



# Bembridge Harbour Trust

Annual Report  
and Accounts  
2017 ~ 2018

# Bembridge Harbour Trust

## Notice of Annual General Meeting

Notice is hereby given that the twelfth Annual General Meeting of the Bembridge Harbour Trust will be held at the Bembridge Sailing Club at 6.30 pm on 14<sup>th</sup> December 2018 for the following purposes:

- 1) To receive, consider and approve the Minutes of the eleventh Annual General Meeting held on the 8<sup>th</sup> December 2017
- 2) To receive the Trustees' Report and Accounts and the Independent Examiner's report for the year ended 30<sup>th</sup> June 2018
- 3) To re-elect Felix Hetherington who retires by rotation as a Trustee
- 4) To re-elect Jeremy Gully who retires by rotation as a Trustee, if re-elected to continue as chair for the following year.
- 5) To appoint Moore Stephens South LLP as Independent Examiners
- 6) To discuss future funding of the Trust
- 7) To discuss the work of the Bembridge Harbour Trust to date and its future strategy

By Order of the Trustees

Secretary  
Bembridge Harbour Trust  
c/o Attrill's Boatyard  
The Duver St Helens  
Isle of Wight PO33 1YB

9<sup>th</sup> November 2018

## Chairman's letter:

Dear Members,

Welcome to the 12<sup>th</sup> BHT annual report and accounts with notice of the Annual General meeting.

Our formal report covers the financial year to June 2018, but The Trustees also take this opportunity to bring members up to date.

Jill Attrill, our much-valued secretary and much-loved wife of friend and fellow Trustee, Chris Attrill, passed away in early July. I know all members were saddened and support goes to Chris and family. Jill was a passionate supporter of the work of the Trust and key to its formation and functioning.

Such an event gives cause to reflect: Why do we do what we do? Why are we so passionate about the survival of Bembridge Harbour and put such effort and expense into promoting its sustainability?

The fortunes and social wellbeing of the communities of Bembridge and St Helens are directly linked to a well-maintained Harbour properly investing its incomes in line with the relevant legislation. Without our efforts, pressing for good and legitimate management actions, the Harbour may soon be incapable of providing an environment many local users have long come to expect, with a knock-on effect for clubs and the community at large.

There is another question: Are our efforts and resources applied effectively in pursuit of our published objectives? In challenging circumstances and against some opposition, the answer is an emphatic Yes. Members should take great pride in the work of the Trust and in its hard-won achievements. But further work needs to be done.

We lament a lack of positive action or openness from the Harbour's management whilst conflicts of interest between co-owned companies, potential for breaches of the '63 Act and breaches of planning legislation and guidelines are apparent. We believe such issues are contrary to the Statutory Harbour Authority's and the community's best interest.

Despite frequent calls for a publicly shared long-term plan, none is available. No one knows the owner's plans or intentions for the Harbour we all love and which the community needs to thrive; there is no shared vision we can all support. Why?

## Financial controls in the Harbour Authority

A professional report commissioned by the Trust raised nine questions about the Statutory Harbour Authority's own incomes and the legitimacy of their allocation to other co-owned companies. Answers from the Harbour Authority remain insubstantial at best. The Trust will continue to seek fair treatment for the Harbour in line with legislation.

The report identified the possibility that incomes and costs of the Statutory Harbour Authority could be muddled with those of other companies owned by the same shareholder/directors, potentially to the detriment of the Harbour Authority. This is a situation that has, since privatization, disadvantaged the Harbour and took it into administration under the last owner when he used its assets to guarantee the borrowings of associated companies.

## Breach of guidelines

Government Guidelines, for private Statutory Harbours such as Bembridge, set out clear expectations of "*openness, accountability and fitness for purpose*". The Statutory Harbour Authority should operate in the "*broad public interest*". BHT considers that the Harbour Company fails to comply with guidance in a number of important respects. The Harbour Company claims it does comply. BHT will continue to press for compliance with the DfT standards published in March this year.

## Residential planning application and associated planning agreement

The residential development proposals by development company, BIL, continue to create additional concerns that need continued action. In just one example, in early December 2017 BHT's representations to the Council prevented £946,500 of possible development profits that if earned, would be due to the Statutory Harbour, from being diverted to the development company.

