STATUTORY INSTRUMENTS

1969 No. 1295

HARBOURS, DOCKS, PIERS AND FERRIES

The Statutory Harbour Undertakings (Form of Accounts etc.) (General) Regulations 1969

Made - - - -	*12th September* 1969
Laid before Parliament	*23rd September* 1969
Coming into Operation	*26th September* 1969

The Minister of Transport, in exercise of the powers conferred on him by section 42 of the Harbours Act 1964(a) and of all other powers enabling him in that behalf and after consultation with the National Ports Council, hereby makes the following Regulations:—

Citation and commencement

1. These Regulations may be cited as the Statutory Harbour Undertakings (Form of Accounts etc.) (General) Regulations 1969 and shall come into operation on 26th September 1969.

Interpretation

2.—(1) For the purposes of these Regulations, unless the context otherwise requires:—

(*a*) the expression "provision" shall, subject to paragraph (2) of this Regulation, mean any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability of which the amount cannot be determined with substantial accuracy;

(*b*) the expression "reserve" shall not, subject as aforesaid, include any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability or any sum set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation;

and in this Regulation the expression "liability" shall include all liabilities in respect of expenditure contracted for and all disputed or contingent liabilities.

(2) Where—

(*a*) any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, not being an amount written off in relation to fixed assets before the commencement of these Regulations; or

(*b*) any amount retained by way of providing for any known liability;

is in excess of that which in the opinion of the authority is reasonably necessary for the purpose, the excess shall be treated for the purposes of these Regulations as a reserve and not as a provision.

(a) 1964 c. 40.

3. For the purposes aforesaid, the expression "quoted investment" means an investment as respects which there has been granted a quotation or permission to deal on a recognised stock exchange, or on any stock exchange of repute outside Great Britain, and the expression "unquoted investment" shall be construed accordingly.

4. For the purposes aforesaid, the expression "long lease" means a lease in the case of which the portion of the term for which it was granted remaining unexpired at the end of the financial year is not less than fifty years, the expression "short lease" means a lease which is not a long lease and the expression "lease" includes an agreement for a lease.

5.—(1) For the purposes aforesaid, the expression "undertaking" means a statutory harbour undertaking to which these Regulations apply, the expression "authority" means the person by whom an undertaking is carried on and the expression "director", in relation to an authority which is a company, has the same meaning as in the Companies Act 1948(a) and, in relation to any other authority, means a member of that authority by whatever name called.

(2) Where any provision of these Regulations refers, in whatever terms, to a decision or estimate by, or an opinion of, an authority that provision shall be construed, in relation to an authority which is a company, as referring to a decision or estimate by, or an opinion of, the directors of that company.

6. For the purposes aforesaid, any reference to a balance sheet or revenue account shall include any notes thereon or document annexed thereto giving information which is required by these Regulations and is thereby allowed to be so given.

7. For the purposes aforesaid:—

(*a*) the expression "debenture" includes debenture stock, bonds, mortgages, loan stock and any other securities of an authority whether constituting a charge on the assets of the authority or not;

(*b*) the expression "financial year" in relation to an undertaking means the year for which the annual accounts relating to that undertaking are made up and, where the authority wishes to change the financial year, includes the transitional accounting period adopted for the purpose of effecting that change;

(*c*) the expression "goods dues" means charges in respect of goods brought into, taken out of or carried through a harbour by ship (but not including charges in respect of work performed, services rendered or facilities provided in respect of goods so brought, taken or carried);

(*d*) the expression "holding company" means a holding company as defined by section 154 of the Companies Act 1948;

(*e*) the expression "investment grants" means grants made under the Industrial Development Act 1966(b);

(*f*) the expression "officer" includes a servant, but does not include a director;

(*g*) the expression "passenger dues" means charges for any passengers embarking or disembarking at a harbour (but not including charges in respect of any services rendered or facilities provided for them);

(*h*) the expression "port modernisation grants" means grants made under section 12 of the Harbours Act 1964;

(a) 1948 c. 38. (b) 1966 c. 34.

(*i*) the expression "recognised stock exchange" has the same meaning as in the Prevention of Fraud (Investments) Act 1958(**a**);

(*j*) the expression "shares" includes stock;

(*k*) the expression "ship dues" means charges in respect of any ship for entering, using or leaving a harbour, including charges made on the ship in respect of marking or lighting the harbour;

(*l*) the expression "statutory harbour undertaking" means an undertaking or part of an undertaking the activities whereof consist wholly or mainly in the improvement, maintenance or management of a harbour in the exercise of powers vested under the Harbours Act 1964, by another Act or by an order or other instrument (except a provisional order) made under another Act or by a provisional order in the person by whom the undertaking is carried on (other than river works powers as defined by section 57 of the Harbours Act 1964), in the performance of duties so vested in him (other than river works duties as so defined) or in the exercise and performance of powers so vested in him (other than river works powers as so defined) and duties so vested in him (other than river works duties as so defined);

(*m*) the expression "subsidiary" means a subsidiary as defined by section 154 of the Companies Act 1948;

(*n*) the expression "United Kingdom" does not include Northern Ireland.

8. For the purposes aforesaid, a loan shall be deemed to fall due for repayment, and an instalment of a loan shall be deemed to fall due for payment, on the earliest date on which the lender could require repayment or, as the case may be, payment if he exercised all options and rights available to him.

9. In the application of these Regulations to Scotland, "land of freehold tenure" means land in respect of which the authority is the proprietor of the dominium utile or, in the case of land not held on feudal tenure, is the owner and "land of leasehold tenure" means land of which the authority is the tenant under a lease.

10.—(1) Unless the context otherwise requires references in these Regulations to the provisions of any enactment shall be construed as references to those provisions as amended or re-enacted by any subsequent enactment.

(2) The Interpretation Act 1889(**b**) shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

Undertakings to which these Regulations apply

11. These Regulations shall apply to a statutory harbour undertaking which is carried on by a person specified in Schedule 1 to these Regulations.

Form of Accounts etc.

12. As respects any financial year ending more than three months after these Regulations come into operation the annual statement of accounts relating to an undertaking to which these Regulations apply shall, so far as it relates to that undertaking, be in the form, contain the particulars and be compiled in the manner, indicated in Schedule 2 to these Regulations.

