

Folkestone Harbour Company Limited

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2012

Company Number 2447559
Incorporated in England and Wales

Amending

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Folkestone Harbour Company Limited

CONTENTS

	Page
Directors report	2 - 3
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7 - 13

Folkestone Harbour Company Limited

DIRECTOR'S REPORT

Director R M De Haan

Secretary R J Fraser

Registered Office Strand House, 125 Sandgate High Street, Folkestone, Kent CT20 3BZ

The director presents his report and the audited financial statements for the year ended 31st December 2012.

Principal activities

The company operates the seaport and inner harbour at Folkestone, and receives port dues, parking fees and rental income from the port and harbour operations

Review of the business

The Company continued to operate the harbour commercially during the year

A profit after taxation of £0 5 million (2011 : £0 6 million loss) arose during the year and was transferred to reserves

Directors

R M De Haan was the sole director who served throughout the year

R M De Haan owns 100% of the share capital of Folkestone Harbour Holdings Limited, the parent undertaking of Folkestone Harbour Company Limited

Auditors

Spain Brothers & Co have agreed to continue in office as auditors of the company A resolution proposing their re-appointment will be submitted at the annual general meeting

Folkestone Harbour Company Limited

Statement of director's responsibilities

The director is required by law to prepare the annual report and the financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the director to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the year

In preparing these financial statements, the director is required to -

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. The director has taken all steps that ought to have been taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Small Company Exemption

This report has been prepared in accordance with the special provisions of section 415A of part 15 of the Companies Act 2006 relating to small companies

By order of the board

R Fraser

Company Secretary



Registered Office

125 Sandgate High Street
Folkestone
Kent CT20 3BZ

Folkestone Harbour Company Limited

Independent Auditor's Report to the Members of Folkestone Harbour Company Limited

We have audited the financial statements of Folkestone Harbour Company Limited for the year ended 31st December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement [set out on page 3], the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Folkestone Harbour Company Limited

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2012, and of its Profit/(loss) for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice [applicable to Smaller Entities], and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

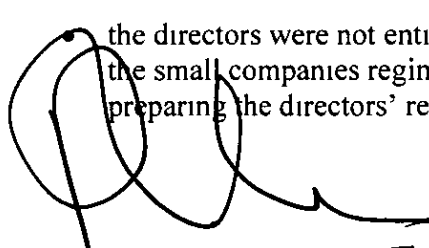
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all of the information and explanations we require for our audit ; or

the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



F Peter Cheney F C A (Senior Statutory Auditor)
For and on behalf of Spain Brothers & Co
29 Manor Road,
Folkestone,
Kent
CT20 2SE

Folkestone Harbour Company Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2012

	Note	2012	2011
		£000	£000
Turnover		349	397
Cost of sales		(211)	(248)
Gross profit		138	149
Administrative expenses		(170)	(273)
Operating loss	4	(32)	(124)
Impairment provision	5	560	(505)
Profit/(loss) on ordinary activities before taxation		528	(629)
Tax on ordinary activities	6	-	-
Profit/(loss) on ordinary activities after taxation		528	(629)
Profit/(loss) brought forward		(6,362)	(5,733)
Loss carried forward		£(5,834)	£(6,362)

Continuing operations

None of the Company's activities were acquired or discontinued during the above two years

Total recognised gains and losses

The Company has no recognised gains or losses other than the profit/loss for the above two years

Folkestone Harbour Company Limited

BALANCE SHEET AS AT 31ST DECEMBER 2012

	Note	2012 £000	2011 £000
Fixed assets			
Tangible assets	7	46	60
Current assets			
Debtors	8	3,624	3,081
Cash at bank and in hand		40	30
		<u>3,664</u>	<u>3,111</u>
Creditors			
- Amounts falling due within one year	9	(116)	(102)
Net current assets		<u>3,548</u>	<u>3,009</u>
Total assets less current liabilities		3,594	3,069
Creditors			
- Amounts falling due after more than one year	10	(9,428)	(9,431)
Net liabilities		<u>£(5,834)</u>	<u>£(6,362)</u>
Capital and reserves			
Called- up share capital	11	-	-
Profit and loss account		(5,834)	(6,362)
Shareholders' deficit	13	<u>£(5,834)</u>	<u>£(6,362)</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved at a meeting of the Board of Directors held on 20 September 2013



R. M. De Haan Director

Company Number 2447559

20/9/13

Folkestone Harbour Company Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards

(a) Accounting Convention

The financial statements are prepared under the historical cost convention

A key source of estimation uncertainty within these financial statements surrounds the carrying value of the loan balance due from Folkestone Harbour (1) Limited, a fellow subsidiary undertaking. The director has reviewed the carrying value of this loan against the estimates of net realisable value (NRV). The director has arrived at NRV by valuing the recoverable loan amount equivalent to the relevant proportion of the net assets of Folkestone Harbour (1) Limited. This has given rise to a positive movement in the impairment provision of £0.56 million (2011 £0.50 million deficit). Should there be a further significant movement in UK real estate pricing, then a further adjustment of the loan may be necessary.

(b) Turnover

Turnover comprises income from rents and port and parking dues. Turnover is stated net of Value Added Tax where applicable.

(c) Tangible Fixed Assets

Tangible fixed assets are included in the balance sheet at historical cost, net of any provision for impairment.

Depreciation is provided on the cost of the assets in use on the straight line method so as to write off the assets over their useful economic lives. The principal rates used (per annum) are set out below:

Vehicles	33.33%
Plant and Machinery	20% and 33%
Fixtures and Fittings	15% and 33.33%

Folkestone Harbour Company Limited

(d) Deferred Taxation

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(e) Cash Flow Statement

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Cash Flow Statements) on the grounds that it is a small company.

