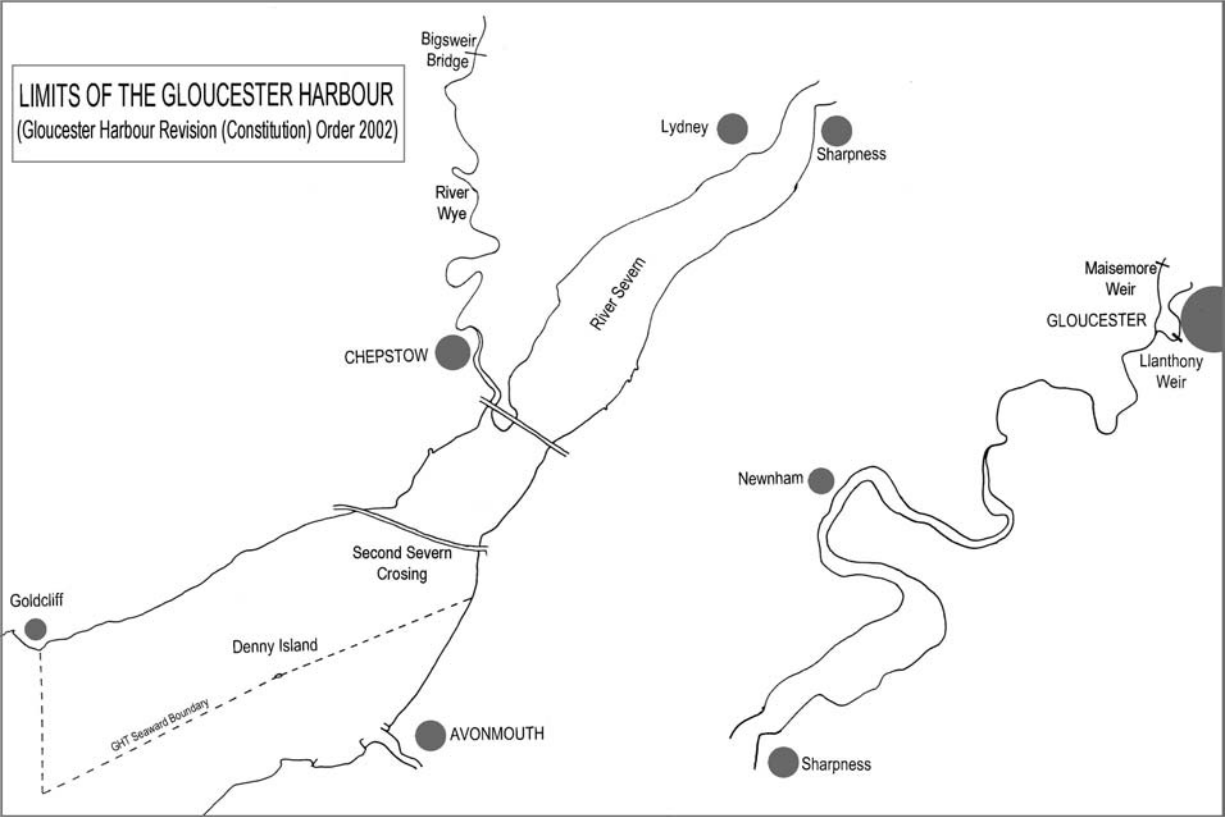




**ANNUAL REPORT AND  
ACCOUNTS**

**FOR YEAR ENDED  
31 MARCH 2004**

# MAP OF GLOUCESTER HARBOUR



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Report of the Trustees and the Treasurer  
for the year ended 31 March 2004

**GHT OFFICE:** Navigation House, The Docks, Sharpness, Berkeley GL13 9UD  
Tel: 01453 811913  
Fax: 01453 810381  
E-mail: [admin@gloucesterharbourtrustees.org.uk](mailto:admin@gloucesterharbourtrustees.org.uk)  
Website: [www.gloucesterharbourtrustees.org.uk](http://www.gloucesterharbourtrustees.org.uk)