Given under the Official Seal of the Minister of Transport the 12th September 1969.

(L.S.)

Richard Marsh,
Minister of Transport.

(**a**) 1958 c. 45.

(**b**) 1889 c. 63.

SCHEDULE 1

PERSONS WHO CARRY ON UNDERTAKINGS TO WHICH THESE REGULATIONS APPLY

Aberdeen Harbour Board
Berwick Harbour Commissioners
Blyth Harbour Commissioners
Caernarvon Harbour Trust
Cattewater Harbour Commissioners
Clyde Port Authority
Cowes Harbour Commissioners
Dartmouth Harbour Commission
Dover Harbour Board
Dundee Harbour Trustees
Exmouth Docks Company
Falmouth Docks and Engineering Company
Falmouth Harbour Commissioners
Felixtowe Dock and Railway Company
Forth Ports Authority
Fowey Harbour Commissioners
Gloucester Harbour Trustees
Great Yarmouth Port and Haven Commissioners
Harwich Harbour Conservancy Board
Ipswich Dock Commission
King's Lynn Conservancy Board
Lancaster Port Commission
Littlehampton Harbour Board
Port of London Authority
Maldon Harbour Improvement Commissioners
Manchester Ship Canal Company
Margate Pier and Harbour Company
Medway Ports Authority
Mersey Docks and Harbour Board
Milford Docks Company
Milford Haven Conservancy Board
Montrose Harbour Trust
Neath Harbour Commissioners
Newport Harbour Commissioners
Orkney Harbour Commission
Padstow Harbour Commissioners
Poole Harbour Commissioners
River Dart Navigation Commissioners
River Wear Commissioners
Sandwich Port and Haven Commissioners
Seaham Harbour Dock Company
Shoreham Port Authority
Tees and Hartlepool Port Authority
Teignmouth Harbour Commissioners
Port of Tyne Authority
Warkworth Harbour Commission
Whitehaven Harbour Commissioners
Yarmouth (Isle of Wight) Harbour Commissioners

SCHEDULE 2

FORM, CONTENTS AND MANNER OF COMPILATION OF ANNUAL STATEMENT OF ACCOUNTS

Preliminary

1. The annual statement of accounts shall consist of a revenue account, a balance sheet and notes and statements showing the further particulars indicated below.

2. The balance sheet shall give a true and fair view of the state of affairs of the undertaking at the end of the financial year and the revenue account shall give a true and fair view of the surplus or deficit of the undertaking for the financial year. Paragraphs 3 to 14 of this Schedule apply to the balance sheet and 15 to 17 to the revenue account and are subject to the provisions of paragraphs 18 and 19 if the authority is a holding company or a subsidiary.

Balance Sheet

3. The liabilities and assets and, where the authority is a company, the authorised share capital and the issued share capital, shall be summarised with such particulars as are necessary to disclose the general nature of the liabilities and assets.

4. There shall be stated under separate headings, so far as they are not written off—

(*a*) the expenses incurred in connection with the constitution of the authority; and

(*b*) any discount and expenses incurred in connection with any issue of share capital or debentures.

5.—(1) The reserves, provisions, liabilities and assets shall be classified under appropriate headings:

Provided that—

(*a*) where the amount of any class is not material, it may be included under the same heading as some other class; and

(*b*) where any assets of one class are not separable from assets of another class, those assets may be included under the same heading.

(2) Fixed assets, current assets and assets that are neither fixed nor current shall be separately identified.

(3) The method or methods used to arrive at the amount of the fixed assets under each heading shall be stated.

6.—(1) The method of arriving at the amount of any fixed asset shall, subject to the next following sub-paragraph, be to take the difference between—

(*a*) its cost or, if it stands in the authority's books at a valuation, the amount of the valuation; and

(*b*) the aggregate amount provided or written off since the date of acquisition or valuation, as the case may be, for depreciation or diminution in value;

and for the purposes of this paragraph the net amount at which any assets stand in the authority's books at the commencement of these Regulations (after deduction of the amounts previously provided or written off for depreciation or diminution in value) shall, if the figures relating to the period before the commencement of these Regulations cannot be obtained without unreasonable expense or delay, be treated as if it were the amount of a valuation of those assets made at the commencement of these Regulations and, where any of those assets are sold, the said net amount less the amount of the sales shall be treated as if it were the amount of a valuation so made of the remaining assets.

(2) The foregoing sub-paragraph shall not apply—

(*a*) to assets for which the figures relating to the period beginning with the commencement of these Regulations cannot be obtained without unreasonable expense or delay; or

(*b*) to assets the replacement of which is provided for wholly or partly—

(i) by making provision for renewals and charging the cost of replacement against the provision so made; or

(ii) by charging the cost of replacement direct to revenue; or

(*c*) to any quoted investments or to any unquoted investments of which the value as estimated by the authority is shown either as the amount of the investments or by way of note; or

(*d*) to goodwill, patents or trade marks.

(3) For the assets under each heading whose amount is arrived at in accordance with sub-paragraph (1) of this paragraph, there shall be shown—

(*a*) the aggregate of the amounts referred to in paragraph (*a*) of that sub-paragraph; and

(*b*) the aggregate of the amounts referred to in paragraph (*b*) thereof.

(4) As respects the assets under each heading whose amount is not arrived at in accordance with the said sub-paragraph (1) because their replacement is provided for as mentioned in sub-paragraph (2)(*b*) of this paragraph, there shall be stated—

(*a*) the means by which their replacement is provided for; and

(*b*) the aggregate amount of the provision (if any) made for renewals and not used.

7. In the case of unquoted investments consisting in equity share capital (as defined by subsection (5) of section 154 of the Companies Act 1948) of other bodies corporate (other than any whose values as estimated by the authority are separately shown, either individually or collectively or as to some individually and as to the rest collectively, and are so shown either as the amount thereof, or by way of note), the matters referred to in the following heads shall, if not otherwise shown, be stated by way of note or in a statement annexed:—

(*a*) the aggregate amount of the authority's income for the financial year that is ascribable to the investments;

(*b*) the amount of the authority's share before taxation, and the amount of that share after taxation, of the net aggregate amount of the profits of the bodies in which the investments are held, being profits for the several periods to which accounts sent by them during the financial year to the authority related, after deducting those bodies' losses for those periods (or vice versa);

(*c*) the amount of the authority's share of the net aggregate amount of the undistributed profits accumulated by the bodies in which the investments are held since the time when the investments were acquired, after deducting the losses accumulated by them since that time (or vice versa);

(*d*) the manner in which any losses incurred by the said bodies have been dealt with in the authority's accounts.

