

**REGISTRAR**

**Grant Thornton** 

**GOSPORT FERRY LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2002**



Company no 2254382

# GOSPORT FERRY LIMITED

## FINANCIAL STATEMENTS

For the year ended 31 December 2002

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Company registration number: 2254382

Registered office: South Street  
Gosport  
Hampshire  
PO12 1EP

Directors: Non executive M R Wright, ARICS  
J E Macmillan

Executive G D Phillips  
C R P Withinshaw

Secretary: J E Macmillan

Bankers: Barclays Bank Plc  
43/44 High Street  
Gosport  
Hampshire  
PO12 1DN

Solicitors: Churchers  
28 High Street  
Gosport  
Hampshire  
PO12 1DQ  
  
Blake Lapthorn  
New Court  
1 Barnes Wallis Road  
Segensworth  
Fareham  
PO15 5OA

Auditors: Grant Thornton  
Registered auditors  
Chartered accountants  
Manor Court  
Barnes Wallis Road  
Segensworth  
Fareham  
Hampshire  
PO15 5GT

# **GOSPORT FERRY LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 December 2002

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### **INDEX**

### **PAGE**

Report of the directors	1 - 2
Report of the independent auditors	3 - 4
Principal accounting policies	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 12

# GOSPORT FERRY LIMITED

## REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 2002.

### Principal activities

The company is principally engaged in operating the passenger ferry service between Gosport and Portsmouth and pleasure cruises in the Solent area.

### Business review

There was a profit for the year after taxation amounting to £650,745 (2001: profit £729,046). The directors recommend payment of dividends of £300,000 (2001: £nil).

### Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors and their families in the shares of the company as at 31 December 2002 and 1 January 2002, were as follows:

	Ordinary shares	
	31 December 2002	1 January 2002
M R Wright, ARICS	-	-
G D Phillips	-	-
C R P Withinshaw	-	-
J E Macmillan	-	-

The interests of the directors in the shares of the holding company, The Portsmouth Harbour Ferry Company plc, and of other subsidiaries of the holding company, namely Clarence Marine Engineering Limited, Portsea Harbour Company Limited, and Cobham Travel Service Limited are shown in those companies' financial statements.

### Directors' responsibilities for the financial statements

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which 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 those 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; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# GOSPORT FERRY LIMITED


## REPORT OF THE DIRECTORS

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### Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

### ON BEHALF OF THE BOARD



M R Wright, ARICS

Director

11 April 2003

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
GOSPORT FERRY LIMITED**

We have audited the financial statements of Gosport Ferry Limited for the year ended 31 December 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

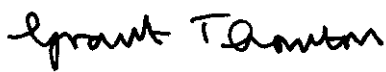
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
GOSPORT FERRY LIMITED**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

PORTSMOUTH  
11 April 2003

# **GOSPORT FERRY LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### **TURNOVER**

Turnover is the total amount receivable by the company for services provided, excluding VAT.

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The periods generally applicable are:

Plant and machinery	Periods between 5 and 10 years
Small harbour launches and ferry vessels	Periods between 7 and 15 years

### **STOCKS**

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

### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

### **CONTRIBUTIONS TO PENSION FUNDS**

#### **Defined contribution scheme**

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.



**GOSPORT FERRY LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2002

	Note	2002 £	2001 £
<b>Turnover</b>	1	<b>2,768,361</b>	2,745,256
Cost of sales		(1,291,861)	(1,355,458)
Gross profit		<b>1,476,500</b>	1,389,798
Administrative expenses		<b>(580,079)</b>	(374,060)
<b>Profit on ordinary activities before taxation</b>	1	<b>896,421</b>	1,015,738
Tax on profit on ordinary activities	3	<b>(245,676)</b>	(286,692)
<b>Profit for the financial year</b>	12	<b>650,745</b>	729,046
Dividends Equity		<b>(300,000)</b>	-
<b>Profit transferred to reserves</b>	11	<b>350,745</b>	729,046

There were no recognised gains or losses other than the profit for the financial year.

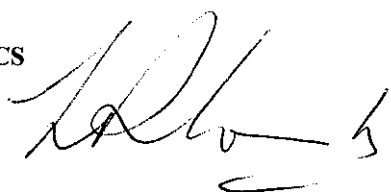
The accompanying accounting policies and notes form an integral part of these financial statements.

**GOSPORT FERRY LIMITED****BALANCE SHEET AT 31 DECEMBER 2002**

	<b>Note</b>	<b>2002 £</b>	<b>2001 £</b>
<b>Fixed assets</b>			
Tangible assets	4	1,446,105	1,410,618
<b>Current assets</b>			
Stocks	5	3,521	4,085
Debtors	6	1,022,078	1,599,667
Cash at bank and in hand		750	750
		<u>1,026,349</u>	<u>1,604,502</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(531,182)</u>	<u>(1,466,179)</u>
<b>Net current assets</b>		<u>495,167</u>	<u>138,323</u>
<b>Total assets less current liabilities</b>		<u>1,941,272</u>	<u>1,548,941</u>
<b>Provisions for liabilities and charges</b>	8	<u>(206,980)</u>	<u>(165,394)</u>
		<u>1,734,292</u>	<u>1,383,547</u>
<b>Capital and reserves</b>			
Called up share capital	10	60,000	60,000
Profit and loss account	11	1,674,292	1,323,547
<b>Shareholders' funds</b>	12	<u>1,734,292</u>	<u>1,383,547</u>

The financial statements were approved by the Board of Directors on 11 April 2003.

