

10/10/01



**GOSPORT FERRY LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2001**

# GOSPORT FERRY LIMITED

## FINANCIAL STATEMENTS

For the year ended 31 December 2001

---

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 Laphorn  
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 2001

---

<b>INDEX</b>	<b>PAGE</b>
Report of the directors	1 - 2
Report of the independent auditors	3
Principal accounting policies	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11
Detailed trading profit and loss account	12 - 13

# GOSPORT FERRY LIMITED

## REPORT OF THE DIRECTORS

---

The directors present their report together with financial statements for the year ended 31 December 2001.

### 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 £729,046 (2000: profit £21,943). The directors do not recommend the payment of a dividend (2000: £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 2001 and 1 January 2001, were as follows:

	Ordinary shares	
	31 December 2001	1 January 2001
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
- 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

---

### Auditors

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

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'M R Wright', with a horizontal line underneath.

M R Wright, ARICS

Director

3 April 2002

**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 2001 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 17 on pages 4 to 11. These financial statements have been prepared under the accounting policies set out therein.

**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.

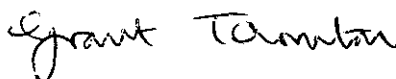
**Basis of opinion**

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.

**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 2001 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  
3 April 2002

# **GOSPORT FERRY LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

---

### **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	Periods between 10 and 15 years

### **STOCKS**

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

### **DEFERRED TAXATION**

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

### **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 2001

	Note	2001 £	2000 £
<b>Turnover</b>	1	<b>2,745,256</b>	2,057,376
Cost of sales		<b>(1,355,458)</b>	(1,038,983)
Gross profit		<b>1,389,798</b>	1,018,393
Administrative expenses		<b>(374,060)</b>	(972,755)
<b>Profit on ordinary activities before taxation</b>	1	<b>1,015,738</b>	45,638
Tax on profit on ordinary activities	3	<b>(286,692)</b>	(23,695)
<b>Profit transferred to reserves</b>	11	<b>729,046</b>	21,943

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 2001**

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	4	1,410,618	40,006
<b>Current assets</b>			
Stocks	5	4,085	4,982
Debtors	6	1,599,667	1,023,076
Cash at bank and in hand		750	610
		<u>1,604,502</u>	<u>1,028,668</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,466,179)</u>	<u>(405,109)</u>
<b>Net current assets</b>		<u>138,323</u>	<u>623,559</u>
<b>Total assets less current liabilities</b>		<u>1,548,941</u>	<u>663,565</u>
<b>Provisions for liabilities and charges</b>	8	<u>(165,394)</u>	<u>(9,064)</u>
		<u><u>1,383,547</u></u>	<u><u>654,501</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	60,000	60,000
Profit and loss account	11	<u>1,323,547</u>	<u>594,501</u>
<b>Shareholders' funds</b>	12	<u><u>1,383,547</u></u>	<u><u>654,501</u></u>

The financial statements were approved by the Board of Directors on 3 April 2002.

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 2001

### 1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:	2001 £	2000 £
Depreciation:		
Tangible fixed assets, owned	49,320	18,082
Hire of plant and equipment	2,070	6,055

Auditors' remuneration of £2,500 (2000:£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:	2001 £	2000 £
Wages and salaries	571,287	514,683
Social security costs	50,882	48,752
Other pension costs	36,555	46,208
	658,724	609,643

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

	2001 Number	2000 Number
Ferry operatives	27	29

The directors did not receive any remuneration (2000: £nil).

### 3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:	2001 £	2000 £
UK Corporation tax at 20% (2000: 20%)	130,362	12,000
Deferred taxation	156,330	(4,281)
Adjustments in respect of prior periods:		
UK Corporation tax	-	15,976
	286,692	23,695

# GOSPORT FERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

### 4 TANGIBLE FIXED ASSETS

	Plant and machinery £	Vessels £	Total £
Cost or valuation			
At 1 January 2001	157,598	-	157,598
Additions	9,798	-	9,798
Transfers from group undertakings	-	1,410,134	1,410,134
At 31 December 2001	167,396	1,410,134	1,577,530
Depreciation			
At 1 January 2001	117,592	-	117,592
Provided in the year	18,120	31,200	49,320
At 31 December 2001	135,712	31,200	166,912
Net book amount at 31 December 2001	31,684	1,378,934	1,410,618
Net book amount at 31 December 2000	40,006	-	40,006

### 5 STOCKS

	2001 £	2000 £
Consumable stores	4,085	4,982

### 6 DEBTORS

	2001 £	2000 £
Trade debtors	2,564	1,978
Amounts owed by group undertakings	1,578,906	1,007,792
Other debtors	-	238
Prepayments and accrued income	18,197	13,068
	1,599,667	1,023,076

# GOSPORT FERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

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

	2001 £	2000 £
Bank loans and overdraft	17,210	5,706
Trade creditors	9,045	14,262
Amounts owed to group undertakings	1,305,269	369,623
Corporation tax	130,362	12,000
Other creditors	1,844	918
Accruals and deferred income	2,449	2,600
	<u>1,466,179</u>	<u>405,109</u>

### 8 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 January 2001	9,064
Provided during the year	156,330
At 31 December 2001	<u>165,394</u>

### 9 DEFERRED TAXATION

Deferred taxation provided for and not provided for in the financial statements is set out below.

	Amount provided		Amount unprovided	
	2001 £	2000 £	2001 £	2000 £
Accelerated capital allowances	<u>165,394</u>	<u>9,064</u>	<u>-</u>	<u>-</u>

### 10 SHARE CAPITAL

	2001 £	2000 £
Authorised 60,000 ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>
Allotted, called up and fully paid 60,000 ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>

# GOSPORT FERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

### 11 RESERVES

	Profit and loss account £
At 1 January 2001	594,501
Retained profit for the year	729,046
At 31 December 2001	<u>1,323,547</u>

### 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	729,046	21,943
Net increase in shareholders' funds	729,046	21,943
Shareholders' funds at 1 January 2001	654,501	632,558
Shareholders' funds at 31 December 2001	<u>1,383,547</u>	<u>654,501</u>

### 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.

### 14 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2001 or 31 December 2000.

### 15 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2001 or 31 December 2000.

### 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.

# **GOSPORT FERRY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2001

---

### **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.