

Company Number 2254382



GOSPORT FERRY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1995



GOSPORT FERRY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995

Company Registration Number: 2254382

Registered Office: South Street
Gosport
Hampshire
PO12 1EP

Directors: M R Wright, ARICS
D R Smith, FCIS
C J Solen, FNAEA, M Land Inst
G D Phillips

Secretary: D R Smith, FCIS

Solicitors: Churchers
28 High Street
Gosport
Hampshire
PO12 1DQ

Auditors: Grant Thornton
Chartered Accountants
Enterprise House
Isambard Brunel Road
Portsmouth
Hampshire
PO1 2RZ

GOSPORT FERRY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995

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GOSPORT FERRY LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31 December 1995.

Principal activity

The company's principal activity is operating the passenger ferry service between Gosport and Portsmouth and pleasure cruises in the Solent area.

General review

During the year passenger numbers remained constant and fares were increased in the Autumn. Leisure activities were assisted by excellent weather in the summer.

Results and dividends

The profit for the year after taxation amounted to £70,129 (1994: £32,547). The directors recommend payment of a dividend of £65,000 (1994: £30,000). The remaining profit for the year of £5,129 (1994: £2,547) has been transferred to reserves.

Directors

The directors in office during and at the end of the year are listed below. No director had a beneficial interest in any shares in the company. No director had a material interest in any contract with the company during the year.

M R Wright
D R Smith
C J Solen
G D Phillips (appointed 21 August 1995)
D P Saville (resigned 26 July 1995)
A H Edwards (resigned 26 July 1995)

In accordance with the Articles of Association C J Solen retires by rotation and being eligible offers himself for re-election. G D Phillips having been appointed on 21 August 1995 offers himself for election.

The interests of the directors in the shares of the holding company, The Portsmouth Harbour Ferry Company Public Limited Company, are shown in that company's accounts.

GOSPORT FERRY LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Directors' responsibilities for the financial statements

Company law 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;

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 keeping 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.

Fixed assets

Expenditure of £31,053 on the vessels was incurred during the year.

Auditors

Grant Thornton offer themselves for re-appointment as auditors of the company in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



D R Smith
Secretary
28 February 1996

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

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 at 31 December 1995 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

28 FEBRUARY 1996

GOSPORT FERRY LIMITED

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 1995

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

The principal accounting policies of the company are set out below.

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business for services provided.

Depreciation

Depreciation is calculated to write down the cost of tangible fixed assets by equal annual instalments over their expected useful lives.

The periods generally applicable are :

Plant and equipment	Periods between 5 and 10 years
Small harbour launches	Periods between 10 and 15 years

Stock

Stock is stated at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation represents the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the financial statements.

Transfers to and from deferred taxation are calculated at the rate of corporation tax in force at the end of the period in which the transfers are made, adjusting for any changes in rate as compared to the preceding period.

Operating leases

Payments under operating leases are charged to the profit and loss account as they accrue.

Pension scheme

The pension costs charged against profits are based on an actuarial method and actuarial assumptions designed to provide the anticipated pension costs over the service lives of the employees in the scheme, in a way that seeks to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll in the light of current actuarial assumptions. Variations from regular costs are spread over the remaining service lives of current employees in the scheme.

GOSPORT FERRY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1995

	Note	1995 £	1994 £
Turnover		1,608,727	1,497,209
Cost of sales		<u>954,405</u>	<u>964,612</u>
Gross profit		654,322	532,597
Administrative expenses		<u>577,931</u>	<u>499,270</u>
Profit on ordinary activities before taxation	1	76,391	33,327
Taxation	3	<u>6,262</u>	<u>780</u>
Profit for the year on ordinary activities after taxation		70,129	32,547
Dividends		<u>65,000</u>	<u>30,000</u>
Retained profit for the financial year		<u>5,129</u> =====	<u>2,547</u> =====
Accumulated profits brought forward		<u>2,547</u> =====	<u>-</u> =====
Accumulated profits carried forward		<u>7,676</u> =====	<u>2,547</u> =====

There are no recognised gains or losses other than the profit for the year

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

GOSPORT FERRY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1995

	Note	1995 £	1994 £
Fixed Assets			
Tangible assets	4	98,526	83,087
Current assets			
Stock		3,326	4,065
Debtors	5	111,075	371,253
Cash at bank and in hand		<u>100</u>	<u>376</u>
		114,501	375,694
Creditors: amounts falling due within one year	6	<u>136,674</u>	<u>387,557</u>
Net current (liabilities)		<u>(22,173)</u>	<u>(11,863)</u>
Total assets less current liabilities		76,353	71,224
Deferred taxation	7	<u>8,677</u>	<u>8,677</u>
		67,676	62,547
		=====	=====
Capital and Reserves			
Called up share capital	8	60,000	60,000
Profit and loss account		<u>7,676</u>	<u>2,547</u>
Shareholders funds	14	67,676	62,547
		=====	=====

The financial statements were approved by the Board of Directors on 28 February 1996.