M R Wright, ARICS



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# GOSPORT FERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

### 1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:

	2002 £	2001 £
Depreciation:		
Tangible fixed assets, owned	116,681	49,320
Hire of plant and equipment	1,638	2,070

Auditors' remuneration of £2,500 (2001:£2,500), which relates to this company, has been charged in The Portsmouth Harbour Ferry Company plc.

### 2 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2002 £	2001 £
Wages and salaries	605,848	571,287
Social security costs	51,933	50,882
Other pension costs	36,941	36,555
	694,722	658,724

The average number of employees of the company during the year, by category was as follows:

	2002 Number	2001 Number
Ferry operatives	26	27

The directors did not receive any remuneration (2001: £nil).

### 3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2002 £	2001 £
UK Corporation tax at 30% (2001: 30%)	204,090	130,362
Deferred taxation	41,586	156,330
	245,676	286,692

# GOSPORT FERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

### Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained as follows:

	2002 £	2001 £
Profit on ordinary activities before tax	896,421	1,015,738
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	268,926	304,721
Effect of:		
Expenses not deductible for tax purposes	-	1,224
Capital allowances for the period in excess of depreciation	(47,704)	(156,331)
Group relief	(17,132)	(19,252)
Current tax charge for period	204,090	130,362

### 4 TANGIBLE FIXED ASSETS

	Plant and machinery £	Vessels £	Total £
Cost or valuation			
At 1 January 2002	167,396	1,410,134	1,577,530
Additions	-	152,168	152,168
At 31 December 2002	167,396	1,562,302	1,729,698
Depreciation			
At 1 January 2002	135,712	31,200	166,912
Provided in the year	19,290	97,391	116,681
At 31 December 2002	155,002	128,591	283,593
Net book amount at 31 December 2002	12,394	1,433,711	1,446,105
Net book amount at 31 December 2001	31,684	1,378,934	1,410,618

### 5 STOCKS

	2002 £	2001 £
Consumable stores	3,521	4,085

# GOSPORT FERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

### 6 DEBTORS

	2002 £	2001 £
Trade debtors	8,599	2,564
Amounts owed by group undertakings	998,255	1,578,906
Prepayments and accrued income	15,224	18,197
	<u>1,022,078</u>	<u>1,599,667</u>

### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Bank loans and overdraft	4,497	17,210
Trade creditors	13,005	9,045
Amounts owed to group undertakings	372,438	1,305,269
Corporation tax	138,090	130,362
Other creditors	1,597	1,844
Accruals and deferred income	1,555	2,449
	<u>531,182</u>	<u>1,466,179</u>

### 8 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 January 2002	165,394
Provided during the year	41,586
At 31 December 2002	<u>206,980</u>

### 9 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below.

	Amount provided 2002 £	2001 £
Accelerated capital allowances	<u>206,980</u>	<u>165,394</u>

# GOSPORT FERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

### 10 SHARE CAPITAL

	2002 £	2001 £
Authorised 60,000 ordinary shares of £1 each	60,000	60,000
Allotted, called up and fully paid 60,000 ordinary shares of £1 each	60,000	60,000

### 11 RESERVES

	Profit and loss account £
At 1 January 2002	1,323,547
Retained profit for the year	350,745
At 31 December 2002	1,674,292

### 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	650,745	729,046
Dividends	(300,000)	-
Net increase in shareholders' funds	350,745	729,046
Shareholders' funds at 1 January 2002	1,383,547	654,501
Shareholders' funds at 31 December 2002	1,734,292	1,383,547

### 13 PENSIONS

#### Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The pension cost charge for the year was £36,941 (2001 £36,555).

# **GOSPORT FERRY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2002

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### **14 CAPITAL COMMITMENTS**

The company had no capital commitments at 31 December 2002 or 31 December 2001.

### **15 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2002 or 31 December 2001.

### **16 RELATED PARTY TRANSACTIONS**

As a wholly owned subsidiary of The Portsmouth Harbour Ferry Company plc, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by The Portsmouth Harbour Ferry Company plc which is registered in England and Wales. Copies of the group accounts can be obtained from The Portsmouth Harbour Ferry Company plc, South Street, Gosport, Hampshire PO12 1EP.

### **17 ULTIMATE PARENT UNDERTAKING**

The directors consider that the ultimate parent undertaking of this company is The Portsmouth Harbour Ferry Company plc, registered in England and Wales.

The Portsmouth Harbour Ferry Company plc is the company's controlling party and ultimate controlling related party by virtue of owning 100% of the issued share capital of the company.