HUMBER PILOTAGE CUTTER COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

31ST DECEMBER 1987

HODGSON IMPEY
CHARTERED ACCOUNTANTS

HUMBER PILOTAGE CUTTER COMPANY LIMITED

DIRECTORS' REPORT

31st December 1987

The directors present to the members their report and accounts for the year ended 31st December 1987.

Principal activity

The principal activity of the company is to provide, equip and maintain suitable vessels, boats and shore stations for carrying on and conducting the Pilotage within the Humber Pilotage district.

Profit and appropriations

	£
The profit available for appropriation is	292,211
The recommended dividend is	150,000
leaving a retained profit of	142,211

which is transferred to reserves.

Review of the business

The company has continued to trade at a satisfactory level.

Future developments

No other major developmerts in the affairs of the company are foreseen during the current financial year.

Directors

The directors of the company are as follows

D. Dunn - Chairman
D. Raper - Deputy Chairman
Captain E.S. Wilks, M.B.E.
Captain D.C. Thomas
R.W. Sawyers
S. Broddle
P.P. Hames
Captain H Boyes
M.G. Fell

On 26th March 1987 Mr. C.S. Bradley retired from the Board of Directors and was unavailable for re-appointment. Mr. M.G. Fell was appointed a director in the place of Mr. C.S. Bradley.

In accordance with the Articles of Association all the other directors retire from office, and, being eligible, offer themselves for re-election.

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Directors' share interests

Name of directors	Description of interest in Associated British Ports Holdings PLC	At 1st January *1987	At 31st December 1987	Held by Trustees At 1st January *1987	Held by Trustees At 31st December 1987
Captain D.C. Thomas	Ordinary shares of 25p each	-	-	434	576
Mr. D. Dunn	Ordinary shares of 25p each	980	980	1,364	1,506

* or on appointment as director if later

Mr D. Dunn and Mr. M.G. Fell also hold an option on 15,000 shares each exercisable between 1st July 1990 and 1st July 1997.

Captain D.C. Thomas also holds an option on 10,000 shares exercisable between 1st July 1990 and 1st July 1997.

There has been no alteration in the total of the individual shareholding of the directors since 31st December 1987.

Tangible fixed assets

In the opinion of the directors the market value of leasehold land and buildings is not materially different from the figures at which they are stated in the accounts.

Auditors

Hodgson Impey have agreed to offer themselves for re-election as auditors of the company.

By order of the board

J.S. Burden

Secretary

50 Queen Street
Hull

24th March 1988

HODGSON IMPEY

HUMBER PILOTAGE CUTTER COMPANY LIMITED

AUDITORS' REPORT

Auditors' report to the members of Humber Pilotage Cutter Company Limited

We have audited the financial statements on pages 4 to 11 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1987 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hodgson Impey

Chartered Accountants

Hull

24th March 1988

HODGSON IMPEY

HUMBER PILOTAGE CUTTER COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1987

	Note	1987 £	1986 £
Turnover		1,586,826	1,565,373
Cost of sales		(1,117,269)	(1,031,679)
Gross profit		469,557	533,694
Administration expenses		(179,269)	(188,784)
Operating profit	2	290,288	344,910
Profit on sale of fixed assets		35,688	24,998
Investment income	5	77,231	71,774
Interest payable	6	(6,052)	(26,743)
Exceptional items	7	27,500	-
Profit on ordinary activities before taxation		424,655	414,939
Taxation	8	(132,444)	(149,822)
Profit for the financial year		292,211	265,117
Dividends	9	150,000	(130,000)
Retained profit for the year	19	142,211	135,117

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HUMBER PILOTAGE CUTTER COMPANY LIMITED

BALANCE SHEET

at 31st December 1987

	Note	1987 £	1987 £	1986 £	1986 £
Fixed assets					
Tangible assets	10		1,566,048		1,279,448
Current assets					
Stocks	11	44,151		39,384	
Debtors	12	791,163		1,062,051	
Cash at bank and in hand		113,652		111,910	
		948,966		1,213,345	
Creditors: amounts falling due within one year	13	(424,537)		(357,530)	
Net current assets			524,429		855,815
Total assets less current liabilities			2,090,477		2,135,263
Creditors: amounts falling due after more than one year	14		(132,444)		(316,281)
Provisions for liabilities and charges	15		(20,000)		(20,000)
Accruals and deferred income	17		(37,920)		(41,080)
			1,900,113		1,757,902
Capital and reserves					
Called up share capital	18		30,000		30,000
Profit and loss account	19		1,870,113		1,727,902
			1,900,113		1,757,902

The financial statements on pages 4 to 11 were approved by the board of directors on 24th March 1988

D. Dunn

D. Raper

Directors

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HUMBER PILOTAGE CUTTER COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended 31st December 1987

	1987		1986	
	£	£	£	£
Source of funds				
From operations				
Profit on ordinary activities before taxation		424,655		414,939
Items not involving the movement of funds				
Depreciation and amortisation	122,906		105,915	
Release of EEC grant	(3,160)		(3,175)	
Surplus on sale of fixed assets	(35,688)	84,058	(24,998)	77,742
		508,713		492,681
Other sources				
Disposal of fixed assets		55,720		45,135
		564,433		537,816
Application of funds				
Dividends paid	(130,000)		(20,000)	
Taxation paid	(124,739)		-	
Additions to fixed assets	(429,538)		(105,948)	
Repayment of loans	(166,407)		(13,867)	
Short term loan to holding company	270,000	(580,684)	(390,000)	(529,815)
		(16,251)		8,001
(Increase)/decrease in working capital				
Stocks	(4,767)		14,824	
Debtors	(6,432)		(21,785)	
Creditors other than dividends and taxation	(33,463)		(61,754)	
Amount due to holding company	62,655	17,993	(46,743)	(115,458)
Increase/(decrease) in net liquid funds				
Cash at bank and in hand	1,742		(107,457)	
		1,742		(107,457)

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HUMBER PILOTAGE CUTTER COMPANY LIMITED

NOTES ON ACCOUNTS

31st December 1987

1 Principal accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention.

Turnover

Turnover represents amounts received and receivable for services provided during the year.