8. The aggregate amounts respectively of reserves and provisions (other than provisions for depreciation, renewals or diminution in value of assets) shall be stated under separate headings;

Provided that this paragraph shall not require a separate statement of either of the said amounts which is not material.

9.—(1) There shall also be shown (unless it is shown in the revenue account or a statement annexed thereto, or the amount involved is not material)—

(*a*) where the amount of the reserves or of the provisions (other than provisions for depreciation, renewals or diminution in value of assets) shows an increase as compared with the amount at the end of the immediately preceding financial year, the source from which the amount of the increase has been derived; and

(*b*) where—

(i) the amount of the reserves shows a decrease as compared with the amount at the end of the immediately preceding financial year; or

(ii) the amount at the end of the immediately preceding financial year of the provisions (other than provisions for depreciation, renewals or diminution in value of assets) exceeded the aggregate of the sums since applied and amounts still retained for the purposes thereof;

the application of the amounts derived from the difference.

(2) Where the heading showing the reserves or any of the provisions aforesaid is divided into sub-headings, this paragraph shall apply to each of the separate amounts shown in the sub-headings instead of applying to the aggregate amount thereof.

10. If an amount is set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation, it shall be stated.

11.—(1) There shall be shown under separate headings—

(*a*) the aggregate amounts respectively of the authority's quoted investments and unquoted investments distinguishing in each case between sinking fund investments and other investments;

(*b*) if the amount of the goodwill and of any patents and trade marks or part of that amount is shown as a separate item in or is otherwise ascertainable from the books of the authority, or from any contract for the sale or purchase of any property to be acquired by the authority, or from any documents in the possession of the authority relating to the stamp duty payable in respect of any such contract or the conveyance of any such property, the said amount so shown or ascertained so far as not written off or, as the case may be, the said amount so far as it is so shown or ascertainable and as so shown or ascertained, as the case may be;

(*c*) the aggregate amount of bank loans and overdrafts and the aggregate amount of loans made to the authority which—

(i) are repayable otherwise than by instalments and fall due for repayment after the expiration of the period of five years beginning with the day next following the expiration of the financial year; or

(ii) are repayable by instalments any of which fall due for payment after the expiration of that period;

not being, in either case, bank loans or overdrafts;

(*d*) where the authority is a company the aggregate amount (before deduction of income tax) which is recommended for distribution by way of dividend.

(2) Nothing in head (*b*) of the foregoing sub-paragraph shall be taken as requiring the amount of the goodwill, patents and trade marks to be stated otherwise than as a single item.

(3) The heading showing the amount of the quoted investments shall be subdivided, where necessary, to distinguish the investments as respects which there has, and those as respects which there has not, been granted a quotation or permission to deal on a recognised stock exchange.

(4) In relation to each loan falling within head (*c*) of sub-paragraph (1) of this paragraph (other than a bank loan or overdraft), there shall be stated by way of note (if not otherwise stated) the terms on which it is repayable and the rate at which interest is payable thereon:

Provided that if the number of loans is such that, in the opinion of the authority, compliance with the foregoing requirement would result in a statement of excessive length, it shall be sufficient to give a general indication of the terms on which the loans are repayable and the rates at which interest is payable thereon.

12. Where any liability of the authority is secured otherwise than by operation of law on any assets of the authority, the fact that that liability is so secured shall be stated, but it shall not be necessary to specify the assets on which the liability is secured.

13. Where any of the authority's debentures are held by a nominee of or trustee for the authority, the nominal amount of the debentures and the amount at which they are stated in the books of the authority shall be stated.

14.—(1) The matters referred to in the following sub-paragraphs shall be stated by way of note, or in a statement annexed, if not otherwise shown.

(2) Where the authority is a company the number, description and amount of any shares in the authority which any person has an option to subscribe for, together with the following particulars of the option, that is to say—

(*a*) the period during which it is exercisable;

(*b*) the price to be paid for shares subscribed for under it.

(3) Where the authority is a company the amount of any arrears of fixed cumulative dividends on the authority's shares and the period for which the dividends or, if there is more than one class, each class of them, are in arrear, the amount to be stated before deduction of income tax, except that, in the case of tax free dividends, the amount shall be shown free of tax and the fact that it is so shown shall also be stated.

(4) Particulars of any charge on the assets of the authority to secure the liabilities of any other person, including, where practicable, the amount secured.

(5) The general nature of any other contingent liabilities not provided for and, where practicable, the aggregate amount or estimated amount of those liabilities, if it is material.

(6) Where practicable the aggregate amount or estimated amount, if it is material, of contracts for capital expenditure, so far as not provided for and, where practicable, the aggregate amount or estimated amount, if it is material, of capital expenditure authorised by the authority which has not been contracted for.

(7) In the case of fixed assets under any heading whose amount is required to be arrived at in accordance with paragraph 6(1) of this Schedule (other than unquoted investments) and is so arrived at by reference to a valuation, the years (so far as they are known to the authority) in which the assets were severally valued and the several values, and, in the case of assets that have been valued during the financial year, the names of the persons who valued them or particulars of their qualifications for doing so and (whichever is stated) the bases of valuation used by them.

(8) If there are included amongst fixed assets under any heading (other than investments) assets that have been acquired during the financial year, the aggregate amount of the assets acquired as determined for the purpose of making up the balance sheet, and if during that year any fixed assets included under a heading in the balance sheet made up with respect to the immediately preceding financial year (other than investments) have been disposed of or destroyed, the aggregate amount thereof as determined for the purpose of making up that balance sheet.

(9) Of the amount of fixed assets consisting of land, how much is ascribable to land of freehold tenure and how much to land held on long lease and how much to land held on short lease.