**TRUSTEES AT 1 APRIL 2003**

<b>Name</b>	<b>Category</b>
Basil Booth*	Gloucestershire County Council Nominee
Edmund Dorman	Chairman
Keith Hadley	Maritime Interest
Robert Hall	Community Interest
Michael Johnson	Principal Operational Officer
Barry Leat	Maritime Interest
John Powell	Community Interest
Edward Renshaw	Maritime Interest
Richard Shackleton*	Additional Trustee appointed by GHT
Keith Spooner*	Additional Trustee appointed by GHT
Garry Strickland*	Commercial Trustee appointed by GHT

*\* retired at end of term of office 31 December 2003*

**TRUSTEES AT 1 JANUARY 2004**

<b>Name</b>	<b>Category</b>
Tom Appleby*	Environmental Interest
Basil Booth*	Environmental Interest
Edmund Dorman	Chairman
Keith Hadley	Maritime Interest
Robert Hall	Community Interest
Michael Johnson	Principal Operational Officer
Barry Leat	Maritime Interest
John Powell	Community Interest
Edward Renshaw	Maritime Interest
Garry Strickland*	Maritime Commercial Interest

*\*Appointed 1 January 2004 under the terms of the 2002 HRO*

**TRUSTEES' ATTENDANCE RECORD**

<b>Trustee</b>	<b>Possible Attendances</b>	<b>Actual Attendances</b>
Tom Appleby	2	2
Basil Booth	6	5
Edmund Dorman	6	5
Keith Hadley	6	6
Bob Hall	6	6
Mike Johnson	6	6
Barry Leat	6	6
John Powell	6	5

Ted Renshaw	6	6
Richard Shackleton	4	3
Keith Spooner	4	2
Garry Strickland	6	6

## **BACKGROUND INFORMATION ABOUT THE TRUSTEES**

Under the Gloucester Harbour Revision (Constitution) Order 2002 (HRO) ten Trustees plus a Chairman are appointed for a term of three years. Part of the Board retires each year and applications are invited in successive years from those with an interest or expertise in maritime, community, environmental or maritime commercial matters. All current Trustees have now been appointed under this process, apart from GHT's Principal Operational Officer who is a Trustee ex officio. The Trustees are responsible for the overall strategy and performance of the Authority.

### **Tom Appleby**

Associate Solicitor with firm of commercial solicitors in Bristol with knowledge of environmental legislation; involvement in the Community of Arran Seabed Trust; keen sailor

### **Basil Booth**

Farmer, County Councillor, member of Regional Flood Defence Committee, member of ASERA

### **Edmund Dorman (Chairman)**

Shipowner/ship management; timber sales consultant

### **Keith Hadley**

Licensed Gloucester Pilot

### **Bob Hall**

Teacher/Physicist BA PhD; Community Interest and Trustee of SARA

### **Mike Johnson**

GHT's Marine Officer – appointed a Trustee as Principal Operational Officer under the 2002 HRO

### **Barry Leat**

Metallurgist HND Dip Met; retired after career in aerospace, now a consultant; member of Royal Yachting Association; experienced dinghy sailor and yachtsman

### **John Powell**

Editor of the Forest of Dean & Wye Valley Review; local fishing and estuarial interests

### **Ted Renshaw**

35 years experience as a port agent and freight forwarder; FICS BA (Business Studies); Chartered Shipbroker

### **Richard Shackleton**

Retired Solicitor and former Chief Executive of Gloucester City Council; former Clerk to GHT

### **Keith Spooner**

Nuclear Engineer BA MSc MSRP MIOSH; Change Programme Manager, Berkeley Centre

### **Garry Strickland**

General Manager of Sharpness Dock Ltd, the port operator at Sharpness

## **OFFICERS AT 1 APRIL 2003**

Clerk	Susie Oakley ACIS
Treasurer*	Howard Baker FCMA
Marine Officer	Mike Johnson Eng Tech AMIIE AMNI
Duty Harbour Master	Capt Keith Badsey MNI

\* Howard Baker retired on 30 June 2003. Susie Oakley took on this additional role from 1 July 2003.

The day to day running of the Authority is carried out by a small staff, based at Sharpness, who report to the bi-monthly meetings of the Trustees. Following the retirement of the Treasurer at the end of June 2003, the part-time Clerk has taken on the additional role of Treasurer with support from a part-time secretary. The full-time Marine Officer is responsible for maintaining the pilot watch radar system and supervising the maintenance of the other navigation aids including lights, buoys, beacons and daymarks. He is also responsible for environmental management issues.

