

The Portsmouth Harbour Ferry Company Limited

**Directors' report and financial
statements**

Registered number - 00018751

31 March 2008

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Company information

Directors

JL Foster
D Hudd
MS Killingley
JB Ivins
PJ Fuller
CM Waters

Company Secretary

JB Ivins

Bankers

HSBC plc
18 North Street
Bishop's Stortford
Hertfordshire
CM23 2LP

Auditor

KPMG Audit Plc
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Registered office

South Street
Gosport
Hampshire
PO12 1EP

Solicitors

Blake Lapthorn Tarlo Lyons
New Court
1 Barnes Wallis Road
Segensworth
Hampshire
PO15 5OA

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2008.

Activity

The principal activity of the company during the year was the provision of management services to subsidiary companies.

Results

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.

The Portsmouth Harbour Ferry Company Limited manages its operations on a divisional basis. For this reason, the company's directors believe 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 company is discussed in the parent company's directors' report, which does not form part of this report.

On 31 March 2008 the company purchased 2 vessels from its subsidiary company, Gosport Ferry Limited, for a consideration of £2,933,000 and sold Clarence Wharf to its subsidiary company, Clarence Marine Engineering Limited, for a consideration of £812,000. In both cases the consideration being equal to the carrying value of the assets at the date of the transaction.

The company has paid a dividend in respect of the current financial year of £nil (2007: £2,500,000).

Donations

The company made charitable donations amounting to £nil (2007: £nil).

Policy on payment of creditors

The company operates a creditors payment policy designed to settle invoices within six weeks of the suppliers' invoice date.

Directors

The directors who served the company during the year were as follows:

JL Foster	
D Hudd	
MS Killingley	
JB Ivins	
PJ Fuller	
MJ Rayment	- resigned 30 April 2007
CM Waters	- appointed 10 October 2007

Directors' indemnity

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

Directors' report *(continued)*

Disclosure of information to auditors

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 auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

A handwritten signature in black ink, appearing to be 'JB Ivins', with a stylized flourish at the end.

JB Ivins
Company Secretary

Dated: 27 January 2009

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

The directors are responsible for preparing 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).

The financial statements are required by law to 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 judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.

ABCD

KPMG Audit Plc

St Nicholas House
Park Row
Nottingham NG1 6FQ
United Kingdom

Report of the independent auditors to the members of The Portsmouth Harbour Ferry Company Limited

We have audited the financial statements of The Portsmouth Harbour Ferry Company Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. 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 auditors' 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 financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Chartered Accountants
Registered Auditor

Dated: 27 January 2009

Profit and loss account
for the year ended 31 March 2008

	<i>Note</i>	2008 £000	2007 £000
Turnover		-	-
Other operating charges	2	(32)	(29)
Other operating income	3	381	377
		<hr/>	<hr/>
Operating profit		349	348
Income from shares in group undertakings	4	-	3,000
Interest payable and similar charges	5	(112)	(121)
Profit on termination of business		-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		237	3,227
Tax on profit on ordinary activities	7	(18)	(9)
		<hr/>	<hr/>
Profit for the financial year	19	219	3,218
		<hr/>	<hr/>

In both the current year and preceding period, the company made no material acquisitions and had no discontinued operations.

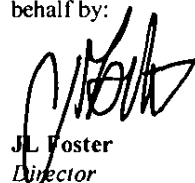
Statement of total recognised gains and losses
for the year ended 31 March 2008

	2008 £000	2007 £000
Profit for the financial year	219	3,218
Actuarial gain recognised in the pension scheme (note 23)	147	61
Deferred tax arising on gains in the pension scheme	(49)	(18)
	<hr/>	<hr/>
Total recognised gains and losses relating to the period	317	3,261
	<hr/>	<hr/>