(10) The cost of any capital works which are in process of construction or, in the alternative, the value to the authority of such works as estimated by the authority. If the latter alternative is adopted, the basis or bases of valuation shall be stated.

(11) If in the opinion of the authority any of the current assets have not a value, on realisation in the ordinary course of the authority's business, at least equal to the amount at which thay are stated, the fact that the authority are of that opinion.

(12) The aggregate market value of the authority's quoted investments where it differs from the amount of the investments as stated, and the stock exchange value of any investments of which the market value is shown (whether separately or not) and is taken as being higher than their stock exchange value.

(13) If a sum set aside for the purpose of its being used to prevent undue fluctuations in charges for taxation has been used during the financial year for another purpose, the amount thereof and the fact that it has been so used.

(14) If the amount carried forward for stock in trade or work in progress is material for the appreciation of the state of affairs of the undertaking or of its surplus or deficit for the financial year, the manner in which that amount has been computed.

(15) The basis on which foreign currencies have been converted into sterling, where the amount of the assets or liabilities affected is material.

(16) The basis on which the amount, if any, set aside for United Kingdom corporation tax is computed.

(17) Moneys owed to each government department in respect of the principal of loans for capital purposes. In this sub-paragraph and in paragraph 30(*c*) of this Schedule references to loans for capital purposes include references to loans made to enable the authority to repay the principal of, or interest on, loans for capital purposes.

(18) Port modernisation grants and investment grants received or receivable but not credited to the revenue account.

(19) Except in the case of the first financial year to which these Regulations apply, the corresponding amounts at the end of the immediately preceding financial year for all the items shown in the balance sheet.

Revenue Account

15.—(1) There shall be shown—

(*a*) revenue, indicating separately:—

(i) ship dues;

(ii) goods dues;

(iii) passenger dues;

(iv) revenue from cargo handling;

(v) revenue from cranes and plant;

(vi) revenue from warehousing and storage;

(vii) revenue from sundry services and facilities;

(viii) other revenue;

Provided that if it is not possible to make a precise apportionment of revenue between any two or more of the heads specified above, the apportionment between such heads may be made on an estimated basis and the fact that it is made on that basis shall be stated by way of note;

(*b*) expenditure, indicating separately:—

(i) operating and maintenance expenditure (except in relation to the maintenance of dredging equipment and administrative buildings and equipment);

(ii) dredging expenditure;

(iii) cargo handling expenditure;

(iv) administrative and other general expenditure;

(*c*) so much of port modernisation grants and investment grants and any other grants from government departments as is credited to the revenue account;

(*d*) the amount charged to revenue by way of provision for depreciation, renewals or diminution in value of fixed assets;

(*e*) the amount of the interest on loans of the following kinds made to the authority (whether on the security of debentures or not), namely, bank loans, overdrafts and loans which, not being bank loans or overdrafts,—

(i) are repayable otherwise than by instalments and fall due for repayment before the expiration of the period of five years beginning with the day next following the expiration of the financial year; or

(ii) are repayable by instalments the last of which falls due for payment before the expiration of that period;

and the amount of the interest on loans of other kinds so made (whether on the security of debentures or not), and, where any such loan was made by a government department, indicating that fact and naming the department concerned;

(*f*) the amount of the charge to revenue for United Kingdom corporation tax and, if that amount would have been greater but for relief from double taxation, the amount which it would have been but for such relief, the amount of the charge for United Kingdom income tax and the amount of the charge for taxation imposed outside the United Kingdom of profits, income and (so far as charged to revenue) capital gains;

(*g*) the amount provided for redemption of loans and, where the authority is a company, the amount provided for redemption of share capital;

(*h*) the amount, if material, set aside or proposed to be set aside to, or withdrawn from, reserves;

(*i*) the amount, if material, set aside to provisions other than provisions for depreciation, renewals or diminution in value of assets or, as the case may be, the amount, if material, withdrawn from such provisions and not applied for the purposes thereof;

(*j*) the amounts respectively of income from quoted investments and income from unquoted investments;

(*k*) where the authority is a company the aggregate amount (before deduction of income tax) of any dividends paid and proposed.

(2) If, in the case of any assets in whose case an amount is charged to revenue by way of provision for depreciation or diminution in value, an amount is also so charged by way of provision for renewal thereof, the last-mentioned amount shall be shown separately.

(3) If the amount charged to revenue by way of provision for depreciation or diminution in value of any fixed assets (other than investments) has been determined otherwise than by reference to the amount of those assets as determined for the purpose of making up the balance sheet, that fact shall be stated.

16. The amount of any charge arising in consequence of the occurrence of an event in a preceding financial year and of any credit so arising shall, if not included in a heading relating to other matters, be stated under a separate heading.

17.—(1) The matters referrred to in the following sub-paragraphs shall be stated by way of note, if not otherwise shown.

(2) If depreciation or replacement of fixed assets is provided for by some method other than a depreciation charge or provision for renewals, or is not provided for, the method by which it is provided for or the fact that it is not provided for, as the case may be.

(3) The basis on which the charge for United Kingdom corporation tax and United Kingdom income tax is computed.

(4) Any special circumstances which affect liability in respect of taxation of profits, income or capital gains for the financial year or liability in respect of taxation of profits, income or capital gains for succeeding financial years.

(5) Any material respects in which any items shown in the revenue account are affected—

(*a*) by transactions of a sort not usually undertaken by the authority or otherwise by circumstances of an exceptional or non-recurrent nature; or

(*b*) by any change in the basis of accounting.

(6) The amount, if material, charged to revenue in respect of sums payable for the hire of plant and machinery.

(7) The amount of the remuneration of the auditors. For the purposes of this sub-paragraph any sums paid by the authority in respect of the auditors' expenses shall be deemed to be included in the expression "remuneration".

(8) Except in the case of the first financial year to which these Regulations apply, the corresponding amounts for the immediately preceding financial year for all items shown in the revenue account.

Special provisions where authority is a holding company or subsidiary

18.—(1) This paragraph shall apply where the authority is a holding company, whether or not it is itself a subsidiary of another body corporate.