Problems the Trust identifies, if not addressed, could see the Statutory Harbour Authority so financially disadvantaged as to be incapable of maintaining the Harbour in line with its obligations.

The development company has spent the last year seeking to negotiate the terms of a planning agreement with the Council, that should secure a fair price for the new facilities and secure excess profits for the Harbour Authority. BHT have found the terms as proposed by the development company heavily skewed against the interests of the Harbour Authority and have been seeking to redress this in a year-long battle of attrition.

## Applications for houseboats

Mr Thorpe sought, through the LDC, an unlimited number of houseboats on a large part of the Harbour which BHT's action helped to prevent. He has argued that no planning permission is required for houseboats anywhere in the Harbour. He has deliberately not progressed a separate planning application for more houseboats for two years with the promise of sewage upgrades. He proposes to wrongly deduct large sums from proceeds, in breach of the '63 Harbour Act.

Yesterday, 8th November, the Houseboat Decision Notice and Officer's written justification were published. These affirm BHT's concerns and advice. The decision properly confirms the status of 25 houseboat sites and that only navigable vessels may moor short term on other Harbour land, unless further planning consent is obtained. This has saved the Harbour from potential over development with a proliferation of houseboats at the expense of other harbour users, through the application of proper planning controls.

## Failure to dredge and maintain

Reflecting on these concerns, a review of the current state of the Harbour reveals that aside from a relatively well looked after visitor marina, the infrastructure and navigability of the Harbour continues to deteriorate. This year holed pontoon piles were implicated in two separate incidents of a sinking and a near miss; resident marina boats sit in mud in a marina un-dredged for 6 years, as do boats on Fisherman's Pontoon. The inner channel gets shallower having seen no meaningful work outside marinas for decades.

## The groyne

The central sand bank and Attrill's point grow whilst the entrance groyne remains unrepaired, causing accelerated siltation and avoidable costs both to the Statutory Harbour and to users.

## Conclusion

As the Harbour's management repeatedly declines to act or provide answers to relax our evidenced concerns, in sorrow, we finally wrote to The Minister for Transport in August asking that enquiries be made into the affairs of the Statutory Harbour Company which is responsible for the management the Harbour under the '63 Bembridge Harbour Act.

This is not a happy state of affairs. There is more work to be done and we call on your support.

This year of all years it is important you come to the AGM if you can.

Jeremy Gully as Chair BHT  
9th November 2018

## Minutes of the AGM, 8<sup>th</sup> December 2017

Held at Bembridge Sailing Club – 18.30hrs

TRUSTEES Present

J. Gully – Chairman

M. MacInnes

J. Raymond

F. Hetherington

S. Smith

C. Attrill

J. Attrill – Company Secretary

Founder Members present – 28

1. Agenda from 12<sup>th</sup> December 2016  
Approved – 1<sup>st</sup> M. MacInnes, 2<sup>nd</sup> C. Attrill
2. Trustees' Report and Accounts and the Independent Examiner's report for the year ended 30<sup>th</sup> June 2017  
Approved – 1<sup>st</sup> T. Woodcock, 2<sup>nd</sup> F. Hetherington
3. To re-elect Chris Attrill who retires by rotation as Trustee  
Approved – 1<sup>st</sup> D. Biddle, 2<sup>nd</sup> John Raymond
4. To re-elect Mrs Sara Smith who retires by rotation as a Trustee  
Approved – 1<sup>st</sup> John Raymond, 2<sup>nd</sup> Robin Ebsworth
5. To appoint Moore Stephens South LLP as Independent Examiners  
Approved – 1<sup>st</sup> M. MacInnes, 2<sup>nd</sup> Robin Ebsworth
6. Discussion on the work of Bembridge Harbour Trust to date and its future strategy:

Jeremy Gully gave an informative report on the Houseboat and planning proposed by BHIC. Then a report on the main planning application by BIL highlighting the Trust's concerns on the accuracy and application of figures in the planning submissions and unanswered concerns on the management of the Bembridge Harbour Improvements Company.

A Planning meeting is being held at the IW Council Offices on 12<sup>th</sup> December 2017 at 16.00hrs. Members were urged to attend.

Signed .....