The British Waterways Harbour Master at Sharpness acts as the Trustees' Duty Harbour Master under contract arrangements made between the Trustees and BW.

The licensed Pilots are self-employed but one acts as Duty Pilot on a rota basis and is deemed, during his period of duty, to be an officer of the Trustees.

### **Susie Oakley**

Former Project Manager, Commercial Manager and General Manager (Ireland) with QA Group (IT Management Consultants) – Appointed January 2002

### **Mike Johnson**

Ex merchant marine officer - Appointed January 1997

### **Capt Keith Badsey**

Duty Harbour Master of GHT and British Waterways Harbour Master at Sharpness  
Certificate of Competency Class I (Master Mariner), MNI – experience in harbour management

## **PROFESSIONAL ADVISERS**

<b>Parliamentary Agents</b>	Bircham Dyson Bell, London
<b>Solicitors</b>	Rowberry Morris, Gloucester
<b>Bankers</b>	Lloyds TSB Ltd
<b>Auditors</b>	Griffiths Marshall, Gloucester
<b>Insurance Broker</b>	J L Fisher & Co, Gloucester
<b>Environmental Consultant</b>	Jan Brooke Environmental Consultant Ltd

In addition to their own expertise, GHT will engage such professional advice as is believed necessary to ensure that decisions made are best advised and that the activities of the Harbour Authority meet all requirements and standards.

## **INTRODUCTION**

GHT is the competent harbour authority for the Gloucester Harbour. Its main duties and responsibilities are to provide a pilotage service, to provide and maintain navigation aids and generally to ensure the safety of navigation within the Gloucester Harbour. The Trustees are a statutory body and the Gloucester Harbour is classed as a Trust Port. They derive their powers from general legislation and local Acts and Orders. The Trustees aim to break-even taking one year with another and any profits must be reinvested for the benefit of the Harbour.

The Gloucester Harbour covers a large area of the Severn commencing seawards of the Second Severn Crossing and ending at the weirs at Llanthony and Maisemore near Gloucester. It also includes the River Wye downstream of Bigsweir Bridge. (A map of the area appears inside the cover to this report.)

The traffic includes commercial vessels arriving at and departing from Sharpness Dock and pilotage is compulsory for vessels over 100 deadweight tonnes (dwt) and passenger vessels. GHT currently licenses four pilots and has also issued four class B pilotage exemption certificates to sand dredging operators in the Gloucester Harbour. The remainder of the traffic is leisure craft. Both the docks and the dry dock at Sharpness are operated by private sector companies and the Trustees do not own or operate any docks, quays or loading/unloading facilities.

## **AIMS AND OBJECTIVES**

The Trustees have, as their overriding consideration, the safety of navigation within the Gloucester Harbour, which is achieved through the provision of a pilotage service and aids to navigation.

The Trustees aim to run an efficient, effective and economic operation for the benefit of all stakeholders, with whom they maintain regular contact through twice yearly meetings of the Advisory Body set up under the 2002 HRO.

The Trustees aim to modernise the navigation aids whenever the opportunity arises, especially where this reduces the costs of on-going maintenance and improves performance and reliability and/or has environmental benefits.

## **SAFETY**

Safety continues to be of paramount importance to the Trustees. The Safety Management Plan was reviewed and updated during the course of the year.

The designated person for the Gloucester Harbour under the Port Marine Safety Code, Capt Ian Coppack, reviews GHT's documentation and procedures on a regular basis and presented a formal report to the Trustees on his findings at their March 2004 meeting.

The Northwick Anchorage, originally established to provide a safe emergency mooring for disabled ships in the vicinity of the Second Severn Crossing, gave cause for concern during the year. It became apparent that the integrity of the mooring could no longer be guaranteed, its maintenance was increasingly hazardous and the anchorage represented poor value for money. After consultation with the appropriate bodies, it was agreed that the mooring buoy would be removed from station and the need for future reinstatement kept under review. A Notice to Mariners to this effect has been issued.

