

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	16 JULY 2026
Report Title:	PORTHCAWL HARBOUR RETURN 2025-26
Report Owner: Responsible Chief Officer / Cabinet Member	CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION
Responsible Officer:	NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT
Policy Framework and Procedure Rules:	The preparation of the Porthcawl Harbour Return is a requirement of the Accounts and Audit (Wales) Regulations 2014.
Executive Summary:	• The Porthcawl Harbour Return has been completed and reviewed by Internal Audit. • The Return is produced in accordance with International Financial Reporting Standards. • The Harbour achieved a balanced position as at 31 March 2026. • The Return is required to be signed by the Responsible Financial Officer and the Chair of the Governance and Audit Committee prior to submission to Audit Wales for the annual audit of the Statement.

1. Purpose of Report

- 1.1 The purpose of the report is to present to the Governance and Audit Committee the unaudited Porthcawl Harbour Return for 2025-26, attached at **Appendix A** for approval.

2. Background

- 2.1 The preparation of the Harbour Return is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018) and its content is defined by the Chartered Institute of Public Finance and Accountancy's '*Code of Practice on Local Authority Accounting in the United Kingdom*' (the Code). In addition, Section 42(1) of the Harbours Act 1964 sets out that statutory harbour undertakings, such as local authorities that have functions of maintaining, improving or managing a harbour

("harbour authorities") are required to prepare an annual statement of accounts relating to harbour activities.

- 2.2 In accordance with these regulations, the Porthcawl Harbour Return 2025-26 requires certification by the responsible finance officer and approval by the Governance and Audit Committee, by 31 May 2026, certifying that it presents a true and fair view of the financial position of the Harbour finances. If the Return is not able to be signed and published by this date, then the Council must publish a Regulation 10 notice setting out the reasons why. If no amendments are identified during the audit, no further approval is needed. However, should any amendments be needed, the audited Porthcawl Harbour Return should be reapproved by 31 July 2026 by the Governance and Audit Committee in accordance with the Committee's Terms of Reference.
- 2.3 Welsh Government has set out its expectations of when the accounting returns should be published and audited. For the current year the expectation is that the returns will be published by 30 June 2026, and the audited accounts by 30 September 2026. The Council, in following these dates, did not meet the 31 May 2024 deadline and, therefore, in line with the requirements of the Regulations, issued a notice advising of this. The return was submitted to Audit Wales by 30 June 2026 and published to the Council's website on 7 July 2026.
- 2.4 Should any amendments be needed as a result of the audit then the Porthcawl Harbour Return will be presented to the next Governance and Audit meeting following completion of the audit for further approval. The audit of the Return is unlikely to be completed by 31 July 2026 so a further Regulation 10 notice will be published in line with the Accounts and Audit (Wales) Regulations.

3. Current situation / proposal

- 3.1 The Council's unaudited Porthcawl Harbour Return for the financial year ended 31 March 2026 is attached at **Appendix A**.
- 3.2 The Return is produced in accordance with International Financial Reporting Standards (IFRS) rather than the amount to be funded in cash terms when the budget is set. Therefore, these statements include items such as depreciation on property, plant and equipment, the estimated cost of the shortfall on the pension scheme and other technical adjustments.
- 3.3 The terms "Marina" and "Harbour" are both used interchangeably for the facilities in Porthcawl; however they are distinct entities. The "Marina" refers to the specific section of the harbour that provides berths and facilities for recreational boating, while the "Harbour Authority" encompasses the overall management and administration of the entire harbour area. The Marina is essentially a specific part of the larger harbour, focused on leisure craft, whereas the Harbour Authority oversees all aspects, including commercial activity, navigation, and safety within the harbour limits. The Porthcawl Harbour Return relates to the wider Harbour Authority responsibilities.
- 3.4 The Harbour return shows a balanced position. The direct costs of the Harbour include staff costs and other costs, staff costs being £88,703 (2024-25 £73,779), maintenance of £37,463 (2024-25 £103,325) and other direct costs including utilities, equipment, IT and telephone charges, of £33,146 (2024-25 £36,410). In addition, corporate recharges for HR support, exchequer and insurance were £5,940 (2024-

25 £5,230). With depreciation of the Harbour assets of £113,518 (2024-25 £113,518), total costs were £278,770 (2024-25 £332,262).

3.5 The Harbour generates income primarily via berthing fees of £116,808 for the year (2024-25 £103,913) along with £704 (2024-25 £562) for other income such as electricity and slipway fees, giving a total generated income of £117,512. The Council contribution was £161,258 (2024-25 £148,027) which is largely the depreciation, central recharges and maintenance costs set out in paragraph 3.4. There was an earmarked reserve drawdown from minor works during 2024-25 of £79,760 towards the cyclical dredging maintenance costs.

3.6 The balance shown as both debtors and creditors represents monies paid for 2026-27 berthing fees. These are shown as effectively a payment in advance (debtor) and monies owed to berth holders until such time as the activity has taken place (creditor).

3.7 The Porthcawl Harbour Return has been reviewed by Internal Audit and no amendments were identified.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

6. Climate Change and Nature Implications

6.1 There are no climate change or nature implications as a result of this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications as a result of this report.

8. Financial Implications

8.1 These are reflected in the body of the report.

9. Recommendation

- 9.1 It is recommended that the Governance and Audit Committee approves the unaudited Porthcawl Harbour Return 2025-26 at **Appendix A**.

Background documents

None