Gosport Ferry Limited

Annual report and financial statements

Registered number 02254382

31 March 2016

Contents

Company information

Directors	JL Foster JL Clarke CM Waters
Company Secretary	CM Waters
Bankers	HSBC plc 18 North Street Bishop's Stortford Hertfordshire CM23 2LP
Auditor	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ
Registered office	South Street Gosport Hampshire PO12 1EP
Solicitors	Blake Morgan LLP New Kings Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3LG

Strategic report

Business review

FIH group plc manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary for an understanding of the development, performance or position of the business. The performance of The Portsmouth Harbour Ferry Company Group is discussed in the ultimate parent company's Strategic report, which does not form part of this report.

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

An interim dividend of £137,000 *(2015: £253,000)* was paid in the year. The directors do not recommend the payment of a final dividend *(2015: £nil)*.

On behalf of the board

CM Waters
Director

Dated: 29 September 2016

Directors' report

The directors present their report and financial statements for the year ended 31 March 2016.

Activities

The principal activity of the company during the year was the operation of the passenger ferry service between Gosport and Portsmouth and pleasure cruises in the Solent area.

Donations

The company made charitable donations amounting to £1,584 *(2015: £2,000).*

Directors

The directors who served the company during the year and to the date of this report are as follows:

JL Foster	
KDW Edwards	(resigned 31 October 2015)
CM Waters	
JL Clarke	(appointed 1 November 2015)

Directors' indemnity

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each 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 auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board

CM Waters
Director

Dated: 29 September 2016

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Strategic Report, 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), including FRS 101 Reduced Disclosure Framework.

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 judgements 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.

KPMG

Independent auditor's report to the members of Gosport Ferry Limited

We have audited the financial statements of Gosport Ferry Limited for the year ended 31 March 2016 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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, and express an opinion on, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2016 and of its profit 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.

Craig Parkin *(Senior Statutory Auditor)*

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Dated: 3 October 2016

Profit and loss account and other comprehensive income
for the year ended 31 March 2016

	Note	2016 £000	2015 £000
Turnover	2	**4,220**	4,275
Cost of sales		**(2,074)**	(1,850)
Gross profit		**2,146**	2,425
Other operating charges	3	**(1,530)**	(1,563)
Operating profit	4	**616**	862
Other interest receivable and similar income	7	**3**	3
Interest payable and similar charges	8	**(226)**	(232)
Profit on ordinary activities before taxation		**393**	633
Tax on profit on ordinary activities	9	**(56)**	(137)
Profit for the financial year		**337**	496
Other comprehensive income			
Other comprehensive income		**-**	-
Other comprehensive income for the year, net of income tax		**-**	-
Total comprehensive income for the year		**337**	496

Balance sheet
at 31 March 2016

	Note	**2016**		2015	
		£000	**£000**	£000	£000
Fixed assets					
Tangible assets	*10*		**4,666**		4,799
Current assets					
Stocks	*11*	**35**		40	
Debtors	*12*	**3,508**		6,446	
Cash at bank and in hand		**780**		96	
		4,323		6,582	
Creditors: amounts falling due within one year	*13*	**(1,582)**		(4,140)	
Net current assets			**2,741**		2,442
Total assets less current liabilities			**7,407**		7,241
Creditors: amounts falling due after more than one year	*14*		**(4,797)**		(4,828)
Provisions for liabilities					
Deferred tax liability	*16*		**(187)**		(190)
Net assets			**2,423**		2,223
Capital and reserves					
Called up share capital	*18*		**60**		60
Profit and loss account			**2,363**		2,163
Shareholders' funds			**2,423**		2,223

These financial statements were approved by the board of directors on 29 September 2016 and were signed on its behalf by:

CM Waters
Director

Company registered number: 02254382

Statement of changes in equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2014	60	1,915	1,975
Total comprehensive income for the year			
Profit or loss	-	496	496
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	496	496
Transactions with owners, recorded directly in equity			
Equity-settled share based payment transactions	-	5	5
Dividends	-	(253)	(253)
Total contributions by and distributions to owners	-	(248)	(248)
Balance at 31 March 2015	**60**	**2,163**	**2,223**

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2015	60	2,163	2,223
Total comprehensive income for the year			
Profit or loss	-	337	337
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	337	337
Transactions with owners, recorded directly in equity			
Dividends	-	(137)	(137)
Total contributions by and distributions to owners	-	200	200
Balance at 31 March 2016	**60**	**2,363**	**2,423**

Notes
(forming part of the financial statements)

1 Accounting policies

Gosport Ferry Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, FIH group plc includes the Company in its consolidated financial statements. The consolidated financial statements of FIH group plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from FIH group plc, Kenburgh Court, 133-137 South Street, Bishops Stortford, Hertfordshire, CM23 3HX.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures.

