



Gibraltar Audit Office

Report of the Principal Auditor

on the Accounts of the
Gibraltar Port Authority
for the financial year ended
31 March 2010

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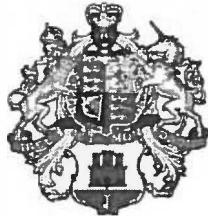
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Audit Certificate

I

Accounts

1



Gibraltar Audit Office

THE CERTIFICATE OF THE PRINCIPAL AUDITOR TO THE PARLIAMENT

I certify that I have audited the financial statements of the Gibraltar Port Authority for the financial year ended 31 March 2010 in accordance with the provisions of Section 14(2) of the Gibraltar Port Authority Act 2005. These comprise the Receipts and Payments Account, the Capital Account and the Balance Sheet.

Respective responsibilities of the Gibraltar Port Authority and the Principal Auditor

The Gibraltar Port Authority is responsible for the preparation of the financial statements and for being satisfied that they are properly presented.

My responsibility is to examine the financial statements with a view to satisfying myself that they are properly presented. I have audited the financial statements in accordance with generally accepted government auditing standards.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Gibraltar Port Authority's circumstances and have been consistently applied and adequately disclosed; and the overall presentation of the financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the receipts and payments reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities, which govern them.

Opinion on regularity

In my opinion, in all material respects, the receipts and payments have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities, which govern them.

Opinion on financial statements

In my opinion, the financial statements properly present the receipts and payments for the financial year ended 31 March 2010 and the assets and liabilities as at the end of that period.


Matters for which I report by exception

I have nothing to report in respect of the following matters, which I report to you if, in my opinion:

- Adequate accounting records have not been kept; or
- The Authority has not discharged its financial duties and obligations in accordance with the provisions of the Gibraltar Port Authority Act 2005; or
- The financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

Report

I have no observations to make on these financial statements.



J C Posso
Principal Auditor
Gibraltar Audit Office
23 John Mackintosh Square
Gibraltar

31 May 2012

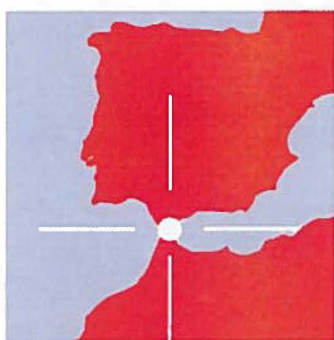
**GIBRALTAR PORT AUTHORITY
ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

REPORT

- 1.1 *Recurrent Account – Receipts:* Total recurrent revenue received by the Gibraltar Port Authority (GPA) for the financial year 2009-10 amounted to £5,008,365, reflecting an increase of £1,292,365 (34.78%) when compared to the approved budget of £3,716,000 and a year-on-year increase of £3,001,512 (149.56%) against the previous financial year's total revenue received of £2,006,853. The Administration and Finance Higher Executive, on behalf of the former Chief Executive explained that there were several factors that had influenced the substantial increase in revenue during the financial year, mainly due to an increase in port tariffs effective from May 2009, improved procedures in the collection and follow-up of arrears, increase in shipping activities and an under-estimation in the submission of revenue collectable.
- 2.1 *Recurrent Account – Payments:* The GPA's recurrent expenditure during the financial year 2009-10 totalled £3,426,114 compared to the approved budget of £2,556,000 and a previous financial year's expenditure of £2,474,836, reflecting an increase against the approved budget of £870,114 (34.04%) and a year-on-year increase of £951,278 (38.44%). In addition, the GPA transferred the surplus of the receipts over the payments to the Government of Gibraltar amounting to £1,582,251 against the original estimate of £1,160,000.
- 2.2 The main variances between recurrent expenditure and the approved budget for the financial year 2009-10 are detailed hereunder:
- 2.3 Personal Emoluments – Expenditure amounting to £2,033,990 exceeded the approved budget of £1,595,000 by £438,990 (27.52%). The explanation provided to me by the Administration and Finance Higher Executive was that the variance was principally as a result of the implementation of the pay agreement consequent to the creation of the Authority and arrears of the 2008 and 2009 pay reviews.
- 2.4 Maintenance of Launches – The approved budget amounting to £45,000 was exceeded by £30,657 (68.13%). The excess expenditure was mainly due to urgent engine repairs carried out to both port launches to make them operational.
- 2.5 Training – Total expenditure of £35,737 exceeded the approved budget of £3,000 by £32,737 mainly as a result of essential training for the implementation of the new Vessel Tracking System, which had not been budgeted for.

