

**REGISTRAR**

**Grant Thornton** 

**PORTSEA HARBOUR COMPANY  
LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2002**



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Company no 1748902

# PORTSEA HARBOUR COMPANY LIMITED

## FINANCIAL STATEMENTS

For the year ended 31 December 2002

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Company registration number: 1748902

Registered office: South Street  
Gosport  
Hampshire  
PO12 1EP

Directors: Non executive M R Wright, ARICS  
J E Macmillan

Executive G D Phillips  
C R P Withinshaw

Secretary: J E Macmillan

Bankers: Barclays Bank Plc  
43/44 High Street  
Gosport  
Hampshire  
PO12 1DN

Solicitors: Blake Lapthorn  
New Court  
1 Barnes Wallis Road  
Segensworth  
Fareham  
PO15 5OA

Auditors: Grant Thornton  
Registered auditors  
Chartered accountants  
Manor Court  
Barnes Wallis Road  
Segensworth  
Fareham  
Hampshire  
PO15 5GT

**PORTSEA HARBOUR COMPANY LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2002

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# PORTSEA HARBOUR COMPANY LIMITED

## REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 2002.

### Principal activities

The company is principally engaged in operating the landing stage at Portsea.

### Business review

There was a profit for the year after taxation amounting to £185,868 (2001: loss £5,150). The directors do not recommend payment of a dividend (2001: £nil).

### Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors and their families in the shares of the company as at 31 December 2002 and 1 January 2002 were as follows:

	Ordinary shares	
	31 December 2002	1 January 2002
M R Wright, ARICS	-	-
G D Phillips	-	-
C R P Withinshaw	-	-
J E Macmillan	-	-

The interests of the directors in the shares of the holding company, The Portsmouth Harbour Ferry Company plc, and of other subsidiaries of the holding company, namely Clarence Marine Engineering Limited, Gosport Ferry Limited, and Cobham Travel Service Limited are shown in those companies' financial statements.

### Directors' responsibilities for the financial statements

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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; and
- state whether applicable accounting standards have been followed, 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.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**PORTSEA HARBOUR COMPANY LIMITED**

**REPORT OF THE DIRECTORS**

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**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD**

A handwritten signature in black ink, appearing to be 'M R Wright', written over a horizontal line.

M R Wright, ARICS

Director

11 April 2003

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
PORTSEA HARBOUR COMPANY LIMITED**

We have audited the financial statements of Portsea Harbour Company Limited for the year ended 31 December 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 16. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards 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 MEMBERS OF  
PORTSEA HARBOUR COMPANY LIMITED**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Grant Thornton*

**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

**PORTSMOUTH  
11 April 2003**

# **PORTSEA HARBOUR COMPANY LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of certain assets.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### **TURNOVER**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT.

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The periods generally applicable are:

Fixed roadway and pontoon

Periods between 25 and 30 years

### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.



**PORTSEA HARBOUR COMPANY LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2002

	Note	2002 £	2001 £
Turnover	1	255,570	163,585
Administrative expenses		(105,705)	(93,432)
<b>Operating profit</b>		<b>149,865</b>	<b>70,153</b>
Interest payable and similar charges	3	-	(28,800)
<b>Profit on ordinary activities before taxation</b>	1	<b>149,865</b>	<b>41,353</b>
Tax on profit on ordinary activities	4	36,003	(46,503)
<b>Profit/(loss) transferred to reserves</b>	11	<b>185,868</b>	<b>(5,150)</b>

There were no recognised gains or losses other than the profit for the financial year.

**PORTSEA HARBOUR COMPANY LIMITED****BALANCE SHEET AT 31 DECEMBER 2002**

	<b>Note</b>	<b>2002 £</b>	<b>2001 £</b>
<b>Fixed assets</b>			
Tangible assets	5	472,958	506,958
<b>Current assets</b>			
Debtors	6	144,037	(53,430)
Cash at bank and in hand		19,507	14,454
		<u>163,544</u>	<u>(38,976)</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(215,818)</u>	<u>(185,615)</u>
<b>Net current (liabilities)/assets</b>		<u>(52,274)</u>	<u>(224,591)</u>
<b>Total assets less current liabilities</b>		<u>420,684</u>	<u>282,367</u>
<b>Provisions for liabilities and charges</b>	8	<u>(82,148)</u>	<u>(129,699)</u>
		<u>338,536</u>	<u>152,668</u>
<b>Capital and reserves</b>			
Called up share capital	10	1,000	1,000
Revaluation reserve	11	25,000	25,000
Profit and loss account	11	312,536	126,668
<b>Shareholders' funds</b>	12	<u>338,536</u>	<u>152,668</u>

The financial statements were approved by the Board of Directors on 11 April 2003

**M R Wright, ARICS**

**Director**



The accompanying accounting policies and notes form an integral part of these financial statements.