- a Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of FIH group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 21.

Notes *(continued)*

1 Accounting policies *(continued)*

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The directors believe that the company will be able to maintain current trading volume without significant increase in the cost of so doing in the coming year. As a consequence and in conjunction with the company's existing financial resources the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to prepare annual financial statements on the going concern basis of accounts preparation.

1.3. Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Plant and machinery	Periods between 5 – 10 years
Office equipment	Periods between 3 – 10 years
Long leasehold property	10-25% per annum

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.6. Stocks

Stocks are stated at the lower of cost and net realisable value.

1.7. Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Share-based payment transactions

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the Company receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Company's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

1.9. Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.10. Turnover

Turnover represents the amounts invoiced to customers in the ordinary course of business for goods and services provided, including to fellow subsidiaries of FIH group plc, exclusive of value added tax.

1.11. Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11. Expenses (continued)

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.12. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Turnover

	2016	2015
	£000	£000
By activity:		
Rendering of services	**4,220**	4,275
By geographical market:		
United Kingdom	**4,220**	4,275

3 Other operating charges

	2016	2015
	£000	£000
Administrative expenses	**1,530**	1,563

Notes *(continued)*

4 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2016	2015
	£000	£000
Depreciation	**153**	149

Auditor's remuneration:

	2016	2015
	£000	£000
Audit of these financial statements	**29**	29

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2016	2015
Ferry operatives	**28**	27
Maintenance	**7**	5
Management and administrative	**6**	7
	41	39

The aggregate payroll costs of these persons were as follows:

	2016	2015
	£000	£000
Wages and salaries	**1,274**	1,299
Social security costs	**117**	118
Contributions to defined contribution plans	**120**	111
	1,511	1,528

Notes *(continued)*

6 Directors' remuneration

	2016 £000	2015 £000
Directors' remuneration	**129**	168
Amounts receivable under long term incentive schemes		
Company contributions to money purchase pension plans	**27**	18

	Number of directors 2016	2015
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**2**	2

JL Foster is also a director of FIH group plc and is remunerated at a group level, where his services are primarily directed.

7 Other interest receivable and similar income

	2016 £000	2015 £000
Bank interest receivable	**3**	3

8 Interest payable and similar charges

	2016 £000	2015 £000
Finance charges in respect of finance leases	**226**	232

Notes *(continued)*

9 Taxation

Recognised in the profit and loss account

	2016		2015	
	£000	**£000**	£000	£000
UK corporation tax				
Current tax on income for the period	**55**		101	
Adjustments in respect of prior periods	**4**		23	
Total current tax		**59**		124
Deferred tax (note 16)				
Origination and reversal of temporary differences	**23**		33	
Reduction in tax rate	**(19)**		-	
Adjustments in respect of prior periods	**(7)**		(20)	
Total deferred tax		**(3)**		13
Tax on profit on ordinary activities		**56**		137

Reconciliation of effective tax rate

	2016	2015
	£000	£000
Profit for the year	**337**	496
Total tax expense	**56**	137
Profit excluding taxation	**393**	633
Tax using the UK corporation tax rate of 20% *(2015: 21%)*	**79**	133
Expenses not deductible for tax purposes	**1**	1
Depreciation (less than)/in excess of capital allowances	**(1)**	-
Adjustments to tax charge in respect of prior periods	**(23)**	3
Total tax expense	**56**	137

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

Notes *(continued)*

10 Tangible fixed assets

	Long leasehold property £000	Plant and machinery £000	Office equipment £000	Assets under construction £000	Total £000
Cost					
Balance at 1 April 2014	5,083	254	111	100	5,548
Transfers	-	21	-	(21)	-
Additions	5	47	2	-	54
Balance at 31 March 2015	5,088	322	113	79	5,602
Transfers	-	79	-	(79)	-
Additions	1	9	10	-	20
Balance at 31 March 2016	5,089	410	123	-	5,622
Depreciation					
Balance at 1 April 2014	345	220	89	-	654
Charge for the year	126	19	4	-	149
Balance at 31 March 2015	471	239	93	-	803
Charge for the year	126	16	11	-	153
Balance at 31 March 2016	597	255	104	-	956
Net book value					
At 31 March 2014	4,738	34	22	100	4,894
At 31 March 2015	4,617	83	20	79	4,799
At 31 March 2016	**4,492**	**155**	**19**	**-**	**4,666**

Leased plant and machinery

At 31 March 2016 the net carrying amount of the Gosport Pontoon, which is leased from Gosport Borough Council, on a finance lease ending in 2061, was £4,481,000 *(2015: £4,584,000).*

Notes *(continued)*

11 Stocks

	2016 £000	2015 £000
Raw materials and consumables	**35**	40

Raw materials and consumables stocks consist of fuel held for the vessels.

