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STATUTORY RULES OF NORTHERN IRELAND

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**2003 No. 129**

**RATES**

**Valuation for Rating (Docks) Order (Northern Ireland) 2003**

*Made - - - - 4th March 2003*

*To be laid before Parliament under paragraph 7(3) of  
the Schedule to the Northern Ireland Act 2000*

*Coming into operation 1st April 2003*

The Department of Finance and Personnel<sup>(1)</sup>, in exercise of the powers conferred on it by Articles 2(2)(2) and 39(2) and (3) of, and paragraph 8 of Part X of Schedule 12 to, the Rates (Northern Ireland) Order 1977<sup>(3)</sup> and of every other power enabling it in that behalf, and after consultation with the Northern Ireland Local Government Association (being an Association which appears to the Department to be representative of district councils), hereby makes the following Order:

**Citation and commencement**

1. This Order may be cited as the Valuation for Rating (Docks) Order (Northern Ireland) 2003 and shall come into operation on 1st April 2003.

**Amendment of Part X of Schedule 12 to the Rates (Northern Ireland) Order 1977**

2. For paragraphs 2 to 7 of Part X of Schedule 12 to the Rates (Northern Ireland) Order 1977 there shall be substituted the paragraphs set out in the Schedule.

**Revocation**

3. The Valuation for Rating (Docks) Order (Northern Ireland) 1997<sup>(4)</sup> is hereby revoked.

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(1) Formerly the Department of Finance. See S.I. 1982/338 (N.I. 6) Article 3

(2) See the definition of “the Department”

(3) S.I. 1977/2157 (N.I. 28); Part X of Schedule 12 was amended by Article 23 of, and Part I of Schedule 1 to, the Companies Consolidation (Consequential Provisions) (Northern Ireland) Order 1986 (S.I. 1986/1035 (N.I. 9)) and by S.R. 1997 No. 83

(4) S.R. 1997 No. 83

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Sealed with the Official Seal of the Department of Finance and Personnel on 4th March 2003.

L.S.

*V. N. Hewitt*  
A senior officer of the  
Department of Finance and Personnel

SCHEDULE

Article 2

NEW PARAGRAPHS 2 TO 7 OF PART X OF SCHEDULE  
12 TO THE RATES (NORTHERN IRELAND) ORDER 1977

“2.—(1) This Part shall not apply –

- (a) where the relevant income of the dock undertaking was not more than £1,000,000 –
  - (i) in any accounting period of twelve months ending during the year ending on 31st March 2001, or, if there is none;
  - (ii) if there is an accounting period of any other length which ends in that year, in the period of twelve months which ends with the last day of the last such accounting period, or, if there is none;
  - (iii) in the twelve months ending with 31st March 2001; or
- (b) where the persons carrying on the dock undertaking use the dock exclusively or mainly for the purpose of bringing or receiving goods –
  - (i) manufactured or produced by them; or
  - (ii) to be used by them for the manufacture or production of goods or electricity; or
  - (iii) to be sold by them; or
  - (iv) manufactured or produced by an associated body, and to be sold by that body.

(2) For the purposes of sub-paragraph (1)(b), a body shall be treated as the associated body of any persons if –

- (i) it is a body corporate in relation to which those persons directly or indirectly own or control not less than 51 per cent. of its issued share capital; or
- (ii) it is a body corporate in relation to which those persons and any other associated body or bodies of theirs directly or indirectly own or control not less than 51 per cent. of its issued share capital.

3. Other than for the purposes of the calculation of relevant income or relevant expenditure, this Part does not apply to a hereditament occupied by the persons carrying on a dock undertaking which does not consist exclusively of operational land.

4. In this Part –

“accounting period” in relation to an undertaking, means the period by reference to which the accounts of the undertaking are compiled;

“adjusted balance” in relation to an undertaking and a period, means 92.5 per cent. of the adjusted income of the undertaking for the period less 100 per cent. of its adjusted expenditure for the period;

“adjusted expenditure” in relation to an undertaking and a period, means the amount of relevant expenditure of the undertaking for the period multiplied by

$$\frac{F}{Y}$$

and “adjusted income” in relation to an undertaking and a period means the amount of relevant income of the undertaking for that period multiplied by

$$\frac{P}{Y}$$

where –

- a P is the retail prices index for September 2000, and

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- b Y is the retail prices index for the September falling during the period in question, unless the base month for the index for that September differs from the base month for the index for September 2000, in which case, Y is the figure which would have been the index for the September falling during the period if the base month for the index had been the same in both cases;

“relevant balance” in relation to an undertaking and a period, means 92.5 per cent. of the relevant income of that undertaking for the period, less 100 per cent. of its relevant expenditure for the period;

“relevant expenditure” in relation to an undertaking and a period, means all expenditure included, or falling to be included, in the revenue or profit and loss account of the undertaking for the period, whether derived from the operations carried on under the statutory provision by which the dock is authorised or otherwise, other than –

- (a) expenditure in respect of pilotage;
- (b) expenditure –
  - (i) in relation to investments required to be shown in the accounts of the undertaking (other than expenditure in relation to investments in subsidiary companies);
  - (ii) consisting of, or relating to, interest payable in respect of borrowing;
  - (iii) consisting of payments for, or in connection with, the management of property which is let out and which is, or forms part of, a separate hereditament;
- (c) expenditure incurred in respect of the disposal of land;
- (d) amounts written off in respect of depreciation;

“relevant income” in relation to an undertaking and a period means all income by way of revenue included, or falling to be included, in the revenue or profit and loss account of the undertaking for the period, whether derived from the operations carried on under the statutory provision by which the dock is authorised or otherwise, but excluding -

- (a) income in respect of pilotage;
- (b) income from –
  - (i) investments required to be shown in the accounts of the undertaking (other than investments in subsidiary companies);
  - (ii) loans or deposits;
  - (iii) rent or other payments receivable in consideration of the grant of permission for occupation or use of any property of the undertaking, or rights over such property, which is, or forms part of, a separate hereditament; and
- (c) any sum receivable in respect of the disposal of land;

“relevant preceding year” means the year ending immediately before the year in question;

“retail prices index” means the general index of retail prices (for all items) published by the Office for National Statistics; and if that index is not published for a month for which it is relevant for the purposes of this Part, this Part shall be taken to refer to any substituted index or index figures published by that Office;

“subsidiary” has the meaning given by Article 4 of the Companies (Northern Ireland) Order 1986<sup>(5)</sup>.

