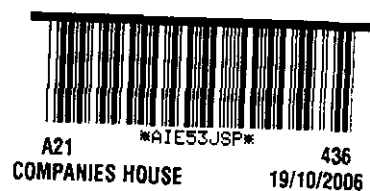


**Folkestone Harbour Company Limited**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

**Company Number 2447559  
Incorporated in England and Wales**



# **Folkestone Harbour Company Limited**

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# **Folkestone Harbour Company Limited**

## **DIRECTOR'S REPORT**

The director presents his report and the audited financial statements for the year ended 31<sup>st</sup> December 2005.

### **Principal activities**

The company owns the seaport and inner harbour at Folkestone, and receives port dues and rental income from the port and harbour operations.

### **Review of the business**

The Company continued to operate the harbour commercially during the year. Costs totalling £809,825 were incurred during the year connected with a project to re-develop the harbour area.

A loss after taxation of £1,114,506 (2004 : £212,086) was incurred during the year.

### **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 Precis (2430) Limited, which is the parent company of Folkestone Harbour Company Limited, owning the whole of this company's issued share capital

### **Auditors**

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

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which 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 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.

## Folkestone Harbour Company Limited

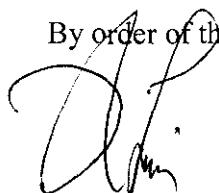
### Directors report (continued)

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.

### Small Company Exemption

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



R Fraser  
Company Secretary  
**Registered Office**  
125 Sandgate High Street  
Folkestone  
Kent  
CT20 3BZ

Date : 11<sup>th</sup> October 2006

# **Folkestone Harbour Company Limited**

## **INDEPENDENT REPORT OF THE AUDITORS TO THE MEMBERS OF FOLKESTONE HARBOUR COMPANY LIMITED**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005.**

We have audited the financial statements of the Company for the year ended 31<sup>st</sup> December 2005 which comprises the Profit and Loss Account, Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company 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 members those matters we are required to state to them in an auditors 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 members as a body, for our audit work for this report or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 and in our opinion as to whether the information in the Directors' Report is consistent with the financial statements. We also 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 transactions with the company is not disclosed.

We read the Directors Report 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.

## **Folkestone Harbour Company Limited**

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.

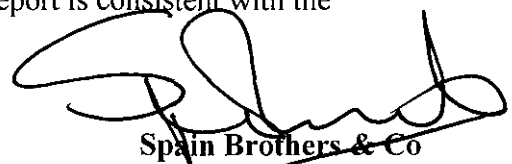
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

### **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 31<sup>st</sup> December 2005 and of its loss for the year then ended.
- And have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the Directors' Report is consistent with the financial statements.



**Spain Brothers & Co**  
**Folkestone**  
**Chartered Accountants**  
**& Registered Auditors**

29 Manor Road  
Folkestone  
Kent  
CT20 2SE

11<sup>th</sup> October 2006

## Folkestone Harbour Company Limited

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005

	Note	2005 £000	2004 £000
Turnover		580	495
Cost of sales		(516)	(338)
		-----	-----
Gross profit		64	157
Administrative expenses		( 375)	(190)
		-----	-----
Operating loss	4	( 311)	(33)
Interest receivable		7	6
Interest payable and similar charges	5	-	(126)
		-----	-----
<b>Loss on ordinary activities before taxation</b>		<b>( 304)</b>	<b>(153)</b>
Tax on ordinary activities	6	-	(59)
		-----	-----
Loss on ordinary activities after taxation		( 304)	(212)
Extraordinary charges	15	( 810 )	-
		-----	-----
		(1,114)	(212)
Loss brought forward		(729)	(517)
		-----	-----
<b>Loss carried forward</b>		<b>(1,843)</b>	<b>(729)</b>
		=====	=====

#### 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 loss for the above two years

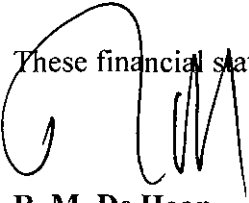
# Folkestone Harbour Company Limited

## BALANCE SHEET AS AT 31<sup>ST</sup> DECEMBER 2005

	Notes	2005 £000	2004 £000
<b>FIXED ASSETS</b>			
Tangible assets	7	5,465	5,091
<b>CURRENT ASSETS</b>			
Debtors	8	154	186
Cash at bank and in hand		42	462
		-----	-----
		196	648
<b>CREDITORS: amounts falling due within one year</b>	9	(95)	(100)
		-----	-----
<b>NET CURRENT ASSETS</b>		101	548
		-----	-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,566	5,639
<b>CREDITORS: amounts falling due after more than one year</b>	9	(7,409)	(6,368)
		-----	-----
		<b>(1,843)</b>	<b>(729)</b>
		=====	=====
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	-	-
Profit and loss account	14	(1,843)	(729)
		-----	-----
<b>Equity shareholders' deficit</b>		<b>(1,843)</b>	<b>(729)</b>
		=====	=====

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved at a meeting of the Board of Directors held on 11<sup>th</sup> October 2006

  
R. M. De Haan      Director



# Folkestone Harbour Company Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005

### 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.

#### (b) Turnover

Turnover comprises income from rents and port and traffic dues. Turnover is stated net of Valued 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. Expenditure includes own work carried out and where applicable it is capitalised.

