

**PORTLAND HARBOUR AUTHORITY LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**

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# **PORTLAND HARBOUR AUTHORITY LIMITED**

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**PORTLAND HARBOUR AUTHORITY LIMITED**

**COMPANY INFORMATION**

**for the Year Ended 31st December 2008**

**DIRECTORS:**

J M Langham  
J C Langham  
J J L Packer  
R T Best  
J M Langham (Jnr)  
S J Davies

**SECRETARY:**

A D Deves

**REGISTERED OFFICE:**

Bingham's Melcombe  
Dorchester  
Dorset  
DT2 7PZ

**REGISTERED NUMBER:**

3002686

**AUDITORS:**

Duncan & Toplis  
Chartered Accountants &  
Registered Auditor  
3 Castlegate  
Grantham  
Lincolnshire  
NG31 6SF

## **PORTLAND HARBOUR AUTHORITY LIMITED**

### **REPORT OF THE DIRECTORS**

**for the Year Ended 31st December 2008**

The directors present their report with the financial statements of the company for the year ended 31st December 2008.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of acting as the Statutory Harbour Authority at Portland, and to provide harbour and towage services.

#### **REVIEW OF BUSINESS**

The profit for the year before taxation was £250,256 (2007 - £459,944).

The directors consider the state of the company's affairs at 31st December 2008 to be satisfactory and intend to continue to develop the company's business within its present field of activity.

#### **DIVIDENDS**

The directors do not recommend the payment of a dividend.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2008 to the date of this report.

J M Langham  
J C Langham  
J J L Packer  
R T Best  
J M Langham (Jnr)  
S J Davies

#### **CHARITABLE DONATIONS**

During the year charitable donations of £150 (2007 - £3,750) were made. The donation was made to the Royal National Lifeboat Institute.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have 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.

**PORTLAND HARBOUR AUTHORITY LIMITED**

**REPORT OF THE DIRECTORS  
for the Year Ended 31st December 2008**

**AUDITORS**

The auditors, Duncan & Toplis, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



A D Deves - Secretary

Date: 14/8/09

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF PORTLAND HARBOUR AUTHORITY LIMITED**

We have audited the financial statements of Portland Harbour Authority Limited for the year ended 31st December 2008 on pages six to fourteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 a Report of the Auditors 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

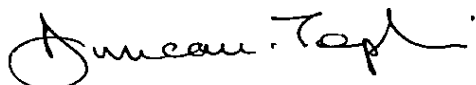
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
PORTLAND HARBOUR AUTHORITY LIMITED**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



Duncan & Toplis  
Chartered Accountants &  
Registered Auditor  
3 Castlegate  
Grantham  
Lincolnshire  
NG31 6SF

Date: 21/8/09

**PORTLAND HARBOUR AUTHORITY LIMITED****PROFIT AND LOSS ACCOUNT  
for the Year Ended 31st December 2008**

	Notes	2008 £	2007 £
<b>TURNOVER</b>	2	2,034,603	2,384,347
Cost of sales		<u>1,294,862</u>	<u>1,403,622</u>
<b>GROSS PROFIT</b>		739,741	980,725
Administrative expenses		<u>585,533</u>	<u>604,550</u>
<b>OPERATING PROFIT</b>	4	154,208	376,175
Interest receivable and similar income	5	<u>96,048</u>	<u>83,769</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		250,256	459,944
Tax on profit on ordinary activities	6	<u>33,903</u>	<u>80,874</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>216,353</u>	<u>379,070</u>
<b>PROFIT FOR THE YEAR</b>		216,353	379,070
Retained profit brought forward		895,411	516,341
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u><u>1,111,764</u></u>	<u><u>895,411</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements



**PORTLAND HARBOUR AUTHORITY LIMITED**

**BALANCE SHEET**

**31st December 2008**

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	7	50,000	50,000
Investments	8	3	3
		<u>50,003</u>	<u>50,003</u>
<b>CURRENT ASSETS</b>			
Stocks	9	15,770	32,080
Debtors	10	914,163	957,716
Cash at bank - repair fund		1,760,011	1,196,440
Cash at bank		-	135,875
		<u>2,689,944</u>	<u>2,322,111</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	1,108,183	956,703
		<u>1,108,183</u>	<u>956,703</u>
<b>NET CURRENT ASSETS</b>		<u>1,581,761</u>	<u>1,365,408</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,631,764</u>	<u>1,415,411</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	520,000	520,000
Profit and loss account		1,111,764	895,411
		<u>1,631,764</u>	<u>1,415,411</u>
<b>SHAREHOLDERS' FUNDS</b>	18	<u>1,631,764</u>	<u>1,415,411</u>

The financial statements were approved by the Board of Directors on .....14/8/09..... and were signed on its behalf by:



Director

The notes form part of these financial statements

## **PORTLAND HARBOUR AUTHORITY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st December 2008**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### **Turnover**

Turnover represents sales at invoice value less trade discounts allowed and excluding value added tax. Revenue is recognised in the period in which services are performed.