J. Gully - Chairman, Bembridge Harbour Trust

Date .....

## Trustee's Report for the Year ended 30 June 2018

Bembridge Harbour Trust is a registered charity number 1120225. It was registered in July 2007. The Trust is also a company limited by guarantee and is registered under company number 05671595.

### The objectives of the Trust are:

To preserve and enhance Bembridge Harbour, its approaches and setting, for the benefit of the public including the users of the Harbour and the communities of Bembridge and St Helens on the Isle of Wight.

### The Principal Aim of the Trust:

1. The Trust was set up as a means of delivering the Harbour into community led control with any surplus revenues invested in the Harbour in perpetuity. Until such time as there is an opportunity to purchase the Harbour and appropriate land necessary to run it, or the need to address any management failure, the Trust will continue to monitor and support Harbour activities within the mandate of its statutory objectives.

### Other aims are to ensure that:

2. Statutory obligations concerning the Harbour and its environs are achieved by the Harbour owning company or any other locally relevant organisation.
3. The provision of continued access for all members of the community and for visitors to the amenities that the Harbour offers.
4. The protection of the wildlife and their habitats in and around the Harbour.
5. The protection of the scenery of the Harbour and be vigilant in seeing that overexploitation or neglect does not occur.
6. The Harbour's unique mixed character is preserved as a working Harbour and recreational amenity.
7. The facilities for water-based sports, such as sailing and angling are improved for all.
8. There are increased opportunities for bird watching and walking.
9. The area is maintained as a well-kept and desirable residential and commercial Harbour.
10. The fabric of the Harbour and the facilities it offers are restored and improved so that it regains its special position as a unique and desirable destination.
11. The proper management of sewage disposal, maintenance of channels, dredging, navigation, and buoyage comply with statutory regulations.

## Trustees' activities

Principal activities during the year, updated to reflect matters as at the time of writing:

**Summary:** In line with its aims and objectives, the Trust continues to promote good practice, a long-term plan and meaningful consultation with stakeholders. We seek an assured programme of dredging and maintenance of vital structures reducing siltation rates and thus creating savings for the Harbour Authority. We press for these works to be funded by the incomes of the Harbour (and in extreme by development schemes) in line with planning legislation, Harbour Acts, Companies Act and Government Guidance. The Trustees became so concerned about cumulative failings in management and compliance that they met with the Local MP and wrote to the Minister for Transport requesting investigation.

### **1) Repair of Bembridge Point groyne (Pursuant to BHT's Objectives "to enhance Bembridge Harbour etc.", Principle Aim 1) "to address management failure etc." and other aims 2,3,7,9 and 11:**

BHT actively supports this project, led by the Bembridge Harbour Users Group, as it is vital to the long-term viability of the Harbour, and will bring clear benefits for the user community and cost savings for the Harbour Authority. A reduction in dredging costs and a slowing in the overall rate of siltation is expected.

Chosen by a local branch of the Southern Cooperatives as charity funding Partner for 2018, BHT is raising money through the Co-op, ringfenced for this project.

Michael MacInnes (Trustee and ex chair) is particularly active. Michael works as Chair of the BHUG Groyne Committee with other BHUG and BHT members. That committee is successfully chipping away at the many hurdles that frustrate progress.

Michael reports that the project has not yet reached the stage of being able to confirm costs and so launch its formal funding campaign, however early indications have been encouraging. Although the Statutory Harbour Authority is now supportive of this important initiative, to date there has been no substantial advance financial commitment from it.

### **2) Siltation from the river Yar: (Pursuant to BHT's Objectives "to enhance Bembridge Harbour etc.", Principle Aims 1) "to support Harbour activities etc." and other aims 6,7,9,10 and 11:**

We promote meaningful negotiations to reduce siltation from the river Yar. After 7 years of ownership the Harbour management seems to have made little progress. As with the groyne, we now offer our help though BHUG as direct engagement with the Statutory Harbour Authority is rebuffed and seems less likely to make progress.

Failure to address this source of siltation and that of the groyne, creates avoidable direct and indirect costs for the Statutory Harbour Authority. Also, both sailing clubs face additional avoidable dredging costs whilst fishermen and all boat owners suffer an accelerating reduction in the amenity the Harbour offers, whilst facing additional avoidable dredging costs.