## **ENVIRONMENT**

The Trustees have environmental duties placed upon them by both British and European legislation. In particular, this requires GHT to have regard to the environmental impact of any proposed works or activities in the Harbour. An environmental checklist, drawn up by GHT's environmental consultant, was approved by the Trustees during the year. This summarises the need for assessment for any proposed works or activity in the Harbour, what legislation may apply and the consultation required in each case.

This document has been particularly useful in dealing with two applications received in May for licences to dredge sand on the Bedwyn Sands and North Middle Grounds. GHT has been working with the applicant and the environmental agencies on these applications. GHT sought Counsel's Opinion to clarify its powers in determining these applications and has consulted its environmental consultants extensively. GHT may defer to the Welsh Assembly Government as the appropriate lead authority and Monmouthshire County Council in considering whether or not to grant a GHT licence. Discussions are continuing with all the various agencies involved in these matters.

The Trustees have close links with the bodies which will become responsible for the management of the River Wye Marine Special Area of Conservation (SAC) and Severn Estuary SAC when these are finally designated. A formal pattern of consultation has been established with English Nature, the Countryside Council for Wales and the Environment Agency to discuss matters of mutual interest in relation to the Severn Estuary and River Wye. It is hoped to continue these meetings which have proved to be mutually beneficial.

A new oil-spill contingency plan has been drawn up for the Gloucester Harbour and approved by the MCA. The Marine Officer has now taken the appropriate refresher course (4p On Scene Commander).

## **PILOTAGE**

The pilotage service is provided by the licensed pilots who make up the Gloucester Pilots Partnership. Sadly, one pilot, Dave Moore, died in September after several months of ill health. He was replaced by Carl Merry, a former Humber pilot, who was licensed in November and is continuing his training towards full qualification.

The past financial year has been one of mixed fortunes with a sharp dip in the number of ships coming to Sharpness in the second half of the year. Although the level of trade through the port has remained good, more ships were back-loaded, with a drop in the number of piloted vessels and a significant effect on the pilotage income during the year as a consequence. However, a late flurry of activity in March may hint at better times to come.

## **AIDS TO NAVIGATION**

A regular programme of planned maintenance is in place. Availability of the aids to navigation continues to be virtually 100% and the annual inspection by Trinity House was once again very satisfactory. The PWR system has generally worked well during the year.

## **ADMINISTRATION**

The Trustees' new office in Sharpness was formally opened in May by Stroud MP, David Drew. The amalgamation of the two offices in new accommodation at Sharpness has been extremely successful. This has led to much more efficient and flexible working patterns between staff with all information and expertise in one location and ensured the smooth transition of the financial system on the retirement of the Treasurer. In addition, the modern office provides a greatly improved working environment and gives the activities of GHT a higher profile at Sharpness.

A major administrative task during the year was to review and update GHT's documents to take account of the new 2002 HRO and the transfer to Navigation House. In addition, the financial system was upgraded which has led to a clarification and simplification of the accounts.

## **FINANCE**

The Trustees derive most of their income from the charges levied on ships coming to or going from the port of Sharpness. Their financial stability is, therefore, very dependent on the level of traffic using the port and other factors out of their control such as the availability of the port itself. In addition to the problem of fluctuations in traffic, the Trustees have also been concerned for some time about the condition of the lock gates and tidal basin at Sharpness, as any significant failure would impact heavily on GHT. British Waterways, as Port Authority, are currently undertaking a refurbishment programme on the middle gates and are also surveying the outer gates prior to their possible refurbishment. However, remedial work would not be undertaken before 2005/06, which would allow time for planning of ships operations while the gates are out of action.

- **Pilotage Account**

This account includes the payments made to the Gloucester Pilots Partnership for the provision of pilotage services. The payment to the pilots is based on an annual retainer per pilot and a rate per DWT for each act of pilotage.

The Trustees have an agreement with the Bristol Port Company for the provision of Boarding and Landing facilities for which a flat rate per act is paid. The Trustees have an agreement with Associated British Ports for the provision of Pilots Lodge facilities to enable pilots to rest prior to, between, or after acts of pilotage.

The traffic for 2003/04 totalled 1,089,698 DWT, a decrease of 146,024 DWT on the previous year. This was the result of fewer ships coming to Sharpness, although the amount of cargo handled by Sharpness Dock Limited (SDL) generally increased. Income, therefore, suffered and it was necessary to increase the rate to 25p per DWT from 1 January 2004. However, traffic continued to be poor and a further increase to take effect in April 2004 was agreed.

