

**FOLKESTONE HARBOUR (4) LIMITED**  
**DIRECTOR'S REPORT AND ACCOUNTS**

**31 DECEMBER 2009**

**Company Registration Number: 6044788**



## **FOLKESTONE HARBOUR (4) LIMITED**

### **Director's report**

Director R M De Haan CBE DL

Secretary: R J Fraser

Registered Office. Strand House, 125 Sandgate High St, Folkestone, Kent CT20 3BZ

The director submits his report together with the audited accounts of the company for the year ended 31 December 2009

### **Principal activities and review of business**

The company is a limited partner in Folkestone Harbour Limited Partnership, a partnership set up to redevelop Folkestone harbour. Its partnership share is 11.827%. During the year the partnership has continued the process of reviewing its redevelopment options. It is anticipated that the process of creating specific development plans will take place during 2010.

### **Directors**

Roger De Haan remained the sole director of the company throughout the year.

### **Results and dividends**

The loss for the period amounted to £309,545 (2008-£5,626,772) and has been transferred to reserves. No dividend is payable.

### **Director Interests**

R M De Haan owns the whole of the issued share capital of the immediate parent undertaking, Folkestone Harbour Holdings Limited.

### **Disclosure of information to auditors**

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

KPMG LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

### **Small Company Exemption**

The above report has been prepared in accordance with the special provisions of Section 415A of Part 15 of the Companies Act 2006 relating to small companies.

By order of the board

A handwritten signature in black ink, appearing to be 'R J Fraser', with a stylized flourish at the end.

R J Fraser  
Secretary

23/8/0

**Registered Office**

125 Sandgate High Street

Folkestone

Kent

CT20 3BZ

**FOLKESTONE HARBOUR (4) LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE**  
**DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 profit or loss 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOLKESTONE HARBOUR (4) LIMITED**

We have audited the financial statements of Folkestone Harbour (4) Limited for the year ended 31 December 2009 set out on pages 6 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 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'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**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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



Shaun Kirby (Senior Statutory Auditor)  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
8 Salisbury Square  
London, EC4Y 8BB

26 August 2010

**FOLKESTONE HARBOUR (4) LIMITED****Profit and loss account for the year ended 31 December 2009**

	Note	2009 £	2008 £
Administrative expenses		(635)	(516)
Impairment of investment	6	(7,797)	(5,158,735)
Interest receivable	2	-	-
Interest payable	3	(301,113)	(467,521)
<b>Loss on ordinary activities before taxation</b>	4	<u>(309,545)</u>	<u>(5,626,772)</u>
Taxation	5	-	-
<b>Loss on ordinary activities after taxation</b>		<u>(309,545)</u>	<u>(5,626,772)</u>

Continuing operations

All activities are continuing

Total recognised gains and losses

The Company has no recognised gains or losses other than the amounts shown above

**FOLKESTONE HARBOUR (4) LIMITED**  
**Balance sheet as at 31 December 2009**

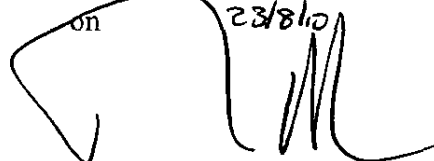
	Note	2009 £	2008 £
<b>Fixed assets</b>			
Investments	6	788,345	796,142
<b>Current assets</b>			
Cash at bank and in hand		<u>459</u>	<u>491</u>
		459	491
<b>Creditors</b>			
- amounts falling due within one year	7	(1,603)	(1,000)
<b>Net current liabilities</b>		<u>(1,144)</u>	<u>(509)</u>
<b>Creditors</b>			
- amounts falling due after more than one year	8	(7,052,519)	(6,751,406)
<b>Net liabilities</b>		<u>(6,265,318)</u>	<u>(5,955,773)</u>
<b>Capital and reserves</b>			
Called-up share capital	9	2	2
Profit and loss account	10	(6,265,320)	(5,955,775)
<b>Shareholders' deficit</b>	11	<u>(6,265,318)</u>	<u>(5,955,773)</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

These financial statements were approved by the Director

on

23/8/10



RM De Haan  
Director



## FOLKESTONE HARBOUR (4) LIMITED

### Notes to the financial statements

#### 1 Accounting policies

##### a) Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards

A key source of estimation uncertainty within these financial statements surrounds the carrying value of the company's investment in Folkestone Harbour Limited Partnership. The Director has reviewed the carrying cost of this investment against estimates of net realisable value (NRV). The Director has arrived at NRV by valuing the investment at an amount equivalent to the company's share of net assets of the partnership. This has given rise to an impairment totalling £7,797 (2008-£5.2 million). Should there be further significant decline in UK real estate pricing, then a further write-down of the investment may be necessary.