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(5) S.I. 1986/1032 (N.I. 6); Article 4 was substituted by Article 62(1) of the Companies (No. 2) (Northern Ireland) Order 1990 (S.I. 1990/1504 (N.I. 10))

- 5.—(1) For any year the net annual value of a hereditament to which this Part applies –
- (a) where the dock undertaking is wholly comprised in one hereditament, shall be the amount determined for that year in accordance with paragraph 6;
  - (b) where the dock undertaking extends to two or more hereditaments, shall be the portion of the amount determined for that year in accordance with paragraph 6 allocated to the hereditament under paragraph 7.
- (2) Where (apart from this sub-paragraph) any net annual value determined under this Part would include a fraction of a pound –
- (a) if the fraction would exceed 50 pence it shall be made up to one pound, and
  - (b) if the fraction would be 50 pence or less it shall be ignored.
- 6.—(1) Subject to sub-paragraphs (3) and (4), the amount determined in accordance with this paragraph for the year ending on 31st March 2004 shall be an amount equal to 27.5 per cent. of the relevant balance of the undertaking for –
- (a) an accounting period of 12 months ending during the year ending with 31st March 2001, or, if there is none;
  - (b) if there is an accounting period of any other length which ends in that year, the period of twelve months which ends with the last day of the last such accounting period, or, if there is none;
  - (c) the twelve months ending on 31st March 2001.
- (2) Subject to sub-paragraphs (3) to (5), the amount determined in accordance with this paragraph for any subsequent year shall be an amount equal to 27.5 per cent. of the adjusted balance of the undertaking for –
- (a) an accounting period of twelve months ending during the relevant preceding year, or, if there is none;
  - (b) if there is an accounting period of any other length which ends in the relevant preceding year, the period of twelve months which ends with the last day of the last such accounting period, or, if there is none;
  - (c) the relevant preceding year.
- (3) Where, in relation to a year and an undertaking, the amount equal to 27.5 per cent. of X is greater than 13 per cent. of Z, sub-paragraph (1) or, as the case may be, sub-paragraph (2) shall not apply and the amount determined in accordance with this paragraph for that year shall, subject to sub-paragraph (5), be equal to 13 per cent. of Z.
- (4) Where, in relation to a year and an undertaking, the amount equal to 27.5 per cent. of X is less than 5 per cent. of Z, sub-paragraph (1) or, as the case may be, sub-paragraph (2) shall not apply and the amount determined in accordance with this paragraph for that year shall, subject to sub-paragraph (5), be equal to 5 per cent. of Z.
- (5) Where, in relation to a year ending on or after 31st March 2005 and an undertaking, the amount determined under sub-paragraph (2), or, as the case may be, sub-paragraph (3) or (4), would differ from the amount determined in accordance with this paragraph for the relevant preceding year by no more than 20 per cent. of that amount, the sub-paragraph in question shall not apply and the amount determined in accordance with this paragraph for that year shall be the same as the amount determined for the relevant preceding year.
- (6) For the purposes of sub-paragraphs (3) and (4) –
- (a) X for the year ending on 31st March 2004 is the relevant balance and for subsequent years is the adjusted balance;

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- (b) Z for the year ending on 31st March 2004 is the relevant income and for subsequent years is the adjusted income;
- (c) X and Z shall be computed for the year ending on 31st March 2004 for the period described in sub-paragraph (1)(a) or, if there is no such period, for the period described in sub-paragraph (1)(b) or, if there is no such period, for the period described in sub-paragraph (1)(c);
- (d) X and Z shall be computed for subsequent years for the period described in sub-paragraph (2)(a) or, if there is no such period, for the period described in sub-paragraph (2)(b) or, if there is no such period, for the period described in sub-paragraph (2)(c).

7. Where the dock undertaking extends to two or more hereditaments, the amount determined in accordance with paragraph 6 for any year shall be apportioned among the hereditaments in such manner as may be agreed by the Commissioner with the dock authority and the district council or, in default of agreement, determined by the Department.”

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#### **EXPLANATORY NOTE**

*(This note is not part of the Order.)*

This Order amends the provisions for determining, by prescribed formula, the net annual values of certain hereditaments occupied by dock authorities. It replaces the existing paragraphs 2 to 7 of Part X of Schedule 12 to the Rates (Northern Ireland) Order 1977 (“Part X”) with new provisions. It also revokes the Valuation for Rating (Docks) Order (Northern Ireland) 1997 which previously amended Part X.

Part X will apply to hereditaments occupied by a dock authority for the purpose of carrying on its dock undertaking under the authority of any statutory provision except in the case of certain small undertakings, essentially those with a turnover of less than £1,000,000 and docks wholly or mainly used by the person operating them or by associated persons for their own purposes.

New paragraphs 4 to 7 of Part X provide that the net annual value of such hereditaments is to be calculated by reference to 27.5 per cent. of the balance between an amount for the income and an amount for the expenditure of the undertaking (where both amounts are calculated in accordance with new paragraphs 4 and 6 of Part X) subject to a threshold.