# PORTSEA HARBOUR COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

### 1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:

2002	2001
£	£

Depreciation:

Tangible fixed assets, owned

34,000	34,000
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Auditors' remuneration of £1,000 (2001:£1,000), which relates to this company, has been charged in The Portsmouth Harbour Ferry Company plc.

### 2 DIRECTORS AND EMPLOYEES

The company has no paid employees (2001: nil). The directors did not receive any remuneration in the year (2001: £nil).

### 3 INTEREST PAYABLE AND SIMILAR CHARGES

2002	2001
£	£

Interest payable to group undertakings

-	28,800
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### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax credit represents:

2002	2001
£	£

UK Corporation tax at 19.25% (2001:20%)

Deferred taxation

11,548	11,762
(47,551)	34,741
(36,003)	46,503

# PORTSEA HARBOUR COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

### Factors affecting tax charge for period

The tax assessed for the period is lower than the average standard rate of corporation tax in the UK (19.25% per cent). The differences are explained as follows:

	2002 £	2001 £
Profit on ordinary activities before tax	149,865	41,353
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2001: 20%)	28,849	8,271
Effect of:		
Capital allowances for the period in excess of depreciation	4,155	3,491
Group relief	(21,456)	-
Current tax charge for period	11,548	11,762

### 5 TANGIBLE FIXED ASSETS

	Plant and equipment £
Cost or valuation	
At 1 January 2002 and 31 December 2002	924,954
Depreciation	
At 1 January 2002	417,996
Provided in the year	34,000
At 31 December 2002	451,996
Net book amount at 31 December 2002	472,958
Net book amount at 31 December 2001	506,958

The fixed roadway landing stage at Portsea was valued during 1985 at £25,000 on the basis of its continued existing use. This valuation is included in the fixed assets of the Company at the balance sheet date. The cost and net book value prior to revaluation was nil. The transitional arrangements under FRS 15 have been followed and the valuations have not been updated.

No provision has been made in the deferred taxation account for the estimated corporation tax that would be payable on disposal at this valuation, because, in the opinion of the directors, this asset is unlikely to be disposed of in the foreseeable future.

**PORTSEA HARBOUR COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2002

**6 DEBTORS**

	2002 £	2001 £
Amounts owed by group undertakings	142,578	(54,865)
Prepayments and accrued income	1,459	1,435
	<u>144,037</u>	<u>(53,430)</u>

**7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2002 £	2001 £
Amounts owed to group undertakings	203,870	173,553
Corporation tax	11,548	11,762
Accruals and deferred income	400	300
	<u>215,818</u>	<u>185,615</u>

**8 PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred taxation £
At 1 January 2002	129,699
Provided during the year	(47,551)
At 31 December 2002	<u>82,148</u>

**9 DEFERRED TAXATION**

Deferred taxation provided for in the financial statements is set out below.

	Amount provided 2002 £	2001 £
Accelerated capital allowances	<u>82,148</u>	<u>129,699</u>

# PORTSEA HARBOUR COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

### 10 SHARE CAPITAL

	2002 £	2001 £
Authorised 1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid 1,000 ordinary shares of £1 each	1,000	1,000

### 11 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2002	25,000	126,668
Retained profit for the year	-	185,868
At 31 December 2002	25,000	312,536

The balance on the revaluation reserve is not distributable under the Companies Act 1985.

### 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit/(loss) for the financial year	185,868	(5,150)
Net increase/(decrease) in shareholders' funds	185,868	(5,150)
Shareholders' funds at 1 January 2002	152,668	157,818
Shareholders' funds at 31 December 2002	338,536	152,668

### 13 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2002 or 31 December 2001.

### 14 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2002 or 31 December 2001.