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%
Fixtures and Fittings	33.33%
Freehold buildings	3.03%
Freehold Improvements	10% to 20%

Depreciation is not provided on the cost of freehold land.

#### (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.

## **Folkestone Harbour Company Limited**

### **(e) Cash flow statement**

The company has taken advantage of the exemption from preparing a cashflow 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.

### **(g) Pensions**

The cost of the Company's Defined Contribution Pension Scheme is charged to the Profit and Loss Account as the contributions fall due.

### **(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 the continuing financial support of the Director and Holding Company.

## **2. Ultimate Parent Company**

The immediate and ultimate parent company is Precis (2430) Ltd, a company controlled by the director, R De Haan.

## Folkestone Harbour Company Limited

### 3. Information Regarding Directors and Employees

No payments were made to the directors for their services to the company for the year (2004 £nil)

Employee costs for the year for the company were:

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	248	113
Social security costs	25	10
Health care and other benefits	8	-
Other pension costs	31	4
	-----	-----
	312	127
	=====	=====
Average number of employees (excluding directors)	10	5
	=====	=====

### 4. Operating Loss

The operating loss is stated after charging:

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Depreciation of owned assets	131	38
Audit fee	2	2
Demolition and development costs	84	31
and crediting:		
Rates rebate	(13)	(97)
	=====	=====

### 5. Interest payable and similar charges

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Interest payable on bank loans	-	126
	-----	-----
	-	126
	=====	=====

## Folkestone Harbour Company Limited

### 6. Tax (charge)/credit on loss on ordinary activities

	2005 £000	2004 £000
Current taxation:		
UK Corporation tax 30%	-	-
Group Relief 30%	-	1
	-----	-----
	-	1
Deferred taxation	-	(60)
	-----	-----
	-	(59)
	=====	=====

The difference between the current tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is explained as follows:

	2005 £000	2004 £000
Loss on ordinary activities before taxation	(304)	(153)
	-----	-----
Tax on loss before tax at the standard UK rate	91	46
Factors effecting the tax credit for the period :		
Non relievable losses	( 91)	(45)
	-----	-----
Current tax (charge)/credit for the year	-	1
	=====	=====

## Folkestone Harbour Company Limited

### 7. Tangible Fixed Assets

	Plant and Machinery	Fixtures & Fittings	Vehicles	Freehold Land & Buildings	Total
	£000	£000	£000	£000	£000
Cost at 1 <sup>st</sup> January 2005	43	2	25	5,691	5,761
Additions	442	58	5	-	505
Cost at 31 <sup>st</sup> December 2005	485	60	30	5,691	6,266
Depreciation at 1 <sup>st</sup> January 2005	33	-	25	612	670
Charge for the year	80	20	2	29	131
Depreciation at 31 <sup>st</sup> December 2005	113	20	27	641	801
Net book value 31 <sup>st</sup> December 2005	372	40	3	5,050	5,465
Net book value 31 <sup>st</sup> December 2004	10	2	-	5,079	5,091

Included within land and buildings is land valued at £4,976,000 (2004: £4,976,000) which is not depreciated.

### 8. Debtors

	2005 £000	2004 £000
Trade debtors	98	41
Other debtors and prepayments	55	144
Amounts owed by parent undertaking	1	1
	154	186

### 9. Creditors: amounts falling due within one year

	2005 £000	2004 £000
Bank overdraft	5	-
Trade creditors	38	76
Accruals and deferred income	38	18
Other creditors	14	6
	95	100

## Folkestone Harbour Company Limited

### 9. Creditors :amounts falling due after more than one year

	2005 £000	2004 £000
Director's loan account	6,359	6,368
Amount due to parent company	1,050	-
	<u>7,409</u>	<u>6,368</u>

The director's loan account is interest free and has no defined terms for repayment. The director does not anticipate repayment within the next 12 months.

### 10. Financial Commitments

The annual commitments on non cancellable operating leases are as follows:

	Land and Buildings £000
Obligations on leases expiring:	
within one year	-
within 2 to 5 years	-
after more than 5 years	4
	<u>4</u>

### 11. Called up Share Capital

	2005 £	2004 £
Authorised: 100 ordinary shares £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

## Folkestone Harbour Company Limited

### 12. Related party disclosures

The company has taken advantage conferred by paragraph 3 (c ) of the Financial Reporting Standard 8 “Related Party Disclosures” not to disclose transactions with group entities.

### 13. Segmental Analysis

The Company’s operations are considered to fall into one class of business.  
100% of the Company’s turnover derives from the United Kingdom

### 14. Shareholders’ Funds

	2005 £000	2004 £000
Opening shareholders deficit	(729)	(517)
Loss for the year	(1,114) -----	(212) -----
Closing shareholders deficit	(1,843) =====	(729) =====

### 15. Extraordinary Charges

	2005 £000	2004 £000
Harbour development costs	810 =====	- =====