

**THE LIVERPOOL AND MANCHESTER  
SHIP CANAL PORT SECURITY  
AUTHORITY LIMITED**

**COMPANY LIMITED BY GUARANTEE**

**Report and Financial Statements  
For the year ended 31 March 2018**

THURSDAY



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30/08/2018  
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**THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY  
AUTHORITY LIMITED  
COMPANY LIMITED BY GUARANTEE**

**REPORT AND FINANCIAL STATEMENTS**

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**THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY  
AUTHORITY LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

G L Doyle  
D R Huck  
A J Martin  
J D Mawer  
P Murray  
A Redhead

**COMPANY SECRETARY**

C R Marrison Gill

**REGISTERED OFFICE**

Maritime Centre  
Port of Liverpool  
Liverpool  
L21 1LA

# **THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY AUTHORITY LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2018. The directors' report has been prepared in accordance with the provisions relating to small companies under section 417(1) of the Companies Act 2006. Accordingly, a strategic report has not been prepared.

### **PRINCIPAL ACTIVITIES**

The Company acts as the port security authority for the ports of Liverpool and the Manchester Ship Canal in accordance with the Port Security (Ports of Liverpool and the Manchester Ship Canal) Designation Order 2013/2181 and the Port Security Regulations 2009. The Company is limited by guarantee and has been established as a 'not for profit' organisation.

### **REVIEW OF BUSINESS AND RESULTS**

As a 'not for profit' organisation the Company sets membership fees at a level sufficient to be able to pay for its annual running costs. Any surplus of income over expenditure is transferred to the Company's reserves and is taken into account when setting membership fees in future years.

The surplus for the year was £nil (2017: £nil), which has been transferred to the Company's reserves. As at 31 March 2018 the Company had reserves of £nil (2017: £nil).

### **DIRECTORS**

The directors of the Company who served during the year and thereafter, unless otherwise stated, are as follows:

B S Crumbleholme (resigned 25 May 2018)

G L Doyle (appointed 22 June 2017)

D R Huck

A J Martin

J D Mawer

P Murray

A Redhead (appointed 8 June 2017)

The Company maintains directors' and officers' liability insurance, which provides insurance cover for the directors and officers of the Company against liabilities that they may incur personally as a consequence of claims made against them alleging breach of duty or other wrongful act or omission in their capacity as directors or officers.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

#### *Going concern*

As referred to in note 3 to the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# **THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY AUTHORITY LIMITED**

## **DIRECTORS' REPORT**

### **AUDITOR AND THE DISCLOSURE OF INFORMATION TO THE AUDITOR**

Each person who is a director of the Company at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Mitchell Charlesworth LLP were appointed as the Company's auditor in respect of the year ended 31 March 2018. They have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditor at a general meeting of the Company.

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial period. 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit 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 judgments and accounting estimates that are reasonable and prudent; and
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

**On behalf of the Board**



D R Huck  
Director  
11 July 2018

**THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY  
AUTHORITY LIMITED**

**Independent Auditor's Report to the Members of The Liverpool and Manchester Ship  
Canal Port Security Authority Limited**

**Year ended 31 March 2018**

**Opinion**

We have audited the financial statements of The Liverpool and Manchester Ship Canal Port Security Authority Limited (the 'company') for the year ended 31 March 2018 which comprise the income and expenditure account statement of other comprehensive income, the balance sheet, the statement of changes in members' funds and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY  
AUTHORITY LIMITED**

**Independent Auditor's Report to the Members of The Liverpool and Manchester Ship  
Canal Port Security Authority Limited (continued)**

**Year ended 31 March 2018**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 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 and take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY  
AUTHORITY LIMITED**

**Independent Auditor's Report to the Members of The Liverpool and Manchester Ship  
Canal Port Security Authority Limited (continued)**

**Year ended 31 March 2018**

**Use of our report**

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.