Balance sheet
as at 31 March 2008

	Note	£000	2008 £000	£000	2007 £000
Fixed assets					
Tangible assets	11		2,953		860
Investments	12		63		63
			<u>3,016</u>		<u>923</u>
Current assets					
Debtors	13	2,047		1,959	
Cash at bank and in hand		-		-	
		<u>2,047</u>		<u>1,959</u>	
Creditors: amounts falling due within one year	14	(1,838)		(251)	
Net current assets			<u>209</u>		<u>1,708</u>
Total assets less current liabilities			<u>3,225</u>		<u>2,631</u>
Creditors: amounts falling due after more than one year	15		(1,233)		(1,433)
Provisions for liabilities and charges	17		(744)		(267)
Net assets			<u><u>1,248</u></u>		<u><u>931</u></u>
Capital and reserves					
Called up share capital	18		230		230
Share premium account	19		4		4
Revaluation reserve	19		20		20
Profit and loss account	19		994		677
Shareholders' funds	20		<u><u>1,248</u></u>		<u><u>931</u></u>

These financial statements were approved by the board of directors on 27 January 2009 and were signed on its behalf by:


J.L. Foster
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

These financial statements have been prepared under the historical cost convention, as modified to include the revaluation of certain freehold properties and in accordance with applicable accounting standards, on a going concern basis.

Depreciation

Depreciation is provided by equal annual instalments to reduce the cost or valuation of fixed assets, other than freehold land on which no depreciation is charged, to residual value over their estimated useful working lives. The principal annual rates are:

Freehold buildings	Periods between 25 and 50 years
Launches, plant and equipment	Periods between 5 and 10 years
Office equipment	Periods between 5 and 10 years

Investments

Investments are carried at cost less provisions made for impairment in the carrying value.

Taxation

The charge for taxation is based on the profit for the financial year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'.

Turnover

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

Pensions

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

In addition, the company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The amounts charged to the profit and loss account represent the contributions payable to the scheme in respect of the accounting period.

Cash flow statement

Under FRS 1 'Cash flow statements (revised 1996)', the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking, and the cash flows of the Company are included within the published consolidated financial statements of the ultimate parent company.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the company

Under FRS 25, financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) 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.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Leased assets

As lessee

Rentals in respect of all operating leases are charged to the profit and loss account on a straight line basis over the lease term.

As lessor

Assets under hire purchase agreements are shown in the balance sheet under current assets and are stated at the value of the net investment in the agreements. The income from such agreements is credited to the profit and loss account each year so as to give a constant rate of return on the funds invested.

Related party transactions

As the company is a wholly owned subsidiary of Falkland Islands Holdings plc the company has taken advantage of the exemption in FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Falkland Islands Holdings plc, within which this company is included, can be obtained from the address given in note 24.

2 Other operating charges

	2008 £000	2007 £000
Administrative expenses	32	29

Notes (continued)

3 Other operating income

	2008 £000	2007 £000
Rent receivable	381	377
	<u>381</u>	<u>377</u>

4 Income from shares in group undertakings

	2008 £000	2007 £000
Income from group undertakings	-	3,000
	<u>-</u>	<u>3,000</u>

5 Interest payable and similar charges

	2008 £000	2007 £000
Interest payable on bank borrowings	96	103
Interest on pension scheme liabilities	16	18
	<u>112</u>	<u>121</u>

6 Profit on ordinary activities before taxation

	2008 £000	2007 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Depreciation on owned fixed assets	28	29
Profit on disposal/transfer of fixed assets	-	(2)
<i>Auditors' remuneration:</i>		
- audit of these financial statements	-	-
	<u>-</u>	<u>-</u>

Auditors' remuneration relating to this company has been charged to Gosport Ferry Limited.