**3) Promoting reinvestment in the Harbour, particularly with regard to the long running residential planning application: (Pursuant to BHT's Objectives "To enhance Bembridge Harbour etc." and Principle Aim 1) "continue to monitor etc." and other aims 2,3,5,6,9 and 10:**

Despite BHT's clear case and their subsequent affirming QC's opinion of an unlawful decision, the IWC planning committee voted by a narrow majority to grant a consent in December 2017. This consent will only gel when a legal planning agreement (s106) is completed.

Just before this decision was made BHT had corrected a 'miscalculation' that could have meant the Harbour being £946,500 out of pocket. After this planning resolution Trustees adopted a pragmatic approach: if the applicant moved to agree an s106 in line with the principles agreed on Harbour benefits, BHT would consider whether continued opposition was appropriate.

With considerable sadness and disappointment, we have to report that the applicant (Bembridge Investments Ltd [BIL], a development company separate from the Statutory Harbour Authority) has moved through at least eight different mechanisms to reduce the benefits the Statutory Harbour might receive. Thankfully, potential disadvantage measured in the £100's of thousands has been largely curtailed after BHT's interventions leading to better drafting of a proposed planning legal agreement, but that task is not yet complete.

Mr Thorpe recently and wrongly sought to have Corporation Tax allowed as a deduction from profits, reducing the amounts potentially going towards Harbour improvements. BHT's advice helped ensure the correct amounts will go to the Harbour. On 1<sup>st</sup> November 2018 planners confirmed a correction would be made in the s106 wording. This means that a likely and wrongful 21% deduction on any contributions to Harbour improvements has been avoided, solely because of BHT's intervention.

This year, after the planning resolution, Mr Thorpe also proposed that the Harbour might buy the completed works in any event, costing it dearly. This contradicts the sole legitimacy of this 'enabling development' i.e. that profit from housing development was the **only** way the Statutory Harbour could afford the new facilities.

Whilst Trustees continue to seek an s106 in line with the proposals the planning committee approved, it is very difficult to see how the proposal really benefits the Harbour at all, but easy to see where the development benefits BIL (the separate property development company) by some £1.2m profit made at the direct expense of the Statutory Harbour.

It is against this background that Trustees will continue to apply appropriate scrutiny.

**4) Promoting proper control of houseboat development (Pursuant to BHT's Objectives: "to preserve and enhance etc" and Principle Aim 1) "Continue to monitor, etc." and other aims 2,3,4,5,6,7,9 and 11:**

The Statutory Harbour Authority has made efforts to deregulate Houseboat development in the Harbour, we believe wrongly, through negotiations around a Lawful Development Certificate (LDC). This has continued throughout the year right up until October 2018.

If incorrectly worded, the approval of the LDC could lead to a proliferation of houseboats displacing other uses and changing the environment of the Harbour forever. The Statutory Harbour Authority have been instrumental in premature works, sales, actual and proposed placing of houseboats on unapproved sites. Further Mr Thorpe set out an intention in correspondence to remove some 50% of proceeds from the Harbour Company, in conflict with Section 31 of the '63 Act which obliges BHIC to reinvest trading surplus, with very limited specific exceptions.

In the Isle of Wight Country Press (19<sup>th</sup> October 2018) Mr Thorpe made it clear that any promise of works on sewage treatment was not part of this LDC process. These may yet form part of a legal agreement on a separate planning application, but despite sewage treatment being set out as a priority, that application, submitted in 2016, has been conspicuously delayed for over two years with no sustainable planning justification, and so remains unpublished. As such we are unable to comment.

It is against this background that Trustees continue to monitor the Houseboat situation closely in the hope of an imminent lawful and clear decision notice being issued.