(2) The aggregate amount of assets consisting of shares in, or amounts owing (whether on account of a loan or otherwise) from the authority's subsidiaries, distinguishing shares from indebtedness, shall be set out in the balance sheet separately from all other assets of the authority, and the aggregate amount of indebtedness (whether on account of a loan or otherwise) to the authority's subsidiaries shall be so set out separately from all its other liabilities and—

(*a*) the references in this Schedule to the authority's investments (except those in paragraphs 14(8) and 15(3)) shall not include investments in its subsidiaries required by this paragraph to be separately set out; and

(*b*) paragraph 6, sub-paragraph (1)(*d*) of paragraph 15, and sub-paragraph (2) of paragraph 17 of this Schedule shall not apply in relation to fixed assets consisting of interests in the authority's subsidiaries.

(3) There shall be shown by way of note on the balance sheet or in a statement annexed thereto the number, description and amount of the shares in and debentures of the authority held by its subsidiaries or their nominees, but excluding any of those shares or debentures in the case of which the subsidiary is concerned as personal representative or in the case of which it is concerned as trustee and neither the authority nor any subsidiary thereof is beneficially interested under the trust, otherwise than by way of security only for the purposes of a transaction entered into by it in the ordinary course of a business which includes the lending of money.

(4) There shall be annexed to the balance sheet a statement showing—

(*a*) the net aggregate amount, so far as it concerns the authority and is not otherwise dealt with in its accounts, of the subsidiaries' profits after deducting the subsidiaries' losses (or vice versa)—

(i) for the respective financial years of the subsidiaries ending with or during the financial year of the authority; and

(ii) for their previous financial years since they respectively became the authority's subsidiary;

(*b*) the net aggregate amount of the subsidiaries' profits after deducting the subsidiaries' losses (or vice versa)—

(i) for the respective financial years of the subsidiaries ending with or during the financial year of the authority; and

(ii) for their other financial years since they respectively became the authority's subsidiary;

so far as those profits are dealt with, or provision is made for those losses, in the authority's accounts;

(*c*) any qualifications contained in the report of the auditors of the subsidiaries on their accounts for their respective financial years ending as aforesaid, and any note or saving contained in those accounts to call attention to a matter which, apart from the note or saving, would properly have been referred to in such a qualification, in so far as the matter which is the subject of the qualification or note is not covered by the authority's own accounts and is material;

or in so far as the information required by this sub-paragraph is not obtainable, a statement that it is not obtainable.

(5) Paragraphs (*a*) and (*b*) of the last foregoing sub-paragraph shall apply only to profits and losses of a subsidiary which may properly be treated in the authority's accounts as revenue profits or losses, and the profits or losses attributable to any shares in a subsidiary for the time being held by the authority or any other of its subsidiaries shall not (for that or any other purpose) be treated as aforesaid so far as they are

profits or losses for the period before the date on or as from which the shares were acquired by the authority or any of its subsidiaries, except that they may in a proper case be so treated where—

(*a*) the authority is itself the subsidiary of another body corporate; and

(*b*) the shares were acquired from that body corporate or a subsidiary of it;

and for the purpose of determining whether any profits or losses are to be treated as profits or losses for the said period the profit or loss for any financial year of the subsidiary may, if it is not practicable to apportion it with reasonable accuracy by reference to the facts, be treated as accruing from day to day during that year and be apportioned accordingly.

19.—(1) The balance sheet of an authority which is a subsidiary of another body corporate, whether or not it is itself a holding company, shall show the aggregate amount of its indebtedness to all bodies corporate of which it is a subsidiary or a fellow subsidiary and the aggregate amount of indebtedness of all such bodies corporate to it, distinguishing in each case between indebtedness in respect of debentures and otherwise, and the aggregate amount of assets consisting of shares in fellow subsidiaries.

(2) For the purposes of this paragraph an authority shall be deemed to be a fellow subsidiary of another body corporate if both are subsidiaries of the same body corporate but neither is the other's.

Emoluments etc of directors and officers

20.—(1) The annual statement of accounts shall show, so far as the information is contained in the authority's books and papers or the authority has the right to obtain it from the persons concerned—

(*a*) the aggregate amount of the directors' emoluments;

(*b*) the aggregate amount of directors' or past directors' pensions; and

(*c*) the aggregate amount of any compensation to directors or past directors in respect of loss of office.

(2) The amount to be shown under paragraph (*a*) of sub-paragraph (1) of this paragraph—

(*a*) shall include any emoluments paid to or receivable by any person in respect of his services as director of the authority or in respect of his services, while director of the authority, as director of any subsidiary thereof or otherwise in connection with the management of the affairs of the authority or any subsidiary thereof; and

(*b*) shall distinguish between emoluments in respect of services as director, whether of the authority or its subsidiary, and other emoluments;

and for the purposes of this paragraph the expression "emoluments", in relation to a director, includes fees and percentages, any sums paid by way of expenses allowance in so far as those sums are charged to United Kingdom income tax, any contribution paid in respect of him under any pension scheme and the estimated money value of any other benefits received by him otherwise than in cash.

(3) The amount to be shown under paragraph (*b*) of the said sub-paragraph (1)—

(*a*) shall not include any pension paid or receivable under a pension scheme if the scheme is such that the contributions thereunder are substantially adequate for the maintenance of the scheme, but save as aforesaid shall include any pension paid or receivable in respect of any such services of a director or past director of the authority as are mentioned in the last foregoing sub-paragraph, whether to or by him or on his nomination or by virtue of dependence on or other connection with him, to or by any other person; and

(*b*) shall distinguish between pensions in respect of services as director, whether of the authority or its subsidiary, and other pensions;

and for the purposes of this paragraph the expression "pension" includes any superannuation allowance, superannuation gratuity or similar payment, and the expression "pension scheme" means a scheme for the provision of pensions in respect of services as director or otherwise which is maintained in whole or in part by means of contributions, and the expression "contribution" in relation to a pension scheme means any payment (including an insurance premium) paid for the purposes of the scheme by or in respect of persons rendering services in respect of which pensions will or may become payable under the scheme, except that it does not include any payment in respect of two or more persons if the amount paid in respect of each of them is not ascertainable.