Notes (continued)

7 Tax on profit on ordinary activities

(a) Analysis of charge in the financial year

	2008 £000	2007 £000
<i>The taxation charge based on the profit for the financial year comprises:</i>		
UK corporation tax at 30% (2007: 30%)	47	21
Adjustments in respect of prior years	-	-
	<hr/>	<hr/>
Total current tax charges	47	21
<i>Deferred taxation (note 17)</i>		
Current year	(40)	3
Adjustments in respect of prior years	-	(24)
Relating to pension scheme (note 23)	11	9
	<hr/>	<hr/>
Total deferred tax	(29)	(12)
	<hr/>	<hr/>
Tax on profit on ordinary activities	18	9
	<hr/>	<hr/>

(b) Factors affecting the tax charge for the current financial year

The current tax charge for the year is lower (2007: lower) the standard rate of corporation tax in the UK of 30% (2007: 30%). The differences are explained below:

	2008 £000	2007 £000
<i>Current tax reconciliation:</i>		
Profit on ordinary activities before tax	237	3,227
	<hr/>	<hr/>
Current tax at 30% (2007: 30%)	71	968
<i>Effects of:</i>		
Capital allowances in the year in excess of depreciation	(2)	(3)
Non taxable income	-	(900)
Group relief not paid for	(2)	(33)
Other short term timing differences	(20)	-
Tax at marginal rate	-	(2)
Adjustments in respect of prior years	-	-
Adjustments relating to pension scheme deficit	-	(9)
	<hr/>	<hr/>
Total current tax charge	47	21
	<hr/>	<hr/>

Notes (continued)

8 Employees

	2008 Number	2007 Number
<i>The average number of persons employed by the company during the year was:</i>		
Management and administration	-	-
	<u> </u>	<u> </u>
	£000	£000
<i>The aggregate payroll costs of the above were:</i>		
Wages and salaries	-	-
Social security costs	-	-
Other pension costs	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

9 Remuneration and fees of directors

	2008 £000	2007 £000
Directors' emoluments and fees	25	30
Company contributions to pension schemes	-	-
	<u> </u>	<u> </u>
	25	30
	<u> </u>	<u> </u>
<i>Emoluments of highest paid director:</i>		
Total emoluments (excluding pension contributions)	25	25
Value of company pension contributions	-	-
	<u> </u>	<u> </u>
	25	25
	<u> </u>	<u> </u>
	2008	2007
<i>The number of directors who accrued benefits under company pension schemes was as follows:</i>		
Money purchase schemes	-	-
	<u> </u>	<u> </u>

In both the current and prior year the remuneration and fees of directors noted above have been paid by Gosport Ferry Limited.

10 Dividends

	2008 £000	2007 £000
<i>Equity dividends:</i>		
Dividend paid in the financial year	-	2,500
	<u> </u>	<u> </u>

Notes (continued)

11 Tangible assets

	Freehold land and buildings £000	Launches, plant and equipment £000	Total £000
<i>Cost or valuation:</i>			
At 1 April 2007	971	167	1,138
Additions	-	2,933	2,933
Disposals	(950)	-	(950)
	<hr/>	<hr/>	<hr/>
At 31 March 2008	21	3,100	3,121
	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation:</i>			
At 1 April 2007	111	167	278
Charge for the year	28	-	28
Disposals	(138)	-	(138)
	<hr/>	<hr/>	<hr/>
At 31 March 2008	1	167	168
	<hr/>	<hr/>	<hr/>
<i>Net book value:</i>			
At 31 March 2008	20	2,933	2,953
	<hr/>	<hr/>	<hr/>
At 31 March 2007	860	-	860
	<hr/>	<hr/>	<hr/>

The ticket office at Gosport was valued during 1985 at £20,000, the valuation being based upon its continuing existing use. This valuation is included in the fixed assets of the company at the balance sheet date. The cost and net book value of this asset prior to revaluation was £nil. The transitional arrangements under FRS 15 have been followed and this valuation has not been updated. No provision has been made in the deferred tax account for the estimated corporation tax that would be payable on disposal of this asset because, in the opinion of the directors, this asset is unlikely to be disposed of in the foreseeable future.

Included within freehold land and buildings is £20,000 (2007: £166,185) of non-depreciable land.