Depreciation

Depreciation of tangible fixed assets is calculated by reference to cost at rates estimated to write off the relevant assets over their expected useful lives, taking into account normal commercial and technical obsolescence.

The expected useful lives are

Jetties and buildings	50 years
Mains and services	30 years
Motor launches and boats	10 years/15 years
Plant and machinery	15 years
Radar	15 years
Motor vehicles	3 years

Stocks

Stocks of stores have been valued on a basis consistent with that of previous years at the lower of cost and net realisable value.

Allowance has been made for obsolete and slow moving items.

Deferred taxation

An amount is provided using the liability method for

(a) All short term timing differences

(b) All other timing differences except where there is reasonable evidence that the liabilities will not crystallise in the foreseeable future.

2 Operating profit	1987 £	1986 £
Operating profit is stated after crediting		
Auditors' remuneration	1,750	1,750
Depreciation of tangible fixed assets	122,906	105,915

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		1987 £	1986 £
3	**Directors and employees**		
	Staff costs including directors' emoluments		
	Wages and salaries	619,000	580,000
	Social security costs	46,000	41,000
	Other pension costs	43,000	44,000
		708,000	665,000
	Average number of employees, including executive directors	Number	Number
	Production	53	54
4	**Directors emoluments**		
	The directors received no emoluments during the year.		
5	**Investment income**	£	£
	Loan interest receivable	69,955	71,774
	Interest received on late payment of damage claim	7,072	-
	Interest received on late paid VAT	204	-
		77,231	71,774
6	**Interest payable**		
	Long term loan	6,052	26,743
7	**Exceptional items**		
	Amounts received arising on loss of use of a motor launch due to a collision	27,500	-
8	**Taxation**		
	Corporation tax on profit on ordinary activities at 35% (1986 36.25%)	132,444	149,874
	Adjustment for earlier years - Over provision in previous year	-	(52)
		132,444	149,822

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9 Dividends	1987 £	1986 £
Proposed ordinary	150,000	130,000

10 Tangible fixed assets	Vessels £	Buildings and Jetty long lease £	Buildings short lease £	Plant, equipment and transport £	Total £
Cost or valuation					
31st December 1986	973,482	632,412	20,772	264,537	1,891,203
Additions	413,991	-	-	15,547	429,538
Disposals	(94,758)	-	-	(11,539)	(106,297)
31st December 1987	1,292,715	632,412	20,772	268,545	2,214,444
Depreciation					
31st December 1986	387,988	156,180	1,682	65,905	611,755
Charge for the year	71,114	20,453	415	30,524	122,906
Appropriated on disposals	(77,070)	-	-	(9,195)	(86,265)
31st December 1987	382,032	176,633	2,097	87,634	648,396
Net book amount					
31st December 1987	910,683	455,779	18,675	180,911	1,566,048
31st December 1986	585,494	476,232	19,090	198,632	1,279,448
Gross depreciable assets					
31st December 1987	1,289,421	632,412	20,772	261,353	2,203,958

	1987 £	1986 £
Land and buildings		
Long leasehold	455,779	476,232
Short leasehold	18,675	19,090
Net book amount	474,454	495,322
Future capital commitments		
Contracted for	107,431	-
Authorised, but contracts not placed	-	306,902

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	1987		1986	
11 Stocks	£	£	£	£
Spare parts		19,142		14,549
Fuel oil		3,859		3,709
Heating oil		1,150		1,126
		24,151		19,384
12 Debtors				
Trade debtors		153,186		148,978
Amounts owed by holding company		4,351		11,671
Short term loan to holding company		620,000		890,000
Prepayments and accrued income		13,626		11,402
		791,163		1,062,051
13 Creditors: amounts falling due within one year				
Trade creditors		41,708		75,171
Due to group companies				
Holding company				
Loan instalment	-		13,867	
Trade accounts	82,955	82,955	13,753	27,620
Corporation tax		149,874		124,739
Recommended dividend		150,000		130,000
		424,537		357,530
14 Creditors: amounts falling after more one year				
Amount due to holding company (secured)		-		166,407
United Kingdom corporation tax payable: 1st January 1989		132,444		149,874
		132,444		316,281

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15 Provision for liabilities and charges	1986 £	Profit and loss account £	Utilised £	1987 £
Deferred taxation (notes 8 and 16)	20,000	-	-	20,000

16 Deferred taxation	1987 Potential liability £	1987 Provision made £	1986 Potential liability £	1986 Provision made £
Corporation tax deferred by Capital allowances	240,000	20,000	230,000	20,000

The potential liability and provision are based on a corporation tax rate of 35% (1986 35%).

17 Accruals and deferred income	1987 £	1986 £
European Economic Community Grant	37,920	41,080

18 Called up share capital	1987 Number of shares	1987 £	1986 Number of shares	1986 £
Authorised				
Ordinary shares of £1 each	30,000	30,000	30,000	30,000
Allotted called up and fully paid				
Ordinary shares of £1 each	30,000	30,000	30,000	30,000

19 Profit and loss account	£
31st December 1986	1,727,902
Retained profit for the year	142,211
31st December 1987	1,870,113

20 The company's ultimate holding company is Associated British Ports Holdings PLC.

RODGESON IMPEY