(4) The amount to be shown under paragraph (*c*) of the said sub-paragraph (1)—

(*a*) shall include any sums paid to or receivable by a director or past director by way of compensation for the loss of office as director of the authority or for the loss, while director of the authority or on or in connection with his ceasing to be a director of the authority, of any other office in connection with the management of the authority's affairs or of any office as director or otherwise in connection with the management of the affairs of any subsidiary thereof; and

(*b*) shall distinguish between compensation in respect of the office of director, whether of the authority or its subsidiary, and compensation in respect of other offices; and for the purposes of this paragraph references to compensation for loss of office shall include sums paid as consideration for or in connection with a person's retirement from office.

(5) The amounts to be shown under each paragraph of the said sub-paragraph (1)—

(*a*) shall include all relevant sums paid by or receivable from—

(i) the authority; and

(ii) the authority's subsidiaries; and

(iii) any other person;

except sums to be accounted for to the authority or any of its subsidiaries; and

(*b*) shall distinguish, in the case of the amount to be shown under paragraph (*c*) of the said sub-paragraph (1), between the sums respectively paid by or receivable from the authority, the authority's subsidiaries and persons other than the authority and its subsidiaries.

(6) The amounts to be shown under this paragraph for any financial year shall be the sums receivable in respect of that year, whenever paid, or, in the case of sums not receivable in respect of a period, the sums paid during that year, so, however, that where—

(*a*) any sums are not shown in the accounts for the relevant financial year on the ground that the person receiving them is liable to account therefor as mentioned in paragraph (*a*) of the last foregoing sub-paragraph, but the liability is thereafter wholly or partly released or is not enforced within a period of two years; or

(*b*) any sums paid by way of expenses allowance are charged to United Kingdom income tax after the end of the relevant financial year;

those sums shall, to the extent to which the liability is released or not enforced or they are charged as aforesaid, as the case may be, be shown in the first accounts in which it is practicable to show them or in a statement annexed thereto, and shall be distinguished from the amounts to be shown therein apart from this provision.

(7) Where it is necessary so to do for the purpose of making any distinction required by this paragraph in any amount to be shown thereunder, the authority may apportion any payments between the matters in respect of which they have been paid or are receivable in such manner as they think appropriate.

(8) In this paragraph any reference to an authority's subsidiary—

(*a*) in relation to a person who is or was, while a director of the authority, a director also, by virtue of the authority's nomination, direct or indirect, of any other body corporate, shall, subject to the following paragraph, include that body corporate, whether or not it is or was in fact the authority's subsidiary; and

(*b*) shall for the purposes of sub-paragraphs (2) and (3) be taken as referring to a subsidiary at the time the services were rendered, and for the purposes of sub-paragraph (4) be taken as referring to a subsidiary immediately before the loss of office as director of the authority.

21.—(1) The annual statement of accounts shall show—

(*a*) the amount of any loans made during the financial year to—

(i) any director of the authority; or

(ii) any person who, after the making of the loan, became during that year a director of the authority;

by the authority or a subsidiary thereof or by any other person under a guarantee from or on a security provided by the authority or a subsidiary thereof (including any such loans which were repaid during that year); and

(*b*) the amount of any loans made in manner aforesaid to any such director or person as aforesaid at any time before the financial year and outstanding at the expiration thereof.

(2) References in this paragraph to a subsidiary shall be taken as referring to a subsidiary at the end of the financial year (whether or not a subsidiary at the date of the loan).

22.—(1) The annual statement of accounts shall show—

(*a*) the amount of any loans made during the financial year to—

(i) any officer of the authority; or

(ii) any person who, after the making of the loan, became during that year an officer of the authority;

by the authority or a subsidiary thereof or by any other person under a guarantee from or on a security provided by the authority or a subsidiary thereof (including any such loans which were repaid during that year); and

(*b*) the amount of any loans made in manner aforesaid to any such officer or person as aforesaid at any time before the financial year and outstanding at the expiration thereof.

(2) The foregoing sub-paragraph shall not require the inclusion in the annual statement of accounts of particulars of a loan made by the authority or a subsidiary thereof to an employee of the authority or subsidiary, as the case may be, if the loan does not exceed two thousand pounds and is certified by a director of the authority or subsidiary, as the case may be, to have been made in accordance with any practice adopted or about to be adopted by the authority or subsidiary with respect to loans to its employees not being a loan made by the authority under a guarantee from or on a security provided by a subsidiary thereof or a loan made by a subsidiary of the authority under a guarantee from or on a security provided by the authority or any other subsidiary thereof.

(3) References in this paragraph to a subsidiary shall be taken as referring to a subsidiary at the end of the financial year (whether or not a subsidiary at the date of the loan).

23.—(1) In the annual statement of accounts there shall be so far as the information is contained in the authority's books and papers or the authority has the right to obtain it from the persons concerned,—

(*a*) if one person has been chairman throughout the financial year, be shown his emoluments, and if not, be shown with respect to each person who has been chairman during the year, his emoluments so far as attributable to the period during which he was chairman;

(*b*) with respect to all the directors, be shown the number (if any) who had no emoluments or whose several emoluments amounted to not more than £2,500 and, by reference to each pair of adjacent points on a scale whereon the lowest point is £2,500 and the succeeding ones are successive integral multiples of £2,500, the number (if any) whose several emoluments exceeded the lower point but did not exceed the higher.

(2) If, of the directors of an authority, the emoluments of one only (so far as ascertainable from information contained in the authority's books and papers or obtainable by right by the authority from him) exceed the relevant amount, his emoluments (so far as so ascertainable) shall also be shown in the said annual statement of accounts; and if, of the directors of an authority the emoluments (so far as so ascertainable) of each of two or more exceed the relevant amount, the emoluments (so far as so ascertainable) of him (or them, in the case of equality) who had the greater or, as the case may be, the greatest shall also be shown in the said annual statement of accounts.

(3) For the purposes of this paragraph there shall be brought into account as emoluments of any person all such amounts (other than contributions paid in respect of him under any pension scheme) as in his case are, by virtue of paragraph 20 of this Schedule, required to be included in the amount shown under sub-paragraph (1)(*a*) of that paragraph.

(4) An authority which is neither a holding company nor a subsidiary of another body corporate shall not be subject to the requirements of this paragraph as respects a financial year in the case of which the amount shown in its annual statement of accounts under paragraph 20 of this Schedule does not exceed £7,500.