##### b) Cash flow statement

The directors have taken advantage of the exemption available under FRS 1 (revised) from the requirement to prepare a cash flow statement on the basis that the company qualifies under the exemption for small companies.

##### c) Investments

Investments are held at cost less any provision for impairment.

##### d) Going concern

The financial statements have been prepared on the going concern basis which the director believes to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Folkestone Harbour Holdings Limited, the company's ultimate parent. Folkestone Harbour Holdings Limited has indicated that for at least 12 months from the date of approval of these financial statements, it intends to continue to make available such funds as are needed by the company and in particular it does not intend to seek repayment of the amounts currently made available. The director considers that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, he has no reason to believe that it will not do so.

#### 2 Interest receivable

	2009	2008
	£	£
Bank deposit interest receivable	-	-

#### 3 Interest payable

	2009	2008
	£	£
Interest on loan from parent undertaking	301,113	467,521

Interest on the loan is rolled up into the loan balance

**FOLKESTONE HARBOUR (4) LIMITED**  
**Notes to the financial statements**

<b>4</b>	<b>Loss on ordinary activities before taxation</b>	<b>2009</b>	<b>2008</b>
		£	£
	Is stated after charging -		
	Audit fees	603	500
		<u>603</u>	<u>500</u>
<b>5</b>	<b>Tax on loss on ordinary activities</b>	<b>2009</b>	<b>2008</b>
		£	£
	Current tax	-	-
		<u>-</u>	<u>-</u>
	Reconciliation of Current Tax charge		
	Pre-tax losses at 28% (2008 28.5%)	( 86,673)	(1,603,630)
	Tax on share of partnership result	1,553	(18)
	Group relief	82,937	133,409
	Non-deductible expense (impairment)	2,183	1,470,239
		<u>2,183</u>	<u>1,470,239</u>
		-	-
<b>6</b>	<b>Investment</b>		
	Cost	£	
	At 1 January 2009	5,954,877	
	Additions	-	
	At 31 December 2009	<u>5,954,877</u>	
	Impairment losses		
	At 1 January 2009	(5,158,735)	
	Charge for the year	(7,797)	
	At 31 December 2009	<u>(5,166,532)</u>	
	Net book amount at 31 December 2009	<u>788,345</u>	
	Net book amount at 31 December 2008	<u>796,142</u>	
	The reason for the impairment charge is explained in note 1		
	The investment comprises an 11 827% partnership share in Folkestone Harbour Limited Partnership.		
<b>7</b>	<b>Creditors</b>	<b>2009</b>	<b>2008</b>
	- amounts falling due within one year	£	£
	Amount due to parent undertaking	1,603	500
	Accruals	-	500
		<u>1,603</u>	<u>1,000</u>
<b>8</b>	<b>Creditors</b>	<b>2009</b>	<b>2008</b>
	- amounts falling due after more than one year		£
	Loan from parent undertaking	7,052,519	6,751,406
		<u>7,052,519</u>	<u>6,751,406</u>

**FOLKESTONE HARBOUR (4) LIMITED**  
**Notes to the financial statements**

The loan from the parent undertaking falls due for repayment on 15 March 2017 or such earlier date as the parties may agree. Interest is payable at the six month rate for LIBOR plus 1.5%.