Paul Durrance  
Senior Statutory Auditor  
for and on behalf of Mitchell Charlesworth LLP  
Chartered Accountants  
Statutory Auditor

11 July 2018



**THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY  
AUTHORITY LIMITED**

**INCOME & EXPENDITURE ACCOUNT**  
**For the year ended 31 March 2018**

	Note	2018 £'000	2017 £'000
<b>TURNOVER</b>	3	184	192
Cost of sales		(156)	(168)
<b>GROSS SURPLUS</b>		28	24
Administrative expenses		(28)	(24)
<b>OPERATING SURPLUS AND SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	7	-	-
Tax on surplus on ordinary activities	8	-	-
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		-	-

The above results are derived from continuing operations.

**STATEMENT OF OTHER COMPREHENSIVE INCOME**

The Company has no recognised gains and losses other than those included in the results above.

	2018 £'000	2017 £'000
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-

**THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY  
AUTHORITY LIMITED**

**BALANCE SHEET**  
**As at 31 March 2018**

	Note	2018 £'000	2017 £'000
<b>CURRENT ASSETS</b>			
Debtors	9	21	18
Cash at bank and in hand		56	2
		<u>77</u>	<u>20</u>
<b>CREDITORS: amounts falling due within one year</b>	10	(77)	(20)
		<u>          </u>	<u>          </u>
<b>NET ASSETS</b>		<u>          </u>	<u>          </u>
<b>RESERVES</b>			
Income and expenditure surplus		-	-
		<u>          </u>	<u>          </u>
<b>MEMBERS' FUNDS</b>		<u>          </u>	<u>          </u>

The financial statements of The Liverpool and Manchester Ship Canal Port Security Authority Limited (company registration number 08652323) were approved by the Board of Directors on 11 July 2018 and signed on its behalf by:



**D R Huck**  
Director

**THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY  
AUTHORITY LIMITED**

**STATEMENT OF CHANGES IN MEMBERS' FUNDS**  
**For the year ended 31 March 2018**

	Income and expenditure surplus £'000	Total £'000
Balance as at 1 April 2016, 31 March 2017 and 31 March 2018	-	-

# THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY AUTHORITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

### 1. GENERAL INFORMATION

The Company is limited by guarantee and has no share capital.

Every member of the Company undertakes to contribute to the assets of the Company, in the event of winding up, such an amount as may be required not exceeding £1.

The Company was incorporated in England.

### 2. STATEMENT OF COMPLIANCE

The financial statements of The Liverpool and Manchester Ship Canal Port Security Authority Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), and the Companies Act 2006.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the principal accounting policies, which have been applied consistently throughout the current and prior financial years, is set out below.

#### Basis of preparation

The financial statements are prepared on a going concern basis, under the historical convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### Going concern

In considering the appropriateness of the going concern basis of preparation, the directors have considered forecasts for the next twelve months from the date of signing the 2018 financial statements, which include detailed cash flow forecasts and working capital availability. These forecasts show that sufficient resources remain available to the business for the next twelve months after taking account of reasonably possible changes in trading performance.

#### Turnover

Turnover is stated net of VAT. Turnover represents membership fees, which are recognised as they fall due, and income from services provided, which are recognised when the service has been discharged.

#### Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY AUTHORITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### (i) Financial assets

Basic financial assets, including amounts owed by members, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### (ii) Financial liabilities

Basic financial liabilities, including amounts owed to members and accruals and deferred income, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt is measured at the present value of the future receipts discounted at a market rate of interest.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### Cash flow statement

The Company is exempt from the requirement to prepare a statement of cash flows on the grounds of being a small company.

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### (i) Critical judgements in applying the Company's accounting policies

The directors do not consider there to be any critical accounting judgements that must be applied.

##### (ii) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not consider there to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 5. DIRECTORS' EMOLUMENTS

No directors received any emoluments in respect of their services to the Company (2017: £nil).

**THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY  
AUTHORITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2018**

**6. EMPLOYEE INFORMATION**

The Company had no employees during the period (2017: none).

*Key management compensation*

Key management are the directors of the Company who are not remunerated for their services to the Company.

**7. OPERATING SURPLUS AND SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2018 £'000	2017 £'000
<b>Operating surplus is stated after charging:</b>		
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	2	2
	<u>2</u>	<u>2</u>

**8. TAX ON SURPLUS ON ORDINARY ACTIVITIES**

	2018 £'000	2017 £'000
<b>Current tax</b>		
UK corporation tax on the surplus for the year	-	-
	<u>-</u>	<u>-</u>
<b>Total current tax charge</b>	-	-
	<u>-</u>	<u>-</u>
<b>Total tax on surplus on ordinary activities</b>	-	-
	<u>-</u>	<u>-</u>

**9. DEBTORS**

	2018 £'000	2017 £'000
<b>Amounts falling due within one year:</b>		
Amounts due from members	9	5
Taxation and social security	12	13
	<u>21</u>	<u>18</u>

Amounts due from members are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

	2018 £'000	2017 £'000
Amounts due to members	75	18
Accruals and deferred income	2	2
	<u>77</u>	<u>20</u>

Amounts due to members are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY AUTHORITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2018

### 11. FINANCIAL INSTRUMENTS

The Company has the following financial instruments:

	2018 £'000	2017 £'000
<i><b>Financial assets that are measured at amortised cost</b></i>		
Amounts due from members	9	5
	<u>9</u>	<u>5</u>
<i><b>Financial liabilities that are measured at amortised cost</b></i>		
Amounts due to members	75	18
Accruals and deferred income	2	2
	<u>77</u>	<u>20</u>

### 12. RELATED PARTY TRANSACTIONS

*Entities in the Peel Ports Group Limited group of companies*

Related Party	Transaction	2017 £'000	2016 £'000
The Mersey Docks and Harbour Company Limited	Membership fees	15	18
The Manchester Ship Canal Company Limited	Membership fees	11	8
Cammell Laird Shiprepairers & Shipbuilders Limited	Membership fees	7	8

The services provided by The Mersey Docks and Harbour Company Limited include employees undertaking activities on behalf of the Company, including the Port Security Officer, an administrator and compliance security officers, the use of a leased vehicle, insurance and administrative services necessary for the Company to operate. These totalled £179,000 (2017: £189,000). Services are recharged on an arm's length basis.

At the balance sheet date, the Company owed £73,000 (2017: £18,000) to The Mersey Docks and Harbour Company Limited, relating to recharges. No membership fees were outstanding from members of the Peel Ports Group Limited group of companies as at 31 March 2018 or 31 March 2017.

### 13. PARENT UNDERTAKINGS AND CONTROLLING PARTY

The Mersey Docks and Harbour Company Limited, The Manchester Ship Canal Company Limited and Birkenhead Port Limited, each of which is a wholly-owned subsidiary of Peel Ports Investments Limited, itself a wholly-owned subsidiary of Peel Ports Group Limited, collectively hold one membership which carries 51% of the voting rights of the Company. The other members of the Company each have one vote which collectively total 49% of the voting rights.

The largest and smallest group of undertakings of which the Company is a member that produces publicly available consolidated financial statements is Peel Ports Group Limited, a company registered in Great Britain. Its group financial statements are available from:

The Company Secretary  
Peel Ports Group Limited  
Maritime Centre  
Port of Liverpool  
L21 1LA

The directors regard Tokenhouse Limited, a company incorporated in the Isle of Man, as the ultimate holding company.

**THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY  
AUTHORITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2018**

**14. ULTIMATE CONTROLLING PARTY**

Tokenhouse Limited is controlled by the Billown 1997 Settlement trust. By virtue of its controlling interest in Peel Ports Group Limited the Company considers the Billown 1997 Settlement trust to be the ultimate controlling party.