(f) Leased Assets

Operating lease rentals are charged to the Profit and Loss Account as incurred.

(f) Pensions

The cost of the Company's Defined Contribution Pension Scheme is charged to the Profit and Loss Account as the contributions fall due. No amounts were outstanding at the balance sheet date (2011: Nil).

(h) Going Concern

The financial statements are prepared on the basis that the Company will continue in operational existence for the foreseeable future. This means in particular that the Profit and Loss Account and Balance Sheet assume no intention or necessity to liquidate or curtail significantly the scale of the operation. The financial statements have been prepared on this basis given that the director and the parent undertaking have indicated that they do not intend to demand repayment of their loans within 12 months of the date of approval of these accounts.

2. Ultimate Parent Undertaking

The immediate and ultimate parent undertaking is Folkestone Harbour Holdings Limited, a company controlled by the director, R De Haan.

Folkestone Harbour Company Limited

3. Directors and Employees

No payments were made to the director for his services to the company for the year (2011 £nil)

Employee costs for the year were as follows:

	2012	2011
	£000	£000
Wages and salaries	94	133
Redundancy costs	-	64
Social security costs	8	12
Health care and other benefits	5	6
Other pension costs	10	12
	117	227

Average number of employees (excluding directors)	5	5
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4. Operating Loss

The operating loss is stated after charging:	2012	2011
	£000	£000
Depreciation	17	16
Audit fee	3	3

5. Impairment Provision

As outlined in note 1 there has been a write-back to the impairment provision made against the amount due from Folkestone Harbour (1) Limited of £0.56 million (2011: £0.50 million deficit)

Folkestone Harbour Company Limited

6. Tax Charge On Profit/(Loss) On Ordinary Activities

	2012 £000	2011 £000
Current taxation		
UK Corporation tax	-	-

	2012 £000	2011 £000
Reconciliation of Current Tax Charge		
Profit/(loss) on ordinary activities before taxation	529	(629)
Tax on profit/(loss)		
At the standard UK rate of 24% (2011 26%)	127	(163)

Factors effecting the tax charge for the period

Timing differences due to capital allowances	2	(18)
Group relief	-	10
Unutilised losses in the year	5	39
Disallowed items	(134)	132
Current tax for the year	-	-

7. Tangible Fixed Assets

	Plant and machinery £000	Fixtures Fittings £000	Vehicles £000	Total £000
Cost at 1 st January 2012	153	67	2	222
Additions	2	1	-	3
Disposals	-	-	(2)	(2)
Cost as 31 st December 2012	155	68	-	223
Depreciation at 1 st January 2012	95	65	2	162
Charge for the year	16	1	-	17
Disposals	-	-	(2)	(2)
Depreciation at 31 st December 2012	111	66	-	177
Net book value 31 st December 2012	44	2	-	46
Net book value 31 st December 2011	58	2	-	60

Folkestone Harbour Company Limited

8. Debtors

	2012 £000	2011 £000
Trade debtors	24	67
Prepayments and accrued income	62	36
Amounts owed by parent undertaking	-	-
Amount due from other group undertakings	3,538	2,978
	3,624	3,081

Of the amount due from other group undertakings, £2,446,453 (2011: £1,886,618) falls due for repayment on 16th March 2017 or such earlier date as the parties may agree. The amounts due from other group undertakings are stated net of impairment provisions. See note 12 for further details.

9. Creditors: amounts falling due within one year

	2012 £000	2011 £000
Bank overdraft	-	-
Trade creditors	35	24
Accruals and deferred income	22	64
Other tax and social security	13	13
Other creditors	-	1
Amount due to other group undertakings	46	-
	116	102

10. Creditors: amounts falling due after more than one year

	2012 £000	2011 £000
Director's loan account	6,753	6,753
Loan from parent undertaking	2,675	2,678
	9,428	9,431

The director's loan and the loan due to the parent undertaking are repayable as soon as funds become available. Both loans were interest free with effect from 1st January 2011 and are secured by way of a fixed and floating charges over the assets of the company. The director and the parent undertaking have indicated that they do not intend to demand repayment of amounts due within 12 months of the date of the approval of these accounts.

Folkestone Harbour Company Limited

11. Called Up Share Capital

	2012 £	2011 £
Authorised 100 ordinary shares £1 each	100	100
Allotted, called up and fully paid 2 ordinary shares of £1 each	2	2

12. Related party disclosures

The company has a loan of £29,391,963 due from Folkestone Harbour (1) Limited. A write-back to the impairment provision of £559,835 (2011 £(504,976)) was charged to the profit and loss account during the year. The balance outstanding at 31st December 2012 after deducting impairment provisions was £2,446,453 (2011 £1,886,618). The company has a loan due from Folkestone Harbour Limited Partnership of £1,091,341 (2011 £1,091,341).

As at 31st December 2012 the company had a loan due to Folkestone Harbour Holdings Limited of £2,675,177 (2011 £2,677,522). During the year Folkestone Harbour Holdings Limited made new advances of £nil (2011 £200,000).

As at 31st December 2012 the company had a loan due to the director of £6,753,069 (2011: £6,753,069).

As at 31st December 2012 the company had an outstanding balance due to Folkestone Harbour (GP) Limited of £45,468 (2011 £nil).

All of the entities referred to in this note are controlled by a common shareholder.

13. Shareholder's Funds

	2012 £000	2011 £000
Opening shareholders funds/(deficit)	(6,362)	(5,733)
Profit/(loss) for the year	528	(629)
Closing shareholder's funds/(deficit)	(5,834)	(6,362)