M R Wright

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 1995

1 Profit on ordinary activities before taxation is stated after charging:

	1995	1994
	£	£
Depreciation - owned fixed assets	15,614	12,064
Auditors remuneration	2200	2,000
Auditors - non audit services	-	265
	=====	=====

2 Directors and employees

	1995	1994
	£	£
Staff costs consist of the following:		
Wages and salaries	504,304	473,446
Social Security	40,233	37,622
Pensions and superannuation scheme	43,681	40,420
	588,218	551,488
	=====	=====

The directors did not receive any remuneration

The average number employed by the company, by category, was :

Ferry operatives	33	32
Management	2	2
	35	34
	====	====

3 Taxation

The taxation charge based on the profit for the year is as follows:-

	1995	1994
	£	£
United Kingdom Corporation Tax 25% (1994: 25%)	6,262	-
Deferred taxation charge	-	780
	6,262	780
	=====	=====

4 Tangible fixed assets

	Total	Vessels	Plant and equipment
	£	£	£
Cost			
At 1 January 1995	162,014	90,630	71,384
Additions during year	31,053	31,053	-
At 31 December 1995	193,067	121,683	71,384
Depreciation			
At 1 January 1995	78,927	52,709	26,218
Provided in year	15,614	7,283	8,331
At 31 December 1995	94,541	59,992	34,549
Net book value			
At 31 December 1995	98,526	61,691	36,835
	=====	=====	=====
At 31 December 1994	83,087	37,921	45,166
	=====	=====	=====

GOSPORT FERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1995

5 Debtors

	1995 £	1994 £
Amounts falling due within one year :		
Trade debtors	11,712	8,207
Amounts due from group undertakings	78,453	340,861
Other debtors	19,136	20,070
Prepayments	<u>1,774</u>	<u>2,115</u>
	111,075	371,253
	=====	=====

6 Creditors

	1995 £	1994 £
Amounts falling due within one year:		
Bank overdraft	1,760	-
Deposits and cash in advance	2,032	11,698
Trade creditors	20,715	34,341
Corporation tax	6,262	-
Amounts due to group undertakings	95,893	338,018
Accruals	<u>10,012</u>	<u>3,500</u>
	136,674	387,557
	=====	=====

There are no creditors falling due after one year.

7 Deferred taxation

	Deferred taxation £
At 1 January 1995	<u>8,677</u>
At 31 December 1995	<u>8,677</u>
	=====

Full provision has been made for deferred taxation. Provision has been made at 25%. The amounts provided are set out below :

	1995 £	1994 £
Accelerated capital allowances	<u>8,677</u>	<u>8,677</u>
	=====	=====

8 Called up share capital

	1995 and 1994 £
Authorised, allotted, issued and fully paid 60,000 ordinary shares of £1 each	<u>60,000</u>
	=====

GOSPORT FERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1995

9 Capital commitments

The company has no capital commitments at 31 December 1995 (1994: Nil).

10 Leasing commitments

Leasing commitments amount to £3,120 per annum for the rental of plant and machinery. The commitment expires between two and five years.

11 Contingent liabilities

The company had a contingent liability, together with other group companies, in respect of a balance of account guarantee given to Barclays Bank plc in respect of the overdraft on the ultimate parent undertaking. At 31 December 1995 overdrafts of the ultimate parent undertaking totalled £75,355 (1994: £39,614). The company is also party to a cross-guarantee and debenture given to Barclays Bank plc in respect of all bank liabilities of the group, together with other group companies.

12 Pension scheme

The company operates a defined benefits pension scheme through its holding company. The scheme is funded as stated in the accounting policies and was valued by an independent actuary as at 31 July 1995. The cost charged in the profit and loss account for the year amounted to £43,681 (1994 £40,420) and no further provision is considered necessary. Full details of the actuarial valuation of the scheme are given in the financial statements of the ultimate parent undertaking.

13 Ultimate parent undertaking

The ultimate parent undertaking is The Portsmouth Harbour Ferry Company Public Limited Company, a company incorporated in England which owns all of the issued share capital. Group accounts are available for inspection at the company's Registered Office.

14 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the financial year	70,129	32,547
Dividend	(65,000)	(30,000)
Net increase in shareholders funds	5,129	2,547
Shareholders' funds at 1 January 1995	62,547	60,000
Shareholders' funds at 31 December 1995	67,676	62,547
	=====	=====