##### **Tangible fixed assets**

The company's only fixed asset consists of freehold property. In the opinion of the directors any depreciation charge would not be significant.

##### **Stocks**

Stock is valued at the lower of cost and net realisable value.

##### **Deferred tax**

Provision is made for deferred taxation using the liability method. Deferred taxation is calculated at the rates of tax estimated to be applicable when the timing differences reverse.

##### **Pension costs and other post-retirement benefits**

The company is a member of the Langham Industries Limited Pension Plan and the Langham Industries Group Personal Pension Plan.

The Langham Industries Limited Pension Plan was closed from 1st January 2004 and since that date contributions on behalf of members have been made into the Langham Industries Group Personal Pension Plan. In addition to this, the company has made contributions to the Langham Industries Limited Pension Plan in order to eliminate the deficit on that Plan. These contributions are charged to the profit and loss account. Assets for both Plans are held in separate trustee administered funds.

The Langham Industries Limited Pension Plan provides benefits based on final pensionable pay. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives within the company. The underlying assets of the scheme are not specifically allocated to individual companies and therefore the company is unable to identify its share of the underlying assets of the scheme. In accordance with Financial Reporting Standard 17, the company therefore accounts for the scheme as a defined contribution scheme and contributions payable for the year are charged to the profit and loss account. Full details of the scheme are included in the consolidated accounts of Langham Industries Limited.

The Langham Industries Group Personal Pension Plan is a money purchase scheme and contributions payable for the year are charged to the profit and loss account.

##### **Consolidated accounts**

Consolidated accounts have not been prepared since the company is a subsidiary of Langham Industries Limited and is exempted from the requirement to prepare group accounts under Section 228 of the Companies Act 1985.

#### **2. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

The company's principal activity was carried on within the United Kingdom.

**PORTLAND HARBOUR AUTHORITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31st December 2008**

**3. STAFF COSTS**

	2008	2007
	£	£
Wages and salaries	706,690	681,764
Social security costs	65,906	66,280
Other pension costs	35,557	29,825
	<u>808,153</u>	<u>777,869</u>

The average monthly number of employees during the year was as follows:

	2008	2007
Direct	17	18
Administration	5	5
Directors	6	6
	<u>28</u>	<u>29</u>

As stated in note 17, Portland Port Limited operates a payroll facility and payroll costs as above have been recharged from that company.

Other pension costs include £17,783 (2007 - £16,305) paid into the Langham Industries Limited Pension Plan in order to eliminate the deficit on that Plan - further details are shown in note 19 to the financial statements.

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2008	2007
	£	£
Auditors' remuneration	<u>13,500</u>	<u>6,380</u>
Directors' emoluments	107,743	110,116
Directors' pension contributions to money purchase schemes	<u>15,127</u>	<u>13,799</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2008	2007
Money purchase schemes	1	1
Defined benefit schemes	<u>1</u>	<u>1</u>

Retirement benefits are accruing to one director, partly under a group defined benefit scheme and partly under a group money purchase pension scheme.

No pension contributions are made by the company for the remaining five directors.

In accordance with the pensions accounting policy, the above figure for Directors' pension contributions to money purchase schemes includes £10,686 (2007 - £10,274) payments to the Langham Industries Limited Pension Plan in order to eliminate the deficit on that Plan.

**PORTLAND HARBOUR AUTHORITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31st December 2008**

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2008	2007
	£	£
Bank interest receivable	<u>96,048</u>	<u>83,769</u>

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2008	2007
	£	£
Current tax:		
UK corporation tax	3,276	109,162
Adjustment in respect of previous years: Corporation tax	9,198	(28,288)
Group relief	<u>21,429</u>	<u>-</u>
Tax on profit on ordinary activities	<u>33,903</u>	<u>80,874</u>

UK corporation tax has been charged at 28% (2007 - 30%).

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2008	2007
	£	£
Profit on ordinary activities before tax	<u>250,256</u>	<u>459,944</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007 - 30%)	70,072	137,983
Effects of:		
Permanent disallowances	3,783	3,949
Industrial building allowances	(1,628)	(2,143)
Losses surrendered by other group companies	(67,805)	(30,627)
Effect of small company rate	(1,146)	-
Adjustments in respect of previous years - corporation tax	9,198	(28,288)
Adjustments in respect of previous years - group relief	<u>21,429</u>	<u>-</u>
Current tax charge	<u>33,903</u>	<u>80,874</u>

The taxable profit has been reduced by £242,161 (2007 - £102,090) due to the availability of group loss relief.

There is no liability for deferred tax.

**PORTLAND HARBOUR AUTHORITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31st December 2008**

**7. TANGIBLE FIXED ASSETS**

	Freehold property £
<b>COST</b>	
At 1st January 2008 and 31st December 2008	<u>50,000</u>
<b>NET BOOK VALUE</b>	
At 31st December 2008	<u>50,000</u>
At 31st December 2007	<u>50,000</u>

**8. FIXED ASSET INVESTMENTS**

During the year the company held 2 ordinary shares of £1 each in Portland Pilotage Limited, a company registered in England and Wales, being 100% of the issued share capital. Portland Pilotage Limited did not trade during the year.