<b>9</b>	<b>Called up share capital</b>	<b>2009</b>	<b>2008</b>
		£	£
	<b>Authorised</b>		
	100 ordinary shares of £1 each	100	100
		<hr/>	<hr/>
	<b>Allotted and fully paid</b>		
	2 ordinary shares of £1 each	2	2
		<hr/>	<hr/>
<b>10</b>	<b>Profit and loss account</b>	<b>2009</b>	<b>2008</b>
		£	£
	At 1 January	(5,955,775)	(329,003)
	Loss for the year	(309,545)	(5,626,772)
	At 31 December	<hr/> (6,265,320) <hr/>	<hr/> (5,955,775) <hr/>
<b>11</b>	<b>Reconciliation of movement in shareholders' deficit</b>	<b>2008</b>	<b>2007</b>
		£	£
	Total recognised gains and losses relating to the year	(309,545)	(5,626,772)
	Shareholder's funds brought forward	(5,955,773)	(329,001)
	Shareholder's deficit carried forward	<hr/> (6,265,318) <hr/>	<hr/> (5,955,773) <hr/>
<b>12</b>	<b>Related party disclosures</b>		
	The company has an outstanding loan payable to its parent undertaking, Folkestone Harbour Holdings Limited amounting to £7,052,519 (2008-£6,751,406) and a further payable on current account of £1,603 (2008-£500). Interest payable on the loan during the year amounted to £301,113 (2008-£467,521) and this amount has been added to the loan. The company has an 11.827% interest in Folkestone Harbour Limited Partnership. All of the entities referred to in this section are ultimately controlled by Roger De Haan.		
<b>13</b>	<b>Controlling interest</b>		
	The ultimate controlling shareholder is Roger De Haan.		

**FOLKESTONE HARBOUR LIMITED PARTNERSHIP**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2009**

**Registration Number: LP11912**

## **FOLKESTONE HARBOUR LIMITED PARTNERSHIP**

### **Report of the General Partner**

#### **Introduction**

Folkestone Harbour (GP) Limited ("the General Partner") presents the financial statements for Folkestone Harbour Limited Partnership ("the Partnership") for the year ended 31 December 2009

#### **Principal activities and review of business**

The Partnership was established to acquire and redevelop property situated at Folkestone harbour and the Folkestone foreshore area. During the year the partnership has continued the process of reviewing its redevelopment options. It is anticipated that the process of creating specific development plans will take place during 2010

#### **Results for the year**

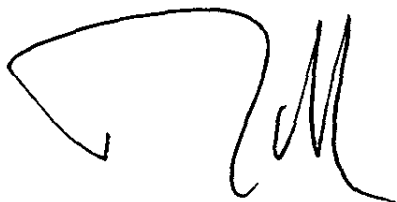
The loss for the year amounted to £2,601,806 (2008- £47,082,509) and has been transferred to partners' capital accounts.

#### **Disclosure of information to auditors**

The director of the General Partner confirms that, so far as he is aware, there is no relevant audit information of which the Partnership's auditors are unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information

#### **Auditors**

KPMG LLP have expressed their willingness to continue in office as auditor. A resolution proposing their re-appointment will be made by the Partnership.



Roger De Haan

Director

For and on behalf of Folkestone Harbour (GP) Limited

23/8/10

Strand House,  
125 Sandgate High St,  
Folkestone,  
Kent CT20 3BZ

## **STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE GENERAL PARTNER'S REPORT AND THE FINANCIAL STATEMENTS**

The General Partner is responsible for preparing the General Partner's Report and the financial statements in accordance with applicable law and regulations.

Under the Partnership and Unlimited Companies (Accounts) Regulations 2008, the General Partner is required to prepare an annual report and financial statements under Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 as if the Partnership was a company formed and registered under the Companies Act. Under that law the General Partner has elected to prepare the financial statements in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period.

In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with UK Accounting Standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The General Partner is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enables it to ensure that its financial statements comply with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. The General Partner has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Partnership and to prevent and detect fraud and other irregularities.

### **Independent auditors' report to the members of Folkestone Harbour Limited Partnership**

We have audited the financial statements of Folkestone Harbour Limited Partnership for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Partnership's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Partnership's 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 Partnership and the Partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the General Partner and auditors**

The General Partner's responsibility for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view is set out in the Statement of General Partner's Responsibilities on page 2.