(5) In this paragraph—

(*a*) "chairman", in relation to an authority which is not a company, means the person elected or appointed as chairman of that authority in accordance with its constitution and, in relation to an authority which is a company, means the person elected by the directors of the company to be chairman of their meetings and includes a person who, though not so elected, holds any office (however designated) which, in accordance with the constitution of the company, carries with it functions substantially similar to those discharged by a person so elected and

(*b*) "the relevant amount"—

(i) if one person has been chairman throughout the year, means the amount of his emoluments;

(ii) if not, means an amount equal to the aggregate of the emoluments, so far as attributable to the period during which he was chairman, of each person who has been chairman during the year.

24.—(1) In the annual statement of accounts there shall be shown, so far as the information is contained in the authority's books and papers or the authority has the right to obtain it from the persons concerned,—

(*a*) the number of directors who have waived rights to receive emoluments which, but for the waiver, would have fallen to be included in the amount shown in those accounts under paragraph 20 of this Schedule;

(*b*) the aggregate amount of the said emoluments.

(2) For the purposes of this paragraph—

(*a*) it shall be assumed that a sum not receivable in respect of a period would have been paid at the time at which it was due to be paid;

(*b*) a sum not so receivable that was payable only on demand, being a sum the right to receive which has been waived, shall be deemed to have been due for payment at the time of the waiver.

(3) Sub-paragraph (4) of the last foregoing paragraph shall, with the substitution for references to that paragraph of references to this paragraph, apply for the purposes of this paragraph as it applies for the purposes of that paragraph.

25.—(1) In the annual statement of accounts there shall be shown by reference to each pair of adjacent points on a scale whereon the lowest point is £10,000 and the succeeding ones are successive integral multiples of £2,500 beginning with that in the case of which the multiplier is five, the number (if any) of persons in the authority's employment whose several emoluments exceeded the lower point but did not exceed the higher, other than,—

(*a*) directors of the authority; and

(*b*) persons, other than directors of the authority, being persons who,—

(i) if employed by the authority throughout the financial year to which the annual statement of accounts relates, worked wholly or mainly during that year outside the United Kingdom; or

(ii) if employed by the authority for part only of that year, worked wholly or mainly during that part outside the United Kingdom.

(2) For the purposes of this paragraph, a person's emoluments shall include any paid to or receivable by him from the authority, the authority's subsidiaries and any other person in respect of his services as a person in the employment of the authority or a subsidiary thereof or as a director of a subsidiary thereof (except sums to be accounted for to the authority or any of its subsidiaries) and "emoluments", in relation to a person, includes fees and percentages, any sums paid by way of expenses allowance in so far as those sums are charged to United Kingdom income tax, and the estimated money value of any other benefits received by him otherwise than in cash.

(3) The amounts to be brought into account for the purpose of complying with sub-paragraph (1) above as respects a financial year shall be the sums receivable in respect of that year, whenever paid, or, in the case of sums not receivable in respect of a period, the sums paid during that year, so, however, that where—

(*a*) any sums are not brought into account for the relevant financial year on the ground that the person receiving them is liable to account therefor as mentioned in the last foregoing sub-paragraph, but the liability is wholly or partly released or is not enforced within a period of two years; or

(*b*) any sums paid to a person by way of expenses allowance are charged to United Kingdom income tax after the end of the relevant financial year;

those sums shall, to the extent to which the liability is released or not enforced or they are charged as aforesaid, as the case may be, be brought into account for the purpose of complying with sub-paragraph (1) above on the first occasion on which it is practicable to do so.

(4) Reference in sub-paragraph (2) above to an authority's subsidiary—

(*a*) in relation to a person who is or was, while employed by the authority a director, by virtue of the authority's nomination, direct or indirect, of any other body corporate, shall, subject to the following paragraph, include that body corporate, whether or not it is or was in fact the authority's subsidiary; and

(*b*) shall be taken as referring to a subsidiary at the time the services were rendered.

26. Where an item required by paragraph 20, 21, 22, 23, 24 or 25 of this Schedule to be shown in the annual statement of accounts is, in the case of a financial year (other than the first financial year to which these Regulations apply), shown in such a statement, the corresponding amount for the immediately preceding financial year shall be included in that statement.

Holding companies, subsidiaries etc.

27.—(1) Subject to the provisions of this paragraph, where, at the end of a financial year, an authority has subsidiaries, there shall, in the case of each subsidiary, be stated in the annual statement of accounts for that year—

(*a*) the subsidiary's name; and

(*b*) in relation to shares of each class of the subsidiary held by the authority, the identity of the class and the proportion of the nominal value of the issued shares of that class represented by the shares held.

(2) For the purposes of the foregoing sub-paragraph, shares of a body corporate shall be treated as being held, or as not being held, by another such body if they would, by virtue of section 154(3) of the Companies Act 1948, be treated as being held or, as the case may be, as not being held, by that other body for the purpose of determining whether the first-mentioned body is its subsidiary; and the particulars required by the foregoing sub-paragraph shall include, with reference to the proportion of the nominal value of the issued shares of a class represented by shares held by the authority, a statement of the extent (if any) to which it consists in shares held by, or by a nominee for, a subsidiary of the authority and the extent (if any) to which it consists in shares held by, or by a nominee for, the authority itself.

(3) If, in the opinion of an authority having, at the end of its financial year, subsidiaries, the number of them is such that compliance with sub-paragraph (1) of this paragraph would result in particulars of excessive length being given, compliance with that sub-paragraph shall not be requisite except in the case of the subsidiaries carrying on the businesses the results of the carrying on of which, in the opinion of the authority, principally affected the amount of the surplus or deficit of the authority and its subsidiaries or the amount of the assets of the authority and its subsidiaries.

(4) Where, in the case of an authority, advantage is taken of the last foregoing sub-paragraph there must be included in the statement required by this paragraph the information that it deals only with the subsidiaries carrying on such businesses as are referred to in that sub-paragraph.