- **Conservancy Account**

The Conservancy Account is used for expenditure incurred in the maintenance of navigational aids and all Conservancy matters. It is funded from conservancy charges and recharging certain of its costs to BNFL Magnox Generation who are financially responsible for certain of the lights in the Harbour. The account is budgeted to break even on a year by year basis.

The Conservancy Account is affected by the same factors as the pilotage account and it was, therefore, also necessary to raise the rate to 6p per DWT from 1 January 2004, with a further rise due in April 2004.

- The Trustees reviewed the operation of these two accounts towards the end of the financial year and agreed that greater transparency and simplicity would be achieved by amalgamating the accounts and charging a single rate to cover pilotage and conservancy. A conservancy charge, at a more realistic rate, would be retained for ships exempt from pilotage which were nevertheless subject to conservancy charges. The rates were due to rise again on 1 April 2004 in view of the continuing decrease in the number of ships coming to Sharpness. The full, up-to-date, list of charges can be viewed on GHT's website.

- **Second Severn Crossing Account**

This self-balancing account is used to record the expenditure incurred on the radar installations and the four navigation beacons installed to ensure the safe passage of vessels following the construction of the Second Severn Crossing. All the costs, plus a proportion of the Marine Officer's time and associated overheads, are recovered from the Highways Agency who in turn recharge part of the costs to Severn River Crossing Plc.

- **Northwick Anchorage Account**

This self-balancing account, which deals solely with the costs of maintaining the Northwick Anchorage, which were recovered from Severn River Crossing plc, will be closed while the buoy remains off-station.

## **KEY TASKS**

The main tasks facing the Trustees in the coming year are the determination of the licence applications for sand dredging on the North Middle Grounds and the Bedwyn Sands and prudently managing a fluctuating and unpredictable financial situation.

## **GLOUCESTER HARBOUR TRUSTEES**

### **Report of the Auditors to the Trustees of Gloucester Harbour Trustees**

We have audited the financial statements of Gloucester Harbour Trustees on pages 11 to 24 for the year ended 31 March 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the trust's trustees, as a body, in accordance with the requirements of the appropriate elements of Statutory Harbour Undertakings Regulations 1983, Companies Act 1985, Section 42 of Harbours Act 1964 as inserted by the Transport Act 1981 and as amended the Statutory Harbour Undertakings (Pilotage Accounts) Regulations 1988. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Trustees and Auditors**

The Trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board . An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the trust at 31 March 2004 and of the deficit for the year then ended and have been properly prepared in accordance with the appropriate elements of Statutory Harbour Undertakings Regulations 1983, Companies Act 1985, Section 42 of Harbours Act 1964 as inserted by the Transport Act 1981 and as amended the Statutory Harbour Undertakings (Pilotage Accounts) Regulations 1988.

Griffiths Marshall  
Chartered Accountants and Registered Auditors  
Beaumont House  
172 Southgate Street  
Gloucester  
GL1 2EZ

Dated: 2004

## GLOUCESTER HARBOUR TRUSTEES

### Conservancy income and expenditure account for the year ended 31 March 2004

	Notes	2004 £	2003 £
<b>Income</b>	2	131,706	125,350
<b>Expenditure</b>	3	119,208	105,840
		-----	-----
<b>Operating surplus before Depreciation and interest</b>		12,498	19,510
Provision for depreciation	10	(14,919)	(15,429)
Loss on disposal of Investment	13	(863)	(9,290)
		-----	-----
<b>Net deficit before taxation</b>	4	(3,284)	(5,209)
Corporation tax at 19% (2003 - 19%) Current	7	-	-
Income tax recoverable	7	302	1,233
		-----	-----
<b>Net deficit for the year</b>	15	(2,982)	(3,976)
		=====	=====

## GLOUCESTER HARBOUR TRUSTEES

### Pilotage income and expenditure account for the year ended 31 March 2004

	Notes	2004	2003
		£	£
<b>Income</b>	5	255,263	274,726
<b>Expenditure</b>	6	260,837	280,946
		<hr/>	<hr/>
<b>Net deficit before taxation</b>		(5,574)	(6,220)
Corporation tax at Current 19% (2003 - 19%)	7	-	-
		<hr/>	<hr/>
<b>Net deficit for the year</b>	15	(5,574)	(6,220)
		=====	=====