12 Debtors

	2016 £000	2015 £000
Trade debtors	**18**	86
Amounts owed by group undertakings	**3,398**	6,220
Other debtors	**26**	1
Prepayments and accrued income	**66**	139
Debtors due within one year	**3,508**	6,446

13 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Obligations under finance leases (note 15)	**31**	30
Trade creditors	**118**	285
Amounts owed to group undertakings	**900**	3,235
Corporation tax	**82**	78
Other creditors	**27**	31
Accruals and deferred income	**424**	481
	1,582	4,140

14 Creditors: amounts falling after more than one year

	2016 £000	2015 £000
Obligations under finance leases (note 15)	**4,797**	4,828
Deferred tax (note 16)	**187**	190
	4,984	5,018

Notes *(continued)*

15 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2016 £000	2015 £000
Creditors falling due within less than one year		
Finance lease liabilities	**31**	30
Creditors falling due in more than one year		
Finance lease liabilities	**4,797**	4,828

The Gosport Pontoon finance lease liability, is repayable by quarterly instalments of £65,000 until 2016. £4,656,000 is repayable after five years.

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2016 £000	Carrying amount 2016 £000	Face value 2015 £000	Carrying amount 2015 £000
Finance lease liabilities	**GBP**	**4.75%**	**2061**	**4,957**	**4,828**	4,957	4,858

Finance lease liabilities

The Gosport Pontoon finance lease liability is payable as follows:

	Minimum lease payments 2016 £000	Interest 2016 £000	Principal 2016 £000	Minimum lease payments 2015 £000	Interest 2015 £000	Principal 2015 £000
Less than one year	**260**	**229**	**31**	260	230	30
Between one and five years	**1,040**	**899**	**141**	1,040	906	134
More than five years	**10,465**	**5,809**	**4,656**	10,725	6,031	4,694
	11,765	**6,937**	**4,828**	12,025	7,167	4,858

Notes *(continued)*

16 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016	2015	**2016**	2015	**2016**	2015
	£000	£000	**£000**	£000	**£000**	£000
Tangible fixed assets	**-**	-	**(189)**	(190)	**(189)**	(190)
Other	**2**	-	**-**	-	**2**	-
Tax assets / (liabilities)	**2**	-	**(189)**	(190)	**(187)**	(190)

Movement in deferred tax during the year

	1 April 2015 £000	Recognised in income £000	31 March 2016 £000
Tangible fixed assets	**(190)**	**1**	**(189)**
Other	**-**	**2**	**2**
	(190)	**3**	**(187)**

Movement in deferred tax during the prior year

	1 April 2014 £000	Recognised in income £000	31 March 2015 £000
Tangible fixed assets	(177)	(13)	(190)
	(177)	(13)	(190)

17 Employee benefits

Defined contribution plans

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £120,000 *(2015: £111,000)*.

Notes *(continued)*

18 Capital and reserves

	2016 **£000**	2015 £000
Allotted, called up and fully paid		
60,000 ordinary shares of £1 each	**60**	60

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

The following dividends were recognised during the period:

	2016 **£000**	2015 £000
Interim dividend	**137**	253

The directors do not recommend a final dividend.

19 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016 **£000**	2015 £000
Less than one year	**5**	9
Between one and five years	**-**	1
More than five years	**-**	-
	5	10

The Company leases the offices in Gosport, and a photocopier. During the year £9,000 was recognised as an expense in the profit and loss account in respect of operating leases *(2015: £9,000)*

20 Ultimate parent company and parent company of larger group

The immediate and ultimate parent company is FIH group plc, a company incorporated in Great Britain.

A copy of the financial statements of FIH group plc, in which the results of Gosport Ferry Limited are consolidated, can be obtained from FIH group plc, Kenburgh Court, 133-137 South Street, Bishop's Stortford, Hertfordshire CM23 3HX.

Notes *(continued)*

21 Accounting estimates and judgements

The preparation of financial statements in conformity with adopted IFRS requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgements as to asset and liability carrying values which are not readily apparent from other sources. Actual results may vary from these estimates, and are taken into account in periodic reviews of the application of such estimates and assumptions.

The Gosport Ferry Limited balance sheet consists of fixed assets, including the Gosport Pontoon which is leased from Gosport Borough Council on a finance lease until 2061, this pontoon is being depreciated over the lease term until 2061. The Finance lease is repayable at a fixed £65,000 quarterly, at an effective interest rate of 4.75%. These known assets and liabilities are the most significant items on the balance sheet.