**5) Promoting Compliance with '63 Harbour Act, ensuring proper amounts are invested in the Harbour and Government's clear guidance is given due weight. (Pursuant to BHT's Objectives "to preserve and enhance Bembridge Harbour etc." Principle Aim 1) to ensure "any surplus revenues invested in the Harbour" in line with the '63 Act, "to address any management failure" and other aims 2,7,9,10 and 11:**

In our last year's report, we referred to nine unanswered questions on the application of Harbour incomes and large amounts distributed to other companies owned by the same shareholder/directors as the Statutory Harbour Authority. These questions were adopted and put to Mr Thorpe by the Isle of Wight Council as part of the planning process. They remain insubstantially answered and where an evidenced answer was given this demonstrated a problem:

For example, the evidence provided to explain why the Statutory Harbour Authority sold a houseboat plot for £1 (to another company in the same ownership that sold it on for £87,500 on the same day) involved copy board

resolutions and copy of a part bank document. These illustrated that the Statutory Harbour Authority was in the order of £100,000 out of pocket.

During the year the Ministry for Transport published updated guidance on how private Statutory Harbour Authorities such as Bembridge should be run with key principles of “**openness, accountability and fitness for purpose**” all in the “**broad public interest**”.

Trustees see no evidence of this approach in the current management practice of the Statutory Harbour Authority. On the 31<sup>st</sup> October, Mr Thorpe advised that the directors of the Statutory Harbour Authority saw no need for any different behaviour, claiming that different standards applied for smaller harbours, despite clear directions from Government for privately owned Statutory Harbour Authorities, whatever their size.

The Trustees will continue to press for management and accounting in line with statute and guidance issued by Government.

#### **6) Funding:**

The work of Trustees is carried out willingly, without reward. However, to ensure we act on the basis of law and to promote good practice in the Harbour under the legal framework governing companies, Statutory Bodies and Planning Law, we have to engage highly qualified experts. Because of the extraordinary actions of both the Statutory Harbour Authority and its associated development company over a period of years we have applied the vast majority of our reserves in the pursuit of our objectives.

The Trustees address the issue of ongoing incomes and this will be discussed at the AGM.

#### **7) The Future:**

We fail to understand why the Harbour owners refuse to be open with their finances as promised and will not create a Harbour Plan openly with community involvement, demonstrating to us all their vision of its future, securing a sustainable future for this vital community facility. We will continue to press for such a unifying approach.

We will continue to promote management in line with legislation and government guidelines.

We will continue to apply professionally advised actions in pursuit of a well invested and lawfully operated harbour.

We will continue to invite new members and build on the embryonic ‘friends membership’ to increase wider community participation.

BHT has come under fire from a small number of individuals for continuing to criticise the Harbour’s management. It is our dearest wish that there was no need for such a joyless task. However, on reading through this report the Trustees expect you will sadly conclude that there is a continuing need for scrutiny and action if we are to fulfil our Charitable Objectives.

## **Trustees, Patrons and Advisors**

### **Trustees**

#### **Jeremy Gully - (Chairman)**

Former Senior Partner of Gully Howard Chartered Surveyors.  
Ex commercial fisherman, Chairman, Bembridge Houseboats Association. Interests in property, recreational fishing and sailing from his home a houseboat in the Harbour.

#### **Chris Attrill.**

Director of H. Attrill & Sons (IW) Ltd., boatyard whose family has for generations been boat building in the Harbour.  
A member of the Ocean Cruising Club.

#### **Felix Hetherington**

Solicitor (non-practising). Former Chairman of Cowes Waterfront Trust (owners of Cowes Yacht Haven) and the Classic Boat Museum. Formerly Chairman of Cowes Harbour Commission. Formerly Chief Executive of the Isle of Wight Council, former Trustee and past Commodore of Brading Haven Yacht Club (BHYC).

#### **Michael MacInnes**

Former Chairman of BHT. Chartered Accountant. Formerly Chairman of Moore Stephens International. Former Trustee and Commodore of Bembridge Sailing Club.

#### **John Raymond**

Past Captain of the Bembridge Illusion Class, current Hon Treasurer of Redwing Class. Since early childhood a visitor to Bembridge and sailor in Harbour, current owner of house in Bembridge and regular Illusion and Redwing sailor.

#### **Sara Smith**

A Bembridge resident, passionate about the Harbour and it’s future for the local community. Enjoys sailing, is an active member of BHYC and was involved in training young sailors for many years. Her father-in-law was a Founder Member, her father was Commodore and she is now a BHYC Trustee. Her son, Ben, operates “Tackt-Isle Adventures” the outdoor activity centre based on the Duver.