## GLOUCESTER HARBOUR TRUSTEES

### Second Severn Crossing income and expenditure account for the year ended 31 March 2004

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Income from Highways Agency	55,513 =====	78,765 =====
<b>Expenditure</b>		
Maintenance of Beacons & Radar	48,273	62,060
Consultancy fees etc	-	485
Transfer of overhead recoveries to Conservancy account	7,240	6,540
Cost of replacement Radar System	-	9,180
	<hr/> 55,513 =====	<hr/> 78,265 =====

## GLOUCESTER HARBOUR TRUSTEES

### Northwick Anchorage Account for the year ended 31 March 2004

	2004	2003
<b>Income</b>	<b>£</b>	<b>£</b>
Reimbursement of Direct Costs on Ship Protection Work by Severn River Crossing Plc	6,581	1,078
Administration Charge @ 5% of Direct Costs	329	54
	<hr/>	<hr/>
	6,910	1,132
	====	====
Revenue Costs	6,581	1,078
Administration Costs	329	54
	<hr/>	<hr/>
	6,910	1,132
	====	====

## GLOUCESTER HARBOUR TRUSTEES

### Balance Sheet - 31 March 2004

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	10	165,270	185,797
		<hr/>	<hr/>
		165,270	185,797
		<hr/>	<hr/>
<b>Current assets</b>			
<b>Debtors:</b> due within one year	11	53,821	71,025
Bank balances		29,646	23,388
Cash		200	200
Other Investments	13	248,528	244,961
		<hr/>	<hr/>
		332,195	339,574
		<hr/>	<hr/>
<b>Current liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	12	56,437	206,693
		<hr/>	<hr/>
<b>Net current assets</b>		275,758	132,881
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		441,028	318,678
		<hr/>	<hr/>
<b>Long Term Liabilities</b>			
Loan on Navigation House	12	132,800	-
		<hr/>	<hr/>
<b>Total Assets less Total Liabilities</b>		308,288	318,678
		<hr/>	<hr/>
<b>Provisions for liabilities and charges</b>	14	-	(1,894)
		<hr/>	<hr/>
<b>Net assets</b>		308,288	316,784
		=====	=====
<b>Capital and reserves</b>			
Income and expenditure reserve	15	308,288	316,784
		=====	=====

### Trustees report for the year ended 31 March 2004

We approve on behalf of the Trustees the accounts on pages 11 to 24 and confirm that all information necessary for their preparation has been made available. The accounts were approved by the Trustees on 15<sup>th</sup> October 2004.

E Dorman (Chairman)

S Oakley (Treasurer)

Dated: 2004

# **GLOUCESTER HARBOUR TRUSTEES**

## **Notes to the accounts for the year ended 31 March 2004**

### **I Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of Accounting**

The financial statements have been prepared on the historical cost basis of accounting.

#### **Tangible fixed assets**

Tangible fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation is calculated on a straight line basis so that tangible fixed assets are written off over their estimated useful lives on a straight line basis at the following rates:

Motor vehicles	20%
Office equipment and furniture	20%
Trade equipment	20%
Building	4%

#### **Turnover**

Turnover, which excludes value added tax, represents predominately the value of light dues and pilotage fees due for the year.

#### **Deferred taxation**

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS 19 – Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future. The adoption of the standard has not required a prior period adjustment because if the policy had been in place in the previous period, the provision would not have been material.

#### **Other Investments**

Investments are valued at historical cost less any provision made for permanent diminution in value.

