup>th</sup> July 2018



Julie Crellin  
Director of Finance  
Cumbria County Council  
Cumbria House  
Carlisle  
CA1 1RD

Dear Julie

### **Report of factual findings of our agreed upon procedures to the directors of Cumbria County Council**

In accordance with the requirements of Section 42 of the Harbours Act 1964 we are giving our report on the annual statement of accounts relating to harbour activities that you have prepared in relation to Port of Workington Harbour Authority for the year ending 31 March 2018. This report is produced in accordance with the terms of our engagement letter dated 20 June 2018.

Our engagement was undertaken in accordance with International Standards on Related Services 4400 applicable to agreed-upon procedures engagements. We have performed the procedures agreed with you and enumerated below, as set out in our engagement letter.

We have considered whether the annual statement of accounts relating to the harbour activities of Port of Workington Harbour Authority has been prepared on a reasonable basis by carrying out the following procedures:

- checking that the figures in the harbour authority annual statement of accounts agree to the underlying records upon which they have been prepared and are consistent with the transactions recorded in the statutory accounts of the local authority for the same reporting period; and
- checking that the harbour authority annual statement of accounts casts correctly.

These procedures were performed solely to assist you in meeting your responsibilities under the Harbours Act 1964. Under Section 42(5) of the Harbours Act 1964 you are required to submit this report along with the copy of the annual statement of accounts relating to harbour activities on which it has been given to the Secretary of State for Transport.

This report is provided pursuant to, and must be read in conjunction with, our engagement letter dated 20 June 2018 and is subject to the terms and limitations set out therein.

### **Auditor's report on the annual statement of accounts relating to the harbour activities of Port of Workington Harbour Authority for the year ending 31 March 2018**

We have no matters that we wish to draw to the attention of the Secretary of State in relation to the preparation of the annual statement of accounts relating to the harbour activities of Port of Workington Harbour Authority for the year ending 31 March 2018.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing (UK) or International Standards on Review Engagements (ISREs) we do not express any assurance.

Had we performed additional work or procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing (UK) or International Standards on Review Engagements (ISREs), other matters might have come to our attention that would have been reported to you.

Our report is prepared solely for the confidential use of Cumbria County Council and solely for the purposes set out in this report. Our report must not be recited or referred to in whole or in part in any other document. Our report must not be made available, copied or recited to any other party without our express written permission. Grant Thornton UK LLP neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by other parties' reliance on our report.

We have completed our responsibilities in respect of the annual statement of accounts relating to harbour activities for Port of Workington Harbour Authority for the year ending 31 March 2018, under the requirements of the Harbours Act 1964 and the Local Audit and Accountability Act 2014 so far as they apply to this engagement.

***Grant Thornton UK LLP***

Grant Thornton UK LLP  
CHARTERED ACCOUNTANTS  
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27 July 2018