## Patrons

### Lord Brabazon of Tara PC DL

Privy Counsellor, Former Minister of State for Transport. Deputy Lieutenant of the Isle of Wight. Trustee and former Commodore of BSC.

### Sir Robin Knox-Johnston CBE, RD

Eminent yachtsman and author.

### Christopher Bland

Lord Lieutenant of the Isle of Wight 1995 to 2006 and Freeman of the Island. Founder of Hovertravel and Hoverwork and director for 45 years. Director of Red Funnel for 20 years.

## Advisory board

It is proposed that the Advisory board will continue to exist but in a dormant state, as their roll relates to independent scrutiny of the any Harbour Management set up by the Trust and it is therefore unlikely that the Trust would need their services in the foreseeable future.

## Secretary to the Bembridge Harbour Trust

Felix Hetherington

## Membership

There are currently 176 Founder members

## Financial Review

The Trust incurred a deficit in the year of £10,495 – 2017 surplus of £18,873. £27,500 of the donations were restricted to the consultancy costs relating to planning and management issues in the harbour. At the year-end restricted funds of £8,042 (2017 - £14,418) were carried forward. General funds of £2,402 were carried forward (2017 - £6,521).

The Reserves policy is to establish and maintain a reserve fund for its unrestricted running costs based on the prior year running costs plus 10%. This would suggest reserves of £5,300. Income generation and future financing remains a key issue for the Trustees

This report was authorised by the Trustees and signed on their behalf by:-

..... Dated: .....

Jeremy Gully, Trustee

## BEMBRIDGE HARBOUR TRUST (A COMPANY LIMITED BY GUARANTEE) INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF BEMBRIDGE HARBOUR TRUST FOR THE YEAR ENDED 30 JUNE 2018

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As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("The Act").

I have examined your charity's accounts as required under section 145 of the 2011 Act and in carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

My role is to state whether any material matters have come to my attention giving me cause to believe:

1. The accounting records were not kept as required by section 130 of the Act; or
2. That the accounts do not accord with those records; or
3. That the accounts do not comply with the accounting requirements of the Act; or
4. That there is further information needed for a proper understanding of the accounts.

## Independent examiner's statement

I have completed my examination and I have no concerns in respect of any of the matters (1) to (4) listed above and in connection with the following the Directions of the Charity Commission I have found no matters that require drawing to their attention.

Kevin R Cooper BA FCA DChA  
For and on behalf of **Moore Stephens (South) LLP**  
Chartered Accountants  
9 St John's Place  
Newport  
Isle of Wight PO30 1LH

Dated: .....

**BEMBRIDGE HARBOUR TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2018**

	Unrestricted £	Total Restricted £	2018 £	2017 £
<b>INCOME AND ENDOWMENTS FROM:</b>				
<b>Donations and legacies</b>				
Donations - individuals	614	21,800	22,414	46,364
Income tax recoverable under gift aid	<u>29</u>	<u>5,700</u>	<u>5,729</u>	<u>2,841</u>
	643	21,800	28,143	49,205
Investment income – interest received	<u>15</u>	<u>27,500</u>	<u>15</u>	<u>-</u>
<b>TOTAL INCOME</b>	<b><u>658</u></b>	<b><u>27,500</u></b>	<b><u>28,158</u></b>	<b><u>49,205</u></b>
<b>EXPENDITURE ON:</b>				
<b>Charitable activities</b>				
Awareness and publicity	743	-	743	50
Consultancy	-	33,876	33,876	26,946
Office costs, printing and stationery	728	-	728	537
Bookkeeping	500	-	500	500
Bank charges	99	-	99	99
Subscriptions	50	-	50	50
Governance costs				
Insurance	644	-	644	649
Legal and company secretarial	373	-	373	373
Independent accountants	<u>1,640</u>	<u>-</u>	<u>1,640</u>	<u>1,128</u>
<b>TOTAL EXPENDITURE</b>	<b><u>4,777</u></b>	<b><u>33,876</u></b>	<b><u>38,653</u></b>	<b><u>30,332</u></b>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>	<b>(4,119)</b>	<b>(6,376)</b>	<b>(10,495)</b>	<b>18,873</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	<u>6,521</u>	<u>14,418</u>	<u>20,939</u>	<u>2,066</u>
<b>Total funds carried forward</b>	<b><u>2,402</u></b> =====	<b><u>8,042</u></b> =====	<b><u>10,444</u></b> =====	<b><u>20,939</u></b> =====

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

No full comparative Statement of Financial Activity is disclosed, as all funds in the comparative year were unrestricted.