28.—(1) Subject to the provisions of this paragraph, if, at the end of a financial year, an authority holds shares of any class comprised in the equity share capital of another body corporate (not being its subsidiary) exceeding in nominal value one tenth of the nominal value of the issued shares of that class, there shall be stated in the annual statement of accounts for that year—

(*a*) the name of that other body corporate;

(*b*) the identity of the class and the proportion of the nominal value of the issued shares of that class represented by the shares held; and

(*c*) if the authority also holds shares in that other body corporate of another class (whether or not comprised in its equity share capital), or of other classes (whether or not so comprised), the like particulars as respects that other class or, as the case may be, each of those other classes.

(2) If, at the end of a financial year, an authority holds shares in another body corporate (not being its subsidiary) and the amount of all the shares therein which it holds exceeds one tenth of the amount of its assets, there shall be stated in the annual statement of accounts for that year—

(*a*) the name of that other body corporate; and

(*b*) in relation to shares in that other body corporate of each class held, the identity of the class and the proportion of the nominal value of the issued shares of that class represented by the shares held.

(3) If, at the end of a financial year an authority falls within sub-paragraph (1) of this paragraph in relation to more bodies corporate than one, and the number of them is such that, in the opinion of the authority, compliance with that sub-paragraph

would result in particulars of excessive length being given, compliance with that sub-paragraph shall not be requisite except in the case of the bodies carrying on the businesses the results of the carrying on of which, in the opinion of the authority, principally affected the amount of the surplus or deficit of the authority or the amount of its assets.

(4) Where, in the case of an authority, advantage is taken of the last foregoing sub-paragraph there must be included in the statement dealing with the bodies last mentioned in that sub-paragraph the information that it deals only with them.

(5) For the purposes of this paragraph shares of a body corporate shall be treated as being held, or as not being held, by another such body if they would, by virtue of section 154(3) of the Companies Act 1948 (but on the assumption that paragraph (*b*)(ii) had been omitted therefrom), be treated as being held or, as the case may be, as not being held, by that other body for the purpose of determining whether the first-mentioned body is its subsidiary.

(6) In this paragraph "equity share capital" has the meaning assigned to it by section 154(5) of the Companies Act 1948.

29. Where, at the end of a financial year, an authority is the subsidiary of another body corporate, there shall be stated in the annual statement of accounts the name of the body corporate regarded by the authority as being the authority's ultimate holding company.

30. The annual statement of accounts shall include particulars of—

(*a*) the increases during the financial year in the interest charged to capital and of the decreases during that year in the interest so charged except in so far as any such decrease forms part of the amount provided in the annual statement of accounts for the depreciation of fixed assets;

(*b*) the borrowing powers relating to the undertaking and the extent to which they have been exercised;

(*c*) the increases and decreases in the moneys owing to each government department in respect of the principal of loans for capital purposes.

Miscellaneous

31. The annual statement of accounts shall—

(*a*) state the names of the persons who at any time during the financial year were directors of the authority;

(*b*) if significant changes in the fixed assets of the authority or of any of its subsidiaries have occurred in that year, contain particulars of the changes, and, if, in the case of such of those assets as consist of interests in land, the market value thereof (as at the end of that year) differs substantially from the amount at which they are included in the balance sheet and the difference is significant, in the opinion of the authority, indicate the difference with such degree of precision as is practicable;

(*c*) if, in that year, the authority has issued any shares, state the reason for making the issue, the classes of shares issued and, as respects each class of shares, the number issued and the consideration received by the authority for the issue, and if, in that year, it has issued any debentures, state the reason for making the issue, the classes of debentures issued and, as respects each class of debenture, the amount issued and the consideration received by the authority for the issue;

(*d*) contain particulars of any matters not otherwise required by this Schedule to be disclosed which are material for the appreciation of the state of the authority's affairs, being matters the disclosure of which will not, in the opinion of the authority, be harmful to the business of the authority or of any of its subsidiaries.

32.—(1) If an authority (not being the wholly owned subsidiary of a body corporate incorporated in Great Britain) has, in a financial year, given money for political purposes or charitable purposes or both, there shall (if it exceeded £50 in amount) be contained in the annual statement of accounts for that year, in the case of each of the purposes for which money has been given, a statement of the amount of money given therefor and, in the case of political purposes for which money has been given, the following particulars, so far as applicable, namely—

(*a*) the name of each person to whom money has been given for those purposes exceeding £50 in amount and the amount of money given;

(*b*) if money exceeding £50 in amount has been given by way of donation or subscription to a political party, the identity of the party and the amount of money given.

(2) The foregoing sub-paragraph shall not have effect in the case of an authority which, at the end of a financial year, has subsidiaries which have, in that year, given money as mentioned in the foregoing sub-paragraph, but is not itself the wholly owned subsidiary of a body corporate incorporated in Great Britain; but in such a case there shall (if the amount of money so given in that year by the authority and the subsidiaries between them exceeds £50) be contained in the annual statement of accounts for that year, in the case of each of the purposes for which money has been given by the authority and the subsidiaries between them, a statement of the amount of money given therefor and, in the case of political purposes for which money has been given, the like particulars, so far as applicable, as are required by the foregoing sub-paragraph.

(3) For the purposes of this paragraph an authority shall be treated as giving money for political purposes if, directly or indirectly,—

(*a*) it gives a donation or subscription to a political party of the United Kingdom or of any part thereof; or

(*b*) it gives a donation or subscription to a person who, to its knowledge, is carrying on, or proposing to carry on, any activities which can, at the time at which the donation or subscription was given, reasonably be regarded as likely to affect public support for such a political party as aforesaid.

(4) For the purposes of this paragraph, money given for charitable purposes to a person who, when it was given, was ordinarily resident outside the United Kingdom shall be left out of account.

(5) In this paragraph, "charitable purposes" means purposes which are exclusively charitable and "wholly owned subsidiary" shall be construed in accordance with section 150(4) of the Companies Act 1948, and, as respects Scotland, "charitable" shall be construed in the same way as if it were contained in the Income Tax Acts.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These regulations, made under section 42 of the Harbours Act 1964, prescribe the form of, the particulars to be contained in, and the manner of compilation of, the annual statements of accounts relating to statutory harbour undertakings which are carried on by the persons specified in schedule 1 to the regulations.

2. Under section 42 an obligation is laid upon persons carrying on statutory harbour undertakings to prepare annual statements of accounts relating to the undertaking and to send copies of them and auditor's reports thereon to the Minister and to the National Ports Council.