12 Investments

	Shares in subsidiary undertakings £000
<i>Cost:</i>	
As at 1 April 2007	63
Disposed of during the year	-
	<hr/>
As at 31 March 2008	63
	<hr/>

The company owns all the ordinary share capital and voting rights of the following subsidiaries which comprise £1 ordinary shares.

Name of subsidiary	Principal activity
Portsea Harbour Company Limited	Statutory harbour authority
Clarence Marine Engineering Limited	Marine and engineering maintenance
Gosport Ferry Limited	Passenger vessel operators
Portsmouth Harbour Waterbus Company Limited	Dormant

Notes (continued)

13 Debtors

	2008 £000	2007 £000
Amounts owed by group undertakings	2,047	1,939
Deferred tax asset (note 17)	-	20
	<u>2,047</u>	<u>1,959</u>

14 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Bank loans and overdrafts	461	207
Amounts owed to group undertakings	1,349	-
Corporation tax	28	44
	<u>1,838</u>	<u>251</u>

15 Creditors: amounts falling due after more than one year

	2008 £000	2007 £000
Bank loans and overdrafts	1,233	1,433
	<u>1,233</u>	<u>1,433</u>

16 Borrowings and other financial instruments

Creditors include finance capital which is due for repayment as follows:

	2008 £000	2007 £000
<i>Amounts repayable:</i>		
In one year or less or on demand	461	200
In more than one year but not more than two years	200	200
In more than two years but not more than five years	599	599
In more than five years	434	634
	<u>1,694</u>	<u>1,633</u>

Notes (continued)

17 Provisions for liabilities and charges

	2008 £000	2007 £000
Deferred taxation	601	-
Pension liabilities (note 23)	143	267
	<u>744</u>	<u>267</u>

Deferred taxation

	2008 £000	2007 £000
<i>The deferred tax included in the balance sheet is as follows:</i>		
Included in provisions	601	-
Included in debtors	-	(20)
	<u>601</u>	<u>(20)</u>

The movement in the deferred taxation account during the year was:

	2008 £000	2007 £000
Balance brought forward	(20)	3
Profit and loss account movement arising during the year (note 7)	(40)	(21)
Transfer of assets from/(to) a group undertaking	661	(2)
	<u>601</u>	<u>(20)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2008 £000	2007 £000
Excess of depreciation over taxation allowances on fixed assets	601	(20)

Pensions

	2008 £000	2007 £000
Pension liabilities (see note 23)	143	267

18 Called up share capital

	2008 £000	2007 £000
<i>Authorised:</i>		
230,000 ordinary shares of £1 each	230	230
<i>Allotted, called up and fully paid:</i>		
230,000 ordinary shares of £1 each	230	230

Notes (continued)

19 Reserves

	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Total £000
As at 1 April 2007	4	20	677	701
Profit for the year	-	-	219	219
Actuarial gain recognised in the pension scheme	-	-	147	147
Deferred tax arising on gains in the pension scheme	-	-	(49)	(49)
Dividends paid	-	-	-	-
Balance carried forward	4	20	994	1,018

20 Reconciliation of movements in shareholders' funds

	2008 £000	2007 £000
Profit for the year	219	3,218
Dividends on shares classified in shareholders' funds	-	(2,500)
Actuarial gain/(loss) recognised in statement of total recognised gains and losses	147	61
Deferred tax relating to pension scheme deficit	(49)	(18)
Net addition to shareholders' funds	317	761
Opening shareholders' funds	931	170
Closing shareholders' funds	1,248	931

21 Contingent liabilities

The company is party to a cross guarantee of the secured bank loans of the Falkland Islands Holdings plc group along with other group companies. The total amount guaranteed at the year end was £6,099,000 (2007: £nil) of which £1,694,000 is included within the accounts of the company.

22 Capital commitments

As at 31 March 2008 the company had capital commitments authorised but not contracted for of £nil (2007: £nil).