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, have been properly prepared in accordance with UK Generally Accepted Accounting Practice and have been prepared as if the requirements of Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 applied to them as required by the Partnerships (Accounts) Regulations 2008. We also report to you whether in our opinion the information given in the General Partner's report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Partnership has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of amounts receivable by the Partners specified by law are not made. We read the General Partner's 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. It also includes an assessment of the significant estimates and judgments made by the Partners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the partnership'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 of the state of the Partnership's affairs as at 31 December 2009 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice,
- the financial statements have been prepared as if the requirements of Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 applied to them as required by the Partnerships (Accounts) Regulations 2008, and
- the information given in the General Partner's report is consistent with the financial statements



**Shaun Kirby (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
8 Salisbury Square  
London, EC4Y 8BB

26 August 2010



**FOLKESTONE HARBOUR LIMITED PARTNERSHIP**  
**Profit and loss account for the year ended 31 December 2009**

	Note	2009 £	2008 £
<b>Turnover</b>	2	98,161	109,381
Cost of sales		(15,946)	(47,377)
Impairment of inventories	1	<u>(107,908)</u>	<u>(43,346,944)</u>
<b>Gross loss</b>		(25,693)	(43,284,940)
Administrative expenses		<u>(41,124)</u>	<u>(90,560)</u>
<b>Operating loss</b>		(66,817)	(43,375,500)
Interest receivable	3	888	19,507
Interest payable	4	<u>-</u>	<u>-</u>
<b>Loss for the financial year before distributions</b>	6	(65,929)	(43,355,993)
Distributions:			
Finance costs accrued	5	<u>(2,535,877)</u>	<u>(3,726,516)</u>
<b>Transfer to partners' income accounts</b>	12	<u>(2,601,806)</u>	<u>(47,082,509)</u>

Continuing operations

All of the operations of the partnership are continuing

Total recognised gains and losses

The partnership has no recognised gains or losses other than the amounts shown above

**FOLKESTONE HARBOUR LIMITED PARTNERSHIP**  
**Balance sheet as at 31 December 2009**

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	7	-	12,500
<b>Current assets</b>			
Debtors and prepayments	8	16,895	22,460
Inventories	9	8,085,000	8,085,000
Cash at bank and in hand		317,020	343,867
		<u>8,418,915</u>	<u>8,451,327</u>
<b>Creditors</b>			
- amounts falling due within one year	10	<u>(30,383)</u>	<u>(15,906)</u>
<b>Net current assets</b>		<u>8,388,532</u>	<u>8,435,421</u>
<b>Creditors</b>			
- amounts falling due after more than one year	11	<u>(1,722,881)</u>	<u>(1,716,341)</u>
<b>Net assets attributable to partners</b>		<u>6,665,651</u>	<u>6,731,580</u>
<b>Represented by:</b>			
Partners' funds classified as a liability under FRS 25			
Partners' loans	12	<u>6,665,651</u>	<u>6,731,580</u>
Loans and other debts due to partners		<u>6,665,651</u>	<u>6,731,580</u>

These financial statements were approved by  
 Roger De Haan on 23/12/09



For and on behalf of Folkestone Harbour (GP) Limited

# FOLKESTONE HARBOUR LIMITED PARTNERSHIP

## Notes to the financial statements

### 1 Accounting policies

#### a) Basis of preparation

Under the Partnership and Unlimited Companies (Accounts) Regulations 2008, the partnership, as a qualifying partnership, is required to prepare and have audited an annual report and financial statements under Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 as if the Partnership was a company formed and registered under the Companies Act

Under the Companies Act, the partners have the choice whether their financial statements are prepared under that applicable law and either UK Accounting Standards (UK Generally Accepted Accounting Practice) or International Financial Reporting Standards (IFRSs) as adopted by the EU. The partners have decided to apply UK Generally Accepted Accounting Practice

A key source of estimation uncertainty within these financial statements surrounds the carrying value of inventory. The Director has reviewed the carrying costs of inventory against estimates of net realisable value (NRV). The Director has arrived at NRV having obtained independent external advice. This has given rise to an impairment charge for the year of £107,908 (2008-£43.3million). Should there be further significant decline in UK real estate pricing, then further write-downs of inventory may be necessary

#### b) Turnover

Turnover is recognised in the accounts in the period when the related goods or services are provided. Rental income is recognised on a straight-line basis over the period of the lease

#### c) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and, where appropriate, provision for impairment. The cost of fixed assets is depreciated by equal instalments over their useful economic lives as follows,