- 2.6 Inspections – The approved budget of £1,000 was a token budget allocation, which originally catered for costs related to fast launch inspections. The £31,125 increase largely relates to unbudgeted private contractor ship-to-ship inspection costs, previously carried out by the former Bunkering Superintendent, as the post remained vacant throughout the financial year 2009-10.
- 2.7 Contracted Services – Oil Pollution – The approved budget of £40,000 was exceeded by £39,080 (97.70%) mainly as a result of the additional cost of expanding the contractual oil spill cover during the financial year in the wake of the MV Fedra incident.
- 2.8 Contracted Services – Port Security – The expenditure amounting to £283,565 exceeded the approved budget of £250,000 by £33,565 (13.43%) as a result of additional security duties required mainly for operational reasons and an unbudgeted increase in contractual costs.
- 2.9 Contracted Services – Waste Discharge – The excess expenditure amounting to £216,072 (97.33%) against the approved budget of £222,000 was principally due to an increase in contractual fees as a result of new legislation, which was balanced by a marked increase in revenue generated. In addition, thirteen monthly contractual payments were made during the financial year instead of twelve.
- 2.10 Port Advertising, Marketing and Travel – The excess expenditure amounting to £37,467 (41.63%) against the approved budget of £90,000 was directly attributed by the Administration and Finance Higher Executive to a reduction of £35,000 from the estimate submission to the amount approved.
- 3.1 *Capital Account – Receipts:* Capital Receipts during the financial year amounted to £1,551,431 made up of a contribution from the Government of Gibraltar amounting to £722,000; receipt of an insurance claim settlement totalling £199,431 in respect of the storm damage caused to the Port and Cruise Liner Terminal; and the proceeds of a commercial loan amounting to £630,000 in order to finance a Vessel Tracking System.
- 4.1 *Capital Account – Payments:* Capital expenditure during the financial year 2009-10 totalled £911,102, which included an amount of £560,245 in connection with works and equipment; payments related to the storm damage caused to the Port and Cruise Liner Terminal amounting to £161,474; and expenditure amounting to £189,383 made from the Commercial Finance loan in respect of the Vessel Tracking System.

GIBRALTAR PORT AUTHORITY



PORT OF **GIBRALTAR**

Gateway to the Mediterranean



**ACCOUNTS FOR THE
FINANCIAL YEAR ENDED 31 MARCH 2010**

**GIBRALTAR PORT AUTHORITY
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

RECURRENT ACCOUNT

2009

RECEIPTS

	£	£	£	£
Contribution by the Government of Gibraltar			-	467,983
Tonnage Dues			2,870,233	857,626
Berthing Charges			862,060	345,409
Bunkering Charges			605,392	262,531
Port Arrival and Departure Tax			337,758	303,353
Port Operator and Harbour Craft Licences			257,330	200,970
Small Boat Moorings			5,500	6,140
Miscellaneous Charges			70,092	30,824
			<u>5,008,365</u>	<u>2,474,836</u>