Notes (continued)

23 Pensions

The company operates a defined benefit pension scheme for certain employees which is unfunded and was closed to new members in 1988. Benefits are only payable on leaving service of the company at normal retirement age. The latest valuation was carried out on 31 March 2008 using the attained age method, which estimates the average annual cost of all future years service.

The valuation was updated by the actuary on an FRS 17 basis as at 31 March 2008, 31 March 2007 and 31 March 2006. The major assumptions in this valuation were:

	2008 %	2007 %	2006 %
Rate of increase in pensions payments	3.7	3.2	3.0
Discount rate applied to scheme liabilities	6.9	5.4	4.9
Inflation rate	3.7	3.2	3.0

The assumptions used by the actuary are those indicated by management from a range of possible actuarial assumptions which due to the timescales covered may not necessarily be borne out in practice.

Scheme assets

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Value at 31 Mar 08 £000	Value at 31 Mar 07 £000	Value at 31 Mar 06 £000
Equities	207	156	133
Fixed interest	37	20	17
Other	36	34	6
	<hr/>	<hr/>	<hr/>
Total market value of assets	280	210	156
Present value of scheme liabilities	(477)	(591)	(627)
	<hr/>	<hr/>	<hr/>
Deficit in the scheme – Pension liability	(197)	(381)	(471)
Related deferred tax asset	54	114	141
	<hr/>	<hr/>	<hr/>
Net pension liability	(143)	(267)	(330)
	<hr/>	<hr/>	<hr/>

The expected rates of return on the assets in the scheme were:

	Long term rate of return 31 Mar 08	Long term rate of return 31 Mar 07	Long term rate of return 31 Mar 06
Equities	7.55%	7.50%	7.50%
Fixed interest	6.90%	5.00%	5.00%
Other - property	5.25%	5.00%	4.50%

Notes (continued)

23 Pensions (continued)

Movement in deficit during the year

	2008 £000	2007 £000
Deficit in scheme at beginning of year	(381)	(471)
Contributions paid	53	47
Other finance cost	(16)	(18)
Actuarial gain/(loss)	147	61
	<u>(197)</u>	<u>(381)</u>

Analysis of amounts included in other finance costs

	2008 £000	2007 £000
Expected return on pension scheme assets	16	13
Interest on pension scheme liabilities	(32)	(31)
	<u>(16)</u>	<u>(18)</u>

Analysis of amount recognised in statement of total recognised gains and losses

	2008 £000	2007 £000
Actual return less expected return on scheme assets	3	(4)
Experience gains and losses arising on scheme liabilities	-	-
Changes in assumptions underlying the present value of scheme liabilities	144	65
	<u>147</u>	<u>61</u>

History of experience gains and losses

	2008	2007	2006	2005
Difference between the expected and actual return on scheme assets:				
Amount (£000)	3	(4)	19	-
Percentage of year end scheme assets	0.6%	(1.9%)	12.2%	-
Experience gains and losses on scheme liabilities:				
Amount (£000)	-	-	(72)	-
Percentage of year end present value of scheme liabilities	-	-	(11.5%)	-
Changes in assumptions underlying the present value of scheme liabilities:				
Amount (£000)	144	65	(35)	(84)
Percentage of year end present value of scheme liabilities	30.1%	11.0%	(5.6%)	(16.8%)
Total amount recognised in statement of total recognised gains and losses:				
Amount (£000)	147	61	(88)	(84)
Percentage of year end present value of scheme liabilities	30.8%	10.3%	(14.0%)	(16.8%)

Notes *(continued)*

24 Ultimate and immediate parent company

The immediate and ultimate parent company is Falkland Islands Holdings plc, a company incorporated in Great Britain.

A copy of the financial statements of Falkland Islands Holdings plc, in which the results of The Portsmouth Harbour Ferry Company Limited are consolidated, can be obtained from Falkland Islands Holdings plc, Kenburgh Court, 133-137 South Street, Bishop's Stortford, Hertfordshire, CM23 3HX.