Fixtures and fittings held at leasehold tenant's premises-over the life of the lease

#### d) Inventories

Inventories are included in the accounts at the lower of cost and net realisable value. Cost comprises land acquisition costs together with professional fees incurred in the process of acquiring the land and in respect of preparing the re-development plan

Folkestone Harbour Limited Partnership owns the beneficial interest in the land, the legal title of which is held by Folkestone Harbour Nominee (1) Limited and Folkestone Harbour Nominee (2) Limited

#### e) Interest income

Interest income is recognised in the period to which it relates

#### f) Taxation

The Partnership is not a taxable entity and accordingly no provision is made in these accounts for taxation

# FOLKESTONE HARBOUR LIMITED PARTNERSHIP

## Notes to the financial statements

### 2 Turnover

Turnover comprises rental income arising on properties let in the period prior to their re-development.

### 3 Interest receivable

	2009	2008
	£	£
Bank deposit interest receivable	888	19,483
Other interest	-	24
	<u>888</u>	<u>19,507</u>

### 4 Interest payable

	2009	2008
	£	£
Other interest payable	-	-
	<u>-</u>	<u>-</u>

### 5 Distributions

	2009	2008
	£	£
Finance costs accrued	( 2,535,877)	(3,726,516)

The finance cost comprises interest payable on partners' capital balances. Interest is charged at a variable rate linked to LIBOR.

### 6 Loss for the financial period before distributions

	2009	2008
	£	£
Is stated after charging		
Audit fees	3,130	3,410
	<u>3,130</u>	<u>3,410</u>

### 7 Tangible fixed assets

	Fixtures & Fittings
	£
Cost,	
At 1 January 2009	50,000
Additions in period	-
At 31 December 2009	<u>50,000</u>
Aggregate depreciation	
At 1 January 2009	(37,500)
Charge for the year	(12,500)
At 31 December 2009	<u>(50,000)</u>
Net book amount-31 December 2009	<u>-</u>
Net book amount-31 December 2008	<u>12,500</u>

**FOLKESTONE HARBOUR LIMITED PARTNERSHIP**

## Notes to the financial statements

<b>8 Debtors and prepayments</b>	<b>2009</b>	<b>2008</b>
	£	£
Prepayments	16,895	12,320
Other debtors	-	10,140
	<u>16,895</u>	<u>22,460</u>

<b>9 Inventories</b>	<b>2009</b>	<b>2008</b>
	£	£
Land held for development	<u>8,085,000</u>	<u>8,085,000</u>

As explained in note 1 there has been a write-down of inventories during 2009 of £107,908 (2008- £43.3 million)

<b>10 Creditors</b>	<b>2009</b>	<b>2008</b>
- amounts falling due within one year	£	£
Accruals	28,660	15,906
Trade creditors	1,045	-
Other creditors	678	-
	<u>30,383</u>	<u>15,906</u>

<b>11 Creditors</b>	<b>2009</b>	<b>2008</b>
- amounts falling due after more than one year	£	£
Loans from other group undertakings	1,097,881	1,091,341
Loan from partner	625,000	625,000
	<u>1,722,881</u>	<u>1,716,341</u>

The loans are interest free and although repayable on demand, the lenders have indicated that they do not intend to demand repayment within the next 12 months

<b>12 Partners' Capital</b>	<b>2009</b>	<b>2008</b>
	£	£
At 1 January	6,731,580	50,087,573
Capital introduced in period	-	-
Loss for the period	(2,601,806)	(47,082,509)
Interest on partners' capital	2,535,877	3,726,516
At 31 December	<u>6,665,651</u>	<u>6,731,580</u>

**13 Related party disclosures**

Roger De Haan, through an intermediate holding company (Folkestone Harbour Holdings Limited), owns 100% of the partner companies and Folkestone Harbour Company Limited

The partnership owes £625,000 to Folkestone Harbour (1) Limited by way of an interest free loan (2008- £625,000)

The partnership owes £1,091,341 to Folkestone Harbour Company Limited by way of an interest free loan (2008- £1,091,341).

The partnership owes £6,540 to Folkestone Harbour Holdings Limited by way of an interest free loan (2008- nil).