## GLOUCESTER HARBOUR TRUSTEES

### Notes to the accounts for the year ended 31 March 2004

<b>2 Conservancy Income</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Light dues:-		
Sharpness	57,203	61,869
Other	3,936	5,046
	<u>61,139</u>	<u>66,915</u>
Contribution towards repairs, maintenance and lighting:-		
Magnox BNFL	10,158	30,298
Wayleaves	1	1
Interest received	4,807	5,600
Other	2,172	-
Hire of GHT Boat	1,560	1,040
Reimbursement of overheads from Highways Agency	7,240	6,540
Reimbursement of Archive Costs	-	5,160
Reimbursement of overheads from SRC	329	332
Technical officer recoveries	543	2,130
Dredging licence costs recovered	16,537	4,526
Dividend income	3,290	2,808
Navigation House Rental & Service Charges Income	23,929	-
	<u>131,706</u>	<u>125,350</u>
	=====	=====

<b>3 Conservancy Expenditure</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Repairs and Maintenance:-		
Planned	3,923	19,861
Other	-	359
Lighting supplies	2,232	1,025
Workshop Accommodation costs	6,869	10,080
Vehicle costs (excl Depreciation)	2,343	721
Boat costs (excl Depreciation)	672	559
Lights maintenance contract	11,434	11,064
Navigation House Costs (excl Depreciation)	20,670	-
Establishment and administration costs	30,281	31,589
Marine Officer & Severnside House Costs	12,930	12,524
Digital Archiver Maintenance	1,246	-
Audit fee	2,866	2,565
Subscriptions	1,445	1,078
River Surveys	2,863	2,628
Aggregate Dredging Licence Costs	13,962	7,351
Oil Spill Counter Pollution Measures	2,525	525
Harbour Revision Order	-	967
Investment administration charges	2,947	2,944
	<u>119,208</u>	<u>105,840</u>
	=====	=====

## GLOUCESTER HARBOUR TRUSTEES

### Notes to the accounts for the year ended 31 March 2004

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>4 Conservancy Deficit before Taxation</b>	(3,284)	(5,209)
(Deficit)/ Surplus before taxation is stated after charging:		
Depreciation charge for the year:-		
Tangible owned fixed assets	14,919	15,429
Adjustment on disposal of fixed assets-	-	-
Adjustment on disposal of investments	863	9,290
Auditor's remuneration	2,866	2,565
<b>5 Pilotage Income</b>		
	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Pilotage	254,893	274,646
Other income	370	80
	-----	-----
	255,263	274,726
	=====	=====
<b>6 Pilotage Expenditure</b>		
	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Pilotage contract	196,993	210,213
Boarding and landing fees	29,808	35,427
Establishment and administration costs	27,034	28,773
Pilots' lodge facilities	6,554	6,349
Portable telephone expenses	285	184
Other Costs	163	-
	-----	-----
	260,837	280,946
	=====	=====

## GLOUCESTER HARBOUR TRUSTEES

### Notes to the accounts for the year ended 31 March 2004

<b>7 Taxation</b>	<b>2004</b>	<b>2003</b>
Domestic current year tax:- UK Corporation tax	(302)	(1,233)
	<hr/>	<hr/>
Current tax (credit)/charge	(302)	(1,233)
	=====	=====
Factors affecting the tax charge for the year:- (Loss)/profit on ordinary activities before tax	(8,858)	(11,429)
	=====	=====
(Loss)/profit on ordinary activities before tax multiplied by standard rate of tax (19%) (2003 19%)	(1,683)	(2,286)
	<hr/>	<hr/>
Effect of :-		
Depreciation	2,835	4,944
Capital allowances	(1,072)	(3,478)
Other tax adjustments	(382)	(413)
	<hr/>	<hr/>
	1,381	1,053
	<hr/>	<hr/>
Current tax (credit)/charge	(302)	(1,233)
	===	=====

## GLOUCESTER HARBOUR TRUSTEES

### Notes to the accounts

for the year ended 31 March 2004

#### 8 Deferred Taxation

The deferred taxation asset/(liability) can be analysed as follows:-

	2004	Provided 2003	2004	Unprovided 2003
	£	£	£	£
Accelerated Capital Allowances	-	-	305	(568)
	—	—	—	—
Deferred taxation (credit)/asset	-	-	305	(568)
	===	===	===	===

#### 9 Employees

The average weekly number of persons employed during the year was

	2004	2003
	3	4
	==	==
Staff costs (for the above persons):-		
Wages and salaries	57,032	61,099
Social security costs	5,378	4,363