PAYMENTS

Personal Emoluments:				
Salaries	1,295,958			952,256
Overtime	529,637			448,793
Allowances	190,437			165,801
Gratuities	17,958			18,826
	<u>2,033,990</u>			<u>1,585,676</u>
Gibraltar Development Corporation – Salaries		25,142		32,786
Wages:				
Basic	24,168			22,615
Overtime	11,477			10,545
	<u>35,645</u>			<u>33,160</u>
Employer's Social Insurance Contributions		61,138		-
Office Expenses:				
General Expenses	5,324			5,376
Electricity and Water	18,146			18,159
Telephone Service	27,215			28,780
Printing and Stationery	11,353			7,839
	<u>62,038</u>			<u>60,154</u>
Operational Services:				
Transport Expenses	3,015			1,807
Upkeep of Boarding Station/Wharves	23,380			23,557
Maintenance of Launches	75,657			62,825
Maintenance of Equipment	4,579			5,116
Computer Maintenance	23,842			14,567
Protective Clothing and Uniforms	7,064			12,829
Training	35,737			1,531
Inspections	32,125			240
Oil Pollution Expenses	8,273			5,380
	<u>213,672</u>			<u>127,852</u>
Contracted Services:				
Oil Pollution	79,080			39,010
Port Security	283,565			254,726
Cleaning Services	8,960			9,304
Waste Discharge	438,072			214,063
Weather Transmission Reports	8,114			7,994
	<u>817,791</u>			<u>525,097</u>
Port Advertising, Marketing and Travel		127,467		86,111
Consultancy Expenses		24,000		24,000
Contribution to Med Mission to Seamen		7,600		-
Vessel Tracking System Loan Facility Arrangement Fee		6,300		-
Vessel Tracking System Finance Repayment		11,331		-
Surplus transferred to the Government of Gibraltar		1,582,251		-
		<u>(5,008,365)</u>		<u>(2,474,836)</u>

CAPITAL ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

			2009
	£	£	£
RECEIPTS			
Contribution by the Government of Gibraltar		722,000	540,235
Insurance Settlement		199,431	-
		<u>921,431</u>	<u>540,235</u>
PAYMENTS			
Insurance Claim Expenses	161,474		-
Vessel Tracking System	135,799		-
Building Refurbishment	128,047		-
Resurfacing of Port Berths	65,864		-
Replacement of Engines	62,681		-
Dredging of Berths	48,821		-
Improvements to Aids of Navigation	36,889		-
Floating Fenders	22,900		216,452
Port Security Barriers and Fencing	18,253		-
Motor Vehicles	18,015		-
Port Risk Assessment	15,976		-
Hydrographical Survey	7,000		-
Oil Pollution Equipment	-		129,388
Port Lighting	-		75,000
Other Equipment	-		65,244
Works	-		54,151
		<u>(721,719)</u>	<u>(540,235)</u>
		199,712	-

COMMERCIAL FINANCE - VESSEL TRACKING SYSTEM

RECEIPTS

Commercial Finance – Vessel Tracking System	630,000		-
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PAYMENTS

Vessel Tracking System	(189,383)		-
		(1) 440,617	-
		<u>640,329</u>	<u>-</u>
		=====	=====

Note to the accounts:

(1)	Closing balance of Bank (Vessel Tracking System Finance) Account as at 31 March 2010	£519,931
	Advance from the Government of Gibraltar	(£79,314)
		<u>£ 440,617</u>
		=====

This Advance from the Government of Gibraltar was paid back to Government on 27 April 2010 and a bank charge adjustment on 28 October 2010.

BALANCE SHEET AS AT 31 MARCH 2010

	£	£	2009 £
ASSETS			
Recurrent Account			
Imprest		-	100
Advance to the Government of Gibraltar		-	(100)
		<u>-</u>	<u>-</u>
Capital Account		199,712	-
		<u>199,712</u>	<u>-</u>
Vessel Tracking System		440,617	-
		<u>640,329</u>	<u>-</u>
		=====	=====
FINANCED BY			
Recurrent Account			
Account Balance on 1 April 2009	-		-
Net receipts during the year	-		-
	<u>-</u>		<u>-</u>
Account Balance on 31 March 2010		-	-
Capital Account			
Account Balance on 1 April 2009	-		-
Net receipts during the year	640,329		-
	<u>640,329</u>		<u>-</u>
Account Balance on 31 March 2010		640,329	-
General Fund Balance on 31 March 2010		<u>640,329</u>	<u>-</u>
		=====	=====



CAPTAIN ROY STANBROOK

Date: 31/5/2012