**BEMBRIDGE HARBOUR TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
BALANCE SHEET  
AS AT 30 JUNE 2018**

	2018 £	2017 £
<b>CURRENT ASSETS</b>		
Debtors	1	2,875
Prepayment	427	319
Short term investments	-	-
Cash at bank and in hand	<u>32,426</u>	<u>27,634</u>
	32,854	27,953
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Creditors	(62)	(3,000)
Accruals	<u>(22,348)</u>	<u>(4,014)</u>
<b>TOTAL NET ASSETS</b>	<b>10,444</b> =====	<b>20,939</b> =====
<b>INCOME FUNDS</b>		
Restricted Funds	8,042	14,418
Unrestricted funds	<u>2,402</u>	<u>6,521</u>
	10,444 =====	20,939 =====

For the financial year in question, the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required to company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees and signed on their behalf:

.....  
Jeremy Gully, Trustee

.....  
Date

The accompanying notes form an integral part of these accounts

# **BEMBRIDGE HARBOUR TRUST**

## **(A COMPANY LIMITED BY GUARANTEE)**

### **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30 JUNE 2018**

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#### **1 Accounting policies**

##### **1. General information and Basis of accounting**

The company is a registered charity 1120225 is a company limited by guarantee, registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office, together with the objects of the Charity are given in the charity information on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom (FRS 102), the Charities Act 2011, Companies Act 2006, and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS 102) in the current year and there were no transition adjustments.

##### **1.02 Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity, and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

##### **1.03 Income Recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation, and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example: the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset. Gifts in kind of assets which the Trust cannot use are included at the anticipated sale value, less attributed costs to sell.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income earned from fundraising events and trading activities to raise funds for the charity are recognised when entitlement has occurred.

#### 1.04 Expenditure Recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes details of the costs in relation to fundraising events, following up donations, and seeking voluntary contributions and donations from supporters, and available sources;
- Expenditure on charitable activities includes associated office costs. Other costs relates to governance.

Support costs are those that assist the work of the charity, but do not directly represent charitable activities and include office costs, governance costs and administrative costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

#### 1.05 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### 1.06 Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### 1.07 Judgements and key sources of estimation uncertainty

There are no major judgements or assumptions relating to estimates that are required to be disclosed in the preparation of these financial statements.

#### 1.08 Financial assets and liabilities

Financial instruments are recognised in the statements of financial activities when the Charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from assets expire, or when the Charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

**BEMBRIDGE HARBOUR TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONT)**

**FOR THE YEAR ENDED 30 JUNE 2018**

**2. Analysis of net assets between funds**

	General Funds £	Restricted Funds £	2018 Total £
Debtors	1	-	1
Prepayment	427	-	427
Cash at bank and in hand	3,126	29,300	32,426
Creditors	(62)	-	(62)
Accruals	<u>(1,090)</u>	<u>(21,258)</u>	<u>(22,348)</u>
	2,402	8,042	10,444
	=====	=====	=====

**3. Movement in funds**

	At 1 July 2017 £	Incoming Resources £	Outgoing Resources £	Gains/ (Losses) on Investments £	Transfers £	At 30 June 2018 £
<b>Restricted funds</b>						
Harbour Planning issues	<u>14,418</u>	<u>21,800</u>	<u>(33,876)</u>	-	-	<u>8,042</u>
	14,418	21,800	(33,876)	-	-	8,042
	=====	=====	=====	==	==	=====

**Restricted funds:**

The Trust has received funding to challenge planning permission in the Harbour.

**4. Financial Assets and Liabilities**

	30/06/2018 £	30/06/2017 £
Financial assets comprise debtors and cash and bank balances	32,854	27,953
Financial liabilities, comprise creditors and accruals	<u>(22,410)</u>	<u>(7,014)</u>
Net financial liabilities	10,444	20,939
	=====	=====

*'Sunrise over the Mill Ponds, Bembridge'*

Neil Southwell

Isle of Wight