During the year the company held 80 ordinary shares of £1 each in Portland Towage Limited, a company registered in England and Wales, being 80% of the issued share capital which was acquired for a consideration of £1. Portland Towage Limited did not trade during the year.

**9. STOCKS**

	2008 £	2007 £
Stocks	<u>15,770</u>	<u>32,080</u>

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Trade debtors	383,369	404,752
Other debtors and prepayments	61,590	81,084
Amounts owed by group undertakings	<u>469,204</u>	<u>471,880</u>
	<u>914,163</u>	<u>957,716</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Bank loans and overdrafts (see note 12)	116,758	-
Trade creditors	46,194	96,052
Corporation tax	(27,974)	109,162
Other creditors and accruals	105,747	119,302
Amounts owed to group undertakings	<u>867,458</u>	<u>632,187</u>
	<u>1,108,183</u>	<u>956,703</u>

# **PORTLAND HARBOUR AUTHORITY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **for the Year Ended 31st December 2008**

### **12. LOANS**

An analysis of the maturity of loans is given below:

	2008 £	2007 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>116,758</u>	<u>-</u>

### **13. CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	2008 £	2007 £
480,000	Ordinary	£1	480,000	480,000
432,534	'A' Ordinary	£1	432,534	432,534
87,466	'B' Ordinary	£1	87,466	87,466
			<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2008 £	2007 £
432,534	'A' Ordinary	£1	432,534	432,534
87,466	'B' Ordinary	£1	87,466	87,466
			<u>520,000</u>	<u>520,000</u>

Allotted and issued:

Number:	Class:	Nominal value:	2008 £	2007 £
NIL	Ordinary Shares	£1	<u>-</u>	<u>-</u>

Each 'A' Ordinary share carries three votes per share at general meetings and each 'B' Ordinary share carries four votes.

### **14. ULTIMATE PARENT COMPANY**

The ultimate parent company is Langham Industries Limited which is registered in England and Wales.

The ultimate controlling party of Langham Industries Limited is the J. M. Langham family.

### **15. CONTINGENT LIABILITIES**

The purchase price of the former naval base is subject to further payments which are conditional on certain events occurring.

The company also has a possible obligation to contribute towards the costs of maintaining the breakwaters. It is not possible to quantify the potential costs that would be incurred, should the obligation arise.

# PORTLAND HARBOUR AUTHORITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31st December 2008

### 16. TRANSACTIONS WITH DIRECTORS

The company has been charged consultancy fees totalling £1,250 (2007 - £2,917) from R T Best and £6,000 (2007 - £7,544) from J J L Packer.

### 17. RELATED PARTY DISCLOSURES

During the year the company was charged £81,384 (2007 - £96,184) for management levies by the ultimate parent company, Langham Industries Limited.

During the year Portland Harbour Authority Limited was charged £604,912 (2007 - £697,101) by Portland Port Limited for plant hire and £24,770 (2007 - £49,989) for use of gas oil by vessels.

Portland Port Limited operates a payroll facility for all companies within the Portland Group. These costs are shown in note 3 to the accounts. Other sundry amounts are recharged within the Group as appropriate.

At the balance sheet date amounts owed to/from group companies were included in debtors and creditors as follows:

Creditors:	2008	2007
	£	£
Langham Industries Limited	46,024	46,199
Portland Port Limited	821,331	585,885
Portland Pilotage Limited	3	3
Portland Towage Limited	100	100
	<u>867,458</u>	<u>632,187</u>

Debtors:	2008	2007
	£	£
Langham Industries Limited	304,723	292,199
Portland Port Limited	164,481	179,681
	<u>469,204</u>	<u>471,880</u>

### 18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Profit for the financial year	<u>216,353</u>	<u>379,070</u>
Net addition to shareholders' funds	216,353	379,070
Opening shareholders' funds	<u>1,415,411</u>	<u>1,036,341</u>
Closing shareholders' funds	<u>1,631,764</u>	<u>1,415,411</u>

## **PORTLAND HARBOUR AUTHORITY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31st December 2008**

#### **19. PENSION SCHEMES**

The company is a member of the Langham Industries Limited Pension Plan and the Langham Industries Group Personal Pension Plan.

The Langham Industries Limited Pension Plan is a defined benefit scheme and is separately funded and administered.

Contributions are based on a full actuarial valuation as at 31st December 2006 which reported a funding level of 77.6% of the liabilities of the scheme on an ongoing basis. Company contributions to the scheme are shared between all group companies to finance this deficit.

The group is committed to funding the Langham Industries Limited Pension Plan and intends to continue paying contributions until the deficit has been eliminated. Contributions of £20,834 per month will be made until December 2016 in accordance with the actuaries' recommendations.

From 1st January 2004 all active members of the Langham Industries Limited Pension Plan and the Langham Pension Savings Scheme were transferred to a new money purchase scheme, the Langham Industries Group Personal Pension Plan. This is separately funded and administered and open to all employees.