## GLOUCESTER HARBOUR TRUSTEES

### Notes to the accounts for the year ended 31 March 2004

#### 10 Fixed Assets

	Motor Vehicles	Office Equipment	Furniture	Trade Equipment	Property	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2003	12,185	73,367	4,598	14,182	163,254	267,586
Additions	-	-	-	-	-	-
Adjustment	-	-	-	-	(5,608)	(5,608)
Disposals-	(2,973)	(690)	-	-	(3,663)	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	12,185	70,394	3,908	14,182	157,646	258,315
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>						
At 1 April 2003	12,185	45,464	4,598	13,012	6,530	81,789
Charge for year	-	7,999	-	390	6,306	14,695
Adjustment	-	-	-	-	224	224
Disposals-	(2,973)	(690)	-	-	(3,663)	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	12,185	50,490	3,908	13,402	13,060	93,045
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>						
At 31 March 2004	-	19,904	-	780	144,586	165,270
	=====	=====	=====	=====	=====	=====
At 31 March 2003	-	27,903	-	1,170	156,724	185,797
	=====	=====	=====	=====	=====	=====

#### 11 Debtors

	2004 £	2003 £
<b>Amounts falling due within one year</b>		
Pilotage fees & light dues	31,668	25,390
Highways Agency	17,016	32,890
Magnox Electric PLC	3,230	1,892
Other debtors	4,681	9,620
British Waterways (Pre-Payment on Account)	(3,076)	-
H M Customs & Excise (VAT)	-	-
Income tax recoverable	302	1,233
	<hr/>	<hr/>
	53,821	71,025
	=====	=====

## 12 Creditors

	£	£
<b>Short Term : Amounts falling due within one year:-</b>		
Other creditors	6,268	173,801
Corporation tax	-	-
Highways Agency	20,000	20,000
H M Customs & Excise (VAT)	2,968	2,892
Building Loan	27,200	10,000
	<hr/>	<hr/>
	56,436	206,693
	=====	=====
<b>Long Term: Amounts falling due in more than one year:-</b>		
Building Loan	132,800	-
	<hr/>	<hr/>
	189,236	206,693
	=====	=====

The building loan is secured by a legal charge over the Stock and Share Portfolio.

## 13 Other Investments

	£	£
Listed Investments	244,181	236,737
Cash	4,347	8,224
	<hr/>	<hr/>
	248,528	244,961
	=====	=====
The market value of other investments as at the balance sheet date:-		
Listed investments	237,835	209,669
Cash	4,347	8,224
	<hr/>	<hr/>
	242,182	217,893
	=====	=====
Acquisitions	147,330	7,914
Disposals	(139,886)	(18,249)
Movement in cash balance	(3,877)	5,840
	<hr/>	<hr/>
	3,567	(4,495)
	=====	=====
Income Received:-		
Dividends	3,290	2,808
Interest (net of tax)	4,087	4,931
Disposals adjustment	(863)	(9,290)
Administration charges	(2,947)	(2,944)
	<hr/>	<hr/>
	3,567	(4,495)
	=====	=====

## GLOUCESTER HARBOUR TRUSTEES

### Notes to the accounts

for the year ended 31 March 2004

#### 14 Provision for Liabilities and Charges

	2004	2003
	£	£
Provision for training of pilot as at 1 April 2003	1,894	1,894
Utilised during the year	1,894	-
	<hr/>	<hr/>
Provision for training of pilot as at 31 March 2004	-	1,894
	=====	=====

The Trustees have a responsibility to ensure sufficient qualified pilots are available. The training provision was utilised to train one new pilot in 2003.

#### 15 Income and Expenditure Reserve

	Conservancy	Pilotage	Total
	£	£	£
Balance at 1 April 2003	241,448	75,336	316,784
Deficit for year	(2,982)	(5,574)	(8,556)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2004	238,466	69,762	308,228
	=====	=====	=====

#### 16 Financial commitments

At 31 March 2004 the trust had annual commitments under a non-cancellable operating lease as follows:

	Land	
	2004	2003
	£	£
Expiry date:		
Within one year	-	-
Between two and five years	-	-
In over five years	1,560	1,560
	<hr/>	<hr/>
	1,560	1,560
	=====	=====

## **17 Related Party Transactions**

A total sum of £1,500 (2003 - £1,317) was paid to Edmund L B Dorman in his capacity as Chairman of the Trustees of Gloucester Harbour Trustees.

Michael Johnson, a trustee, is also an employee of the trust.

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