

Company Registration No: 08652323

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

COMPANY LIMITED BY GUARANTEE

**Report and Financial Statements
For the year ended 31 March 2021**

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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
M J Thompson
L P Weissenborn

COMPANY SECRETARY

F A Khan

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 2021. 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 (2020: £nil). As at 31 March 2021 the Company had reserves of £nil (2020: £nil).

DIRECTORS

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

G L Doyle
D R Huck
A J Martin
J D Mawer
P Murray
M J Thompson
L P Weissenborn

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.

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.

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

DIRECTORS' REPORT

Mitchell Charlesworth LLP were appointed as the Company's auditor in respect of the year ended 31 March 2021. 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.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'D R Huck', written in a cursive style.

D R Huck
Director
29 July 2021

THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY AUTHORITY LIMITED

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.

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 2021

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 2021 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 2021 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 2021

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.

**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 2021

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the accounts from our experience in the sector and knowledge of the company, as well as through discussions. The most significant of these was deemed to be compliance with laws and regulations that directly affect the accounts including financial reporting legislation and taxation legislation.
- We considered opportunities and incentives that may exist within the organisation and identified the greatest potential for fraud to be the posting of unusual journals and timing of recognition of income.
- In common with all audits under ISAs (UK) we are required to perform specific procedures to respond to the risk of management override.
- We established an understanding of the control environment, and the segregation of duties exercised to assist with the design of our audit testing.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the accounts, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

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

29 July 2021

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

INCOME & EXPENDITURE ACCOUNT

For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
TURNOVER	5	196	184
Cost of sales		<u>(183)</u>	<u>(170)</u>
GROSS SURPLUS		14	14
Administrative expenses		<u>(14)</u>	<u>(14)</u>
OPERATING SURPLUS AND SURPLUS BEFORE TAXATION	8	-	-
Taxation	9	<u>-</u>	<u>-</u>
SURPLUS FOR THE FINANCIAL YEAR		<u>-</u>	<u>-</u>

The above results are derived from continuing operations.

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

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

	2021 £'000	2020 £'000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>-</u>	<u>-</u>

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

**BALANCE SHEET
As at 31 March 2021**

	Note	2021 £'000	2020 £'000
CURRENT ASSETS			
Debtors	10	61	44
Cash at bank and in hand		41	160
		<u>101</u>	<u>204</u>
CREDITORS: amounts falling due within one year	11	<u>(101)</u>	<u>(204)</u>
NET ASSETS		<u>-</u>	<u>-</u>
RESERVES			
Income and expenditure surplus		<u>-</u>	<u>-</u>
MEMBERS' FUNDS		<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 29 July 2021 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 2021**

	Income and expenditure surplus £'000	Total £'000
Balance as at 1 April 2019, 31 March 2020 and 31 March 2021	-	-

THE LIVERPOOL AND MANCHESTER SHIP CANAL PORT SECURITY AUTHORITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2021

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 and having due regard for the impact of COVID-19, the directors have considered forecasts for the next twelve months from the date of signing the 2021 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 2021

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021**

5. TURNOVER

	2021 £	2020 £
Membership fees	196	184

6. DIRECTORS' EMOLUMENTS

No directors received any emoluments in respect of their services to the Company (2020: £nil).

7. EMPLOYEE INFORMATION

The Company had no employees during the period (2020: none).

Key management compensation

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

8. OPERATING SURPLUS AND SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2021 £'000	2020 £'000
Operating surplus is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	2	2

9. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2021 £'000	2020 £'000
Current tax		
UK corporation tax on the surplus for the year	-	-
Total current tax charge	-	-
Total tax on surplus on ordinary activities	-	-

10. DEBTORS

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Amounts due from members	6	44
Taxation and social security	55	-
	61	44

Amounts due from 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 2021

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Amounts due to members	99	199
Accruals and deferred income	2	2
Taxation and social security	-	3
	<u>101</u>	<u>204</u>

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

12. FINANCIAL INSTRUMENTS

The Company has the following financial instruments:

	2021 £'000	2020 £'000
<i>Financial assets that are measured at amortised cost</i>		
Amounts due from members	<u>6</u>	<u>44</u>
<i>Financial liabilities that are measured at amortised cost</i>		
Amounts due to members	99	199
Accruals and deferred income	2	2
Taxation and social security	-	3
	<u>101</u>	<u>204</u>

13. RELATED PARTY TRANSACTIONS

Entities in the Peel Ports Group Limited group of companies

Related Party	Transaction	2021 £'000	2020 £'000
The Mersey Docks and Harbour Company Limited	Membership fees and expenses recharged	14	16
	Purchases	192	176
The Manchester Ship Canal Company Limited	Membership fees	3	12
	Purchases	-	-
Cammel Laird Shiprepairers & Shipbuilders Limited	Membership fees	<u>7</u>	<u>8</u>

Services are recharged on an arm's length basis.

At the balance sheet date, the Company owed £99,000 (2020: £176,000) to The Mersey Docks and Harbour Company Limited, relating to recharges. Membership fees of £3,000 (2020: £12,000) were outstanding from The Manchester Ship Canal Company Limited and £nil (2020: £21,000) from The Mersey Docks and Harbour Company Limited as at 31 March 2021.

Cammel Laird Shiprepairers & Shipbuilders Limited ceased to be a related party on 30 March 2021. No amounts were owed to/from the entity 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 2021

14. 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

15. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Peel Ports Holdings (CI) Limited, the immediate parent company of Peel Ports Group Limited.